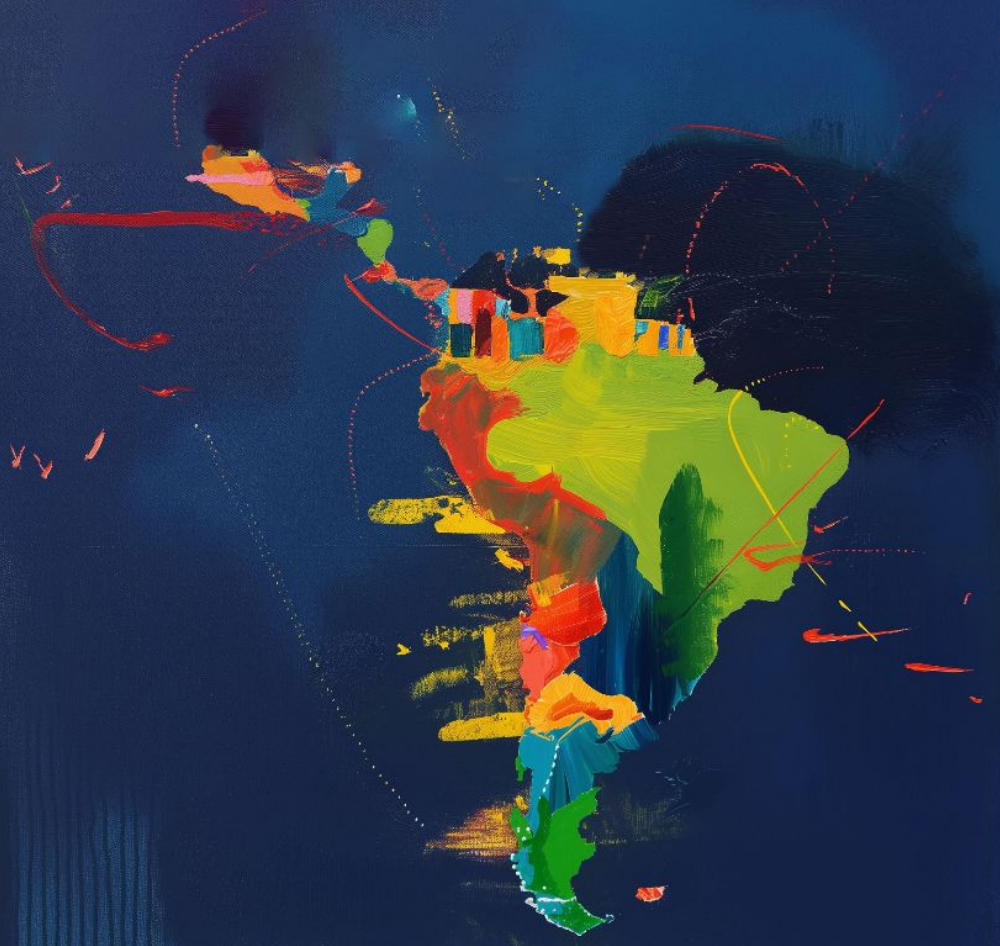




Latin America

A startup and venture frontier

March 2024



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The LatAm ecosystem is worth \$526B, 4.5 times what it was worth 5 years ago.

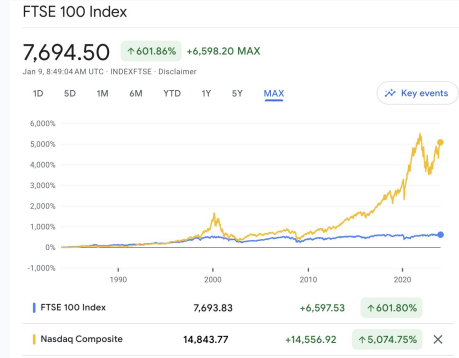
By comparison:

LSE = \$4.2T (up 73% in 10 yrs)

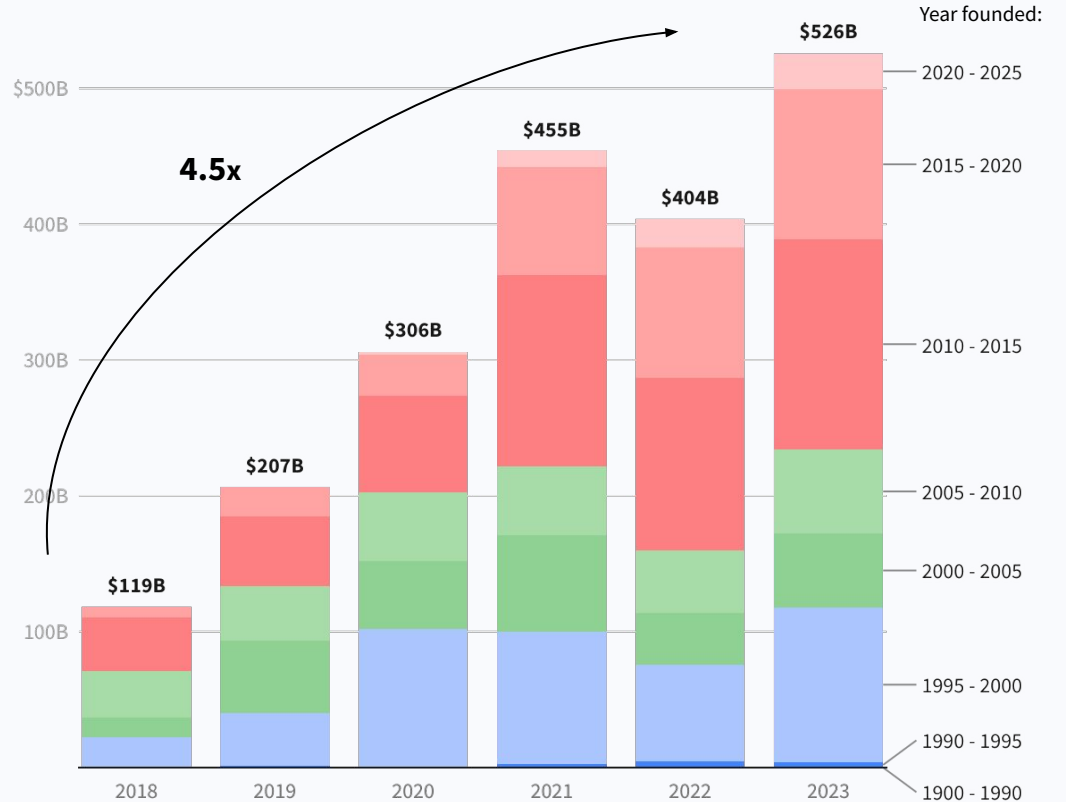
FTSE 100 = \$2.5T (up 20% in 10 yrs)

Ibovespa = \$800B (up 90% in 10 yrs)

Nasdaq Composite = \$19T (up 4x)

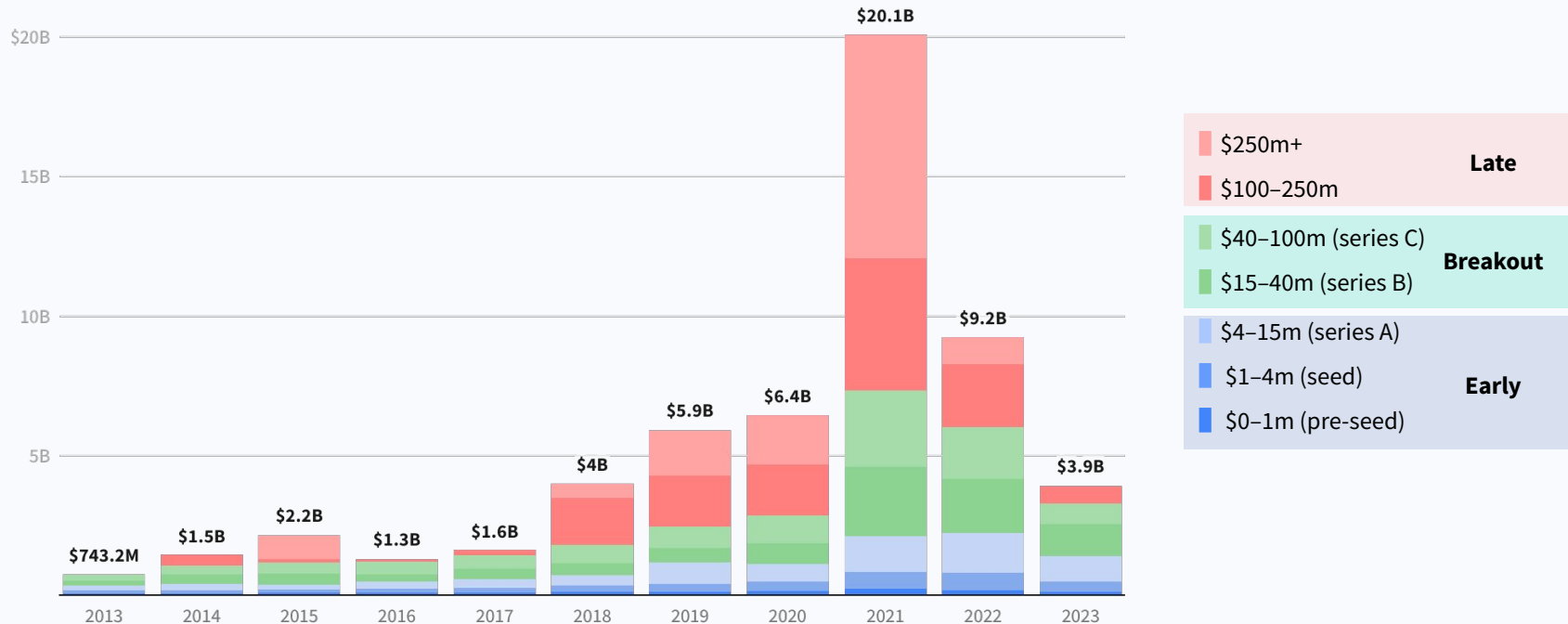


Combined EV of LatAm-based startups by launch year [» view online](#)



Startups in Latin America raised \$3.9B in 2023, down from an all-time-high of \$20.1B in 2021. The drop was biggest at breakout and late-stage rounds of \$15M+.

