

# LAVCA's 2021 Review of **Tech Investment** in **Latin America**

## A Year of New Milestones

**Venture investment in the region topped USD4b for a second consecutive year**, with a record 488 deals in 2020, record seed and early-stage investments in a number of major markets, and strong dealmaking activity spilling into Q1 2021. **Collaborative investing between local and global fund managers accelerated**, building on past momentum.

**Fintech** remains the dominant theme, followed by **e-commerce** and **proptech**, with notable growth in pandemic-relevant sectors including **healthtech** and **edtech**. **Exit activity and M&A ticked up** during the pandemic driven by corporate and startup acquirers. Established fund managers and new players alike closed on new funds, in tandem with a wave of SPAC listings.

## VC/Tech Highlights



**Investors on tickets over USD50m included:** Accel, Andreessen Horowitz, Dragoneer, DST, General Atlantic, GGV, Ribbit Capital, Sequoia Capital, SoftBank, Tiger Global, T. Rowe Price & Vulcan Capital, as well as PE players Advent, L Catterton & Silver Lake.



**New Unicorns:** Credits, dLocal, Kavak, Loft, MadeiraMadeira & VTEX.



**Record 2020 for total capital invested for Mexico (USD831m) and Chile (USD136m).**



**Record 2020 for total early-stage capital invested in Argentina, Brazil, Colombia & Mexico.**



**Emergence of diversity-focused vehicles** including Microsoft's WE Ventures, Google for Startups' Black Founders Fund & Nubank's Semente Preta.

LAVCA Members can download our accompanying LAVCA Data Pack for 2020 fundraising and disclosed closings; exit totals and highlighted exits; all disclosed transactions, sortable by stage, sector and HQ; stage analysis for the major markets; and sector breakouts with year-over-year sector growth.

## REGIONAL HEADLINE: MOMENTUM FOR TECH EXITS

Latin America saw **strong momentum around liquidity events in Q12021**, with ~USD6.9b represented in two disclosed transactions:

- Redpoint eventures, Riverwood Capital, Astella Investimentos, DGF Investimentos, TPG Growth and Endeavor Catalyst exited **RD (Resultados Digitais)**, a Brazilian marketing automation platform for small businesses in Latin America, through a BRL1.9b sale to **TOTVS**.
- NXTP and Draper Cygnus exited **Auth0**, an identity verification solution founded by Argentines Eugenio Pace and Matías Woloski, through a USD6.5b all-stock sale to **Okta**. Salesforce Ventures led a USD120m Series F in 2020.

Q12021 has also seen **notable edtech exits**.

- Redpoint eventures, Valor Capital Group, Peninsula Participações, Crescera Capital, Endeavor Catalyst and Grupo Xangô exited Brazilian edtech **Passei Direto** through a sale to Brazil's **UOL EdTech**.
- Igah Ventures exited Brazilian edtech **MeSalva!** through a sale to Brazilian learning systems provider **Arco Educação**.

This follows a **strong 2020 for VC-backed exits and listings** for local fund managers, coupled with long-awaited regulatory approvals in several cases.

- **Two VC-backed startups listed on Brazil's B3 exchange:** Brazilian marketplace **Enjoei** raised nearly BRL1b, providing a partial exit for monashees and Bessemer Venture Partners; and Brazilian cashback platform **Méliuz** raised BRL629m, providing an exit for monashees, Lumia, Graph Ventures, Endeavor, FJ Labs and Social Capital.
- Mexican regulators finally approved **Uber's** majority acquisition of Chilean delivery platform **Cornershop**, providing an exit for ALLVP.
- Brazilian regulators approved the sale of real estate marketplace **Grupo ZAP** to **OLX Brasil**.\*
- DGF Investimentos and Redpoint eventures exited healthtech **Gesto Saúde** through a sale to lab diagnostics giant **Dasa**.
- SoftBank exited **iClinic** through a BRL183m sale to **Afya**.
- Mountain Nazca exited auto resale marketplace **Kavak** through a secondary sale to SoftBank and General Atlantic.
- Astella Investimentos, CRP and Cventures exited **Zygo Technology** through a sale to **PagSeguro**.
- Crescera Capital partially exited Brazilian edtech **Afya** through a share offering on the Nasdaq.



