

# Early-Stage VC Trends

An abstract graphic consisting of numerous thin, teal-colored lines that originate from a single point on the horizontal centerline of the page and fan out towards the right edge. The lines vary in length and angle, creating a sense of motion and expansion. The background is a solid dark color, making the teal lines stand out.

# SHAPING **STRATEGY** INTO **TRANSACTION SUCCESS**

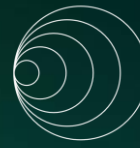
DealMaker is a strategic advisory firm specializing in Mergers & Acquisitions and Fundraising for entrepreneurs and investors in the digital economy. We explore the unique characteristics of each client, combining Corporate Finance, Data & Insights and Communications.



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STRATEGIC  
ASSESSMENT

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CHAPTER ONE

# WHY EARLY-STAGE, WHY NOW?

## WHY EARLY-STAGE, WHY NOW?

Between the receding pandemic bubble and the launch of ChatGPT in November 2022, something fundamental shifted in the markets.

At DealMaker, we believe we've entered a new era for technology and investments, even as the ripples of the previous era continue to propagate, although with diminishing impact.

The once-disrupting technologies as internet, cloud, and mobile have now matured. While still fundamentally important, these technologies laid the groundwork for new converging, and disruptive innovations that – accelerated by the venture capital ecosystem – are poised to reshape everything once again.

Advances in many fields have been steadily maturing over the past decade, now converging into new, integrated knowledge

frontiers that didn't exist just a few years ago. Many investors are starting to take notice. We aim to better understand where the market is heading and, if possible, why. But, deciphering what this moment means for the coming years is a daunting task given the sheer volume of data (and noise) in today's environment.

That said, it's widely known that early-stage investments is an asset class with practically zero correlation with public, late-stage, or growth-stage markets. We also know that today's early-stage companies will be pivotal players in Series-B rounds, M&A and IPOs over the next 10+ years.

With this in mind, we set out to conduct a discovery-driven research, analyzing a population of over 14,000 early-stage deals in the US and LATAM, with the objective of gaining insights into where we are today and what the future may hold.

CHAPTER TWO

# APPROACH & METHODOLOGY

# RESEARCH OBJECTIVES

With the drastic market correction of 2022, followed by a 2023 where markets operated at lower levels than 2019, we witnessed relevant changes in technology and behavior.

Technology adoption rose significantly with the pandemic, accelerating the use of technological tools by several years in just a short time.

