AEVION QVenture — Investment Memo

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FICTIONAL EXAMPLE: the company in this example is made up; any resemblance of names is coincidental. All figures are model output on invented inputs.

MeshPay

Fintech / Payments · series-a · LATAM · raising $18,000,000

Score 59.6/100 — WATCH (conviction: low)

Signal coverage: 0% company-specific (0 metrics parsed from the plan); remainder from sector priors.

Investment memo

Verdict: watch, not lead — a conditional pass that converts to a term sheet only after diligence closes the disclosure gap. The single strongest reason for is a genuine, licensed-anchored moat in a $400B, 16%-CAGR market with real traction ($14M monthly volume, 900 customers) and a solid execution signal. The single strongest reason against is that MeshPay's 1.4% take rate is directly undercuttable by Deel and Remote, who bundle LATAM contractor payments free against EOR/SaaS margin — a compression risk that, with zero quantified unit economics disclosed, is entirely unpriced. Concretely: do not wire on current information. Require a per-country license inventory verified by local counsel, entity/jurisdiction confirmation, and cohort-level CAC/LTV and take-rate durability before proceeding. If those clear, lead with roughly $5.1M for ~7.2%, hold hard exposure under $8.2M, and reserve ~$7.7M for pro-rata follow-on. Absent the license and unit-economics evidence, pass and re-engage at Series B with a proven moat.

Narrative engine: model anthropic (per-part source not recorded)

Entry strategy

Ticket: $5,103,360 target (range $2,551,680–$8,165,376)
Target ownership: 7.2%
Valuation band (pre-money): $25,720,000 / $52,880,000 / $105,760,000
Modelled return (not a forecast): 5.28x multiple (9.5x base) · horizon 6yr · loss prob 45%

Deployment schedule:

- 60% — Entry: On close, after commercial + legal + financial diligence.
- 40% — Pro-rata: Reserve to maintain ownership through the next round.

Portfolio: Size at ~0.9% of a diversified venture portfolio (fractional-Kelly, conviction-scaled). Reserve 7,655,040 USD for pro-rata follow-on.

Score breakdown

Market size & growth — 66/100 (weight 14%)
~$400B TAM, 16% CAGR (Fintech / Payments).

Timing / tailwinds — 60/100 (weight 5%)
Sector growth 16% vs. 12% neutral baseline.

Moat / defensibility — 61/100 (weight 16%)
regulatory license is the category's mature moat (ceiling 82), but ~55% realized at series-a given disclosed traction — an unproven moat is discounted toward the 35 "no demonstrated defensibility" floor.

Unit economics potential — 52/100 (weight 15%)
~55% mature gross margin, capital intensity 55% (sector reference).

Team / execution signal — 68/100 (weight 28%)
revenue/customers cited

Scientific / tech feasibility — 58/100 (weight 7%)
real-time risk ML, on-device fraud graphs, programmable stablecoin rails

Regulatory / legal headroom — 45/100 (weight 7%)
Regulatory intensity 85% (higher = more legal drag).

Competitive headroom — 44/100 (weight 8%)
Competitive intensity 80%. rate-cycle sensitivity and licensing moats favoring incumbents.

Analyst council

Research Scientist — Feasibility is mostly execution not invention; 58/100 is fair-to-slightly-generous for undisclosed tech

+ The 58/100 feels roughly right, maybe generous. MeshPay's core is not a hard-science bet — cross-border payroll rails are integration/compliance engineering (local ACH/PIX/SPEI connectivity, KYB, tax-withholding logic per jurisdiction), which is well-trodden. The frontier tags (real-time risk ML, on-device fraud graphs, programmable stablecoin rails) are aspirational sector context, not evidenced

+ Technical feasibility is de-risked by live operation in 6 countries at $14M/mo — the rails demonstrably clear payments and withhold taxes. That is stronger evidence than any lab claim; the hard part (per-country tax/compliance state machines across BR/MX/CO/etc.) is already in production, which is why I'd defend a score in the high-50s rather than the 40s.

+ The genuinely hard technical differentiator would be stablecoin settlement (USDC/USDT rails to cut FX spread and T+ latency) — but that shifts risk from engineering to regulatory (LATAM stablecoin on/off-ramp rules are unsettled, e.g. Brazil's 2024–25 VASP framework). No evidence MeshPay uses this; if it's TradFi rails only, the tech is commoditized and the moat is licenses, not code.