**Tech companies also drove M&A activity\*** in 2020.

- **PagSeguro** acquired the Brazilian operations of **Wirecard**.
- **Nubank** acquired **Cognitec**, **Plataformatec** and **Easynvest**.
- **XP** acquired **Antecipa**, **Fliper** and **DM10**.
- **iFood** acquired a 51% stake in **Domicilios**, which **Delivery Hero** acquired in 2014.

\* Not included in the LAVCA aggregate data.



## Q12021 TOP & NOTABLE TRANSACTIONS

Investors	Startup	Sector	HQ	Amount Invested (USDm)	Stage	Why It Matters
D1 Capital, Advent, DST, Silver Lake Waterman, Soros, Tarsadia, Tiger Global, Caffeinated Capital, monashees, QED Investors, Andreessen Horowitz, Vulcan Capital	<b>Loft</b>	Proptech 	Brazil	425	Late Stage	Unicorn
GIC, Whale Rock, Invesco, Tencent, Dragonair, Ribbit Capital, Sequoia Capital	<b>Nubank</b>	Fintech 	Brazil	400	Late Stage	Unicorn
CapSur Capital, monashees, SoftBank, GGV, Microsoft, Sunley House	<b>Loggi</b>	Logistics Distribution 	Brazil	205	Late Stage	Unicorn
SoftBank, Dynamo, VELT Partners, Brasil Capital, Lakewood Investment Management, monashees, Flybridge Capital	<b>Madeira Madeira</b>	E-Commerce 	Brazil	190	Late Stage	First 2021 Unicorn
Accel, ThornTree Capital, KASZEK, Qualcomm Ventures	<b>Tiendanube / Nuvemshop</b>	E-Commerce 	Argentina	90	Late Stage	Big Ticket
Invus Opportunities, SoftBank, Peninsula Participações, Chan Zuckerberg Initiative, Valor Capital Group, Amadeus Capital	<b>Descomplica</b>	Edtech 	Brazil	84	Late Stage	Largest Edtech Round in LatAm
General Atlantic, Mountain Nazca, Foundation Capital	<b>Jüsto</b>	E-Commerce 	Mexico	65	Early-Stage	Largest Series A for a Mexico-Based Startup
Angel Ventures, FJ Labs, Upper 90, Presight Capital	<b>Valoreo</b>	E-Commerce 	Mexico	50	Seed Stage	Largest Seed Round in LatAm
Inova Fund, Parallax Ventures, Evora Fund, HS Investimentos, Banco Plural, Gear Ventures	<b>Mercado Bitcoin</b>	Fintech 	Brazil	38	Early-Stage	Largest Crypto Investment in Brazil
ThornTree Capital	<b>Alice</b>	Healthtech 	Brazil	33	Early-Stage	Big Ticket

**Big ticket deals are on the rise** in Q12021 for startups in sectors thriving during the pandemic. *(These are rounds that LAVCA is tracking but has not yet verified).*

**Debt financing** also continued apace in Q12021, with rounds for **Creditas** (USD30m), **AlphaCredit** (USD40m) and **Avista** (USD20m), building on 2020 activity, including credit lines for fintechs **Credijusto** (USD100m), **Konfio** (USD60m), **Avista** (USD75m + 20m) and **ePesos** (USD21m).

## VC 2020: BIG TICKETS

**Venture investment in 2020 surpassed USD4b** for the second consecutive year. Latin American startups raised 10 rounds over USD100m (compared to 13 in 2019)\*. Notably, six rounds over USD50m were early-stage transactions. All but one investment over USD50m included the participation of a global investor, in a continuation of the collaborative investing that has characterized the rise of VC in Latin America.