Venture capital investment by stage





Mariela Rerdanoski
Co-founder



EXPERT VIEW

What's the origin of Ohana?

Initially, Ohana was envisioned as something similar to a financial marketplace, but at that time, there weren't enough developed tools to execute the idea, at least in Argentina, and the business model wasn't optimal. In the search for a solution, we started positioning Ohana as a fintech super app, where users could conduct all their financial activities in a single application.

How do you navigate a difficult regulatory environment as a fintech firm?

From the beginning, we have worked extensively to build a robust legal and compliance team. They actively collaborate with our internal teams to ensure that both products and communication comply with the necessary standards to always stay within regulations. Simultaneously, in collaboration with the product team, we design functionalities so that in case of regulatory changes, we can quickly adapt without any setbacks.

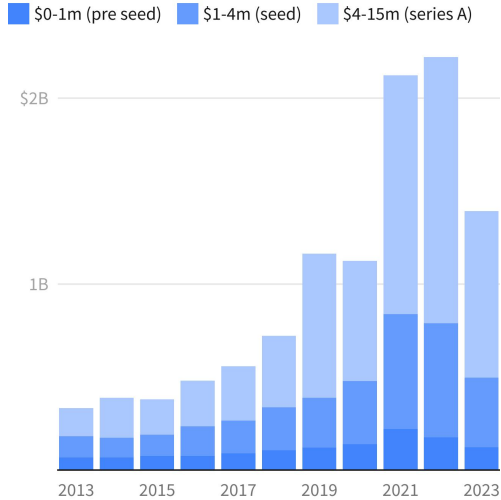
What's the underlying big vision for Ohana?

We see that there is a very large gap in understanding finance. We want to offer a product that stands out for its simplicity, where both users with large investment portfolios and those who have not had much saving capacity can manage their finances in a simple and reliable way. And not only in Argentina but also in other Latin American countries, where although regulations vary, the basic needs are the same.

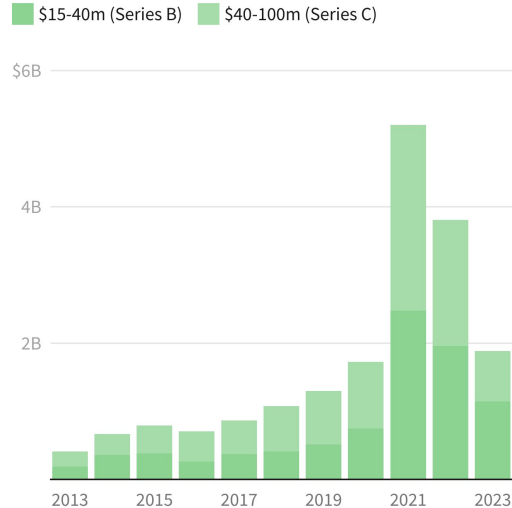
How do you believe tech ecosystem in Argentina will evolve?

Argentina is increasingly involved in the Latin America's tech ecosystem. The success of numerous national tech companies in recent years has been crucial, inspiring many others to create new startups with similar ambitions. Argentina is a breeding ground for entrepreneurs and successful business people, known for their ability to reinvent themselves, resilience, creativity and a strong desire for learning, which bodes well for the industry. I believe it will continue on this path, with many of the current challenges in LatAm being addressed by Argentinian startups.

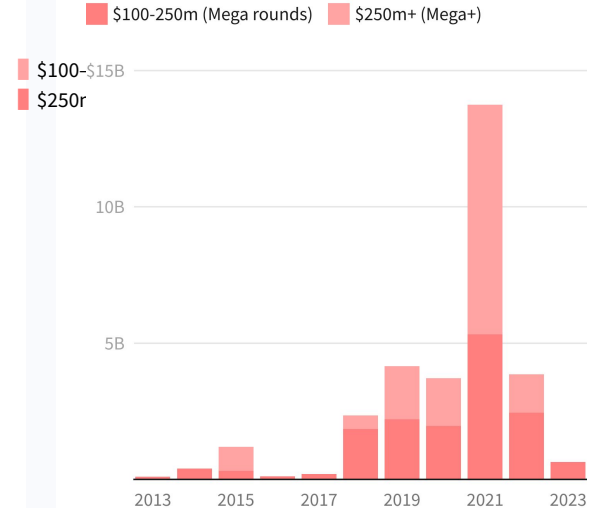
Early-stage LatAm investment is up 15% on pre-pandemic levels



Breakout stage 2023 investment was the third highest annual total

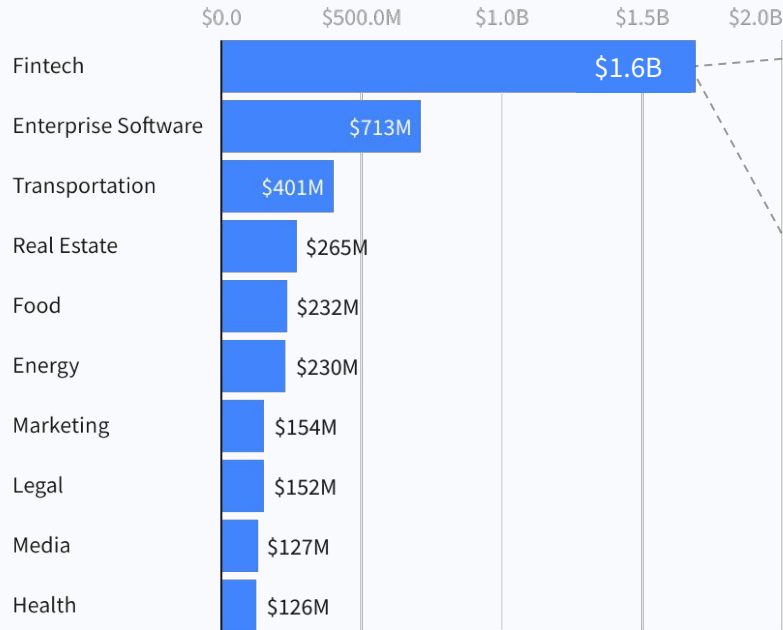


Late-stage investment fell to under \$1B for the first time in six years

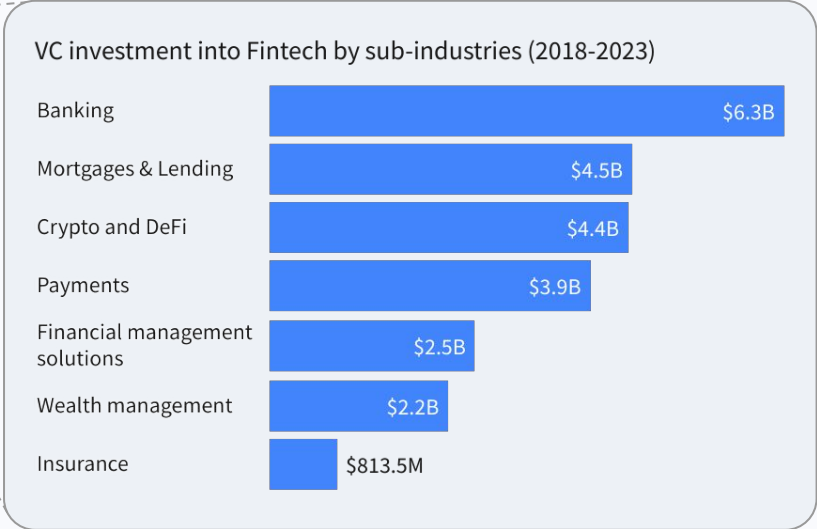


Fintech was the most funded sector in Latin America in 2023, as it has been every year for the last five years.

LatAm VC investment by industry, 2023















Customize data »



Banking-as-a-Service startup QI Tech raised the biggest funding round in Latin America in the last year.

