

Mexican start-up gets Latin America's largest-ever seed funding

Category: Banking & Finance

written by Adrián Trejo Santiago | March 9, 2021

[A Latin Lawyer's article.](#)

Three [Hogan Lovells LLP](#) offices have helped Mexican e-commerce start-up Valoreo get a US\$50 million seed investment, which is one of the largest amounts ever raised by a Latin American company in an initial funding round.

A slew of international and local start-up-focused investors, including Upper90, FJ Labs, Angel Ventures and Presight Capital, led the funding round. US fintech investor Upper90 relied on Mexico's [Nader, Hayaux & Goebel](#) for the transaction. The investors' international counsel asked to remain confidential.

The deal was announced on 16 February.

The funding marks Valoreo's first-ever investment round and is among the largest-ever seed investments by a Latin American company. Seed funding refers to the initial investment received by a company, the funds of which a start-up tends to use to set up its business and cover initial operational costs.

Several angel investors - individuals who inject capital through investment rounds - also participated in the transaction. One of them was David Geisen, who heads the Mexican operations of Argentine e-commerce group Mercado Libre.

Valoreo was founded in 2020 with the aim of acquiring or investing in e-commerce businesses, scaling them up and divesting them. It also provides financial support, business tools and other resources to entrepreneurs looking to develop small and medium-sized businesses in Latin America. Aside from its Mexican presence, the start-up has intentions to expand to Brazil and Colombia.

Other Mexican start-ups have received landmark investments in recent months. E-retailer Jüsto [raised](#) US\$65 million in a Series A funding round last month, the

largest-ever in a second series investment round for a Latin American company. Mexican real estate start-up Casai [received](#) a US\$5 million seed investment back in October, followed by a US\$48 million Series A funding round.

In the second half of 2020, a slew of companies obtained substantial capital injections that resulted in them being crowned as unicorn companies - a title given to tech start-ups that are growing at an exponential speed and valued to more than US\$1 billion. In September, Japanese investor SoftBank led a US\$255 million funding round in Brazilian e-commerce group VTEX, which [made](#) the company a unicorn, just one week after Uruguayan start-up dLocal [became](#) a unicorn following a US\$200 million investment round.

Counsel to Valoreo

[Hogan Lovells LLP](#)

Partner Nathan Cooper in Washington, DC, and associate Zachary Shub-Essig in Los Angeles

[Hogan Lovells \(Mexico\)](#)

Partners Juan Francisco Torres-Landa and Federico De Noriega Olea, counsel Maria Aldonza Sakar Almirante, and Francisco Palmero and associate Pablo Corcuera Bain in Mexico City

Counsel to Upper90

[Nader, Hayaux & Goebel](#)

Partner Javier Arreola and associate Adrián Mendez in Mexico City