

INSIDE **ANOTHER RECORD BREAKING YEAR**

LAVCA's Annual Review of Tech Investment in Latin America

TECH/VC HIGHLIGHTS



ANOTHER RECORD YEAR: VC investments in Latin America doubled for the **second consecutive year** to just under **US\$2b** in 2018 (up from US\$1.1b in 2017; US\$500m in 2016).



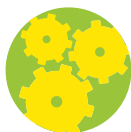
TRANSACTION SIZES ARE GROWING: Brazil's iFood closed the **largest known VC round** to date (US\$500m) in 2018. The top five investments in 2018 all exceeded US\$100m per round and collectively totaled US\$1.2b, more than the total invested for all of 2017.



CO-INVESTMENTS ON THE RISE: **US\$1.7b** or **87%** of VC investment dollars were invested via co-investments, US\$1.2b of which paired global investors with Latin American investors.



UNICORNS & IPOs: More startups than ever reported surpassing US\$1b valuations including **Movile, iFood, Nubank, Rappi, and 99**. In addition, **Stone Pagamentos** and **PagSeguro** listed on the Nasdaq and NYSE, respectively.

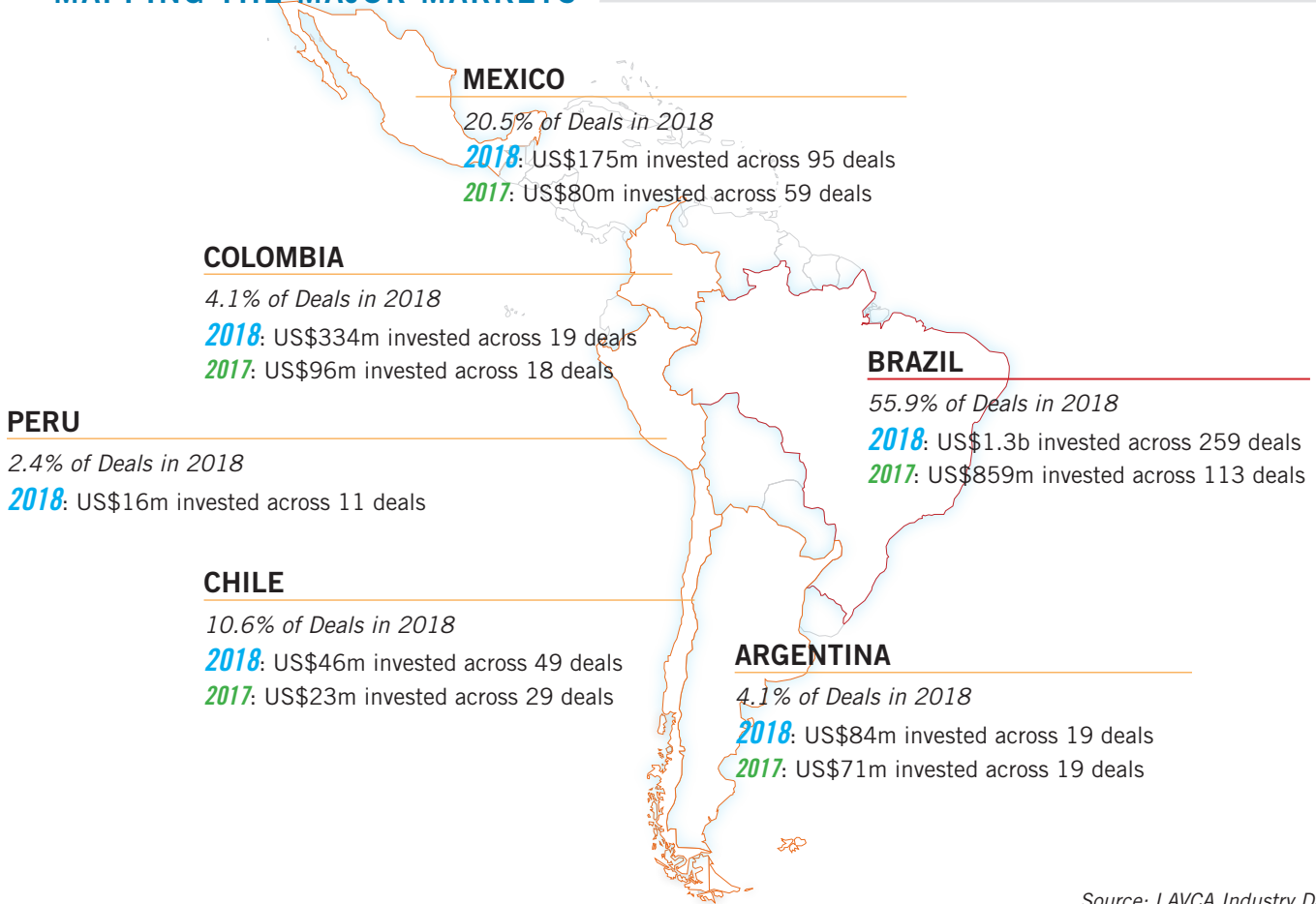


BIG TECH: Latin America continues to attract major global tech players pursuing market expansion. **Payments** emerged as an area of focus in 2018/2019, with notable activity from **Amazon, Apple Pay, Google Pay, MercadoLibre & MercadoPago, PayPal, Stripe, Visa,** and others.



2019 & BEYOND: 2019 is off to another strong start, with back-to-back announcements from **MercadoLibre** (raised almost US\$2b), **SoftBank** (announced a US\$5b dedicated VC fund for Latin America), and **Stone Pagamentos** (announced a follow-on public offering).

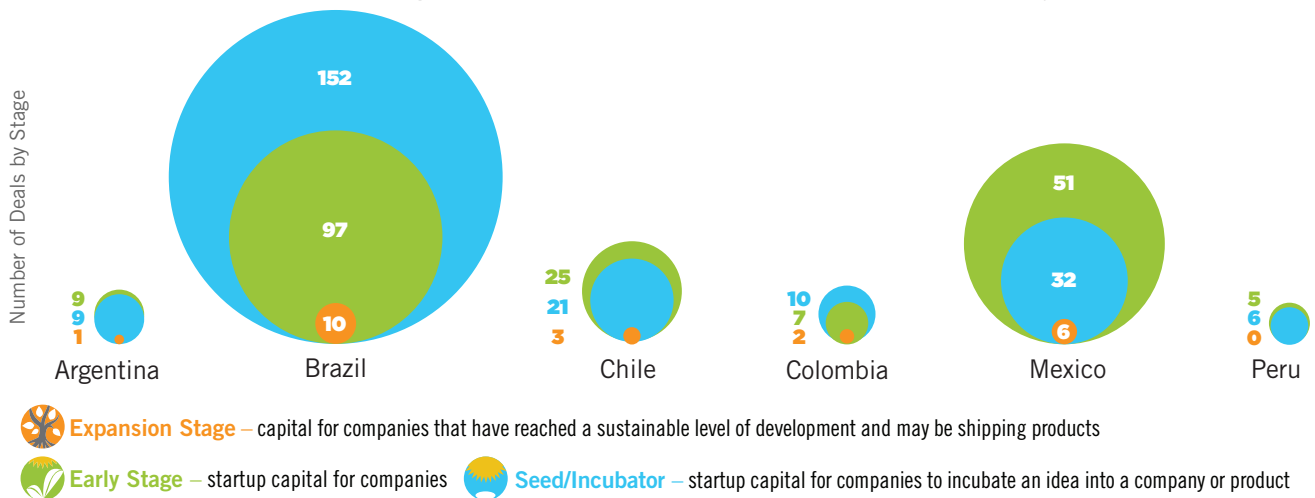
MAPPING THE MAJOR MARKETS



Source: LAVCA Industry Data

STARTUP MATURITY

Early Stage and Seed/Incubator deals drove the record 463 VC transactions in 2018, up from 249 in 2017. Expansion Stage deals, including record-size rounds, drove investment dollars to nearly US\$2b.