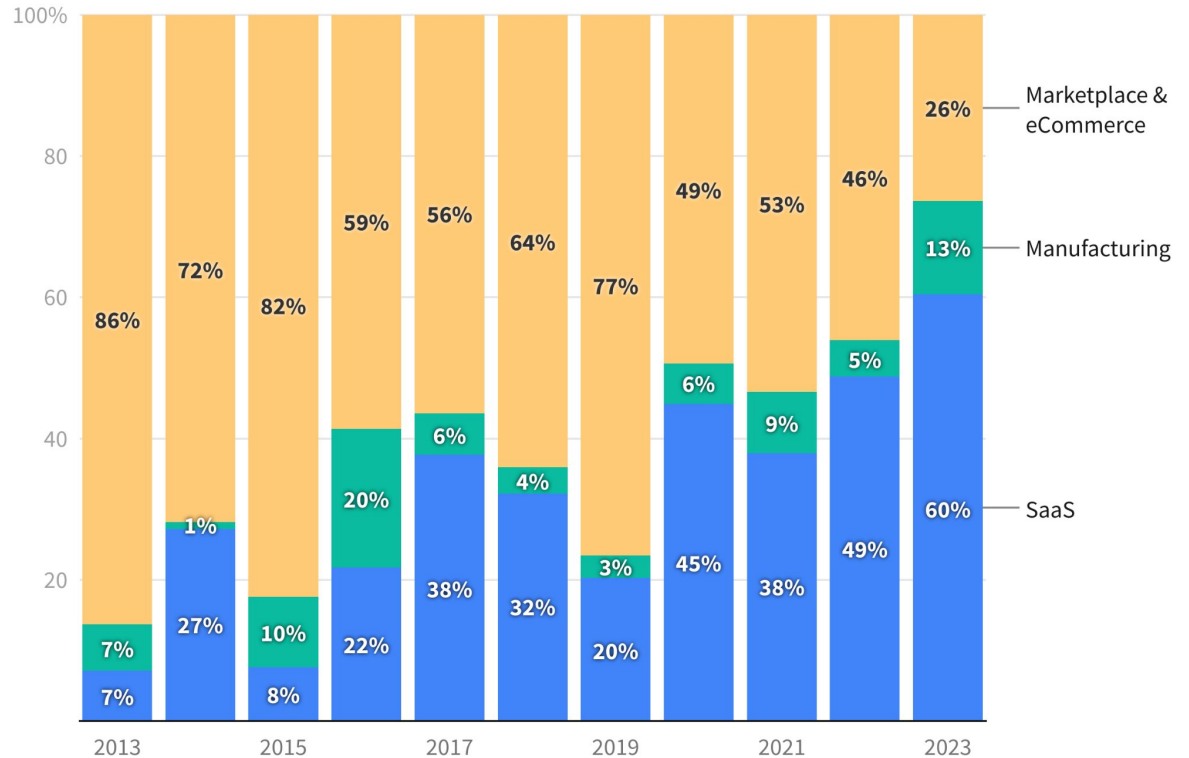
[See all rounds »](#)

<p>Banking Brazil</p>  <p>Series B \$200M</p>	<p>Banking Mexico</p>  <p>Growth Equity VC \$120M</p>	<p>Real Estate Brazil</p>  <p>Late VC \$100M</p>	<p>Legal Tech Brazil</p>  <p>Early VC \$86M</p>
<p>Media Chile</p>  <p>Late VC \$74M</p>	<p>Payment Solutions Mexico</p>  <p>Series B \$60M</p>	<p>Clean mobility Mexico</p>  <p>Late VC \$60M</p>	<p>Blockchain Cayman Islands</p>  <p>Series B \$60M</p>
<p>Education Platform Mexico</p>  <p>Late VC \$56M</p>	<p>Data analytics Colombia</p>  <p>Series B \$55M</p>	<p>Mobile Payments Colombia</p>  <p>Series B \$55M</p>	<p>Payments Brazil</p>  <p>Series B \$53M</p>

Over the past decade, there's been a significant shift of VC investment going from Marketplace startups to SaaS startups

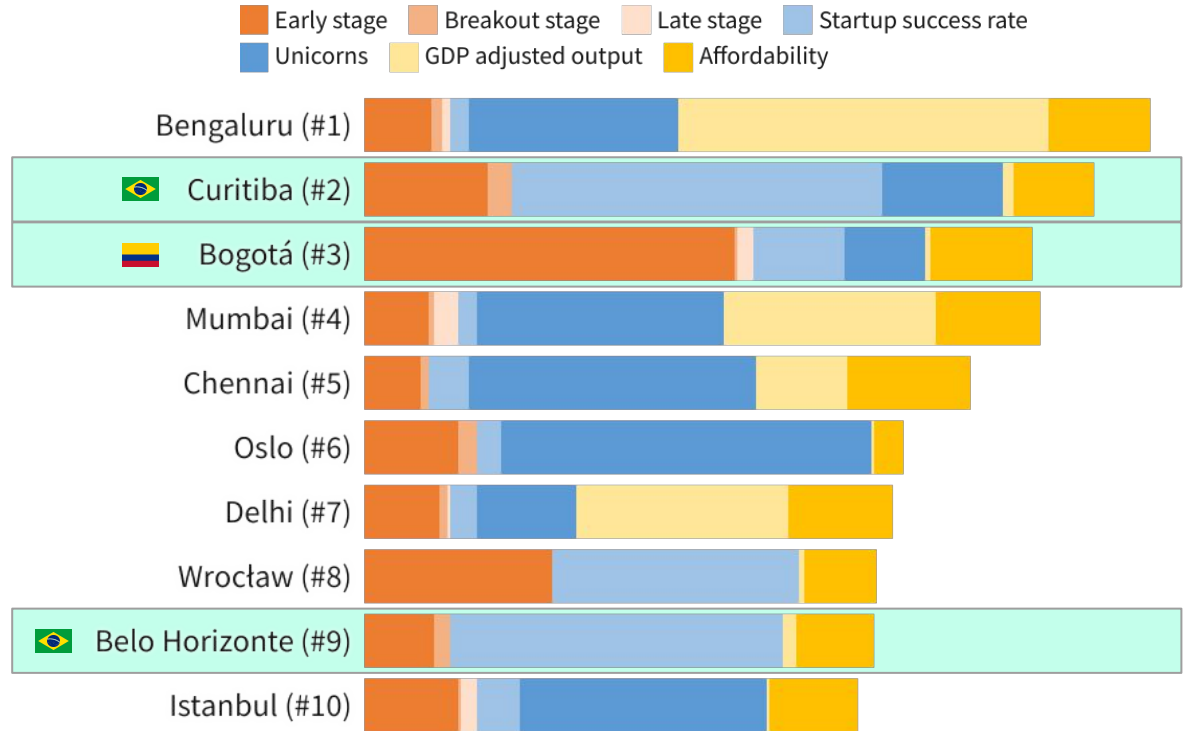
Customize data »

Top 10 Global rising start startup ecosystems



Three of the top 10 rising star ecosystems are based in LatAm: ecosystems with strong talent and early-stage investment, but currently lacking late-stage capital and scale.










Top 10 Global rising start startup ecosystems



Discover the ranking »

The most active current investors into LatAm startups are based in Brazil and the US.

The most active investors in LatAm since 2023

Investor	Typical first round	Activity Indexed*
 FJ Labs	Seed	100
 DOMO Invest	Seed	59
 Bossa Nova Investimentos	Seed	59
 KaszeK Ventures	Series A	44
 Valor Capital Group	Series A	41
 Monashees	Series A	37
 Ventiur Aceleradora	Seed	37
 WOW Aceleradora	Seed	37
 Canary	Seed	37



Francisco Loehnert
Co-founder & CEO

awto

EXPERT VIEW

How did you get the idea for Awto and what made you start the business?

Awto emerged from the need to address traffic problems, congestion, and emissions of polluting gasses in urban areas. These solutions also aimed to provide more accessible and economical transportation options for people, allowing them to use vehicles only for the time they truly needed them. The Kaufmann Group, a leader in the automotive industry in Latin America, seeking exceptional mobility services, decided to partner with a group of entrepreneurs to bring this startup to life in the year 2016.

How does Awto's platform concept differ in business model from simple car sharing competitors?

Awto's business model is based on offering users temporary access to vehicles that can be reserved and used according to their needs. This model focuses on providing a flexible and sustainable alternative to fleet usage by maximizing the vehicle's usage time (private vehicles are stationary 95% of the time), minimizing parked time as much as possible. Today, we are creating a truly mobility ecosystem, investing in subscription models, corporate services, and mobility as a service, among other things.

Profitability has always been a pain point in mobility. Where are you on the road to the positive bottom-line?

Awto achieved profitability in Chile for the first time in May 2021 and was profitable the whole 2021 and 2022. Now, we have been investing a lot in order to create the installed capacity for the operation in Brazil plus selling fewer vehicles to increase our presence in the Chilean market; therefore achieving profitability in some months (but not in all of them) during 2023. The objective is to achieve break-even in whole Awto Latam (including Awto Brazil where it started operations in December of 2022) by the beginning of 2026 (considering the execution of a Series B fundraise in the first semester of 2024 and that additional horizontal expansion be done as budgets allow).

Continues in the next page →



Francisco Loehnert
Co-founder & CEO

awto

EXPERT VIEW

Awto started in Chile and grew there for six years before expanding abroad. How has Chilean tech ecosystem evolved during those years?

The Chilean government has implemented various initiatives and programs to support entrepreneurship and innovation. Availability of VC in Chile has also increased, enabling startups to secure funding. The ecosystem has seen the emergence of successful startups and notable exits, contributing to a more mature and robust environment.