2020 Publicly Disclosed VC Investments over USD50m						
Investors	Startup	Sector	HQ	Amount Invested (USDm)	Stage	
Vulcan Capital, Propel Venture Partners, PayPal Ventures, monashees, General Atlantic, Flourish Ventures, Endeavor Global, BlackRock	<b>Neon Pagamentos</b>	Fintech 	Brazil	300	Late Stage	
Sequoia Capital, Ribbit Capital, KASZEK, Dragoneer	<b>Nubank</b>	Fintech 	Brazil	300	Late Stage	
T. Rowe Price	<b>Rappi</b>	Super Apps 	Colombia	300	Late Stage	
Wellington Management, Vostok Emerging Finance, Tarsadia Capital, SoftBank, LGT Lightstone, KASZEK, e.ventures, Amadeus Capital Partners, Advent	<b>Creditas</b>	Fintech 	Brazil	255	Late Stage	
Vulcan Capital, Valor Capital Group, Thrive Capital, QED Investors, monashees, Jaguar Ventures, Fifth Wall Ventures, Andreessen Horowitz	<b>Loft</b>	Proptech 	Brazil	175	Late Stage	
Vulcan Capital, Human Capital	<b>Wildlife Studios</b>	Games 	Brazil	120	Early-Stage	
World Innovation Lab, Tiger Global, Slack, Insight Partners, Gradient Ventures	<b>MURAL</b> (Mural.ly)	Enterprise Software & IT Services 	Argentina	118	Early-Stage	
SoftBank, General Atlantic	<b>Unico</b>	Digital Security 	Brazil	108	Early-Stage	
SoftBank	<b>AlphaCredit</b>	Fintech 	Mexico	96	Early-Stage	
The Craftory, SOSV, Maya Capital, L Catterton, KASZEK, Humboldt Capital, General Catalyst Partners, Future Positive, Endeavor Global, Bezos Expeditions	<b>NotCo</b>	Foodtech 	Chile	85	Late Stage	
XP Investimentos, BTG Pactual, Bossa Nova Investimentos, BMG UpTech	<b>Vai.Car</b>	Transportation/Mobility 	Brazil	85	Early-Stage	
Valor Capital Group, LGT Lightstone, Goldman Sachs Merchant Banking Division, Farallon Capital Management	<b>CargoX</b>	Logistics 	Brazil	80	Late Stage	
QED Investors, Pantera Capital, KASZEK, Coinbase Ventures	<b>Bitso</b>	Fintech 	Mexico	62	Early-Stage	
VELT Partners, Valor Capital Group, SoftBank, Península Participações, FJ Labs	<b>Olist</b>	E-Commerce 	Brazil	58	Late Stage	

\*Includes confidential transactions

Source: LAVCA Industry Data

## VC 2020: HIGHLIGHTED INVESTMENTS

Investors	Startup	Sector	HQ	Amount Invested (USDm)	Stage	Why It Matters
L Catterton, Waha Capital	<b>Despegar</b>	Transportation/ Mobility 	Argentina	200*	Late Stage	PIPE
TriplePoint Capital, monashees, Liquid 2 Ventures, KASZEK, Andreessen Horowitz	<b>Casai</b>	Travel 	Mexico	48	Early-Stage	Co-Investment
Ribbit Capital, KASZEK, Index Ventures, Cavalry Ventures	<b>Sofia</b>	Health-tech 	Mexico	19	Early-Stage	Inaugural Investment (Index Ventures)
Sierra Ventures, B Capital Group	<b>Yalochat</b>	CRM/ Sales 	Mexico	15	Early-Stage	Inaugural Investment (B Capital)
InovaBra Ventures, Itaú Unibanco, KASZEK, Coatue Management	<b>Quanto</b>	Fintech 	Brazil	15	Early-Stage	CVC
Salesforce Ventures, Mountain Nazca, IFC, Endeavor Global, DILA Capital, ALIVE - Acumen LatAm Impact Ventures, Edventures	<b>Crehana</b>	Edtech 	Peru	18**	Early-Stage	Big Ticket for Peru
WIND Ventures, monashees, KASZEK	<b>Chiper</b>	E-Commerce 	Colombia	12	Early-Stage	CVC
SEAF, IDB Invest	<b>Kingo</b>	Cleantech 	Colombia	12	Late Stage	Sector to Watch
Valor Capital Group, Oria Capital, Maya Capital	<b>Gupy</b>	HRtech 	Brazil	8	Early-Stage	Women Founders
SOSV, Sofinnova Partners	<b>Protera</b>	Foodtech 	Chile	6	Early-Stage	Sector to Watch
Grupo Azucarero México, 500 Startups	<b>Come Bien</b>	Food Delivery and Cloud Kitchens 	Mexico	1	Seed Stage	Sector to Watch
Magma Partners, KASZEK, GED Capital, DILA Capital, Clocktower Technology Ventures	<b>Kushki</b>	Fintech 	Ecuador	undisclosed	Early-Stage	Breakout Market

\* Not included in LAVCA VC aggregate data

\*\* Raised over two rounds

Source: LAVCA Industry Data

LAVCA members can download our accompanying LAVCA Data Pack for a full list of disclosed VC transactions in 2020, sortable by sector, stage and HQ.

