

# LATIN AMERICA VENTURE CAPITAL

## FIVE-YEAR TRENDS



Latin American Private Equity & Venture Capital Association

## ABOUT THE DATA

*Latin America Venture Capital: Five-Year Trends* uses LAVCA Industry Data.

LAVCA Industry Data provides insight into fundraising, investment, and exit activity among private equity and venture capital funds investing in the Latin American region. Since 2008, LAVCA has conducted the Fund Manager Survey on PE/VC activity in Latin America.

LAVCA collects most of the information directly from fund managers and amounts have been confirmed whenever possible through information provided by the fund managers themselves.

LAVCA Industry Data represents the most comprehensive and accurate source of regional industry data on private equity and venture capital investment available to date and has been designed for use in investor presentations, media reports, and conferences.

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## OVERVIEW

Silicon Valley venture firms made their first investments in Brazil five years ago in 2011, helping to spur an important cycle of venture capital activity across Latin America. Since that time, the venture and entrepreneurial ecosystem has evolved not only in Brazil, but also in Argentina, Mexico, Chile, and Colombia. In parallel, a culture of innovation has taken hold as governments around the region, as well as the private sector, have promoted new accelerators, programs, and co-working spaces dedicated to entrepreneurs.

Five years later, on the eve of hosting Rio2016, Brazil is facing a historic political and economic crisis that has made global headlines. Nonetheless the tech sector in Brazil and across the region continues on a growth tear in terms of record levels of VC investment and deals, while leading the world in smartphone adoption.

With only half of the region's population online, Latin Americans make up 20% of Facebook's user base globally and 38% of WhatsApp's. The other half is coming online quickly, and primarily via cheap Android smartphones: 80% of all mobile traffic in Colombia is Android; 90% of Brazilian smartphones are also Android, according to security firm PSafe CEO Marco de Mello. Across Latin America, e-commerce grew 23% last year (faster than any market but China) and 40% in Argentina alone.

While we have yet to see a "unicorn" emerge from the region, and the IPO horizon has receded with Brazil's downturn, a short-list of companies (see *Directory of Startups* on p.15) that have received multiple rounds from local and international investors are emerging as market leaders transform commerce, transportation, education, finance, and above all, communication.

2011 - 2015 VC FUNDRAISING, INVESTMENTS, & EXITS						
	Amount (US\$ Million)					
	2011	2012	2013	2014	2015	TOTAL
Fundraising	\$312	\$537	\$714	\$458	\$303	\$2,324
Investments	\$143	\$387	\$425	\$526	\$594	\$2,074
Exits	\$34	\$275	\$58	\$99	\$30	\$496
	Amount (# of Transactions)					
	2011	2012	2013	2014	2015	TOTAL
Fundraising	11	10	22	15	19	77
Investments	69	111	119	186	182	667
Exits	9	6	20	18	7	60

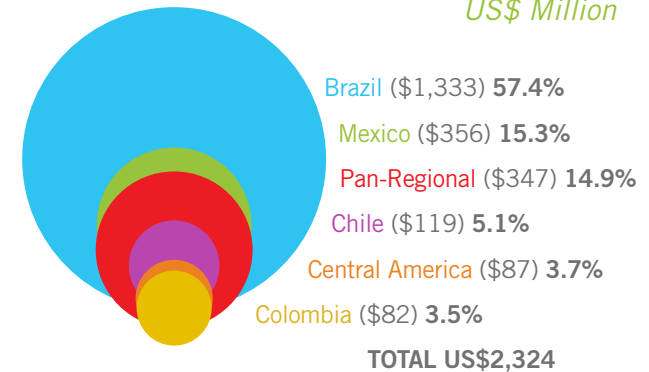
## VC FUNDRAISING AND SOURCES OF CAPITAL

VC investors in Latin America have closed US\$2.3b in fundraising since 2011. While Brazil historically leads the region, Mexico surpassed Brazil for the first time in 2015 in terms of the number of fund closings and the total venture capital raised.

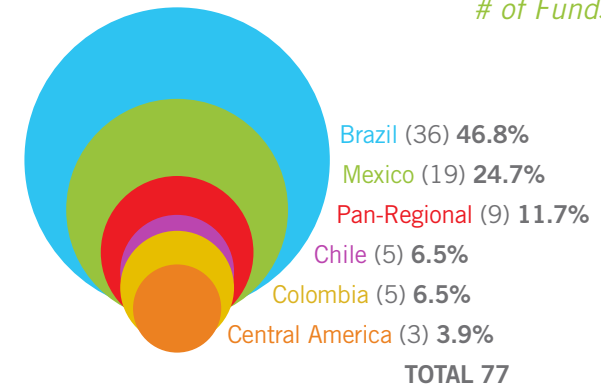
Since 2011 Brazil-specific funds have included US\$100m+ vehicles by Redpoint e.Ventures, Monashees Capital, and e.Bricks; 15 US\$20m-US\$100m funds; and 13 sub-US\$20m funds. São Paulo-based VC firms lead the region with the most capital raised from 2011-2015, with 21 closings representing US\$747m, or one-third of total fundraising for the region. Mexico City-based VC firms have seen 17 closings representing US\$196m (see *Top VC Capital Centers* on p.3).