You chose Brazil as your first international expansion. Why Brazil instead of other Spanish-speaking LatAm, and how different Brazil is from the rest of the region?

Brazil itself is almost a continent that also has great economic stability in the region. We conducted a market attractiveness model in Latin America with different variables. Through this, we visited more than 20 cities. We realized that in Brazil, it was essential to do business with a local team. As a result, we decided to join forces with two serial entrepreneurs with experience in shared mobility, which was a key factor in making the decision.

Where do you see Awto in 5 and 10 years? What is your final vision?

We see an optimistic future, with a less polluted and less congested Santiago, Buenos Aires, São Paulo etc.; we want to contribute our grain of sand to achieve this. Each Awto is already taking 6-7 private vehicles off the roads, and there are four essential trends that will continue to happen, and we want to compete in all of them: car sharing, vehicle connectivity, electromobility, and autonomous driving. Our purpose is that "sharing is the KEY in a growing society, on a planet that remains the same size."

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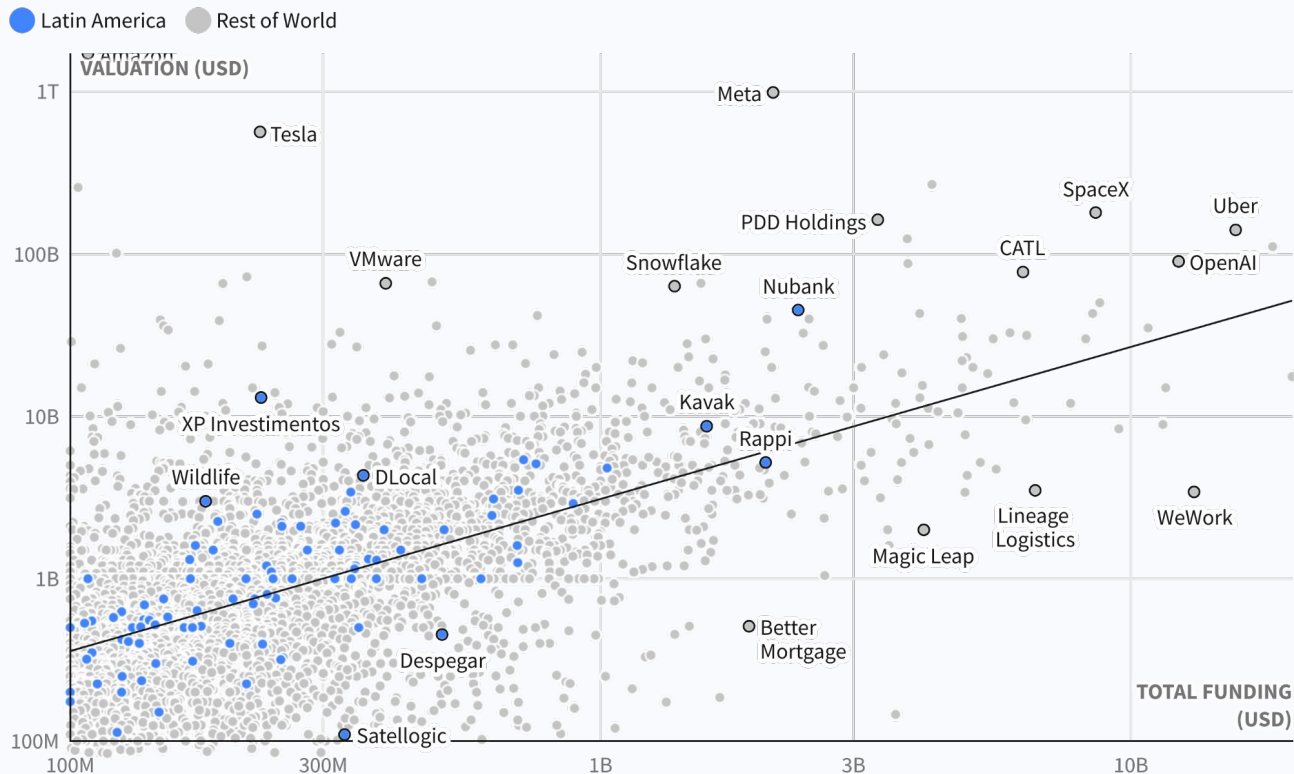
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Funding vs. Valuation

Latin American startups have frequently proved to be more capital efficient than global peers in generating value versus investment raise. In part this is borne out of necessity due to a lack of later-stage funding compared to more mature startup ecosystems.

[Explore live viz »](#)

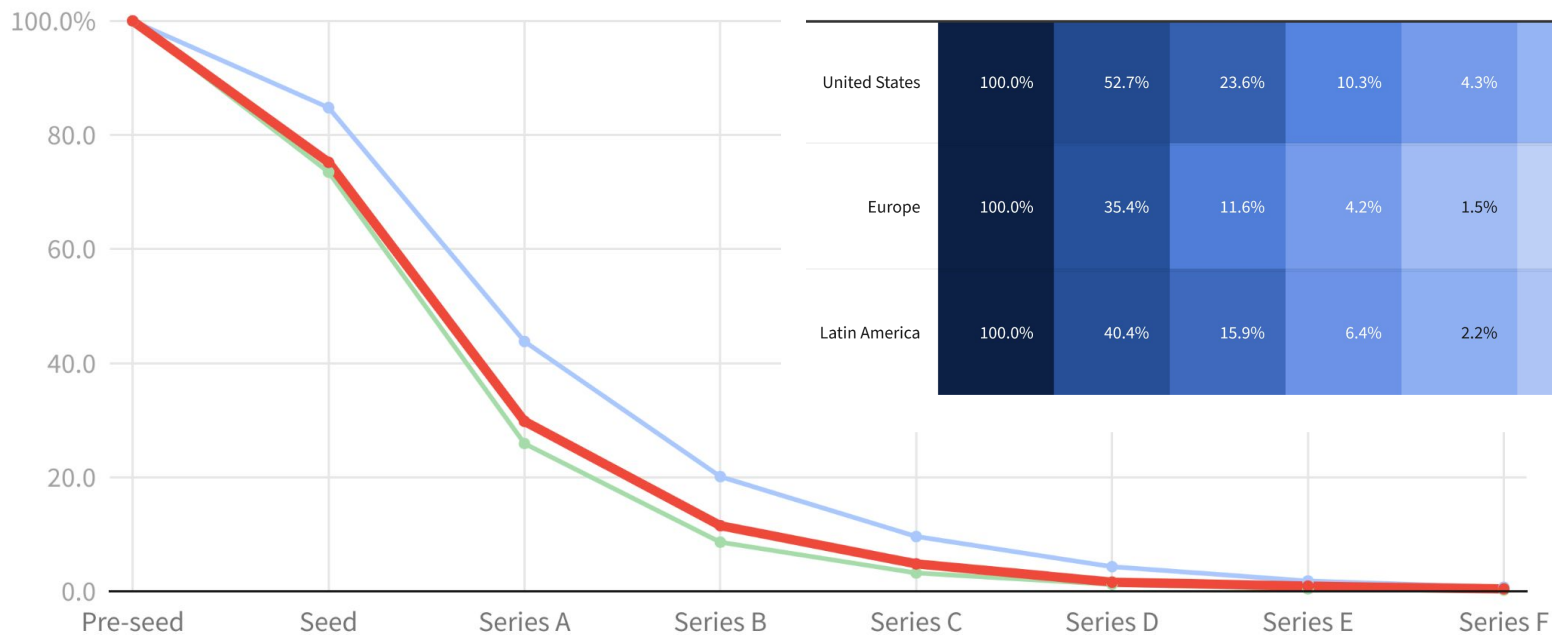
Scatter scaleups funding vs. Valuation (\$100M+ total funding)



LatAm startups scale at a similar rate as those in Europe, still behind the USA.

Conversion rate of cohorts founded between 2000-2023

United States Europe Latin America



	Seed	Series A	Series B	Series C	Series D	Series E	Series F
United States	100.0%	52.7%	23.6%	10.3%	4.3%	1.7%	0.6%
Europe	100.0%	35.4%	11.6%	4.2%	1.5%	0.5%	0.2%
Latin America	100.0%	40.4%	15.9%	6.4%	2.2%	1.3%	0.6%



Stefano Angeli
Founder & CEO

.reba

EXPERT VIEW

What inspired you to start Reba?

In 2015 we acquired the smallest financial institution in Argentina. After finding what was happening in the world with the first versions of neobanks being born, I realized that I could transform what at the moment were consider weaknesses (lack of technology, revenues, clients, employees and branches) into a huge asset: having the chance to build a neobank from scratch on top of an own banking license and without any legacy. That motivated the development of Reba.

Was navigating Argentinian regulatory environment difficult as a fintech firm?

Yes it was, mostly because regulators weren't used to our business model. But also having our own license and direct communication with regulators gave us huge advantage compared to other fintechs.

Reba is one of the few profitable neobanks in LatAm. What was your 'secret sauce'?

Operating with an own license (not through sponsor banks) was the key. That allowed us to do proper "financial intermediation" from our first days, increase margins and have full autonomy.

What's your ultimate vision for Reba?

Be a top digital bank in the region, by solving all everyday financial needs for both our retail and corporate clients.