## VC 2020: MAPPING THE MAJOR MARKETS

Country	No. Deals	2019 Amount Invested (USDm)	No. Deals	2020 Amount Invested (USDm)
Brazil	215	2463	282	2385
Mexico	91	698	94	831
Colombia	38	1141	35	469
Argentina	25	294	26	222
Chile	42	73	31	136
Peru	4	2	5	21
Rest of LatAm*	18	174	15	29
<b>Total</b>	<b>433</b>	<b>4844</b>	<b>488</b>	<b>4093</b>

■ Record Year

\*"Rest of LatAm" includes Ecuador, Costa Rica, Panama, Uruguay and Venezuela.

2020 was a record year for total capital invested in Mexico (**USD831m**), Chile (**USD136m**) and Ecuador (**USD12m**). In Brazil, total capital invested was on par with 2019, while deal totals reached new highs.

Big tickets continued to dominate the headlines, but **deal activity during the pandemic was strong across stages in the major markets**, compared to 2019's record year. Major markets saw a number of **seed and early-stage investment** records in 2020.



**Argentina** Early-stage: Total capital invested (**USD154m**); Late stage: Number of deals (**6**).



**Brazil** Seed: Total capital invested (**USD110m**); Early-stage: Number of deals (**112**), total capital invested (**USD833m**).



**Chile** Late stage: Total capital invested (**USD85m**).



**Colombia** Early-stage: Total capital invested (**USD118m**).



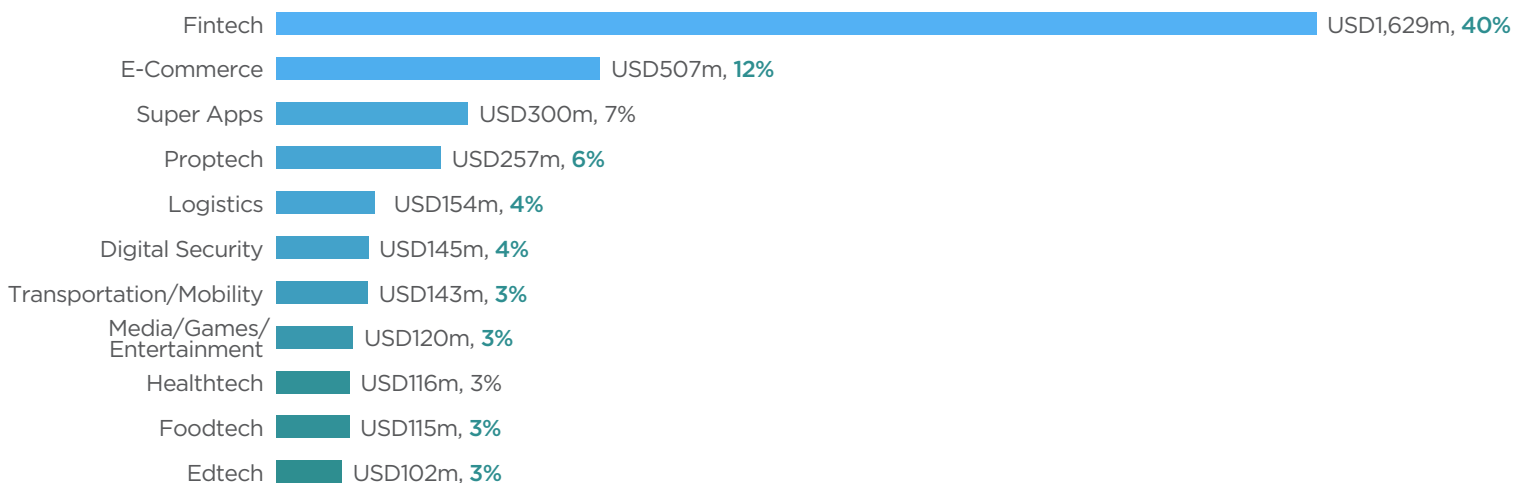
**Mexico** Total capital invested across all investment stages: Seed (**USD84m**); Early-stage (**USD453m**); Late stage (**USD268m**).