Source: LAVCA Industry Data

2018 TOP VC DEALS BY VALUE

| Investors | Company | Sector | Country | Amount Invested (US\$ Million) | Stage |
|---|-------------|---|-----------|--------------------------------|--|
| Mobile, Naspers, Innova Capital | iFood |  Logistics & Distribution | Brazil | \$500 |  Expansion Stage |
| DST Global, Andreessen Horowitz, Sequoia Capital | Rappi |  Logistics & Distribution | Colombia | \$217.5 |  Expansion Stage |
| Delivery Hero, Sequoia Capital, Andreessen Horowitz | Rappi |  Logistics & Distribution | Colombia | \$185 |  Expansion Stage |
| DST Global, Thrive Capital, Dragoneer Investments, Founders Fund, Redpoint Ventures, Ribbit Capital, QED Investors | Nubank |  Fintech | Brazil | \$150 |  Expansion Stage |
| Softbank, Kaszek Ventures, Iporanga Investimentos, Qualcomm Ventures | Loggi |  Logistics & Distribution | Brazil | \$111 |  Expansion Stage |
| General Atlantic, Kaszek Ventures, Qualcomm Ventures, QED Investors, Ruane, Cunniff & Goldfarb | QuintoAndar |  Proptech | Brazil | \$64 |  Expansion Stage |
| GGV Capital, monashees, Grishin Robotics, Base10 Partners, Class 5 | Yellow |  Transportation | Brazil | \$63 |  Early Stage |
| Blackstone, Hudson Structured Capital Management, Valor Capital, Goldman Sachs, Qualcomm Ventures, Soros Fund Management, Angel Investors | CargoX |  Logistics & Distribution | Brazil | \$60 |  Early Stage |
| Amadeus Capital, Santander InnoVentures, Vostok Emerging Finance, Kaszek Ventures | Creditas |  Fintech | Brazil | \$55 |  Expansion Stage |
| Shashta Ventures, DCM Ventures, SV Angel, Trinity Ventures, Y Combinator, monashees, Base10 Partners, Angel Investors | Grin |  Transportation | Mexico | \$45.7 |  Early Stage |
| Goldman Sachs, monashees, Ribbit Capital, Jefferies Group, Cohen's Point72 Ventures, Soros Family Office | Ualá |  Fintech | Argentina | \$34 |  Early Stage |
| LLR Partners, .406 Ventures, Evolution Equity Partners, Arsenal Venture Partners | Onapsis |  Digital Security | Argentina | \$31 |  Expansion Stage |
| FTV Capital, Endeavor Catalyst | Ebanx |  Fintech | Brazil | \$30 |  Early Stage |
| Tiger Global Management, Endeavor Catalyst | ContaAzul |  Fintech | Brazil | \$30 |  Expansion Stage |

Source: LAVCA Industry Data

MOST ACTIVE INVESTORS

2017 & 2018 most active investors by deal count include:



Seed/Incubator: Bossa Nova Investimentos, Canary, NXTP Labs, Magma Partners, 500 Startups, Cedro Capital, monashees, Angel Ventures, Y Combinator, DOMO Invest



Early Stage: monashees, Crescera (Criatec 2), DILA Capital, IGNIA Partners, Inseed Investimentos, Variv Capital, e.Bricks Ventures, Endeavor Catalyst, Mountain Nazca Chile, SP Ventures, KaszeK Ventures, Valor Capital, NXTP Labs, The Venture City, ALLVP, CVentures



Expansion Stage: KaszeK Ventures, Endeavor Catalyst, InvestTech, Vostok Emerging Finance, QED Investors

Source: LAVCA Industry Data

NEW PLAYERS

Investors that made an inaugural investment in major Latin American markets in 2018 include:

Venture Capital

Sequoia Capital (Rever) – Inaugural deal in Mexico

GGV Capital (Yellow)

Khosla Ventures (Higia)

monashees (Grin) –

Inaugural deal in Mexico

Andreessen Horowitz (Cuenca) –

Inaugural deal in Mexico

Corporate Venture Capital (CVC)

Walmart (Cornershop)

Visa Ventures (Conductor)

Salesforce Ventures (RunaHR)

Mobile (Mercadoni) –

Inaugural deal outside Brazil

Monsanto Growth Ventures

(Grão Direto)

Krealo/CrediCorp (Culqi)

Santander Innoventures (Creditas) –

Inaugural deal in Brazil

InnoCells/Banco Sabadell

(UnDosTres)

Cemex Ventures (Ipsium) –

Inaugural deal in Chile

CO-INVESTMENTS

Co-investment dollars increased in 2018, driven by the growing participation of global VCs, paired with Latin American VCs.

20% of VC deals in 2018 were co-investments
2017: 22% of VC deals were co-investments.

87% of VC investment dollars, totaling **US\$1.7b**, were co-investments in 2018
2017: 67% of VC dollars were co-investments.