+ Fraud/AML tooling is table-stakes, not a moat: at 900 customers and $14M/mo, there isn't enough transaction volume to train a defensible proprietary fraud graph (frontier ML needs 10^7–10^8 labeled events). Realistically they buy Sift/Unit21-class tooling. The tech story is 'reliable plumbing + compliance,' which is fine but should not be sold as a scientific edge.

! Compliance logic is per-country and brittle: each new jurisdiction requires rebuilding tax-withholding and reporting engines against changing local law (SAT, Receita Federal, DIAN). This is linear-cost engineering, not scalable IP — a hidden margin drag masquerading as a tech asset, consistent with the 55% gross-margin prior.

! No disclosed proprietary tech, model, or IP — signal coverage 0%. If the 'programmable stablecoin rails' framing is marketing rather than shipped, the real defensibility is licenses (better assessed by regulatory/legal), and the tech score should not be double-counted as a moat.

! Fraud/AML exposure scales faster than volume: cross-border payroll is a laundering vector, and without proprietary detection they inherit vendor false-positive/negative rates. A single sanctions or AML failure across 6 regulators is an existential, not incremental, technical-operational risk.

Data Analyst — 52/100 unit-econ score is generous absent any disclosed CAC/LTV; 1.4% take on $14M/mo is real but thin — payback unknown

+ The 52/100 leans on a 55% sector-reference gross margin, but MeshPay disclosed zero unit-economics fields. On observed numbers: $14M MPV x 1.4% = ~$196K monthly gross revenue (~$2.4M ARR run-rate) across 900 customers = ~$218/customer/month. If mature payroll gross margin is 55%, contribution is ~$1.3M/yr — CAC and payback are pure inference. I'd push the score DOWN to ~45 until CAC/LTV is shown;

+ TAM logic is inverted: the $400B 'fintech/payments' TAM is a category vanity number. Real SAM is US-companies-paying-LATAM-contractors — a bottom-up build (say ~2-3M US firms with LATAM contractors x avg spend x 1.4%) likely yields a low-single-digit-$B revenue pool, and Deel/Remote already own the wedge. No bottom-up triangulation was run.

+ Take rate of 1.4% blended is the crux: FX-inclusive payroll rails typically capture 1-3%, so 1.4% is plausible but suggests thin or fully-passed-through FX margin. Whether that 1.4% is net (after banking/FX/tax-filing costs) determines if the 55% gross margin is real or aspirational — this is the single metric most worth verifying.

+ Comparable multiples: Deel/Remote/Papaya raised at 15-30x forward ARR in 2021 but repriced hard; at ~$2.4M ARR an $18M Series A implies a >20x ARR entry unless there's undisclosed growth. Need MoM MPV growth and net revenue retention to justify.

! Incumbent free/subsidized competition: Deel and Remote already offer LATAM contractor payments across all six countries and cross-subsidize payments with EOR/SaaS margin — MeshPay's 1.4% take is directly undercuttable, and the model's own 44/100 competitive-headroom flags this. No disclosed differentiation beyond geography.

! Regulatory drag is a two-sided bet: 6-country licensing is the moat (61/100) but also the cost — money-transmission/payroll-tax compliance burns capital (55% capital intensity), and a single license lapse or tax-withholding error creates liability. No compliance-track-record or license-status data disclosed.

! Rate-cycle and FX sensitivity: LATAM currency volatility and US rate cycles hit both float income and merchant demand; a thin 1.4% take offers little buffer against FX losses if any settlement risk is warehoused rather than fully hedged/passed through.

Economist — Real TAM but the 66 conflates a $400B payments pool with a far smaller cross-border LATAM payroll SAM; take-rate compression is the core risk

+ The 66/100 overstates the addressable slice. $400B is total LATAM payments; MeshPay's true SAM is cross-border payroll/contractor flow into ~6 LATAM markets from US payers — realistically single-digit $B in annual float, not hundreds. I'd mark the market factor to ~58: growth is real (remote-work + nearshoring drives 15-20% volume CAGR) but the addressable wedge is narrower than the sector prior i

+ Demand is genuinely elastic on price: the 1.4% blended take rate is the whole thesis and it is structurally exposed. Deel/Remote/Ontop and local incumbents compete the same flow; FX+compliance take rates have compressed ~20-40bps across the category in 2 years. At $14M MPV, 1.4% implies ~$2.4M ARR — thin for an $18M Series A (post ~$70-90M), needing ~10x volume to justify.