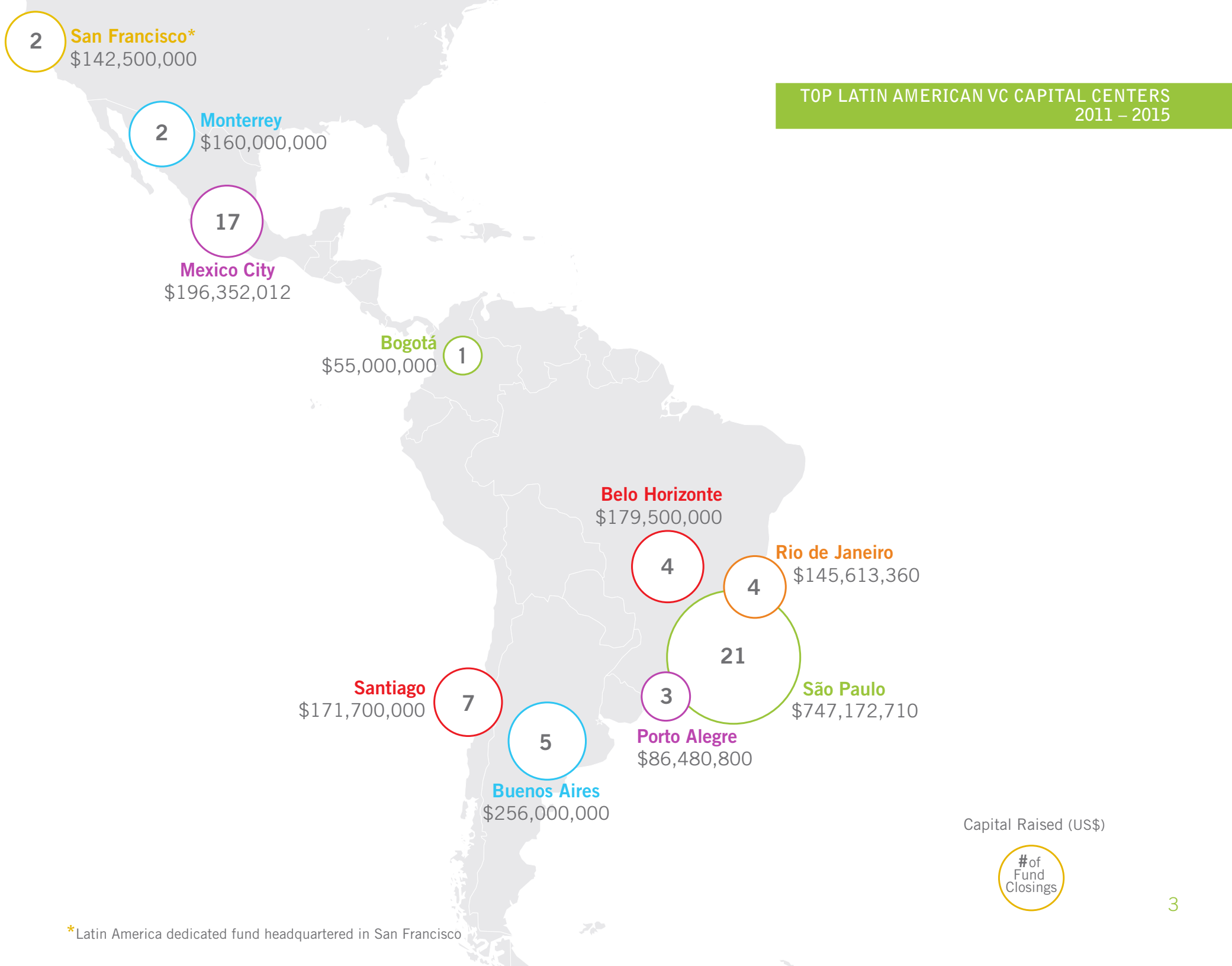
The recent increase in VC fundraising in Mexico has been driven by the National Institute of the Entrepreneur (INADEM), a government agency that has invested in 36 funds in the last couple of years. AMEXCAP, the Mexican Venture Capital Association, now counts 55 VC funds operating in the market. INADEM-backed fund closings in Mexico include LIV Capital, IGNIA, ALLVP, Dila Capital, Ideas y Capital, and ON Ventures. Unlike the Brazilian market, where 99% of VC investments are in tech, Mexican VC funds are making investments in a variety of verticals, including healthcare, energy, retail, and real estate. In 2016 INADEM has refocused to target sector-focused, specialized funds.

2011 - 2015 VC FUNDRAISING BY COUNTRY  
US\$ Million



2011 - 2015 VC FUNDRAISING BY COUNTRY  
# of Funds





\*Latin America dedicated fund headquartered in San Francisco

Pan-regional Latin American funds, which represent 15% of funds raised since 2011, include two raised by Kaszek Ventures, although the firm has stated that two-thirds of their allocation goes towards Brazil; as well as funds raised by Nazca Ventures, NXP Labs, Eco Enterprises, Aurus, and the SV LatAm Fund.

Kaszek Ventures and Monashees Capital are on a short list of established firms that have had success raising financing from international LPs. For the majority of firms, government sponsored programs such as Corfo in Chile, FINEP and BNDES in Brazil, and INADEM in Mexico, as well as development institutions like FOMIN, have played an important role in funding first time venture investors.

Dollar-denominated funds accounted for 58% of the capital raised for LatAm VC in 2015. For these funds, currency devaluation in the region has boosted spending power.

## VC INVESTMENT & DEAL HIGHLIGHTS

### Sector, Stage, & Market Trends

Since 2011 local and international venture capital investors have deployed US\$2.1b over 667 deals. Even in the context of Brazil's economic downturn, venture capital investors deployed record levels of capital in Latin America in 2015, with US\$594m invested across 182 deals.

Information Technology was the predominant sector for VC activity in the region each year and notably in 2015, with 126 transactions totaling US\$500m. Fintech and ecommerce accounted for half of the capital deployed in IT investment sub-sectors and over a third of all IT deals last year (see *VC Investments by Sector* on p.5).

Mobile credit card platform Nubank raised US\$80m, including a US\$30m Series B round from Tiger Global, Sequoia Capital,

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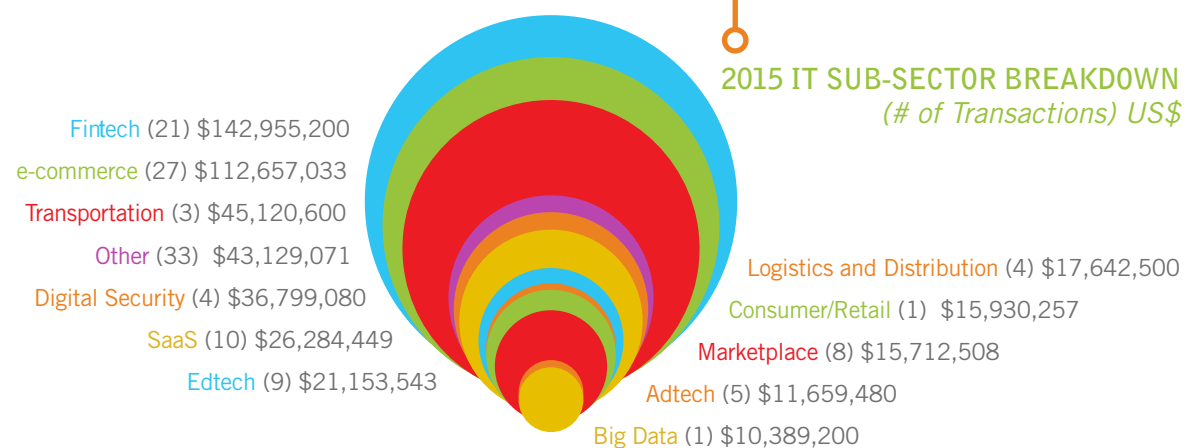
Kaszek Ventures, and QED Investors, and a Series C from Founders Fund and previous backers Sequoia, Kaszek Ventures, and Tiger Global. This was the region's first US\$50m+ fintech round. Nubank is Sequoia's first Brazilian investment since the firm pulled out of the country in 2013; Nubank Founder and CEO David Velez was a partner at the firm prior to launching Nubank.