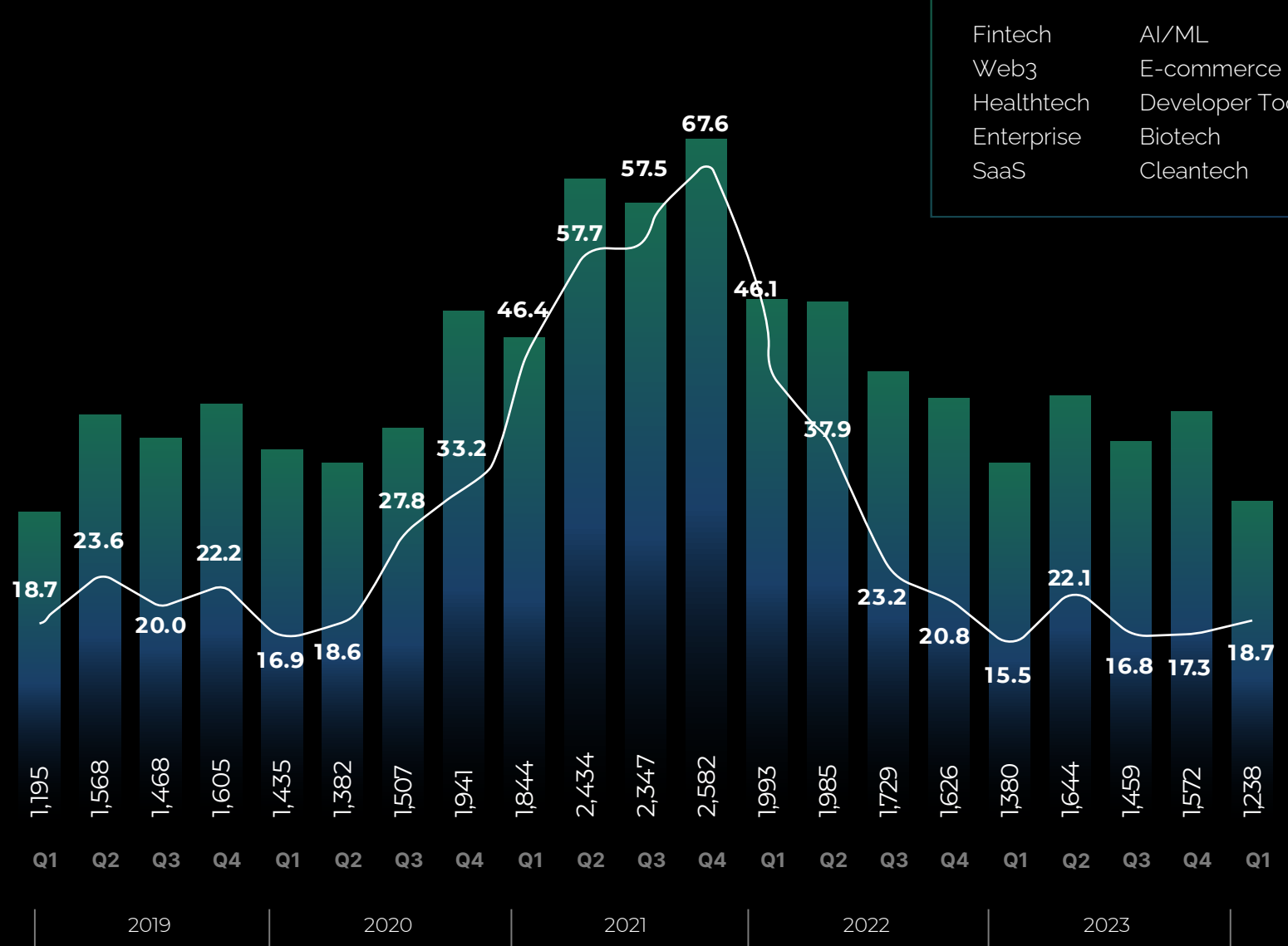
On top of that, ChatGPT was launched to the public in November 2022, and its emerging abilities surprised even the scientists.

How do the most relevant segments for early-stage rounds of 2022-2023 differ from 2024? How have the trends that gained momentum between 2019-2021 evolved? What can we expect from the future?

These are some of the questions we set out to answer.

US VC Investments 2019 - 2023

# Rounds (Bar)    Cash Raised (\$B) (Line)



**Most relevant segments 22-23**

Fintech	AI/ML
Web3	E-commerce
Healthtech	Developer Tools
Enterprise	Biotech
SaaS	Cleantech

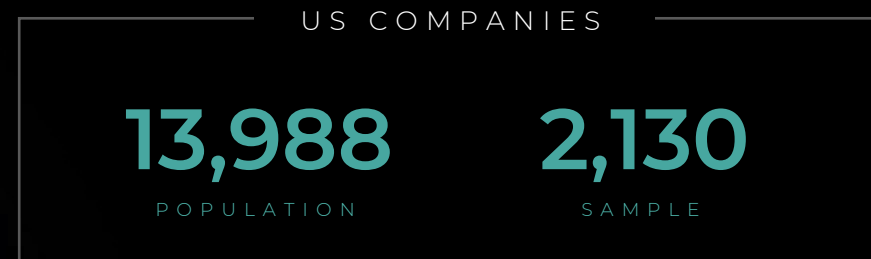
## EARLY-STAGE SAMPLES

To assess the US and LATAM early-stage ecosystem, our primary goal was to capture meaningful trends without incurring the mistake of bringing to front only the trusted, tried and most successful investors.

About data, first it is important to mention our research was directly influenced by the data sources used and while we think some findings may differ from our expectations, we had to trust them to maintain coherence. As such, we analyzed early-stage deals from Q4 2022 through Q2 2024 (as of 08/31/2024). This timeframe allowed us to track market shifts resulting from the 2021 hype, subsequent corrections, and the rise of AI.

