



VEF invests into Minu, Mexico's leading Pay on Demand Operator

VEF Ltd announces its USD 0.5 mln investment into leading Mexican Pay on Demand Operator, Minu. VEF participated in the USD 14 mln financing round led by Fintech Collective and with further participation from existing and new investors. Post the transaction VEF holds a minority stake in the company.

Minu, an employee financial wellness company, is the market leader in pay on demand in Mexico. Its solution offers employees 24x7 instant access to their earned wages for a \$2 fixed fee. For employers, it has no cost, no changes to their payroll process, and no admin work as payroll deductions are automated. Minu works with 100+ large enterprises in both the private and public sector, including TotalPlay, Telefonica, Scotiabank, OfficeMax, Rappi, Adecco, Manpower and Cap Gemini.

VEF CEO Dave Nangle comments:

"First and foremost, we invest in people. Not only were we impressed by the strides Nima and his team have made so far, but Minu is a great fit for Mexico and an operating model we know very well from other geographies. Removing financial stress and improving the financial wellness of employees goes hand in hand with our ESG overlay. We very much look forward to following Nima and his team in the years ahead."

Minu founder and CEO, Nima Pourshasb comments:

"We are very excited to partner with VEF to continue our mission of improving the long-term financial wellness of the average Mexican. The traditional pay cycle has tied up employees' earned income for as long as we can remember, forcing workers to make sub-optimal decisions like resorting to highly priced alternative credit options. VEF's global lens and previous experience with our operating model is just a great fit."

Minu's full press release is available below:

Minu, the Largest Pay On Demand Player in Latin America, Raises \$14 Million to Cement Financial Wellness in the Mexican Workforce

Mexico City, Mexico—February 23, 2021—Minu, an employee financial wellness company, today announced that it has raised \$14 million in Series A funding. The round was led by FinTech Collective, with participation from VEF, XYZ Ventures, and FJ Labs, as well as DocuSign founder Tom Gonser and Gusto CFO Mike Dinsdale. Existing investors QED, Next Billion Ventures, and Village Global also participated. The round includes \$2.5 million of debt from Banco Sabadell Mexico. To date, Minu has raised a total of \$20 million.

Founded in 2019 by Nima Pourshasb, Rafa Niell, and Paolo Rizzi, Minu created the pay on demand category in Mexico and has become the market leader with 100+ large enterprise clients, including TotalPlay, Telefonica, Scotiabank, OfficeMax, Rappi, Adecco, Manpower, Cap Gemini, and public sector clients such as the Electoral Institute of the State of Mexico.

Minu solves for the employee liquidity gap between paychecks in order to reduce financial stress and avoid expensive loans. The company offers 24x7 instant access to employees' earned wages for a \$2 fixed withdrawal fee.

The liquidity gap is profound in Mexican society. Seventy-five percent of workers live from paycheck to paycheck with average wages of \$550/month, 33% take loans out to cover their recurring basic expenses, and only 12% have a savings account. The country has 5,000 lenders and 10,000 pawn shops. Unsecured loans have APRs of 400%+.

“For today’s consumer who lives in an on-demand economy, not having access to the motor of their financial health – earned wages that legally belong to them – is surprisingly outdated,” said CEO Nima Pourshasb. “It generates high anxiety and forces absurdly sub-optimal financial decisions in a country with no usury laws. The pandemic has jumpstarted the momentum and urgency for this correction, and Minu is leading the charge towards a financially empowered and resilient workforce.”

Carlos Alonso Torras, who leads Latin America investing for FinTech Collective commented, “Minu leverages a strong combination of an exceptional founding team and auspicious macro trends. Pay on demand is a powerful wedge on which to build a platform, offering the financial products needed by this demographic. The company has built a promising B2B enterprise sales machinery in a short amount of time, and we are thrilled that Minu is our fifth investment in Mexico.”

“Both employers and employees pull our solution and love its impact: 92% employer NPS and 4.8/5.0 app ratings,” added Pourshasb. “It is the right beachhead from which to build financial wellness. It solves a top-of-mind and recurring problem; it anchors us into the employer’s payroll, we control the flow of funds, and we own a crucial real estate in the employer – employee relationship, with our users logging into our app 11 times per month.”

Matt Burton, partner at QED Investors, added: “Minu’s exponential growth – an 18-times increase in the number of transactions last year – speaks to not only the societal demand for access to earned wages, but also to the incredible team that Nima has created. In partnering with the country’s top employers, Minu has consolidated its position in Mexico and given an ever-growing number of workers a vital opportunity to improve their long-term financial health.”

Minu will use the new funds to continue winning enterprise deals in Mexico by scaling the sales team and by expanding its value proposition to include financial education, savings, smart spend and insurance products, and to start its regional expansion.

“We are empowering and equipping workers across their 2x2 financial needs matrix -- short-term and long-term, expected and unexpected – in our mission to cement the financial wellbeing for millions of Latin American workers,” Pourshasb concluded.

About FinTech Collective

FinTech Collective is a global venture capital firm investing in entrepreneurs who are rewiring how money moves through the world. Founded in 2012, the firm invests early across the digitalization of financial services, the rise of the middle class in emerging markets, and digital assets.

Backed by institutional capital and with a deep operating history as entrepreneurs, FinTech Collective is investing out of its third fund, a \$150m+ early-stage fund. The portfolio of 44 companies includes notable investments in Latin America, including Minu, Contabilizei, Fondeadora, Migo, Minka, Oyster, Rebel, Runa and OXIO. Outside of the region, notable investments include Anyfin (Stockholm), Axoni (NYC), Flutterwave (Africa), MoneyLion (NYC, IPO through FUSE), NYDIG (NYC), Oculus (NYC), Quovo (NYC, acquired by Plaid) and Vestwell (NYC). The fund publishes a weekly newsletter to 12,500 subscribers available at fintech.io/newsletter.

About Minu

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Press Release
Stockholm March 3, 2021

Founded in 2019, the company's investors include QED, FinTech Collective, VEF, XYZ Ventures, Next Billion Ventures, FJ Labs, Mountain Nazca, and Village Global, a social impact venture fund backed by Bill Gates and Jeff Bezos, among others.

www.minu.mx

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About Us

VEF Ltd. is an investment company, whose SDRs are listed in Sweden, that invests in growth stage private fintech companies. We take minority stakes and are active investors with board representation in each of our portfolio companies, always looking to back the best entrepreneurs in each market. We focus on scale emerging markets and invest across all areas of financial services inclusive of payments, credit, mobile money and wealth advisors. VEF trades in Sweden on Nasdaq First North Growth Market under the ticker VEFL SDB. For more information on VEF, please visit <http://www.vef.vc>.

VEF's Certified Adviser on Nasdaq First North Growth Market is Pareto Securities AB, +46 8 402 50 00, certifiedadviser.se@paretosec.com.

Attachments

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