LatAm + Global

US\$1.2b or **59%** of VC dollars can be traced back to a **global investor + a local investor** (up from US\$633m in 2017 and US\$203m in 2016)



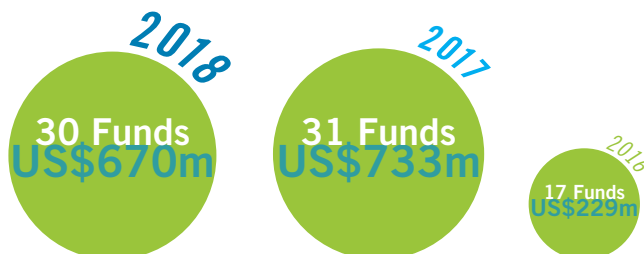
LatAm + LatAm

US\$43m or **2%** of VC dollars were executed exclusively by **Latin American fund managers** (versus US\$31m in 2017)

Source: LAVCA Industry Data

VENTURE CAPITAL FUNDRAISING

Fundraising for regional funds (versus country-specific funds) was up **64%**, totaling **US\$489m** in 2018.



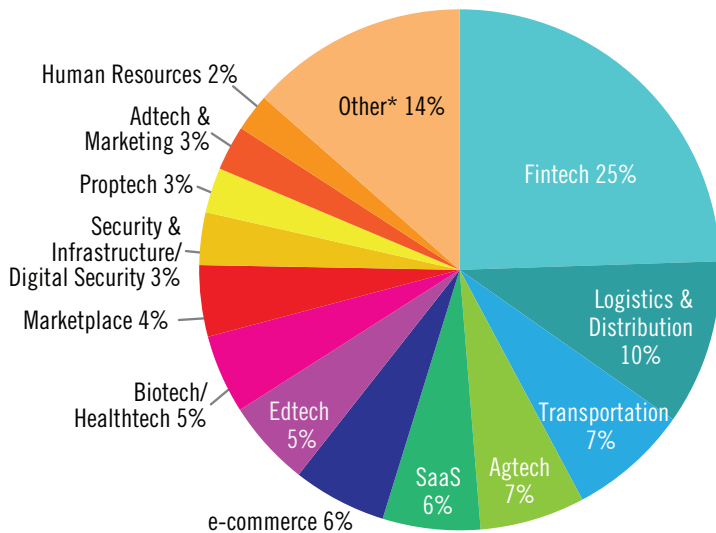
VC funds dedicated to Latin America raised **US\$4b** since 2011 (not including CVC and other types of funding for tech startups). **How will the new US\$5b Softbank LatAm Tech Fund announced in 2019 disrupt the market?**

New regional funds were raised by **ALLVP, Angel Ventures, NXTP Labs, monashees, Fen Ventures, and Adobe Capital.**