The biggest e-commerce deals of 2015 were led by foreign investors, including a US\$30m Series C in Argentina's Avenida! from returning investors Naspers and Tiger Global, and a US\$30m deal in Brazilian beauty platform BelezaNaWeb by an undisclosed New York private equity firm. An additional 16 e-commerce startups received seed or early stage funding, plus 11 expansion stage deals in the sector. Notable marketplace investments include a US\$13m Series B by Kaszek Ventures, Monashees Capital, and Tiger Global in horizontal services marketplace GetNinjas.

## 2011 – 2015 VC INVESTMENTS BY SECTOR




Amount (US\$ Million)

SECTOR	2011	2012	2013	2014	2015	TOTAL \$	TOTAL %
Agriculture / Livestock / Agribusiness	\$0	\$4	\$0	\$4	\$12	\$19	0.9%
Clean Tech / Alternative / Renewable Energy	\$2	\$0	\$10	\$12	\$5	\$29	1.4%
Consumer / Retail	\$2	\$20	\$7	\$13	\$5	\$48	2.3%
Education / Educational Services	\$6	\$1	\$3	\$3	\$0	\$13	0.6%
Financial Services	\$1	\$24	\$2	\$44	\$14	\$84	4.1%
Healthcare / Life Sciences	\$7	\$8	\$6	\$14	\$26	\$61	2.9%
Information Technology	\$94	\$317	\$386	\$408	<b>\$499</b>	\$1,704	82.2%
Logistics & Distribution	\$0	\$3	\$0	\$0	\$1	\$4	0.2%
Manufacturing	\$3	\$6	\$0	\$2	\$7	\$18	0.9%
Media & Entertainment	\$1	\$0	\$6	\$4	\$14	\$26	1.2%
Telecommunications	\$14	\$0	\$1	\$0	\$0	\$15	0.7%
Other	\$13	\$4	\$4	\$22	\$10	\$53	2.5%
<b>Total</b>	<b>\$143</b>	<b>\$387</b>	<b>\$425</b>	<b>\$526</b>	<b>\$594</b>	<b>\$2,074</b>	<b>100%</b>






## 2011 – 2015 VC INVESTMENTS BY STAGE

Amount (US\$ Million)

STAGE	2011	2012	2013	2014	2015	TOTAL	%
 Seed/Incubator	\$13	\$8	\$7	\$14	\$16	\$58	2.8%
 Early Stage	\$73	\$80	\$139	\$340	\$211	\$842	40.6%
 Expansion Stage	\$57	\$299	\$279	\$172	\$367	\$1,174	56.6%
<b>Total</b>	<b>\$143</b>	<b>\$387</b>	<b>\$425</b>	<b>\$526</b>	<b>\$594</b>	<b>\$2,074</b>	<b>100%</b>

Amount (# of Transactions)

STAGE	2011	2012	2013	2014	2015	TOTAL	%
 Seed/Incubator	16	25	23	60	32	156	23.4%
 Early Stage	42	52	71	96	87	348	52.2%
 Expansion Stage	11	34	25	30	63	163	24.4%
<b>Total</b>	<b>69</b>	<b>111</b>	<b>119</b>	<b>186</b>	<b>182</b>	<b>667</b>	<b>100%</b>

Propelled by the maturity and depth of the Brazilian VC ecosystem, later stage investment rounds in Latin America have grown 6X (in US\$) since 2011. In Brazil later stage rounds have more than tripled since 2014: Of 50 deals, 39 were new investments and 11 were follow-on rounds.

Notable later stage rounds include a US\$30M Series D in digital security company PSafe from existing investors Redpoint e.ven-

tures, Qihoo 360 Technology, and Pinnacle Ventures, making PSafe the first mobile startup in Latin America to reach a R\$1b valuation (~US\$320m). PSafe Founder and CEO Marco de Mello says the investment will allow PSafe to expand to the rest of Latin America.

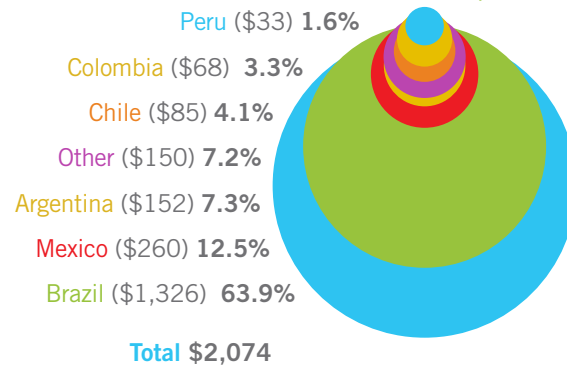
Brazil also dominated in education technology investments, including a US\$7m round in Descomplica (an accessibly priced test prep platform accessed by over 50m students in 2015), a US\$10m round in EduK, and investments in MeSalva!, AppProva, Mosyle, Edools, Joy Street, and Tyungu. Not included in this data set is a R\$23m (US\$6m) investment in academic network PasseiDireto in Q1 2016.

International VCs have been fueling the local ride app wars. In 2015, Brazilian taxi app 99Taxi received Series A and B rounds from Tiger Global and previous investors Qualcomm Ventures and Monashees Capital to take on Rocket Internet-backed EasyTaxi, which raised a US\$40m Series D in 2014 from Phenomen Ventures. EasyTaxi, which emerged from Google's inaugural Startup Weekend in São Paulo in 2011, has almost half a million drivers in 420 cities. EasyTaxi exited Asia to focus on Latin America and recently merged with Tappsi, a Colombian app that passed 1.3 million bookings per month in 2015 with only US\$600k in seed funding.

Looking ahead, Brazil's hyperactive mobile/social audience will only increase international VC interest in the region. Only half of Brazil's population of 200 million is online, but it's already the fifth largest internet and mobile economy in the world, a top three



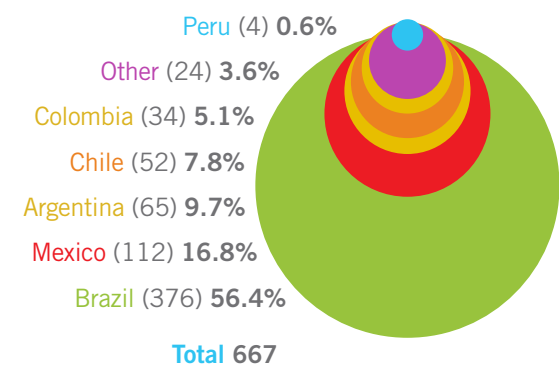
## 2011 - 2015 VC INVESTMENTS BY COUNTRY US\$ Million



market for Facebook, Google, and Twitter, and the most socially active population on the planet. WhatsApp is the most used app in Brazil, with 93 million users. Brazilians out-perform the world in terms of mobile penetration and have the highest SIM-to-subscriber ratio in the world, with over 240 million SIM connections and 283 million mobile phone lines.