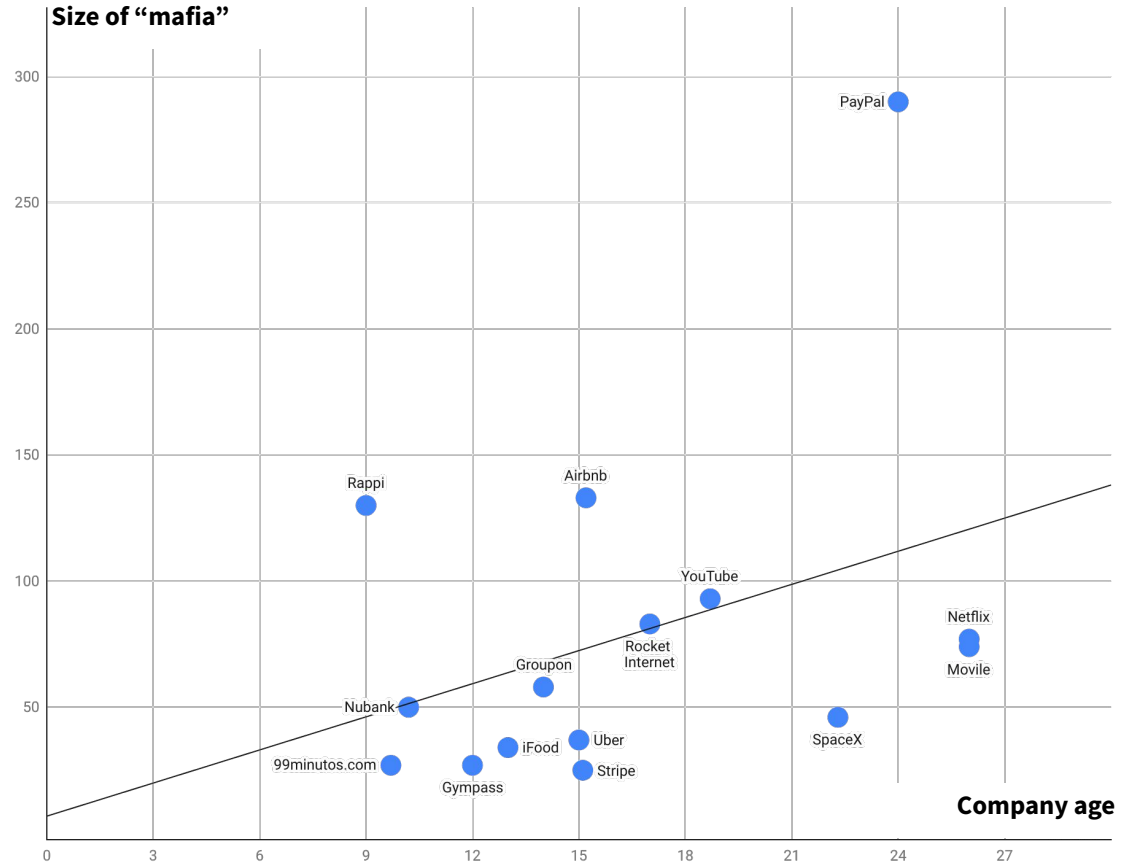
How do you believe tech ecosystem in Argentina will evolve?

It's going to thrive, given the lack of infrastructure and under-banked population that still exist, while having a high penetration of internet and smartphones in addition to huge tech related talent at the same time.

Alumni of Rappi created dozens of new companies



**The Rappi “mafia”
has grown bigger
and quicker than
many US and Latin
American unicorns.**



Foreign “startup mafias” also fueled LatAm tech growth and created several new unicorns.

Rocket Internet

(founded by ex-employees)

KAVAK

Justo

Y E M A[®]

belvo.

(Zébrands)

instaleap

HOUM

asistensi

mercadoni

urbvan

Flat.mx

Groupon

(founded by ex-employees)

Cornershop

KAVAK

Guiabolso

Justo

casai

KOSLEEPING[®]

playvox

Wonder brands.

Uber

(founded by ex-employees)

urbvan

aplazo

Arrived

parrot

Heru

Palenca.

banana
IPBS

higo.

Estoca

kurios

cloud
humans



Andrés Gutiérrez
Co-founder & CEO



EXPERT VIEW

How has the Colombian tech ecosystem evolved since you started out?

It's amazing to see how much the ecosystem has evolved in the last 10 years. Colombia, for example, had only one VC firm and now we have over 15. Back then we haven't seen any tech exits, and now we've had at least 20 M&A deals over \$25 million. We have at least three unicorns and at least 10 decacorns. I believe Colombia is a bellwether for the region.

How would you compare Tpage now vs. when you started?

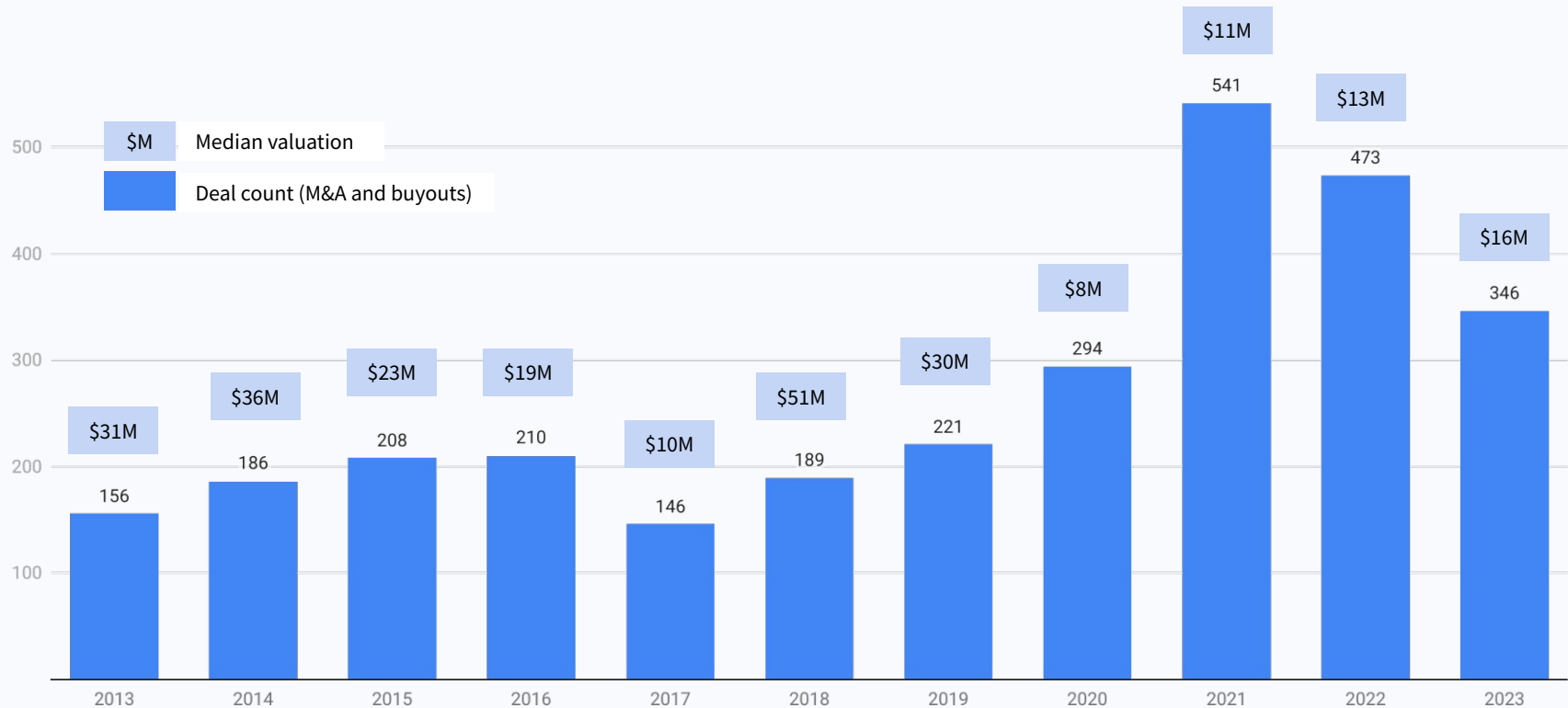
Tpage has matured, as I have as a CEO. Building a bank in Latam requires serious focus on infrastructure, as more often than not, connections and integrations with traditional players and payment rails are nonexistent. We are also a bigger company in terms of KPIs, having evolved to 3.5 million users, doing 1 million transactions per month, processing close to \$20 million a month. We've learned (sometimes through many mistakes) how to operate an efficient company. Finally, I think we are less naive of how 'easy' it is going to be to disrupt financial services, and with a 10x better understanding of the neobank economics.

What's your final vision for Tpage?

Data shows us that LatAm is the most profitable region in the world for financial services, and that half of the population is yet to be served. Our vision is to provide access to financial services to 100% of the unbanked on the continent. If we do our job right, I believe we can help millions escape poverty, by having access to bank accounts, savings, credit and insurance.

LatAm tech seems to be dominated by Mexico, Brazil and Colombia. Do you see other regions emerging as new tech destinations? Central America and Venezuela are vastly overlooked. Collectively Central America could be the 4th or 5th largest market in the region, and have less than 1% of VC funding. Central America (and Venezuela) are huge remittance markets, which remain very fragmented and informal.

