


INSIDE THE 4TH CONSECUTIVE PEAK YEAR

LAVCA's Annual Review of Tech Investment in Latin America

CONTEXT

Venture investment in Latin America has more than doubled (by dollars) every year from 2016 to 2019, tracing a steady growth trajectory that will certainly be interrupted by the 2020  COVID-19 global health pandemic in ways foreseen and unforeseen.

As venture investors encourage their portfolios to shift to survival mode, the era of “growth at all costs” popularized in Silicon Valley and China appears to have ended for the time being.

Opportunities for innovation around **healthcare**, **education**, and **logistics** are at the forefront as we collectively adjust and respond to new global realities. One certainty: The resilience and resourcefulness of Latin America's entrepreneurs will be tested in the year ahead as the need for cost-effective solutions to highly complex problems comes into sharper view.

TECH/VC HIGHLIGHTS



RECORD YEAR FOR VC FUNDRAISING (by dollars) with **US\$1.08b** in partial and final fund closes.



RECORD YEAR FOR VC INVESTMENT (by dollars) for the region (**US\$4.6b**), as well as most of the major markets.



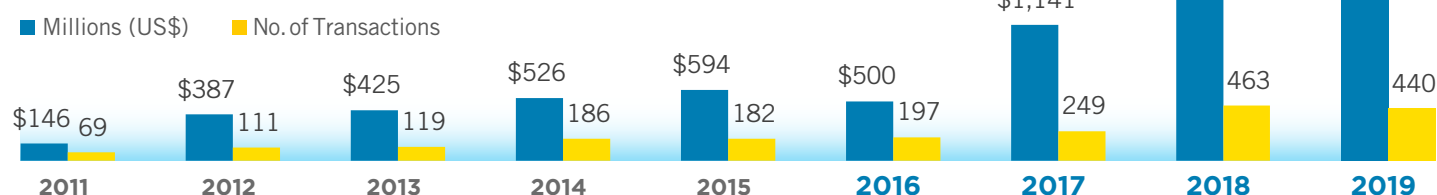
MEGA-ROUNDS included 18 disclosed transactions over US\$50m; 11 transactions over US\$100m.



NEW UNICORNS from 2019 included **Auth0**, **EBANX**, **Gympass**, **Loggi**, **QuintoAndar**, **Wildlife Studios**.

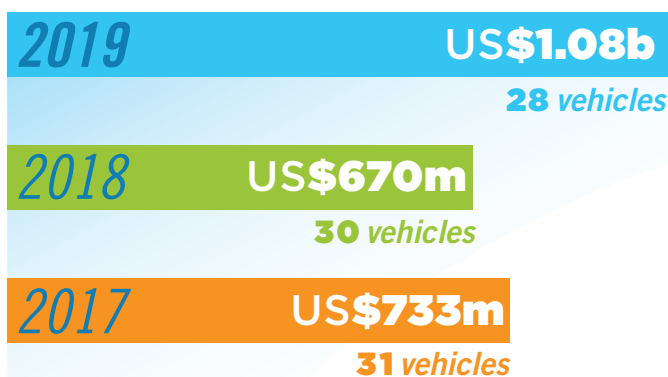


RECORD YEAR FOR SEED/INCUBATOR TRANSACTIONS in Argentina, Colombia, Mexico.