Outside of Brazil, Mexico consolidated its position as the second most active VC market in Latin America, with US\$260m deployed over the past five years; deal flow is up 6X (in US\$) since 2011. More than two-thirds of the VC deals in 2015 were for early round tickets under US\$1m, fueled by a rapidly expanding community of early stage investors. ALLVP, Angel Ventures, Alta Ventures, Dila Capital, and Capital Invent led last year in terms of deal count, with INADEM-backed firms Variv Capital, ON Ventures, and Ideas y Capital also reporting a number of seed and early stage deals.

## 2011 - 2015 VC INVESTMENTS BY COUNTRY # of Funds



It is worth noting momentum and later stage rounds in Mexican fintech startups, which collected over US\$40m in investments last year. LIV Capital joined forces with Mexico Ventures, Fondo de Fondos, and the IFC to lead a US\$19m Series C in mobile wallet startup YellowPepper. Alta Ventures co-invested with American Express Ventures, Mexico Ventures, Sierra Ventures, Angel Ventures, and Endeavor Catalyst in a US\$8m Series A in mobile payment platform Clip.

The Andean region (Colombia, Peru, and Chile) collected an aggregate US\$25m via 16 VC transactions from managers that included Velum Ventures, Axon Group Partners, SparkLabs Global Ventures, and Aurus. Notable deals in Argentina include the aforementioned US\$30m Series C by Tiger Global and Naspers in e-commerce startup Avenida! and a US\$7m Series A by Highland Europe, Endeavor Catalyst, Innova, and NXTP Labs in mobile platform Jampp.

In terms of VC-backed startups, Argentina will continue to punch above its weight as it has for years. Despite an environment of institutional uncertainty, and lagging mobile and telecom infrastructure, Argentina has produced numerous successful internet and tech companies, led by MercadoLibre (NASDAQ market capitalization of US\$4b), and more recently Globant, which was listed on the NYSE in 2014. Of note, MercadoLibre co-founder Hernan Kazah and former CFO Nicolas Szekasy went on to found KaszeK Ventures.

*Argentina will continue to punch above its weight as it is poised for rapid change following the election of pro-business candidate Mauricio Macri in December 2015.*

Looking ahead, Argentina is poised for rapid change following the election of pro-business opposition candidate Mauricio Macri in December 2015. Macri, a digital currency and social media enthusiast, has begun a highly ambitious reform agenda to boost the country's economy and increase investor confidence. ARCAP, the local PE/VC association, is currently re-launching operations, and LAVCA is collaborating closely to support the revival of the domestic PE/VC market.

## 2015 Most Active VC Investors

### LATIN AMERICA

Brazilian firms e.Bricks, Monashees Capital, and Redpoint e.Ventures topped the list of the most active local early stage investors in 2015, with ten or more deals per firm, along with Bozano Investimentos, a private equity manager selected by Brazilian state development bank BNDES to run the Criatec 2 fund, most of which was deployed in 2015.

A number of INADEM-backed funds actively deployed new capital in Mexico, including ALLVP, Dila Capital, Ideas y Capital, Variv, and ON Ventures.

KaszeK Ventures and NXTP Labs topped the list in Argentina, focused on early stage/expansion stage, and seed investments, respectively.

### INTERNATIONAL

2015 marks the resurgence of some prominent US VC firms in the Latin American market; Nubank represents Sequoia Capital's first investment in Brazil, and Founders Fund's first investment in Latin America (although Peter Thiel invested previously in Brazil through Valar).

Tiger Global was the most active international investor with seven deals (including five of the top 10 largest deals of 2015), followed by Qualcomm Ventures with six deals.

## 2015 MOST ACTIVE VC INVESTORS





### BASED IN LATIN AMERICA

FIRM	# OF DEALS	HQs
<b>Bozano Investimentos/ Criatec 2</b>	12	Brazil
<b>Redpoint e.ventures</b>	11	Brazil
<b>Monashees Capital</b>	10	Brazil
<b>e.Bricks</b>	10	Brazil
<b>KaseK Ventures</b>	9	Argentina
<b>Angel Ventures</b>	8	Mexico
<b>ALL Venture Partners</b>	7	Mexico
<b>Alta Ventures</b>	7	Mexico
<b>Dila Capital</b>	7	Mexico
<b>Velum Ventures</b>	7	Colombia
<b>NXTP Labs</b>	7	Argentina

### BASED INTERNATIONALLY

FIRM	# OF DEALS	HQs
<b>Tiger Global</b>	7	USA
<b>Qualcomm Ventures</b>	6	USA
<b>500 Startups</b>	5	USA
<b>South Ventures</b>	5	USA
<b>Valor Capital</b>	4	USA
<b>Intel Capital</b>	3	USA
<b>Sequoia Capital</b>	2	USA
<b>Valar Ventures</b>	2	USA
<b>Endeavor Catalyst</b>	2	USA
<b>Ribbit Capital</b>	2	USA
<b>QED Investors</b>	2	USA

## 2015 TOP VENTURE INVESTMENTS BY AMOUNT

INVESTOR(S)	PORTFOLIO COMPANY		DEAL TYPE	SECTOR	COUNTRY	DATE	AMOUNT US\$ MILLION
Founders Fund, Sequoia Capital, Kaszek Ventures, Tiger Global	<b>Nubank</b>		Expansion Stage	Fintech	Brazil	Dec-15	US\$50
Redpoint e.ventures, Qihoo 360 Technology, Pinnacle Ventures	<b>PSafe</b>		Expansion Stage	Mobile	Brazil	Jul-15	US\$30
Tiger Global, Naspers	<b>Avenida!</b>		Expansion Stage	e-commerce	Argentina	Nov-15	US\$30
Tiger Global, Sequoia Capital, Kaszek Ventures, QED Investors	<b>Nubank</b>		Early Stage	Fintech	Brazil	Jun-15	US\$30
Undisclosed	<b>BelezaNaWeb</b>		Expansion Stage	e-commerce	Brazil	Jun-15	US\$30
LIV Capital, Mexico Ventures, Fondo de Fondos, IFC	<b>YellowPepper</b>		Expansion Stage	Fintech	Mexico	Mar-15	US\$19
IdeiasNet	<b>Officer</b>		Expansion Stage	Consumer/Retail	Brazil	May-15	US\$15.9
Monashees Capital, Qualcomm Ventures, Dragoneer Investment Group	<b>Loggi</b>		Early Stage	Logistics & Distribution	Brazil	Aug-15	US\$14.3
Monashees Capital, Kaszek Ventures, Tiger Global	<b>GetNinjas</b>		Expansion Stage	Marketplace	Brazil	Jun-15	US\$12.8
Qualcomm Ventures, Tiger Global, Monashees Capital	<b>99Taxis</b>		Early Stage	Transportation	Brazil	Feb-15 & May-15	Undisclosed










### 2015 Top VC Deals by Amount

Co-investments between local and foreign funds accounted for seven of the top 10 deals of 2015, underscoring the importance of cross-border partnerships to fuel growth rounds in the region's leading startups. Strategic investors co-invested in four of the top 10 deals: Avenida! (Naspers), PSafe (Qihoo 360), and Loggi and 99Taxis (Qualcomm).