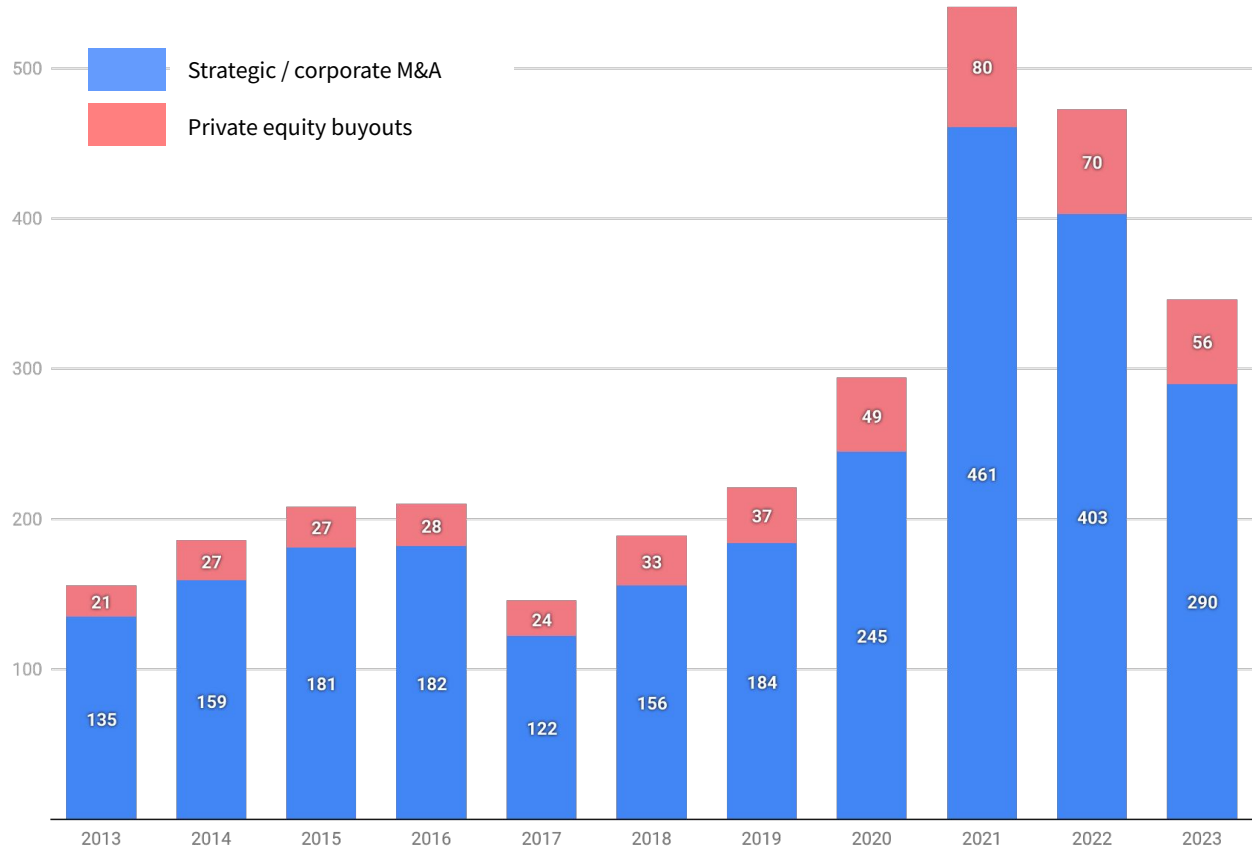
LatAm still has an exit problem – M&A activity declining from 2021 highs, very few big exits, most deals below \$50M valuation.



PE ecosystem in LatAm is yet to evolve, 80% of all M&A done by strategic buyers.

Of those 20% PE-led deals, key ones were cross-border (foreign PEs).










Number of M&A and PE-led buyout transactions in LatAm



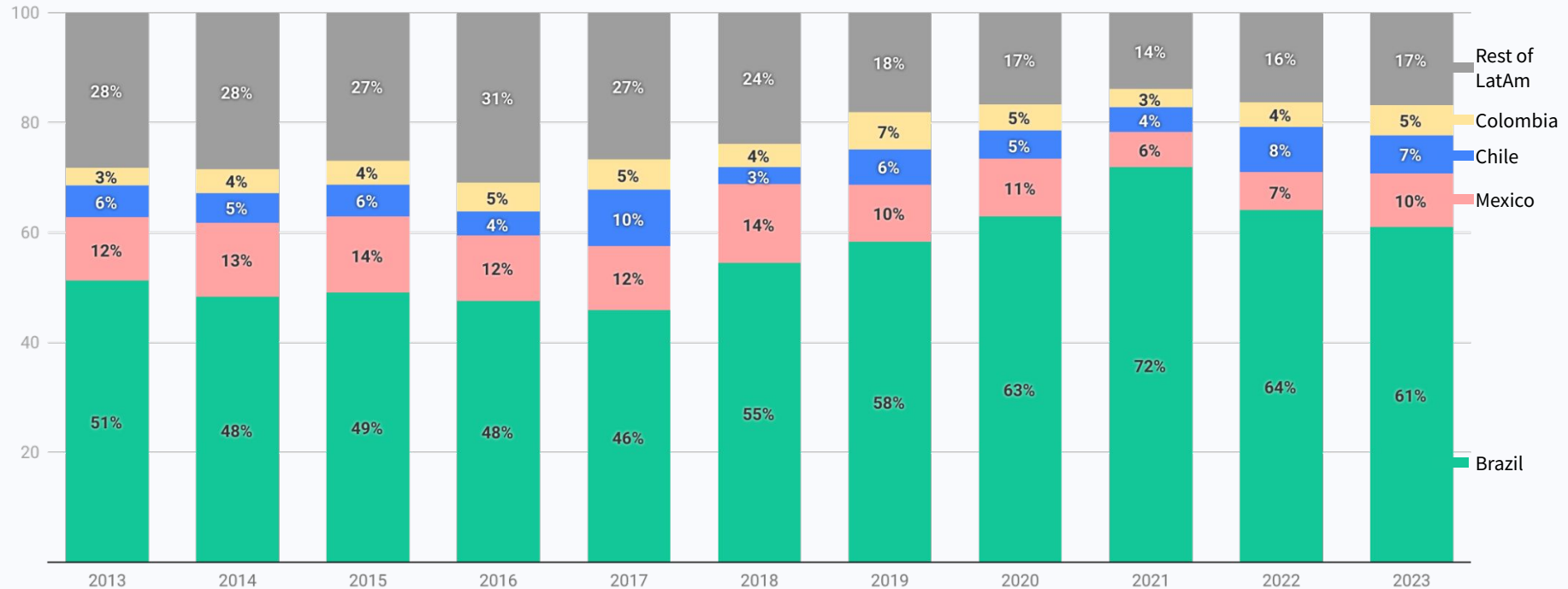
Very few large cap exits in 2023, almost none outside of Brazil.

Increased buyout activity from global PE funds like General Atlantic or Accel-KKR.

Few regional buyers, majority of larger deals were cross-border.

<p>Education Software Brazil</p>  <p>Take-private by General Atlantic and Dragoner \$1.5B</p>	<p>Payments Brazil</p>  <p>Acquired by VISA \$1.0B</p>	<p>Financial Software Brazil</p>  <p>Acquired by Evertec \$560M</p>
<p>Semiconductors Brazil</p>  <p>Acquired by Longsys \$205M</p>	<p>Payments Brazil</p>  <p>Acquired by Card Group \$92M</p>	<p>Gaming Brazil</p>  <p>Acquired by Epic Games Not disclosed</p>
<p>Marketplaces Peru / Chile</p>  <p>Acquired by the JV of CTS Eventim and Sony Not disclosed</p>	<p>IT Services Mexico</p>  <p>Acquired by Accenture Not disclosed</p>	<p>CRM Software Brazil</p>  <p>Acquired by GIC Not disclosed</p>

























It's Brazil vs. Spanish-speaking LatAm – exit M&A activity in Brazil surpasses all other Latin American countries combined.



Discover the most top 100 Latin American startups using predictive signals.

» Top 100 Latin American startups to watch

dealroom SIGNAL

NAME	DEALROOM SIGNAL	MARKET	TYPE	GROWTH 12 months growth
 Caju ★ Creating a benefits platform for th...	 89	B2B fintech jobs recruitment financial management solutions	commission saas	 92%
 Baubap ★ Digital micro lending mobile platfo...	 79	B2C fintech mortgages & lending	big data machine learning artificial intelligence commission	 156%
 Kilimo ★ 🚀 Provides a decision support tool fo...	 78	B2B food enterprise software agtech	big data commission subscription saas manufacturing	 71%
 Bankaool ★ First digital bank in Mexico	 78	B2C fintech banking	commission	 -
 Higo ★ Offers a smart alternative to send ...	 76	B2B fintech payments	subscription saas	 10%
 menta ★ Unlocks new revenue streams for ...	 75	B2B fintech payments	commission saas	 131%
 Aviva Mexico City-based fintech startup ...	 75	B2B fintech mortgages & lending banking	artificial intelligence commission saas	 -
 MONI ★ 🚀 Micro lending and financial service...	 72	B2C fintech payments mortgages & lending	mobile app commission	 71%

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We cover 60+ Latin American stocks across technology, media and telecom ecosystems.