We filtered for companies that raised at least \$500K, as deals below this threshold tend to involve startups at a very early stage, with higher rates of pivots, changes, and mortality. On the other end, we capped deal size at \$15MM, significantly higher than the median seed stage deal size of \$4MM (as reported by Carta’s SOPM Q2 2024 Addendum) and more than twice the median Series-A deal size of \$7MM reported in Q2 2024. This approach aimed to include the most relevant early-stage seed to Series-A deals for our research.

Upon analyzing the data, we found that to fully capture the evolving dynamics, we needed to classify companies using a new methodology that considers prevailing technologies, activities, and capabilities...





## METHODOLOGY - SEGMENTS

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The available classifications for **industry, vertical,** and **sector** - such as classifying a company as "SaaS B2B Enterprise for Heavy Industries" - don't fully meet our needs when investigating new technologies or capabilities and their combinations.

Early-stage companies typically establish a beachhead before expanding their target markets, so using a snapshot of their vertical or industry focus could be misleading. Some companies may retain the same focus, while others will have evolved.

Therefore, under our revised segment descriptions, the same company would be labeled as "SaaS, B2B, Business Process Automation + AI & Machine Learning," where AI & ML are considered the enabling technology or context.

This approach, while losing the "Heavy Industries" or "Enterprise" focus - which can be important for certain uses - provides deeper insights into the company's activities and technologies.

Adding additional layers of vertical or industry would only increase complexity without improving our understanding of the trends we aim to analyze.

For example, we classified companies as "SaaS, B2B AI & Machine Learning + Developer & Application Tools," meaning the company develops advanced AI & ML products within the context of coding, software development, and developer applications.

Meanwhile, a company classified as "B2B Developer Tools & Applications + AI & Machine Learning" develops tools for developers, with AI & ML serving as enabling technologies.

However, a company primarily focused on "Data & Analytics" within cloud environments, with AI as an enabling technology, would be classified as "Data & Analytics + Cloud Technologies."

In these cases, the differences in relevance between enabling technologies such as Cloud Technologies and AI & Machine Learning are captured by our classification algorithm and human review.

CHAPTER THREE

# US EARLY-STAGE



## Edson Rigonatti

General Partner



AI is a paradigm shift, just like mobile in the 2010s, cloud in the 2000s, and HTML in the 1990s. These shifts always follow a predictable path: from infrastructure to platforms, to applications, and then to transactions.

Right now, we are still witnessing tectonic movements in the infrastructure and platform layers (e.g., Nvidia, ChatGPT, and similar technologies).

As with past technological shifts, we should anticipate significant changes in applications and transactions.

Currently, most AI applications are helping companies lower CAC, reduce product development lead-time and costs, and lower servicing expenses. These productivity improvements will enable founders to explore new distribution models and scale sales with fewer employees than we see today.

There will be more founders out there. It will get harder to succeed. However, those who do succeed will scale faster and more efficiently.



CHAPTER THREE - A

# US EARLY-STAGE: SAMPLE ANALYSIS

## EARLY-STAGE SAMPLE US

We ranked US investors operating in early-stage by the number of exits and the number of early-stage rounds within the sampling period.

From 124 investors (out of more than 7,000), we then extracted 13,988 deals and companies.

From 13,988 early-stage deals we took only those ranging from \$500K to \$15MM, and only between US based VCs and US based companies, and we considered only the last funding round of these companies.

With these criteria we arrived at **2,130 companies** of which 27 were excluded by several reasons concerning data sufficiency and consistency.

# 124

INVESTORS

Criteria: at least 10 investments over the last 12 months and a minimum of 20 exits in the period

# +\$11 Billion

TOTAL RAISED

The selected sample companies have raised more than \$11 Billion together within the chosen period