Foreign investors led rounds in Avenida!, BelezaNaWeb, and HotelUrbano. IdeiasNet's expansion stage investment in Brazilian e-commerce player Officer was the only top 10 deal led entirely by a local firm.

Not included in this data set is a US\$50m investment in iFood, a Brazilian food delivery service, by Latin American mobile commerce powerhouse Movile and Just Eat. With US\$62m in financing to date, iFood has made over a dozen acquisitions in the space of the past two years, most recently purchasing Spoon-Rocket after it failed to raise growth capital in the US.

## 2015 HIGHLIGHTED VC DEALS

COUNTRY	DATE	TARGET COMPANY	STAGE	SECTOR	LEAD INVESTOR(S)	DEAL DESCRIPTION	AMOUNT US\$ MILLION
Argentina	Feb-15	<b>Jampp</b>	 Early Stage	Adtech	Highland Europe, Endeavor Catalyst, Innova, NXP Labs	Jampp, a platform for promotions and marketing of mobile apps, raised a US\$7m Series A led by Highland Europe, Endeavor Catalyst, Innova and NXP Labs.	US\$7
Argentina	Nov-15	<b>Avenida!</b>	 Expansion Stage	e-commerce	Tiger Global, Naspers	E-commerce startup Avenida! raised a US\$30m Series C from returning investors Naspers and Tiger Global.	US\$30
Brazil	May-15	<b>EduK</b>	 Early Stage	Edtech	Accel Partners, Monashees Capital, Felicis Ventures	Edtech startup EduK raised a US\$10m Series B from Accel Partners and previous backers Monashees Capital and Felicis Ventures.	US\$10
Brazil	Jun-15	<b>Nubank</b>	 Early Stage	Fintech	Tiger Global, Sequoia Capital, Kaszek Ventures, QED Investors	Mobile-based credit card startup Nubank received a US\$30m Series B round from Tiger Global and existing investors Sequoia Capital, Kaszek Ventures, and QED Investors.	US\$30
Brazil	Jun-15	<b>GetNinjas</b>	 Expansion Stage	Marketplace	Tiger Global, Monashees Capital, Kaszek Ventures	GetNinjas, an online platform for hiring services, received a US\$12.8m round from Tiger Global and existing investors Monashees Capital and Kaszek Ventures.	US\$12.8
Brazil	Jul-15	<b>PSafe</b>	 Expansion Stage	Digital Security	Redpoint e.ventures, Qihoo 360 Technology, Pinnacle Ventures	Digital security company PSafe received a US\$30m round from previous investors Redpoint e.ventures, Qihoo 360 Technology, and Pinnacle Ventures.	US\$30
Brazil	Aug-15	<b>Loggi</b>	 Early Stage	Logistics & Distribution	Monashees Capital, Qualcomm Ventures, Dragoneer Investment Group	Loggi, an online express delivery service that connects clients directly with messengers, received a US\$14.3m Series B from Dragoneer Investment Group and previous investors Monashees Capital and Qualcomm Ventures.	US\$14.3
Brazil	Sep-15	<b>Geofusion</b>	 Expansion Stage	SaaS	DGF Investimentos, Intel Capital	DGF Investimentos and Intel Capital made a Series C investment in geolocation services company Geofusion.	Undisclosed
Brazil	Nov-15	<b>WebRadar</b>	 Early Stage	Big Data	Qualcomm Ventures, DGF Investimentos	Qualcomm Ventures and DGF Investimentos made a Series B investment in big data analytics company WebRadar.	US\$10.4

## 2015 HIGHLIGHTED VC DEALS *cont.*

COUNTRY	DATE	TARGET COMPANY	STAGE	SECTOR	LEAD INVESTOR(S)	DEAL DESCRIPTION	AMOUNT US\$ MILLION
Brazil	Feb-15 & May-15	<b>99Taxis</b>	 Early Stage	Transportation	Qualcomm Ventures, Tiger Global, Monashees Capital	In 2015, taxi-app startup 99Taxis received two investment rounds from Qualcomm Ventures, Tiger Global, and Monashees Capital.	Undisclosed
Colombia	Jul-15	<b>Enmedio</b>	 Expansion Stage	Media & Entertainment	Axon Partners Group	Axon Partners Group acquired an interest in media startup Enmedio, which specializes in digital signage.	Undisclosed
Mexico	Feb-15	<b>ComparaGuru</b>	 Early Stage	Fintech	Seaya Ventures	Seaya Ventures made an early stage investment in price comparison site ComparaGuru	US\$4
Mexico	Mar-15	<b>YellowPepper</b>	 Expansion Stage	Fintech	LIV Capital, Mexico Ventures, Fondo de Fondos, International Finance Corporation (IFC)	YellowPepper, a mobile payments startup, received a US\$19m Series C from LIV Capital, Mexico Ventures, Fondo de Fondos, and the International Finance Corporation (IFC).	US\$19
Mexico	Mar-15	<b>Medica Santa Carmen</b>	 Expansion Stage	Healthcare / Life Sciences	ALL Venture Partners, Fondo de Impacto Social de Nacional Monte de Piedad	ALL Venture Partners and Fondo de Impacto Social de Nacional Monte de Piedad invested in Medica Santa Carmen, a network of low cost integral care centers for patients with kidney failure.	US\$7
Mexico	Apr-15	<b>Empleo Listo</b>	 Expansion Stage	Social Network	Capital Indigo, Mexico Ventures, Thayer Ventures, Promotora Social México	Empleo Listo, a mobile recruitment company, received a US\$6.75m investment from Mexico Ventures, Thayer Ventures, Promotora Social México, and previous backer Capital Indigo.	US\$6.75
Mexico	Jul-15	<b>GAIA Design</b>	 Early Stage	Consumer / Retail	Capital Invent, Rise Capital, Variv Capital, Cubo Capital, FJ Labs	Capital Invent and Rise Capital led an early stage investment in online furniture retailer GAIA Design. Variv Capital, Cubo Capital, and FJ Labs also participated in the round.	US\$2.5
Mexico	Dec-15	<b>Clip</b>	 Early Stage	Fintech	Alta Ventures, American Express Ventures, Mexico Ventures, Sierra Ventures, Angel Ventures, Endeavor Catalyst	Fintech startup Clip, which provides a platform for payments, received a US\$8m Series A from Alta Ventures, American Express Ventures, Mexico Ventures, Sierra Ventures, Angel Ventures, and Endeavor Catalyst.	US\$8
Mexico	Dec-15	<b>Visor</b>	 Early Stage	Fintech	ALL Venture Partners	ALL Venture Partners invested in Visor, a loan originator and customer management platform for financial institutions.	Undisclosed
Peru	May-15	<b>Dating LATAM</b>	 Seed/Incubator	Social Network	SparkLabs Global Ventures	SparkLabs Global Ventures acquired an interest in Dating LATAM, an online dating startup.	Undisclosed