See real-time data



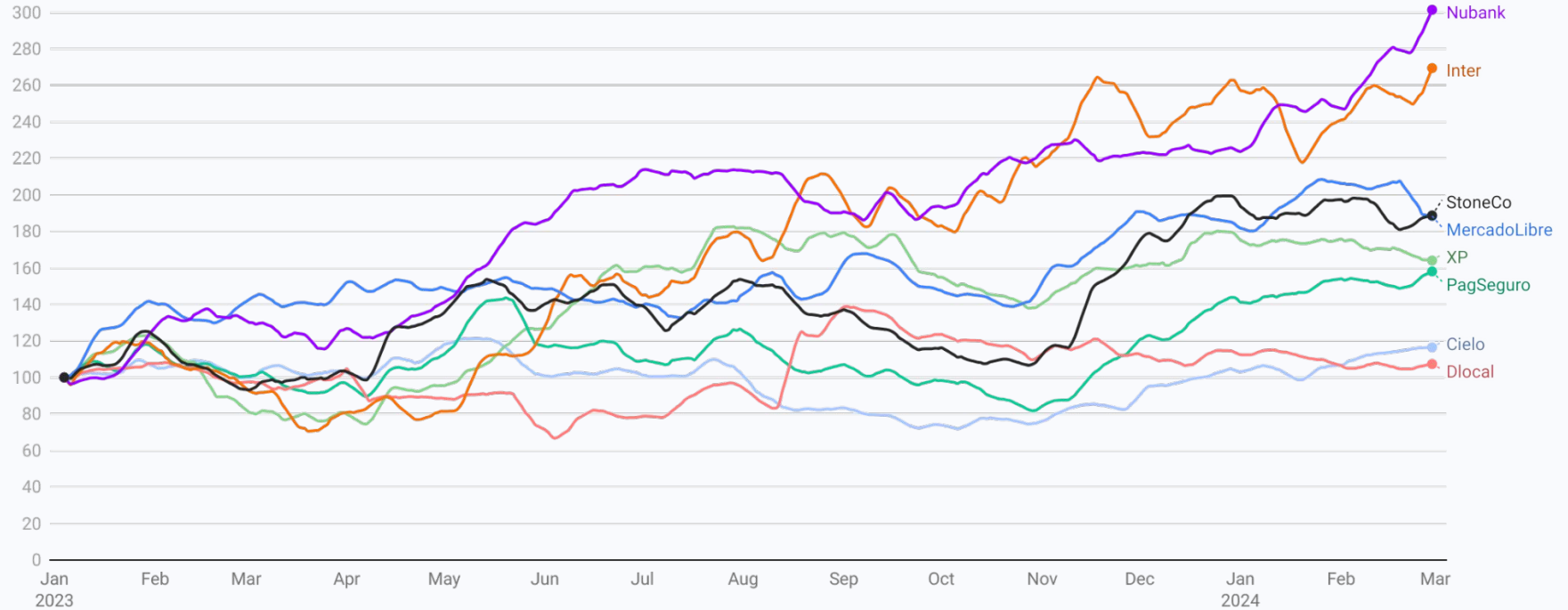
Latin American public stocks significantly underperformed vs. S&P 500 tech benchmark, despite great performance from mega caps (Nubank, Mercado Libre).

Monthly return - Flow Partners' LatAm Tech Index vs. S&P 500 Technology



Neobanking was a winner of 2023 stock run - Nubank and Banco Inter significantly outperformed other LatAm large caps.

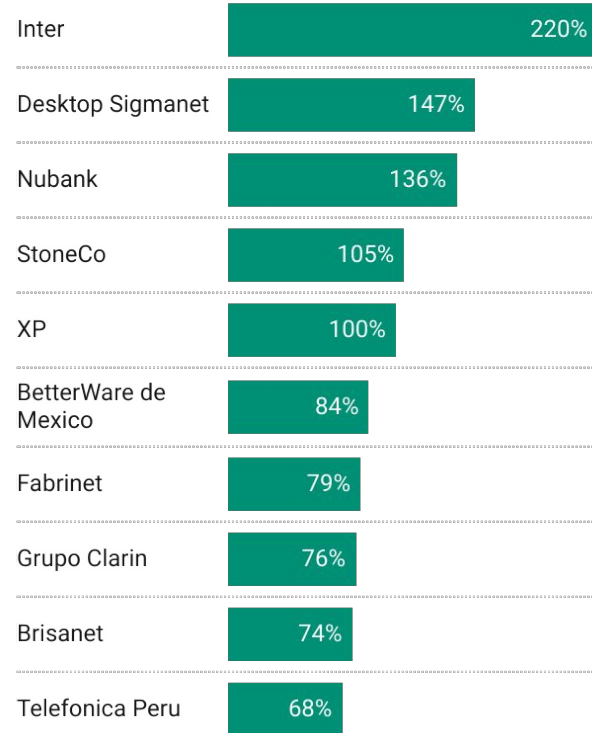
Monthly return - Latin America's top public tech stocks



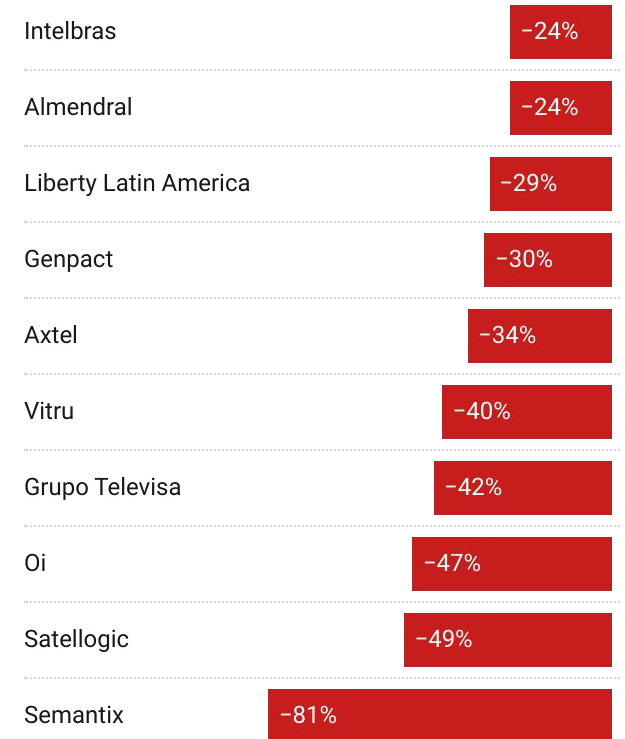
Fintech stocks were on a rise in 2023, led by Brazilian neobank Inter.

Semantix, Brazil's first SPAC, traded the worst of all LatAm tech stocks in 2023.

Gainers (stock price Mar-23 vs. Mar-24)



Losers (stock price Mar-23 vs. Mar-24)





Gabriela Estrada
Co-founder & CEO



EXPERT VIEW

Give us a brief history of Vexi. What inspired you to start?

Vexi stemmed from an in-depth understanding and personal involvement in the Mexican financial industry. With over 15 years dedicated to this sector, we personally witnessed through our own experiences and those of our families, the widespread inequality exacerbated by the industry's inefficiencies. We identified a concerning pattern where millions of individuals were excluded from the system, creating a detrimental cycle: people lacked credit access due to the absence of a credit history, and the lack of credit history resulted in entities' unwillingness to provide credit. This situation left a significant portion of the adult population relying on excessively costly informal loans to address emergencies.

Fintech in Mexico (and Latin America in general) evolved massively over the last few years. What has changed since you started Vexi?

Since Vexi's launch in April 2018, the Fintech landscape in Mexico and Latin America as a whole has undergone significant and transformative changes.

There has been a notable surge in the recognition and adoption of fintech solutions among consumers. Rapid advancements in technology have enabled fintech companies to offer more personalized and efficient solutions. The fintech ecosystem has witnessed increased collaboration between traditional financial institutions and Fintech startups. We currently issue an American Express-branded card, which has forged close ties in our relationship with the brand. Fintech has played a pivotal role in expanding financial inclusion across Mexico and Latin America.

Vexi's mission aligns with this trend, as it aims to break the cycle of financial exclusion by providing accessible and inclusive financial services to a broader segment of the population.



Gabriela Estrada
Co-founder & CEO



EXPERT VIEW

Vexi is one of the few truly successful neobanking products, with excellent performance despite difficult macro environment. How does your product differ from competition?

We have become one of the few (or the only) neobank that is already cash positive in Mexico, and soon-to-be profitable. We are the only non-bank credit card in Mexico and one of the very few in Latin America with the prestigious American Express brand. This distinction not only strengthens our credibility but also underscores our commitment to providing high-quality financial services.

We outline five key elements that define our uniqueness: proprietary technology platform, exclusive data and risk models, operational efficiency (1 million customers approved), positive unit economics and experienced founding team.

What is your ultimate vision for Vexi?

We aspire to establish ourselves as the primary financial services platform catering to the underserved population throughout Latin America. Beyond addressing the fundamental need for credit accessibility, our commitment extends to resolving the multifaceted challenges that our customers encounter in their daily lives.