# \$4 MM

MEDIAN DEAL SIZE

The sample's deal size standard deviation is approximately \$3MM

# \$4.7 MM

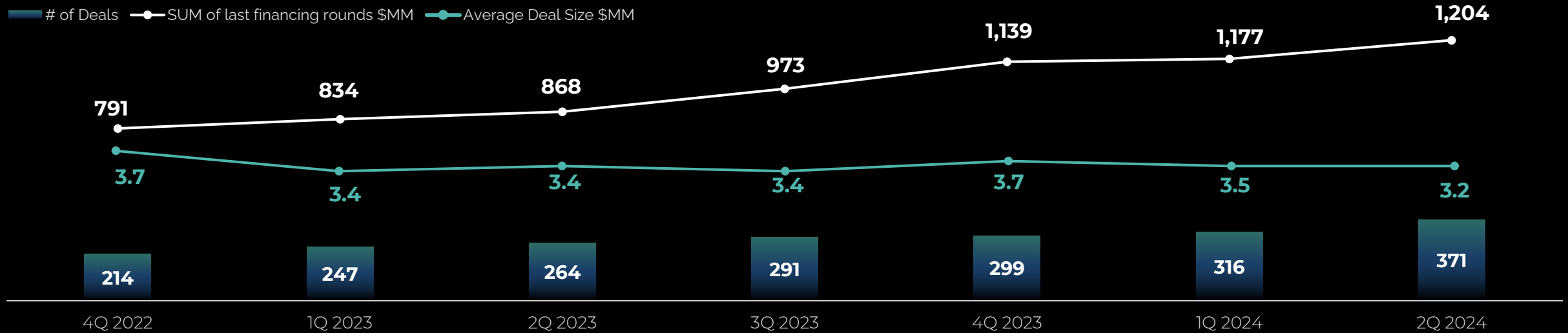
AVERAGE DEAL SIZE

The low difference between average and median deal sizes indicates most of deals were approximately in the same range

# US SAMPLE: QUARTERLY OVERVIEW

## Number of Total Funds Raised, Average Deal Size and Number of Deals

Evolution from 4Q 2022 to 2Q 2024



The number of deals and total and raised (sum of last financing rounds) has been growing steadily within the period, showing increasingly better conditions since the correction of 2021 and 2022. We see average round sizes falling from 3.7 to 3.2 between 4Q 2023 and 2Q 2024. Preliminary results from 3Q 2024 seem to indicate the number of deals are falling, while check sizes grow. But recent data is usually incomplete and may be affected by late reporting issues.

# PRIMARY SEGMENT FOCUS

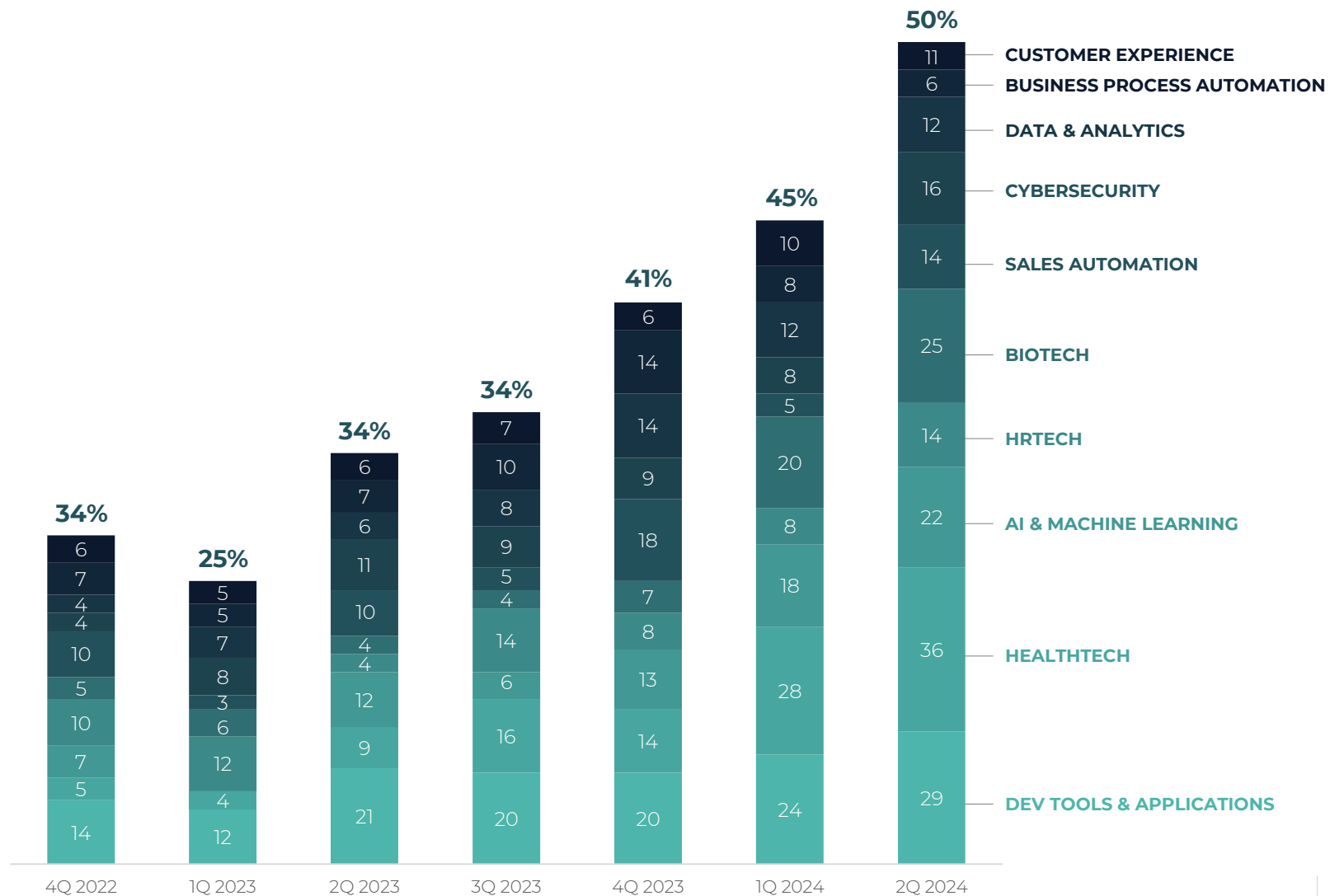
Given our classification method, **the first segment focus indicates the primary technology and activities performed by the company.**