## VC EXIT MARKET UPDATE

Notable exits in 2015 include Boo-box, a provider of technology solutions for marketing and social media, when Monashees Capital and Intel Capital sold their stakes to FTPI Digital. In Mexico, Seaya Ventures sold online take-out service SinDelantal.mx to British online food delivery company Just Eat. In Argentina, NXTP Labs and Cygnus Capital sold their stakes in media advertising startup Sparkflow to US-based digital ad agency Undertone (see *2012-2016 Highlighted VC Exits* on p14).

Early 2016 has seen two notable exits: Ideiasnet sold Moip Pagamentos to Wirecard for €37m (R\$165m), marking the German

financial service provider's entry in Brazil. Also, the sale of Hello-food's Brazilian and Mexican operations by Rocket Internet to Just Eat.

Not included in the data set is Tutum, NXTP Labs' most successful exit to date, selling to Docker in October 2015, because the startup is not based in or attending to the Latin American market.

iFood, a Brazilian startup, ventured abroad to acquire Spoon-Rocket, the on-demand food delivery startup that recently shut down in the US, citing a cooling climate for growth rounds. It's one of 15 acquisitions that iFood, which has raised nearly US\$62m in funding from Latin American commerce platform Movel and British take-out company Just Eat, has made in the past two years. iFood's acquisition streak is an example of the apparent dislocation between Brazil's political/economic crisis and a relatively thriving tech sector which grew 20% from 2014-2015 while the GDP was flat.

While we have yet to see a "unicorn" emerge from the region, and public markets are not currently a viable option for LatAm VC, the maturity of the market (particularly in Brazil) is evident in a short-list of companies that have received multiple rounds from local and international investors and are emerging as market leaders transforming commerce, transportation, education, finance, and above all, communication.

Furthermore, the tech opportunity in Latin America is getting bigger. With only half the region's population online, Latin America leads the world in smartphone adoption, and is second only to China in terms of growth of e-commerce. The other half will log on to a mobile first world.

### PRIVATE EQUITY TECH EXITS

In 2015, Latin America saw notable PE-backed exit transactions in technology-related sectors, demonstrating a full cycle technology ecosystem for startup IT companies to strive toward in the long-term. Portland Private Equity sold Columbus International, a diversified telecommunications company based in Barbados, to British telecom firm Cable and Wireless Communications, generating a 5.2x multiple on its investment.

In Brazil, One Equity Partners, a spin-out of JPMorgan, sold its controlling stake in Allied S.A., a marketer and provider of technology products, to Advent International; Gávea Investimentos sold its 43% stake in Simpress Comércio Localização e Serviços, a provider of outsourced printing services, to Samsung Eletrônica da Amazônia, a subsidiary of Korean group Samsung; Stratus Group sold its 8.7% participation in software manufacturer Senior Solution, which it had previously listed on the BOVESPA Mais in 2012, to HIX Capital; and DLM Invista sold its minority stake in Chaordic, which develops solutions to improve e-commerce sales, to Linx. These Private Equity transactions are not included in LAVCA VC data, but help illustrate the potential for tech companies in the region.

## LATIN AMERICA HIGHLIGHTED VC EXITS

EXIT YEAR	FUND MANAGER(S)	PORTFOLIO COMPANY	EXIT METHOD	BUYER (COUNTRY)	BUYER
2016	Ideaisnet	Moip Pagamentos	Strategic Sale	Germany	Wirecard
2016	Rocket Internet	Hellofood Brazil/Mexico	Strategic Sale	UK	Just Eat
2015	Monashees Capital, Intel Capital	Boo-box	Strategic Sale	Brazil	FTPI Digital
2015	NXTP Labs, Cygnus Capital	Sparkflow	Strategic Sale	USA	Undertone
2015	Seaya Ventures	SinDelantal.Mx	Strategic Sale	UK	Just Eat
2015	Inseed Investimentos	Geofusion	Sponsor to Sponsor Sale	Brazil, USA	DGF Investimentos, Intel Capital
2014	Warehouse Investimentos	iFood	Strategic Sale	Brazil	Movile
2014	Ideiasnet	iMusica	Strategic Sale	Brazil	Claro
2014	NXTP Labs	Comenta TV	Strategic Sale	USA	Wayin
2014	Tokai Ventures	Micropagos	Strategic Sale	USA	IN Switch
2014	KaszeK Ventures, Atomico	Pedidos Ya	Strategic Sale	Germany	Delivery Hero
2014	Axon Partners Group	ClickDelivery	Strategic Sale	Germany	Delivery Hero
2013	Promotora Venture Capital	Easy Solutions	Sale to Financial Buyer	USA	Medina Capital
2013	Ideiasnet	Ciashop	Strategic Sale	Brazil	TOTVS
2013	Bolt Ventures, Otto Capital Partners	Janamesa	Strategic Sale	Germany	HelloFood/FoodPanda
2013	Ideiasnet	Bolsa de Mulher	Strategic Sale	USA	Batanga Media
2013	KaszeK Ventures	Eventioz	Strategic Sale	USA	Eventbrite
2012	Insight Venture Partners	Folhamatic	Strategic Sale	UK	The Sage Group
2012	Tiger Global	Netshoes	Sale to Financial Sponsor	Singapore	Temasek Holdings



## DIRECTORY OF STARTUPS

Of 100 startups listed here, all have received more than one round of investment from 2011-2015, and all are still active in the region.