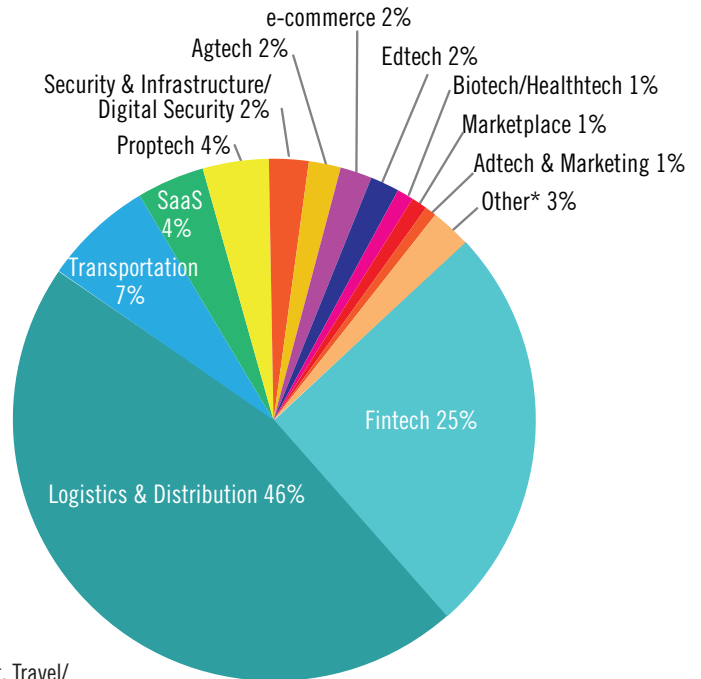
Source: LAVCA Industry Data

TOP SECTORS

Number of Deals



Amount Invested

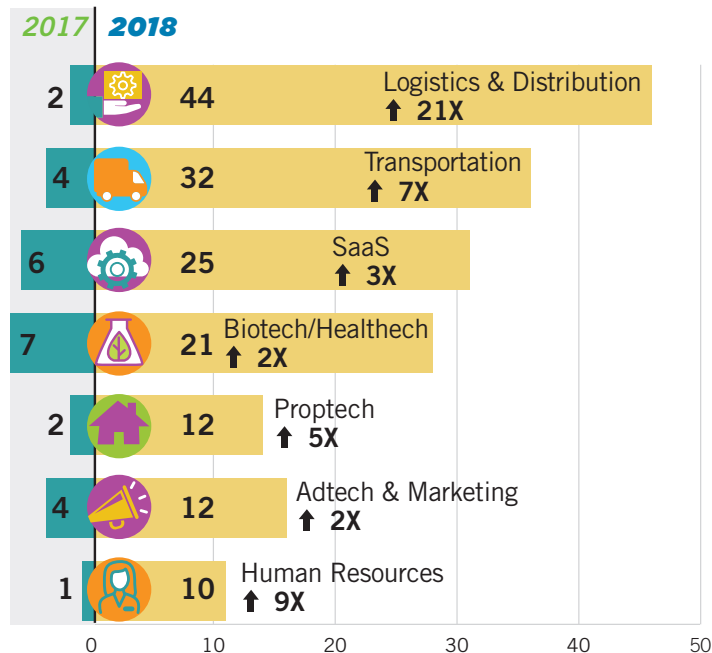


*Other includes Regtech, Digital Media & Entertainment, CRM, IoT, Sales Management, Travel/Tourism, Spacetech, Event Management, Hardware, Cloud Computing, Speech Recognition, Clean Tech/Energy, Business Services, Social Network, ERP, Virtual Reality, Data Management, Telecommunications, Games, App Development & Testing, Human Resources