VC INVESTMENT IN LATIN AMERICA HAS *DOUBLED* YEAR-OVER-YEAR SINCE 2016

2019 WAS A RECORD YEAR FOR VC FUNDRAISING IN LATIN AMERICA.*



Highlighted 2019 Fundraising Activity

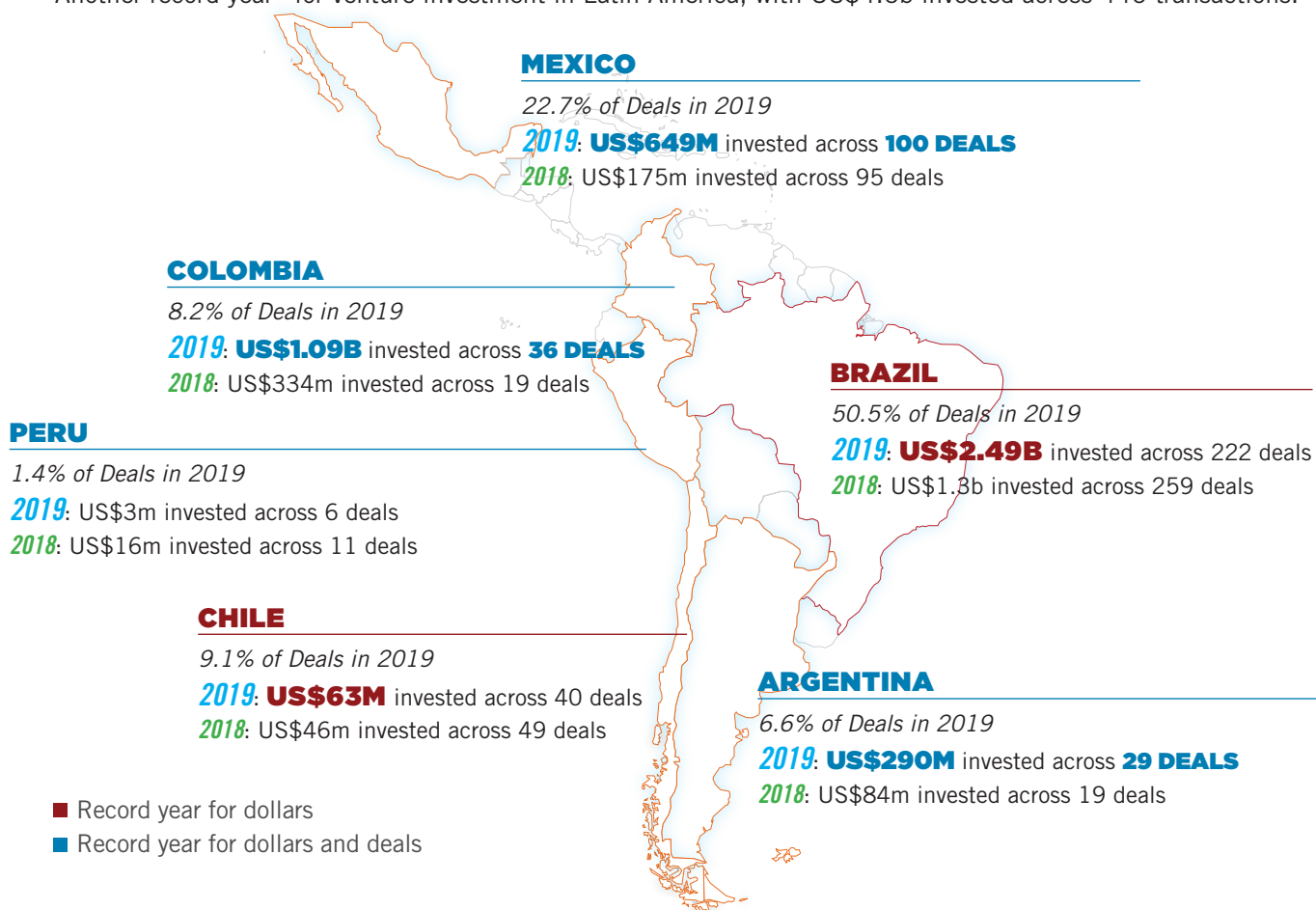
- **KaszeK Ventures** raised US\$600m across two new funds, including US\$375m for its fourth flagship fund and US\$225m for its first opportunities fund.
- **Canary** raised US\$75m for Fund II. Canary was launched by a collective of founders of Brazilian startups and launched their inaugural fund in 2017.
- **SoftBank** made commitments in funds from **KaszeK Ventures** and **Valor Capital**.

*SoftBank's notable US\$5b Latin America Fund is not included in this analysis.