Source: LAVCA Industry Data

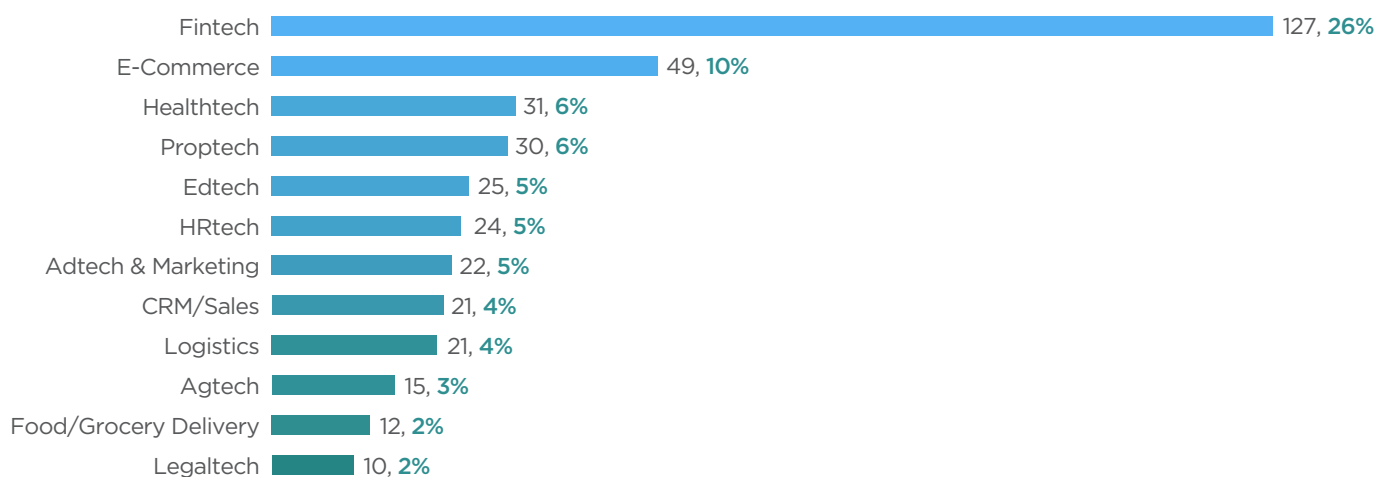
LAVCA members can download our accompanying LAVCA Data Pack for stage breakouts for Latin America overall and for the major markets.

## VC 2020: TOP SECTORS

### Total Capital Invested (USDm, % of total)



### Number of Transactions (No. of Deals, % of total)



**Fintech continues its long reign**, representing 40% of venture capital invested in 2020, followed by e-commerce, super apps and proptech.

- **E-commerce** grew 72% in capital invested and 11% in deal totals. Momentum continued in Q12021 with big rounds for **MadeiraMadeira**, **Tiendanube** & **Valoreo**.
- **Proptech** deals were up 36%. Notably, Brazilian proptech **Loft** raised USD175m in 2020 and announced a USD425m round in Q12021.

**Healthtech** and **edtech thrived** as the pandemic catalyzed digital adoption of remote learning, telehealth and related services.

- **Edtech** investment grew 146% in 2020. Momentum continued in Q12021 with **Descomplica**'s record USD84m edtech round.
- **Healthtech** investment grew 108% in 2020. Momentum continued in Q12021 with a ~USD33m Series B for healthcare provider **Alice**.

LAVCA surveyed Latin American edtech and healthtech founders to assess the impact of the pandemic on their businesses. Founders cited a generally positive effect on cash runway and product usage, and maintained that the highly regulated education and healthcare sectors themselves are the biggest barriers to growth.

[More at lavca.org/vc-data/](https://lavca.org/vc-data/).

Source: LAVCA Industry Data

LAVCA members can download our accompanying LAVCA Data Pack for a full list of disclosed VC transactions in 2020, sortable by sector, stage and HQ.

## VC FUNDRAISING & SPACS

**Q12021** Fundraising for VC vehicles was off to a strong start in Q12021, with announced closings for a number of local managers:

- **Igah Ventures** (formerly e.Bricks Ventures) reached a USD130m close for its third fund.
- **Volpe Capital**, founded by former SoftBank partner Andre Maciel, reached a USD80m close for its inaugural fund.
- **DILA Capital** and **DOMO Invest** reached first closes for their fourth funds.