COMPANY NAME	MAIN INVESTOR(S)
4Vets	<i>e.Bricks</i>
55social	<i>Redpoint Ventures, IG Expansion</i>
99Taxis	<i>Qualcomm Ventures, Tiger Global, Monashees Capital</i>
Amaro	<i>South Ventures, NXTP Labs</i>
Andes Biotechnologies	<i>Aurus Ventures</i>
Aquiris	<i>CRP Companhia de Participações</i>
Baby.com.br	<i>Accel Partners, Tiger Global, Valor Capital Group, Menlo Ventures, Greenoaks Capital Management, Monashees Capital</i>
Bebê Store	<i>Atomico, W7</i>
Bebitos	<i>Alta Ventures</i>
BelezaNaWeb	<i>KaszeK Ventures</i>
BuscaLibre	<i>Aurus Ventures</i>
Chefsclub	<i>Confrapar, Altivia Ventures</i>
Clickbus	<i>Rocket Internet, Latin America Internet Group, Tengelmann Ventures, Holtzbrink Ventures</i>
Clicksign	<i>Redpoint e.ventures, Astella Investimentos</i>
Clip	<i>Alta Ventures, American Express Ventures, Mexico Ventures, Sierra Ventures, Angel Ventures, Endeavor Catalyst</i>
Avenida!	<i>Tiger Global, Naspers</i>
Canal da Peça	<i>e.Bricks</i>
ClubVenta	<i>Aurus Ventures</i>
ComparaOnline.com	<i>KaszeK Ventures, Ribbit Capital, Endeavor Catalyst, Rise Capital</i>
Conekta	<i>Jaguar Ventures, Variv Capital</i>
Conta Azul	<i>Monashees Capital, Ribbit Capital, 500 Startups, Napkn Ventures, Valar Ventures, Tiger Global</i>
CromoUP	<i>Confrapar</i>
Descomplica	<i>Amadeus Capital Partners, The Social+Capital Partnership, Valor Capital Group, Valar Ventures, 500 Startups, EL Area</i>
Dress & Go	<i>KaszeK Ventures, A5 Internet Investments</i>
Easy Taxi	<i>Rocket Internet</i>
Echopixel	<i>Aurus Ventures</i>

## DIRECTORY OF STARTUPS *cont.*

COMPANY NAME	MAIN INVESTOR(S)
EduK	<i>Accel Partners, Monashees Capital, Felicis Ventures</i>
Elo7	<i>Insight Partners, Accel Partners, Monashees Capital</i>
Emprego Ligado	<i>500 Startups, Initial Capital, Rising Venture, Fortify.vc, Monashees Capital, Qualcomm Ventures, e.Bricks</i>
Enjoei	<i>Qualcomm Ventures, Monashees Capital, Bessemer Ventures</i>
Eotica	<i>KaszeK Ventures, e.Bricks</i>
FAV	<i>NXTP Labs</i>
Formafima	<i>ALL Venture Partners, South Ventures, Redpoint e.Ventures, IG Angels, El Paso Advisors, Start Capital, 500 Startups, Velum Ventures</i>
Fricaeco	<i>Alta Ventures</i>
Gaudena	<i>Jaguar Ventures</i>
Geofusion	<i>DGF Investimentos, Intel Capital</i>
GetNinjas	<i>Monashees Capital, KaszeK Ventures, Otto Capital, Tiger Global</i>
GoIntegro	<i>KaszeK Ventures, Riverwood Capital, Endeavor Catalyst</i>
Grupo Xango	<i>Redpoint e.Ventures</i>
GuiaBolso	<i>Ribbit Capital, QED Investors, Omidyar Network, KaszeK Ventures, e.Bricks, Valor Capital</i>
Hotel Urbano	<i>Tiger Global, Insight Venture Partners</i>
Hotelli	<i>Monashees Capital, Polaris Investimentos</i>
I.Systems	<i>Fundo Pitanga</i>
Ingresse	<i>e.Bricks Digital, Qualcomm Ventures, DGF Investimentos</i>
Itaro	<i>Astella Investimentos, Rigi Ventures, JPJ Investments</i>
Junar	<i>Aurus Ventures, Austral Capital</i>
Kekanto	<i>Accel Partners, KaszeK Ventures, W7</i>
Kinostics	<i>Aurus Ventures</i>
Kueski	<i>Crunchfund, Core Ventures Group, Angel Ventures Mexico</i>
Levita Magnetics	<i>Aurus Ventures</i>
Linio	<i>LIV Capital, Summit Partners</i>
Loggi	<i>Monashees Capital, Qualcomm Ventures, Dragoneer Investment Group</i>

## DIRECTORY OF STARTUPS *cont.*

COMPANY NAME	MAIN INVESTOR(S)
MadeiraMadeira	<i>Flybridge Capital Partners, Monashees Capital, KaszeK Ventures</i>
Medica Santa Carmen	<i>ALL Venture Partners, Fondo de Impacto Social de Nacional Monte de Piedad</i>
Medicina	<i>Monashees Capital, Redpoint e.ventures</i>
MFM	<i>Alta Ventures</i>
Minuto Seguros	<i>Redpoint e.Ventures</i>
Netcom	<i>Confrapar, Gera Venture</i>
Nibo	<i>Redpoint e.Ventures</i>
Nubank	<i>Founders Fund, Sequoia Capital, KaszeK Ventures, Tiger Global, QED Investors</i>
NuvemShop	<i>Trindade Investimentos, KaszeK Ventures</i>
O4IT	<i>Axon Partners Group</i>
OFI	<i>Velum Ventures, South Ventures</i>
OndaLocal	<i>Bolt Ventures, RIGI Ventures, Mountain do Brasil</i>
Ondore	<i>Alta Ventures</i>
Open English	<i>KaszeK Ventures, Insight Venture Partners, Technology Crossover Ventures, Flybridge Capital Partners</i>
Oppa Design	<i>Valar Ventures, Monashees Capital, KaszeK Ventures, Thrive Capital</i>
OQVestir	<i>TMG Capital, KaszeK Ventures</i>
PedidosYa!	<i>KaszeK Ventures, Atomico, Prosperitas Capital Partners</i>
Peixe Urbano	<i>Morgan Stanley Investment Management, T. Rowe Price Associates, General Atlantic, Tiger Global</i>
Petsy	<i>ALL Venture Partners, Dila Capital</i>
Pidefarma.com	<i>Axon Partners Group</i>
Pixeon	<i>Intel Capital</i>
Prontmed	<i>e.Bricks</i>
Properati	<i>GroupArgent, NXTP Labs</i>
PSafe	<i>Redpoint e.ventures, Qihoo 360 Technology, Pinnacle Ventures</i>
Restorando	<i>Flybridge Capital Partners, Emergence Capital Partners, KaszeK Ventures, Atomico, Storm Ventures</i>
Resultados Digitais	<i>Redpoint e.Ventures, DFG Investimentos, Astella Investimentos</i>
Rock Content	<i>e.Bricks Digital, Digital News Ventures, Napkn Ventures</i>