Source: LAVCA Industry Data

MAPPING THE MAJOR MARKETS

Another record year* for venture investment in Latin America, with US\$4.6b invested across 440 transactions.



*2019 was a record year for venture investment, even discounting the US\$2.5b total dollars in SoftBank-led deals.

Source: LAVCA Industry Data

2019 DEALS OVER US\$50M

Investor(s)	Company	Sector	Country	Amount Invested (US\$ Million)	Stage
SoftBank	Rappi	 Logistics & Distribution	Colombia	\$1,000	 Expansion Stage
TCV Capital, Tencent, DST Global, Sequoia Capital, Dragoneer, Ribbit Capital, Thrive Capital	Nubank	 Fintech	Brazil	\$400	 Expansion Stage
SoftBank, General Atlantic, Valor Capital, Atomico	Gympass	 Marketplaces	Brazil	\$300	 Expansion Stage
SoftBank, Dragoneer Investment Group, Kaszek Ventures, General Atlantic	QuintoAndar	 Proptech	Brazil	\$250	 Expansion Stage
SoftBank, Vostok Emerging Finance, Santander Innoventures, Amadeus Capital	Creditas	 Fintech	Brazil	\$231	 Expansion Stage
SoftBank, GGV Capital, Fifth Wall Ventures, Velt Partners, Microsoft	Loggi	 Logistics & Distribution	Brazil	\$150	 Expansion Stage
SoftBank, Tencent	Ualá	 Fintech	Argentina	\$150	 Expansion Stage
SoftBank, Light Street Capital, Flybridge Capital	MadeiraMadeira	 E-commerce	Brazil	\$110	 Expansion Stage
SoftBank, General Atlantic	Clip	 Fintech	Mexico	\$100	 Expansion Stage
SoftBank, Kaszek Ventures, QED Investors, Vostok Emerging Finance	Konfio	 Fintech	Mexico	\$100	 Expansion Stage
General Atlantic, Banco Votorantim, monashees, Quona Capital, Flourish Ventures, Propel Venture Partners	Neon Pagamentos	 Fintech	Brazil	\$95	 Early Stage
SoftBank, Grupo Globo	Buser	 Transportation	Brazil	\$73	 Early Stage
Fifth Wall Ventures, Andreessen Horowitz, QED Investors, Canary	Loft	 Proptech	Brazil	\$70	 Early Stage
Benchmark Capital, Bessemer Venture Partners, Angels	Wildlife Studios	 Games	Brazil	\$60	 Expansion Stage

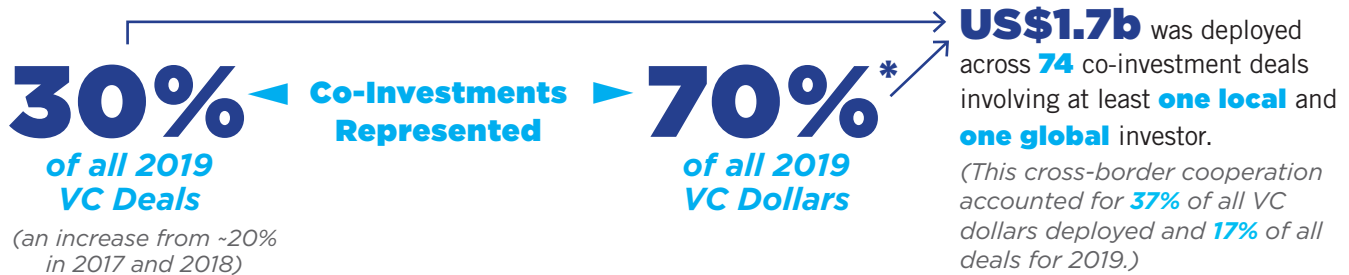
Source: LAVCA Industry Data

CROSS-BORDER COOPERATION



All but one transaction over US\$50m involved a cross-border co-investment, signaling global cooperation to support startups with significant traction with growth capital that was not historically available.