**2020** VC fund closings held steady during the pandemic year, with **26 verified closings** (versus 27 in 2019), but dipped in dollar terms to **USD779m** from USD1.28b record in 2019, when **KASZEK** and **monashees** raised a combined USD880m. Brazil-focused fundraising was up, with a 64% increase in total capital raised in 2020 versus 2019.

- Firms with fund closings in 2020 included **Redpoint eventures**, **Maya Capital**, **DOMO Invest**, **CITES** and **SVB's** Latin America Growth Lending Fund.

**SPACS** SPACs saw spiking interest from the global investor community as an alternative exit strategy and source of liquidity, and Latin America was no exception.

- LIV Capital kicked off the SPAC party in late 2019 with the USD70m listing of **LIV Capital Acquisition**.
- 2020 SPAC listings include **Alpha Capital** (USD230m), led by Rafael Steinhauser (Qualcomm Latin America) and Alex Oxenrod (letgo), with Innova Capital and FJ Labs as co-sponsors; and **HPX** (USD220m), led by former Kraft-Heinz Brazil CEO Bernardo Hees.
- Q12021 SPAC listings include **Patria Acquisition** (USD250m), Valor Capital Group's **Valor Latitud Acquisition** (USD200m), **SoftBank** (USD200m) and **DILA Capital Acquisition** (USD50m).

**DIVERSITY** Latin America's first diversity-focused VC vehicles have emerged, driven largely by corporates.

- **Microsoft** launched **Women Entrepreneurship Ventures (WE Ventures)**, a BRL50m fund to back women-led startups in Brazil, and made its first investment in Brazilian food logistics platform **PackID**.
- **Google for Startups** launched the **Black Founders Fund**, a BRL5m investment initiative backing *afro-descendente* founders in Brazil. Inaugural investments include **Aoca Game Lab**, **CREATORS**, **EasyJur**, **LegAut**, **Treinus**, **WeUse** and **Wellbe**.
- Fintech giant **Nubank** launched **Semente Preta**, a BRL1m fund backing Black founders in Brazil.
- **Magma Partners** launched **Brava**, a fund allocation to invest in women-led Latin American startups.
- In Q12021, Mexico-based fund **Amplifica Capital**, founded by angel investor Anna Raptis, reached a ~USD1m first close on its first vehicle to back women-led startups.



## VC 2020: MOST ACTIVE INVESTORS

### Overall most active

Canary, DOMO Invest, Y Combinator, **KASZEK**, monashees, KPTL, Magma Partners

### Seed Stage

DOMO Invest, Canary, Y Combinator, Magma Partners, 500, MAYA Capital, **Mountain Nazca**

### Early-Stage

KPTL, monashees, **KASZEK**, Canary, Igah Ventures, Astella **Investimentos**, Redpoint events, **Valor Capital Group**, DILA Capital, **IGNIA Partners**

### Late Stage

**KASZEK**, SoftBank, **Valor Capital Group**, **IGNIA Partners**

*\*Most active investors according to disclosed deal count. LAVCA Members in bold.*

Source: LAVCA Industry Data.

## LATIN AMERICAN TECH GROWTH COALITION



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.

LAVCA thanks the following coalition members for supporting our expanding research and content around startup growth in the region.

More at [lavca.org/tech-growth-coalition](http://lavca.org/tech-growth-coalition).



FACEBOOK



mercado  
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mobile

Qualcomm  
ventures



VISA

## METHODOLOGY

LAVCA instituted several methodological updates in 2020. LAVCA's research methodology now includes coverage of private credit, so VC data now includes venture debt transactions and funds. Reported investment totals now include contributions by co-investors.

LAVCA has modified its sector designations to better accommodate the evolution of the private capital industry. LAVCA has also instituted historical revisions, allowing for the inclusion of new data for prior years. For more information on research methodology, please contact the team at [research@lavca.org](mailto:research@lavca.org).

## LAVCA VC/TECH RESOURCES

View additional resources, including LAVCA's **Directory of VC/Tech Members**, **Latin American Startup Directory**, **Top Women Investing in LatAm Tech**, **2021 Survey of Healthtech and Edtech Startups**, at [lavca.org/vc](http://lavca.org/vc).

## OUR NEWSLETTERS

Sign up for the **LatAm Venture Bulletin**, LAVCA's must-read roundup of startup deals and news in Latin America, delivered to leading investors, startups and corporates bi-weekly, at [lavca.org/vc/latam-venture-bulletin/](http://lavca.org/vc/latam-venture-bulletin/).

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