Consider the distribution of the top 10 segments in 4Q 2022 and 1Q 2023: we see segments more evenly distributed than in 1Q 2024 and 2Q 2024.

Developer Tools & Applications, Healthtech, and AI & Machine Learning were 30% of the top 10 in 4Q 2022 and rose to 47% in 2Q 2024.

While the total number of rounds grew steadily since 2022, **these 10 segments took prevalence over the other 89 as the most relevant to attract venture capital in the period.**

Number of deals by top 10 primary segments, % of total  
From 4Q 2022 to 2Q 2024



# SECONDARY SEGMENT FOCUS

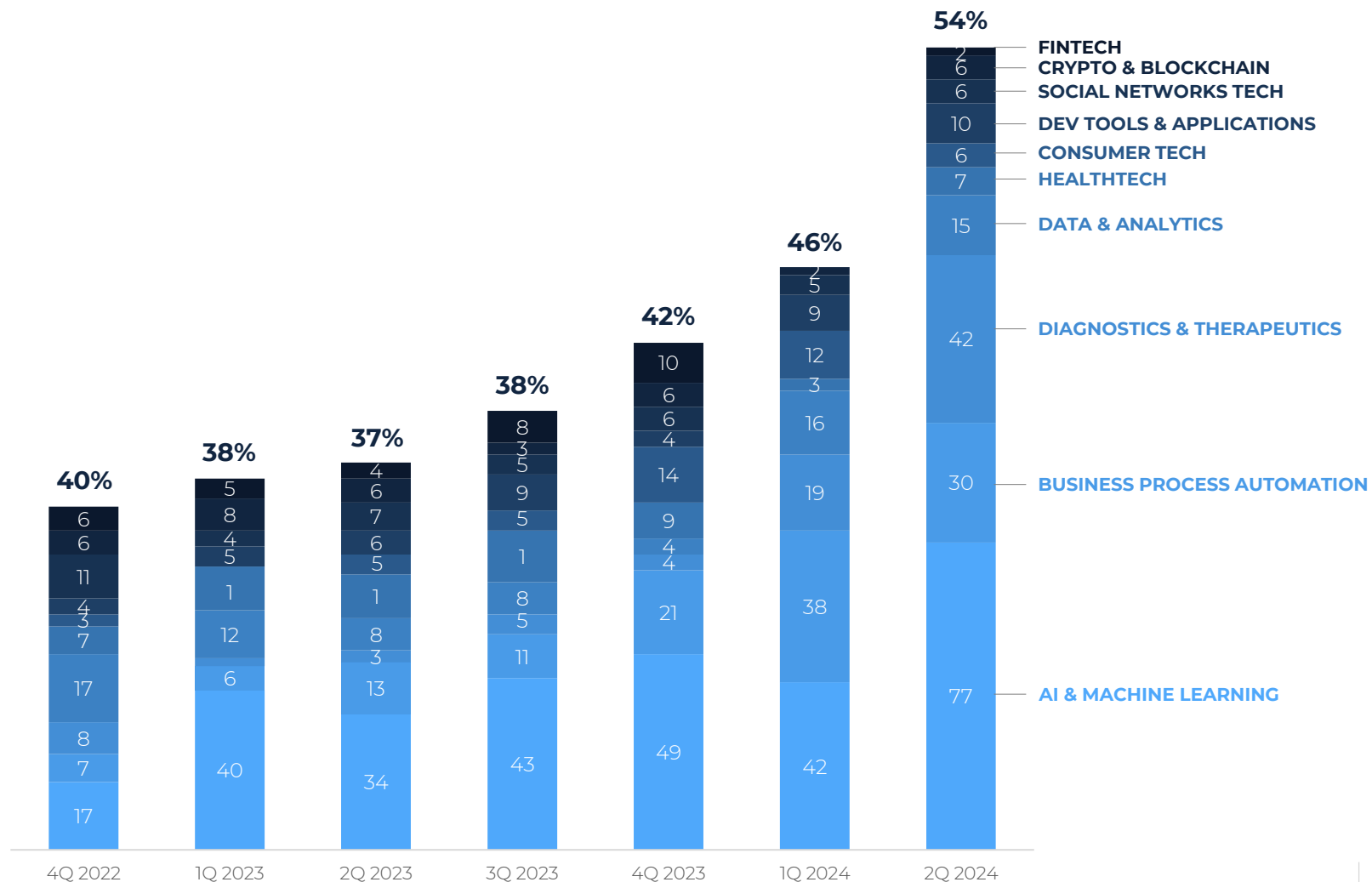
The secondary segment indicates an enabling technology or activity focus. As such, AI & Machine Learning emerged as the most relevant enabling technology within the period.

