Neon receives investment of R$ 400 million from General Atlantic and Banco Votorantim

Neon Pagamentos, a leading Brazilian fintech, announced today an investment of R$ 400 million by General Atlantic (GA), a leading global growth equity firm, and Banco Votorantim (BV). The round is considered to be the largest Series B investment made in Brazil. The venture capital funds Monashees, Omidyar Network, Propel, Quona and Mabi, existing Series A investors, followed the contribution in this second round, reinforcing the confidence of the shareholders.

The capital will be used to accelerate the company's growth and raise the brand presence in other Brazilian cities outside the Rio-São Paulo corridor.

"This new fundraising rounds off our business model and gives us the strength to keep growing at an even more intense pace and to invest even more in technology and marketing", said Pedro Conrade, partner and founder of Neon, highlighting that Neon's management will continue to lead the company and sustain its values and business model.

Founded in 2016, Neon already has almost 2 million opened accounts. The capital now invested in the company will be used to expand its product offering, including the development of credit modalities and investment alternatives to customers, as well as advertising and marketing campaigns, technology infrastructure and talent base.

"Both GA and BV bring invaluable operational and strategic expertise as we enter the next phase of Neon's growth. This latest investment shows that we have ability to compete with traditional financial institutions on an equal footing, offering innovative solutions in the customer experience in financial services," continued Jean Sigrist, managing partner at Neon.

This is Neon's second round of funding. The first investment, valued at R$ 72 million, was made in May 2018 by the funds Monashees, Omidyar Network – of eBay founder Pierre Omidyar – Propel, Quona and Mabi.

"Neon has proven the strength of its business model in a short period of time," said Luiz Ribeiro, Principal at General Atlantic. "The Brazilian banking industry is ripe for change, and Neon is providing new solutions that are resonating with Brazilian customers. We are excited to be supporting the Neon team on its path to transforming banking."

"We believe Neon combines an experienced team with a clear vision to build an innovative multi-product platform in Brazil. The strong growth and high engagement show that the company is creating value and trust and becoming the place where customers center their financial lives," said Marcelo Lima, partner of Monashees.

"As a fintech focused fund, we are proud and lucky to be early supporters of the Neon team. Neon stands alone as the only neobank to build a sustainable business model that covers the customers payments, savings and credit needs. We are excited that GA shares our visions and will help fuel the next stage of Neon's growth," said Jay Reinemann, general partner of Propel Ventures.

Throughout 2019, Neon has made strategic decisions to strengthen its business in the corporate segment, such as the acquisition of MEI Fácil, in addition to launching its first advertising campaign and hiring key executives in the areas of risk and control.

Neon points out that the investment is subject, among other conditions, to regulatory approval.

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