SPOTLIGHT ON 2019 CO-INVESTMENTS



*Removing SoftBank's US\$1b investment in Rappi, about 90% of all VC dollars deployed were via co-investments.

2019 MOST ACTIVE INVESTORS BY DEAL COUNT



Seed/Incubator: Canary, Y Combinator, Bossa Nova Investimentos, 500 Startups, MAYA Capital, monashees, Global Founders Capital

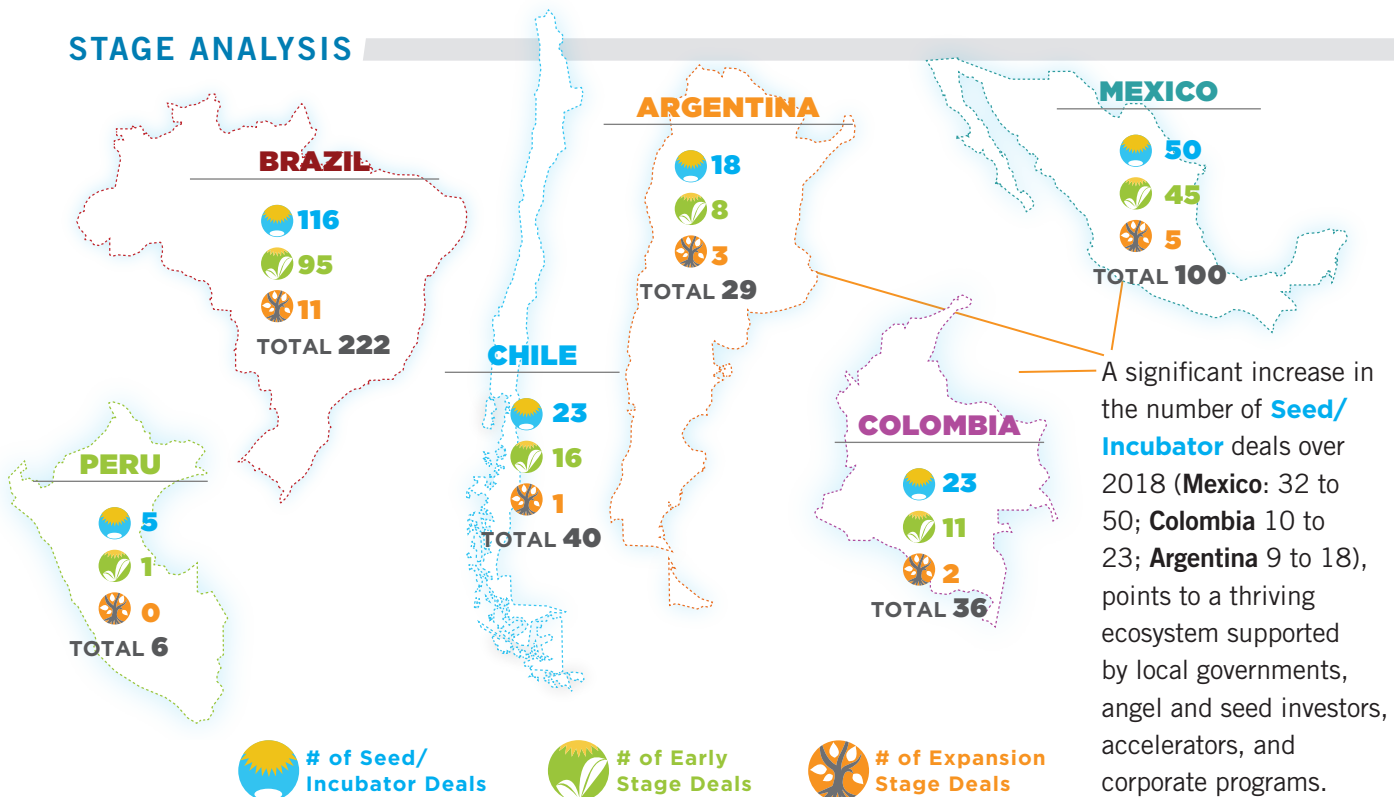


Early Stage: Kaszek Ventures, Canary, Bossa Nova Investimentos, Crescera Investimentos, monashees, IGNIA, Redpoint eventures, QED Investors, DILA Capital