## DIRECTORY OF STARTUPS *cont.*

COMPANY NAME	MAIN INVESTOR(S)
Runrun.it	<i>Monashees Capital, 500 Startups</i>
SaferTaxi	<i>KaszeK Ventures, Otto Capital, Draper Associates</i>
SambaAds	<i>e.Bricks, Initial Capital, 500 Startups, Rhodium</i>
Scanntech	<i>Sequoia Capital, Endeavor Catalyst, International Finance Corporation (IFC)</i>
SegundoHogar	<i>NXTP Labs, South Ventures</i>
Shoes4you	<i>Redpoint e.Ventures, Accel Partners, Flybridge Capital Partners</i>
Smartbill	<i>Astella Investimentos, SP Ventures</i>
Sontra Cargo	<i>Valor Capital Group, NXTP Labs</i>
Starline	<i>Confrapar, Gera Venture</i>
Tactivos	<i>Intel Capital, Alta Ventures</i>
Trigemina	<i>Aurus Ventures</i>
Trocafone	<i>NXTP Labs, South Ventures, Wayra, 500 Startups, Lumia Capital, Quasar Ventures</i>
Tu Canton	<i>Dila Capital, Angel Ventures</i>
Veduca	<i>500 Startups, Bolt Venture, Macmillan Digital Education</i>
Viajanet	<i>Redpoint e.Ventures, General Catalyst</i>
Vivareal	<i>Monashees Capital, KaszeK Ventures, Spark Capital, LeadEdge Capital</i>
WebRadar	<i>Qualcomm Ventures, DGF Investimentos, Intel Capital, Citrix</i>
Widbook	<i>W7</i>
YellowPepper	<i>LIV Capital, Mexico Ventures, Fondo de Fondos, International Finance Corportion (IFC)</i>
Zee.Dog	<i>DXA Investimentos</i>
ZoeMob	<i>e.Bricks, Altivia Ventures</i>

## METHODOLOGY

*Latin America Venture Capital: Five Year Trends* uses LAVCA Industry Data.

LAVCA Industry Data provides insight into the fundraising, investment, and exit activity among private equity and venture capital funds investing in the Latin American region. Since 2008, LAVCA has conducted the Fund Manager Survey on PE/VC activity in Latin America\*.

LAVCA collects most of the information directly from fund managers and amounts have been confirmed whenever possible through information provided by the fund managers themselves.

Reported fundraising totals reflect only official closes (first, second, and/or final) confirmed by the fund managers or, if not obtained directly, reported in trusted public sources. Capital commitments accruing prior to or between official closes are not included. Captive funds or funds investing directly from its own internal sources (for instance, the balance sheet) are not included in this study.

The geographic focus is estimated based on fund manager's responses to the survey on the geographic mandate of the funds they raised. In the case of a regional or multi-country fund, the manager's plan to allocate capital is not an indication of a commitment to a country, and therefore the funds will remain as "Regional". Overall, "Regional" also includes funds with an investment strategy that targets more than a single country. Fundraising numbers are not based on where the fund manager's headquarters are located.

Unless stated otherwise, the approach taken for investments and divestments is represented by location of the portfolio company.

For the purposes of this report, this means investments in Latin American companies or divestments from Latin American companies, regardless of the location of the PE/VC firm. Therefore, the market statistics include investments in and divestments from Latin American portfolio companies, made by both Latin American and foreign investors.

In the case of co-investments, total amounts will reflect equity capital invested by PE/VC funds only, and will exclude – whenever it is possible – capital from other non PE/VC investors or captive funds. Divestments are measured by proceeds from the exit and will count – whenever it is possible – capital exited by PE/VC investors only.

The total number of investment transactions includes both new and follow-on investments and is determined by the moment in time that the investment was initiated and not the number of funds contributing capital. Thus, if for example an independent pe/vc firm manages three separate funds and invests capital from each fund into a portfolio company, or three separate fund managers participate in a round of investment, this is counted only as one transaction. In a different case, if one PE/VC firm invests in a portfolio company at two different times during the year, these investments are counted as two separate transactions.

Venture capital investments and divestments include the following stages:



Seed/Incubator: Startup capital for companies to incubate an idea into a company or product.



Early Stage: Startup capital for companies.



Expansion Stage: Capital for companies that have reached a sustainable level of development and may be shipping products.

\* Latin America contains countries in North, Central and South America, as well as the Caribbean region (excluding Puerto Rico).

## 2016 LAVCA VENTURE INVESTOR EVENTS

### VC in NY

April 18-19 | New York, NY

### Brazil Venture Investors Peer Exchange

May 3 | São Paulo, Brazil

### LAVCA Venture Investors NY Summit

September 29 | New York, NY

### Brazil Venture Investors Peer Exchange

November/December | São Paulo, Brazil

*LAVCA hosts additional invitation-only and partner events throughout the year*

## ABOUT LAVCA

The Latin American Private Equity & Venture Capital Association (LAVCA) is a not-for-profit membership organization dedicated to supporting the growth of private equity and venture capital in Latin America and the Caribbean. LAVCA's membership is comprised of over 160 firms, from leading global investment firms active in the region to local fund managers from Mexico to Argentina. Member firms control assets in excess of US\$60b, directed at capitalizing and growing Latin American businesses. LAVCA's mission is accomplished through programs of research networking forums, investor education seminars, and advocacy of sound public policy.

### Venture Capital Contacts at LAVCA

Cate Ambrose, President, LAVCA

Julie Ruvolo, Director of Venture Capital Strategy, LAVCA

Claudia Rosenbloom, Manager of Venture Capital Programs Brazil, LAVCA

Ariel Muslera, Senior Advisor, LAVCA

## VC Council

The LAVCA Venture Capital Council aims to establish a platform for collaboration between Latin American and global venture investors and to develop the Latin American early stage investment ecosystem. Members of the VC Council support LAVCA in generating ongoing discussions about industry best practices and current market trends. This is accomplished through a series of programs and initiatives throughout Latin America and the US, including educational workshops for investors in venture funds and angel investors, local peer exchanges, introductions for LatAm investors and entrepreneurs to the international venture community, private seminars, and industry research.

### VC Council Members Include:

- Chairman, Hernán Kazah of KaszeK Ventures
- Eliza Erikson of Omidyar Network
- Alexander Rossi of LIV Capital
- Roberto Trevisan of Monashees Capital
- Andy Tsao of Silicon Valley Bank

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589 Eighth Avenue, 18th floor,  
New York, NY 10018, USA  
Ph: 1-646-315-6735 F: 1-646-349-1047

Regional offices include locations in  
São Paulo, Buenos Aires, and San Francisco.

