

Cactus Capital invests in African fintech startups

Cape Town-based Cactus Capital, the investment arm of Cactus Advisors, has invested in African fintech startups Flutterwave and e-Factor, following its investment into Ugandan-based mobile payment aggregator Intel World International earlier this year.



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Speaking at the Allan Gray Orbis E2 Accelerator programme at Standard Bank Future Labs in Cape Town, Cactus Advisors' founder and CEO, Zach George said the company was excited to be investing in pioneering fintech companies that had graduated from leading accelerator programmes worldwide.

About the startups

Flutterwave is a San Francisco-based team of African entrepreneurs, financial services technologists & mobile payment experts that provides end-to-end payments technology and infrastructure which enables payment service providers, global merchants, licensed money transfer operators and pan-African banks to process payments to and from Africa with one API integration. They are a graduate of the Y-Combinator Accelerator in Silicon Valley, whose graduates have included companies such as Airbnb, Dropbox, Stripe, Eventbrite, and Instacart, amongst several others.

E-Factor is a South African-based fintech company that has created a digital factoring platform where companies can sell their receivable invoices through an auction to investors with the highest bid. By investing in these invoices, investors obtain new short-term investment instruments with low-risk returns. E-Factor (formerly called InvoiceXchange) is a graduate of the Barclays Tech Lab Africa Accelerator.

IWI Africa, also a graduate of the Tech Lab Africa Accelerator Programme, is a Uganda-based Fintech company that aggregates payments and commerce into a single platform that enables businesses to transact with their customers on any mobile device. IWI Africa gives businesses platform solutions enabling them to automate their payments and commerce and ultimately increase revenue and/or reduce their costs and general business efficiencies.

Creating an enabling environment

"As Cactus Advisors, simply investing into high growth, high impact tech-enabled ventures on the continent is not good enough, unless we critically have the right enabling environment on the continent for tech startups to access markets, channel partners and customers," said George.

"Corporate Africa with its powerful consortium of financial services firms, retailers, telecommunication firms, insurance companies and media houses – all of whom are yet to seriously tap into the innovation pipeline that tech startups offer – provides the ideal platform for commercialising proof-of-concept agreements with startups that serves as a perfect risk mitigation shield to investors looking for returns in the African venture capital sector."

George spent three years running the Africa operations of U-Start, a global investment advisory firm for venture capital and private family offices, before he founded Cactus Advisors to pioneer corporate venture capital driven accelerator programmes on the African continent in partnership with Philip Kiracofe, an American venture capitalist and partner at Horizen Ventures Africa.

Following on the successes of the Barclays Tech Lab Africa Accelerator where 10 fintech and health-tech ventures raised a collective total of \$10million along with seven engagements and Proof of Concept projects with Barclays - the pair were offered to jointly run Startupbootcamp in Africa. Startupbootcamp is a global network of industry focused startup accelerators that scales and grows startups globally by giving them direct access to an international network of the most relevant partners, content, investors and mentors in their sector.

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