Expansion Stage: SoftBank, General Atlantic, Kaszek Ventures, Redpoint eventures, Riverwood Capital, Valor Capital

STAGE ANALYSIS

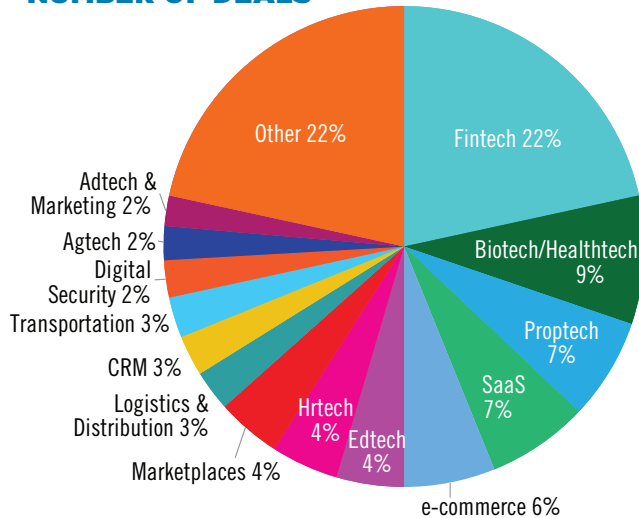


Mega-rounds dominated the headlines, but the deal activity was significant across stages in the major markets at a time of complicated political and economic uncertainty in the region.

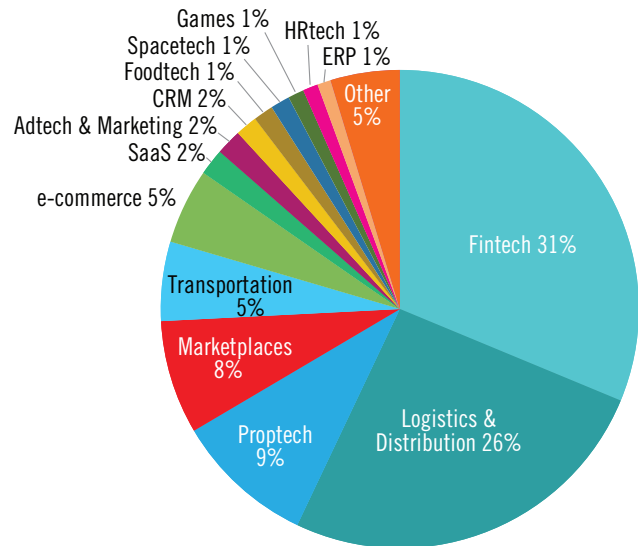
Source: LAVCA Industry Data

TOP SECTORS

NUMBER OF DEALS



AMOUNT INVESTED



Source: LAVCA Industry Data



Record year for PE/VC investment in the **IT** sector, representing **58%** of dollars deployed, and **82%** of deals in 2019.



Biotech/Healthtech emerged as a key sector of investment by deal count, only topped by **Fintech**, which has dominated for the past five years. Highlighted Biotech/Healthtech Deals:



Seed/Incubator: Animo Wellness, Entelai, Huli, Pipo Saude, Purple Dental, Vitau Medical, Vittude



Early Stage: Labi Exames, Levita Magnetics, SouSmile



Emergence of **PropTech** as a major sector of investment, including investments in **Alquilando, Flat, Housi, LAR.app, Le Haus, Loft, Mimic, QuintoAndar, and Yuca**. It remains to be seen how they will navigate the COVID-19 crisis ahead.