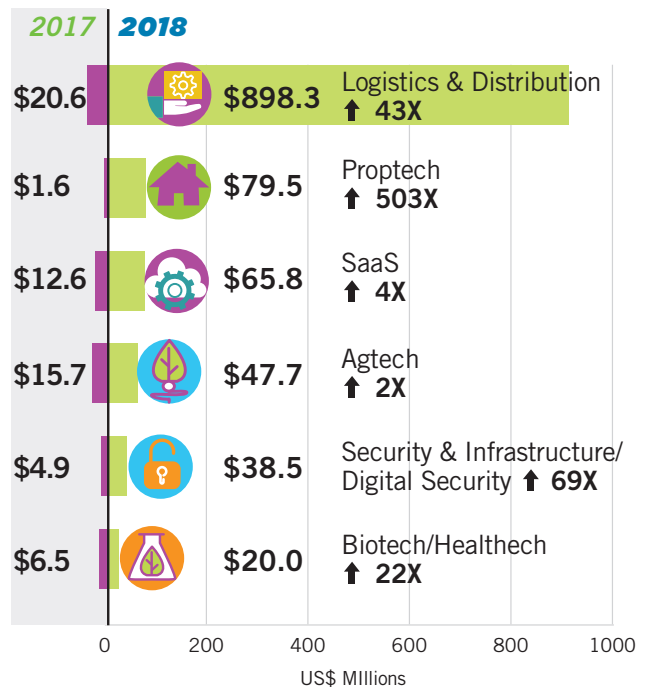
Source: LAVCA Industry Data

FASTEST GROWING SECTORS

Number of Deals



Amount Invested



Source: LAVCA Industry Data

OTHER HIGHLIGHTED TRANSACTIONS

| Investors | Company | Sector | Stage | Amount Invested (US\$ Million) | Country | Why it Matters |
|---|------------------------|---|--|--------------------------------|-----------|----------------------------|
| SP Ventures, Syngenta Ventures, Bunge Ventures, Endeavor Catalyst | Agrofy |  Agtech |  Early Stage | \$6 | Argentina | Fastest Growing Sector |
| The Venture City, Velum Ventures, Grupo Cisneros | FluVIP |  Adtech & Marketing |  Early Stage | \$1 | Colombia | Cross-Border Co-Investment |
| Rise Capital, Variv Capital, French Partners | GAIA Design |  e-commerce |  Early Stage | \$15 | Mexico | Cross-Border Co-Investment |
| Maya Capital, Valor Capital | Gupy |  Human Resources |  Early Stage | \$3 | Brazil | New Investor |
| Mercado Libre, Agrega Partners, Arfintech, Lucens Capital, Grupo Supervielle, Rise of the Rest Seed Fund | Increase |  Fintech |  Early Stage | \$3 | Argentina | Corporate Commitment |
| IGNIA Partners, BeCurious Partners, The Stanford-StartX Fund, DILA Capital, Promotora Social Mexico, Stella Maris | Kinedu |  Edtech |  Early Stage | Undisclosed | Mexico | Cross-Border Co-Investment |
| Vostok Emerging Finance, Kaszek Ventures, Quona Capital, QED Investors, IFC, Jaguar Ventures | Konfio |  Fintech |  Expansion Stage | \$25 | Mexico | Notable Deal Size |
| IFC, UPS Strategic Enterprise Fund, Mercado Libre, Tekton Ventures, FJ Labs, Performa Investimentos, Qualcomm Ventures, monashees, Icon Holding Company | Mandaê |  Logistics & Distribution |  Early Stage | \$7 | Brazil | Corporate Commitment |
| monashees, Quona Capital, Propel Venture Partners, Omidyar Network, Tera, Yellow Ventures | Neon Pagamentos |  Fintech |  Early Stage | \$22 | Brazil | Impact Investment |
| Kaszek Ventures, SOS Ventures | NotCo |  Foodtech |  Early Stage | \$3 | Chile | Company to Watch |
| OpenView Partners, Redpoint Ventures, Trinity Ventures, Valor Capital | Pipefy |  SaaS |  Early Stage | \$16 | Brazil | Cross-Border Co-Investment |
| Variv Capital, Y Combinator, FJ Labs, Sierra Ventures, EasyPost, Soma Capital, Sinai Ventures, GMF, Dynamo | SkyDrop |  Logistics & Distribution |  Seed/Incubator | \$5 | Mexico | Hot Sector |
| Kaszek Ventures, QED Investors, Oikocredit, Accion Venture Lab, Agrega Partners | Tienda Pago |  Fintech |  Early Stage | \$7.5 | Peru | Cross-Border Co-Investment |
| Y Combinator, Foundation Capital, Graph Ventures | Tributi |  Fintech |  Seed/Incubator | \$1 (US\$800,000) | Colombia | Notable Investors |

STARTUP SURVEY

Inaugural Survey of Latin American Startups

A Benchmark of 200+ Early Stage Tech Companies with Insights from the Region's Leading Entrepreneurs

Powered by **facebook**

LAVCA, with support from Facebook, conducted an **Inaugural Survey of Latin American Startups** to capture and report on the evolution and impact of the region's leading early stage tech companies. Over 220 verified startups across sectors, stages and geographies replied, establishing the region's first benchmarks on founder experience, job creation, workforce diversity, regulatory barriers to growth, and the impact startups are generating.

SURVEY INSIGHTS



Jobs: The 227 startups that responded **have created 25,000+ current full-time jobs**

Experience: **66%** of participating founders have **started multiple companies**; **59%** **advise** other startups

Growth: **89%** of startups reported **positive net revenue** growth for 2017-2018



Footprint: **86%** of startups have **1-2 local operating subsidiaries**



Frontier Tech: **73%** of startups across all sectors are **using some form of big data, machine learning, or artificial intelligence.**

Impact: **59%** are measuring some form of impact; **job creation** and **financial inclusion** top the list



Diversity: **29%** said they've **reached gender parity** or **greater** in their workforce

Access the **full report** at lavca.org



Latin American Tech Growth Coalition members are leading global and Latin American tech companies and investors with a common goal of advancing high growth startups in Latin America. The Tech Growth Coalition was inaugurated in 2018 during a record-breaking year of investment in Latin American startups, alongside the expansion of key global players in the region and the emergence of tech unicorns.



A special thank you to the LatAm Tech Forum, Riverwood Capital, and the 2019 event sponsors and partners.

About LAVCA

LAVCA is the Association for Private Capital Investment in Latin America, a not-for-profit membership organization dedicated to supporting the growth of private capital in Latin America and the Caribbean. LAVCA's membership is comprised of over 190 firms, from leading global investment firms active in the region and local fund managers to family offices, global sovereign wealth funds, corporate investors, and international pension plans. Member firms control assets in excess of US\$65b, directed at capitalizing and growing Latin American businesses. LAVCA's mission – to spur regional economic growth by advancing private capital investment – is accomplished through programs of research, networking forums, education and advocacy of sound public policy. Visit www.lavca.org for more information. Access LAVCA VC/Tech content at www.lavca.org/VC.

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Investors Annual
Meeting**

September 26, 2019
New York, NY

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