

**Press Release**

**Nairobi, Kenya, December 2022: Watu, an asset financing FinTech providing flexible financing solutions for income-generating assets, including motorcycles, has extended its receivables financing debt facility with AHL Venture Partners (“AHL”) to a total funding amount of USD 5 million.**

**This investment will support the company’s rapidly growing business in Uganda, enabling its expansion and financing its growing receivables book. In the last three years, Watu has grown its Ugandan operations to 17 branches and 440+ staff, managing a portfolio of over 52,000 two-wheeler loans while weathering multiple COVID-19 lockdowns.**

It is impossible to ignore the sheer impact two-and-three wheelers have on African urban economic livelihoods. In East Africa alone, motorcycle sales have overtaken that of private cars, with annual rates of registrations growing at more than 8% per annum from 2013 to 2017. In addition, operating motorcycle taxis has become a considerable source of income, allowing riders to transport both passengers and goods. However, motorcycle riders are yet to realize greater profit margins as limited access to credit hinders ownership of their motorcycles. As a result, most riders depend on renting older bikes which are expensive to operate and maintain. Watu’s asset financing product enables these riders to become independent business owners.

Founded in 2015, Watu provides affordable and flexible financing for two and three-wheelers, with the financed asset serving as collateral for the loan. Watu's tech-enabled underwriting model focuses on identity verification for clients and guarantors, enabling them to provide qualified clients with a bike in less than 2 hours.

The opportunity for impact is transformational as Watu’s financing turns informal workers into microenterprises with an income-generating asset with a residual value. Clients can either sell the motorcycle to buy land, start a new business, or get financed for a new motorcycle from Watu.

Watu is also at the forefront of financing electric motorcycles, which has the potential to transform the climate impact and economics of motorcycle taxis and couriers.

Sebastian McKinlay, Head of New Investments at AHL Venture Partners, commented, “Watu has proven itself to be capable of delivering impact at a very significant scale through the rapid expansion in the number of people in Uganda and beyond able to earn a living as micro-entrepreneurs through ownership of their own motorcycles.”

“AHL Venture Partners’ investment will help Watu scale its impact across Uganda’s bustling transport sector. With rapid urbanization throughout the continent, we are keen to lead the e-mobility revolution and enable the mass adoption of EV bikes. With AHL’s support and our joint vision for financial inclusion of underserved populations, we hope to continue to break down barriers and create opportunities for millions of people to be successful” shared Andris Kaneps, CEO of Watu.

Watu is now present in 7 countries: Kenya, Uganda, Rwanda, Tanzania, Nigeria, Sierra Leone, and the DRC. To date, they have provided over 400,000 loans across Africa and impacted over 2 million lives.

## **About AHL Venture Partners**

AHL Venture Partners believes in the power of entrepreneurs to drive African development forward. We invest in innovative entrepreneurs building scalable businesses to solve pressing social and environmental challenges across Africa. Since 2007, we have committed more than US \$100M to 35 impact-focused businesses and funds that operate across 27 different African countries. Our team on the ground, works closely with leading entrepreneurs to provide fit for purpose capital and ongoing business support. We deploy innovative financing products that respond to founder's needs, with tickets ranging from venture debt, working capital and equity investments. As a permanent capital vehicle, we are uniquely positioned to participate in subsequent funding rounds, and have the ability to be patient to optimise for both return and impact.

[www.ahlventurepartners.com](http://www.ahlventurepartners.com)

## **About Watu**

Watu is an asset financing FinTech revolutionising financial inclusion across Africa. The company is building an ecosystem for unbanked and underserved individuals by providing access to tools that enhance digital literacy, economic growth, quality of life and opportunity. So far, Watu has provided over 400,000 loans across 7 countries and has positively impacted the lives of more than 2 million people. In addition, Watu actively promotes financial literacy and independence, the adoption of digital payments and increased regulatory and safety compliances.

[www.watuafrica.com](http://www.watuafrica.com)