FASTEST GROWING SECTORS BY DEAL COUNT



PROPTech

2019: 30

2018: 13

Growth% **131%**



HRTECH

2019: 20

2018: 10

Growth% **100%**



CRM

2019: 12

2018: 6

Growth% **100%**



BIOTECH/HEALTHTECH

2019: 32

2018: 21

Growth% **52%**



SAAS

2019: 30

2018: 26

Growth% **15%**

Source: LAVCA Industry Data

OTHER HIGHLIGHTED TRANSACTIONS

Investor(s)	Company	Sector	Stage	Amount Invested (US\$ Million)	Country	Why it Matters
Riverwood Capital, DGF Investimentos, Redpoint eVentures, TPG Growth, Astella Investimentos	Resultados Digitais	 Adtech & Marketing	 Expansion Stage	\$50	Brazil	Cross-Border Co-Investment
Pitanga Fund, Tencent, BID Lab	Satellogic	 Spacetech	 Early Stage	\$50	Argentina	Corporate Commitment
Riverwood Capital	Technisys	 Fintech	 Expansion Stage	\$50	Argentina	Hot Sector
Goldman Sachs, Point72 Ventures, QED Investors, Kaszek Ventures, Thomvest Ventures	Credijusto	 Fintech	 Early Stage	\$42	Mexico	Cross-Border Co-Investment
The Craftory, Bezos Expeditions, Maya Capital, Kaszek Ventures	NotCo	 Foodtech	 Early Stage	\$30	Chile	Hot Sector
SP Ventures, Fall Line Capital, ACRE Capital	Agrofy	 Agtech	 Early Stage	\$23	Argentina	Hot Sector
Thorntree Capital, Kaszek Ventures, Spectra, Endeavor Catalyst	Liv Up	 Foodtech	 Early Stage	\$22	Brazil	Cross-Border Co-Investment, Hot Sector
Kaszek Ventures, SoftBank, monashees, Canary	Volanty	 Marketplaces	 Early Stage	\$17.6	Brazil	Cross-Border Co-Investment
Portland Private Equity, Endeavor Catalyst	Merqueo	 e-commerce	 Early Stage	\$14	Colombia	Hot Sector
Andreesen Horowitz, monashees, Village Global, Sinai VC	Addi	 Fintech	 Early Stage	\$12.5	Colombia	Cross-Border Co-Investment, Hot Sector
Y Combinator, Monashees	Frubana	 Agtech	 Seed/Incubator	\$10	Colombia	Cross-Border Co-Investment, Hot Sector
Kaszek Ventures, Angel Ventures Mexico, Liil Ventures, DILA Capital	Urbvan	 Transportation	 Early Stage	\$9	Mexico	Cross-Border Co-Investment
monashees, G04IT Capital	Fazenda Futuro	 Foodtech	 Early Stage	\$8.5	Brazil	Hot Sector
Ribbit Capital, monashees, Canary, Iporanga Investimentos	Gorila Invest	 Fintech	 Early Stage	\$8.4	Brazil	Hot Sector
QED Investors, Village Global, Next Billion Ventures, Mountain Nazca Mexico	Minu	 Fintech	 Seed/Incubator	\$6.5	Mexico	Cross-Border Co-Investment, Hot Sector
Tiger Global Management, Homebrew, Zigg Capital, Reshape Holdings, FJ Labs, Supernode Ventures	Habi	 Proptech	 Seed/Incubator	\$5.5	Colombia	Cross-Border Co-Investment, Hot Sector
Elevar Equity, WPSS Consumer Investments	Canasta Rosa	 Marketplaces	 Early Stage	\$3	Mexico	Female focused startup
Kaszek Ventures, MAYA Capital	Theia	 Biotech/Healthtech	 Seed/Incubator	\$1.7	Brazil	Female Founders

Source: LAVCA Industry Data

LAVCA'S NETWORK



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.



SIGN UP

<https://lavca.org/vc/latam-venture-bulletin/>

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**SAVE
THE
DATE**

LAVCA WEEK 2020

September 14-17, 2020

(In light of expected travel limitations, the 2020 investors meetings are likely to take place virtually)

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