+ The durable rent is regulatory, not technological: six-country money-transmission/payroll-tax licensing is a real

supply-side moat (model ceiling 82) and the primary barrier to the next entrant. But at ~55% realized it is a cost center today, not yet a pricing wall — and it cuts both ways, favoring capital-rich incumbents flagged in the structural risk.
+ Weak network effects: payroll rails are largely a hub-and-spoke utility (US payer to local worker), not a two-sided network — little viral compounding, so growth stays sales-led and CAC-heavy. Programmable stablecoin rails could lower settlement cost and defend margin, but that frontier also lowers entry barriers for crypto-native competitors.
! Take-rate compression: with no disclosed LTV/CAC and 80% competitive intensity, 1.4% could halve toward ~0.7% as Deel/Remote bundle payroll free to win adjacent SaaS — collapsing the unit-economics case (already 52/100).
! Macro/rate-cycle sensitivity: LATAM FX volatility and US rate cycle hit both float economics and US customers' hiring appetite; a nearshoring pullback shrinks the SAM faster than the 16% CAGR suggests.
! Zero quantified plan metrics (0% signal coverage): no bottom-up TAM, cohort retention, or CAC disclosed, so the entire market/unit-economics view rests on sector priors — a material diligence gap for an $18M check.

Corporate & Regulatory Lawyer — 45/100 understates active licensing drag: 6-country money-transmission + tax-agent exposure is the whole business, not a footnote

+ The 45 conflates 'regulatory intensity' with headroom, but the auto-note 'No sector licence expected' is flat wrong for this model — moving cross-border payroll with automated tax withholding across 6 LATAM markets triggers payment-institution/money-transmitter registration (Brazil BCB instituicao de pagamento, Mexico IFPE under Ley Fintech, Colombia SEDPE) plus acting as a withholding/tax agent u
+ The 'automated tax withholding and compliance' claim is the single largest undisclosed liability: misclassification of contractors vs. employees (esp. Brazil CLT, Mexico outsourcing reform of 2021 which bans third-party personnel supply) can make MeshPay or its US clients jointly liable for back-taxes, social charges and penalties — a per-transaction liability tail on $14M/mo volume.
+ Structure defense is standard and achievable: Delaware C-corp or Cayman topco flip with local operating subs, round under Reg D / local private-placement exemptions; investor terms should force IP assignment to topco, licensing-milestone tranching, and reps/warranties on license status in all 6 countries.
+ Data/privacy is materially exposed, not TBD: Brazil LGPD (fines up to 2% of BR revenue, capped R$50M/infraction) and Mexico LFPDPPP govern payroll PII and cross-border transfer; stablecoin rails add MiCA-style and OFAC/AML sanctions-screening obligations on the US-facing leg.
! Unlicensed operation in one or more of the 6 markets — if MeshPay is running on agent/BaaS partnerships rather than its own licenses, the regulatory 'moat' scored at 61 is actually a borrowed permission that can be revoked, collapsing both moat and legality simultaneously.
! Tax-agent and misclassification liability is uncapped and can attach to the 900 business customers, creating indemnity claims back to MeshPay that dwarf the 1.4% take rate; no stress test or LTV/CAC disclosed means this tail is entirely unpriced.
! Zero quantified plan metrics (0% signal coverage) means license status, entity structure and jurisdiction of the raise are all unverified — do not wire before local counsel confirms exemption availability and a completed license inventory per country.

Market data sources

- Polaris Market Research (2026) — Fintech ~$395.4B in 2025, ~16.3% CAGR 2026–2034
  https://www.polarismarketresearch.com/industry-analysis/fintech-market
- Fortune Business Insights (2026) — Fintech $460.8B in 2026 !' $1,760.2B by 2034 at 16.2% CAGR
  https://www.fortunebusinessinsights.com/fintech-market-108641

Assumptions & limitations

- Market size / growth for Fintech / Payments is anchored to Polaris Market Research (2026): Fintech ~$395.4B in 2025, ~16.3% CAGR 2026–2034. Full citations are listed under "Market data sources".
- Signal coverage: ~0% of the score is backed by the plan's own disclosed metrics (0 quantified fields); the remainder uses Fintech / Payments sector priors — add financials to raise it.
- Stage norms reflect US-market series-a deals; adjust for geography "LATAM".
- Score is a screening signal, not a substitute for legal, financial, and technical due diligence.

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