Micro-entrepreneurs, in particular, face obstacles such as limited access to personal loans for their businesses, payment solutions, opportunities for savings and investment, remittance services, and insurance tailored to our specific demographic.

While our initial focus involves building trust with our customers through credit offerings, our vision transcends the confines of a traditional credit card service. We are dedicated to expanding our scope to encompass a comprehensive range of financial services, with the ultimate goal of serving the entire Latin American region. By addressing the diverse financial needs of our customers, we aim to make a meaningful and lasting impact on the lives of the underserved, fostering financial inclusion and empowerment across the region.

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We are a modern investment banking firm focused exclusively on the digital economy.

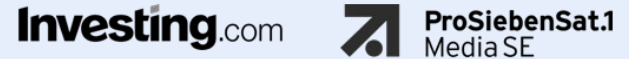
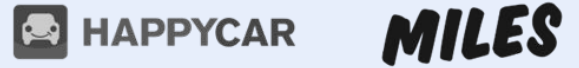
Advising winning tech entrepreneurs and technology investors is at the very core of what we do.

We support founders, helping them navigate the full cycle of the M&A process and make sure they raise growth capital on optimal terms.

Leveraging deep industry know-how and operational understanding of tech businesses, we also provide high-quality commercial due diligence recommendations to leading private equity and strategic investors.

With 35+ years of experience, our team operates globally with significant presence in London, Berlin, Warsaw, Miami and Dubai.

Learn more about us [here](#).





Fully integrated end-to-end offering, to make sure you get the best possible outcome.

Sell-side

We bridge the mindset gap between creative entrepreneurship and investor reasoning.

We help management teams navigate the full cycle of the M&A processes, work with founders to raise capital on optimal terms, and provide impartial, high-impact advice on strategic decisions.

M&A

**Capital
Raising**

**Financial
Advisory**

Buy-side

We fully understand niche sector specifics, deal sensitivity and tight timeframes.

Our unique combo of deep technology expertise and modern approach to corporate finance enable us to deliver insightful and actionable outcomes for technology investors.

**Commercial Due
Diligence**

**Fairness Opinions &
Valuations**



From emerging markets to established economies, we are advising digital leaders across the globe.



40+

years of combined
experience

50+

projects completed
by the team

\$11B+

aggregate deal value
completed by the team

87%

deals 2020-22
were cross-border

Selected M&A and capital raising track record.


<p>January 2024</p> <p></p> <p>acquisition by</p> <p>POSITIVE GROUP</p>	<p>December 2023</p> <p></p> <p>acquisition by</p> <p>PATRIMONIUM</p>	<p>September 2023</p> <p></p> <p>strategic advisory</p>	<p>July 2023</p> <p></p> <p>acquisition by</p> <p>papara</p>	<p>June 2023</p> <p></p> <p>acquisition by</p> <p></p>	<p>January 2023</p> <p></p> <p>strategic advisory</p>	<p>December 2022</p> <p></p> <p>investment from</p> <p></p>	<p>August 2022</p> <p></p> <p>potential acquisition by</p> <p>Global TIC Company</p>
<p>August 2022</p> <p></p> <p>acquisition by</p> <p>RUSSMEDIA EQUITY PARTNERS</p>	<p>August 2022</p> <p></p> <p>investment from</p> <p>ELYSIAN FIELDS</p>	<p>July 2022</p> <p></p> <p>investment from</p> <p>ELYSIAN FIELDS</p>	<p>July 2022</p> <p></p> <p>investment from</p> <p>Seventure</p>	<p>April 2022</p> <p></p> <p>investment from</p> <p>MTG BITKRAFT</p>	<p>January 2022</p> <p>MILES</p> <p>investment from</p> <p>CROSSLANTIC / CAPITAL</p>	<p>October 2021</p> <p></p> <p>investment from</p> <p>TURKVEN</p>	<p>May 2021</p> <p></p> <p>investment from</p> <p>ARENA</p>



Led by a team of tech experts with long-standing professional history together.



Nikhil Parmar Managing Partner

London 

Leads B2B software, cybersecurity, industry 4.0 and infrastructure practice

20+ completed engagements across Germany, Switzerland, Turkey, UAE

London School of Economics (LSE)



Olek Skwarczek Managing Partner

Warsaw  Miami 

Leads efforts in the US and Latin America with focus on consumer tech

20+ projects completed across the US, Mexico, Pakistan, UAE, Turkey

Warsaw School of Economics (SGH)



Jan Brandes Managing Partner

Berlin 

Heads DACH region, expert in media, ecommerce, online marketplaces

30+ transactions completed with aggregate value of €10B+

Maastricht University



Lukas Schlund Managing Partner

Munich  Riyadh 

Leads coverage in the MENA region, focused on Saudi Arabia and UAE

Previously co-founded *nuwo*, a home office-as-a-service platform

KEDGE Business School, EBS

LEHMAN
BROTHERS

NOMURA

GP.Bullhound

LEADERS CONNECTED
NOAH
ADVISORS



EY

KPMG

ProSiebenSat.1
Media SE

Flow Partners

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Methodology & definitions

What is a startup?

Companies designed to grow fast. Generally, such companies are VC-investable businesses.

When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies. Only companies founded since 1990 are included in this report.

What is a startup?

What is a unicorn?

Unicorns are (former) startups that reached US€1B valuation or exit at one point in time.

What is a Unicorn?

Underlying Data

Dealroom's proprietary database and software aggregate data from multiple sources: harvesting public information, user-submitted data verified by Dealroom, data engineering. All data is verified and curated with an extensive manual process.

The data on which this report builds is available via app.dealroom.co. For more info please visit dealroom.co or contact support@dealroom.co.

Venture Capital, Investors

Domestic investors refer to Latin American investors. Europe investors includes the entire European continent, the UK and Russia, but excludes Turkey and Portugal. Investment are referred to by their round labels such as Seed, Series A, B, C, ... late stage, and growth equity. VC investments exclude debt, non-equity funding, lending capital and grants.

Regional Breakdown

In this report, the countries that were included as part of our study into Latin America include: Mexico, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, French Guiana, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela, Cuba and Dominican Republic.

While many startups founded in the Latin America relocate beyond their borders, most maintain business-critical ties to their homelands.

In order to take this reality into account, this report includes both LATAM-based startups, which maintain their main center of business (HQ) in their country of origin, and LATAM-founded startups, which relocated their HQ outside of the LATAM.

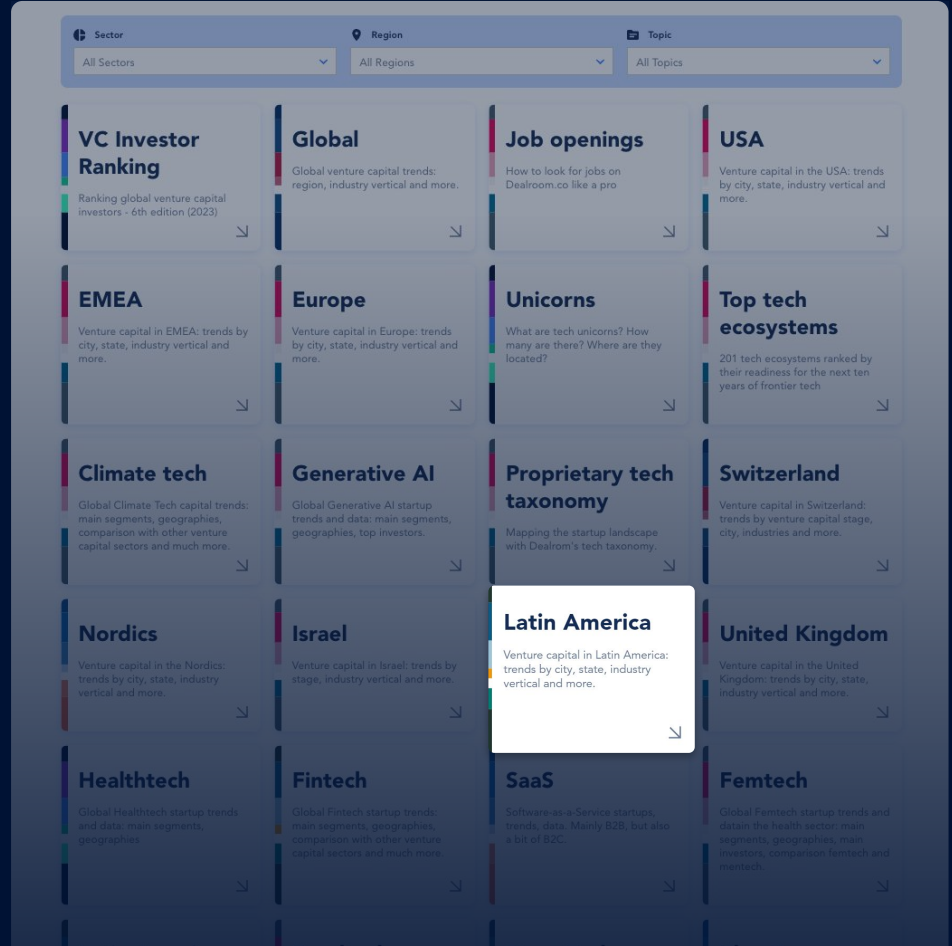
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