We considered AI only in those cases where there was evidence AI was applied in a specific use-case. **Simply consuming AI as a utility and integrating it into existing processes didn't merit the classification as an AI company, in this study.**

This approach is not devoid of error, but over more than 2,500 companies studied, we measured a high probability that any mistakes will not significantly affect results.

As shown here, from 210 deals in 2Q 2024, **71% were based on AI & Machine Learning as enabling technology** or were made in companies providing solutions for Business Process Automation and Diagnostics & Therapeutics.

Number of deals by top 10 secondary segments, % of total  
From 4Q 2022 to 2Q 2024





# COMBINED SEGMENTS & FOCUS

From **more than 2,130 different combinations** of segments and focus, **528** are displayed in this extraction. They represent good examples of potential combinations between early-stage startup's segments and focus.

Within the selected frame we highlight the following combination examples:

1. Developer Tools & Applications + AI & ML: **# 60**
2. Healthtech + Diagnostics & Therapeutics: **# 41**
3. Sales Automation + AI & ML: **# 32**
4. Biotech + Diagnostics & Therapeutics: **# 32**
5. Developer Tools & Applications: **# 31**
6. Healthtech + Business Process Automation: **# 24**
7. HR Tech: **# 22**
8. Cybersecurity: **# 21**
9. Data Analytics + AI: **# 21**
10. AI & ML: **# 19**

## Extraction: segment & focus combinations

# Number of Deals per Combination



	Only Segment Focus	AI & ML	Business Process Automation	Diagnostics & Therapeutics	Data & Analytics	Healthtech	Consumer Tech	Dev Tools & Apps	Social Networks Tech	Crypto & Blockchain
Dev Tools & Apps	31	60	7	0	10	3	0	0	3	0
Healthtech	14	10	24	41	2	0	0	0	0	0
AI & ML	19	0	1	0	8	0	0	16	0	1
HR Tech	22	9	4	0	2	11	2	1	2	1
Biotech	7	5	3	32	2	5	0	1	0	0
Sales Automation	5	32	12	0	5	0	0	0	2	0
Cybersecurity	21	8	1	0	4	1	1	7	0	3
Data & Analytics	5	21	5	0	0	3	0	4	1	1
Business Process Automation	10	9	0	0	3	4	0	1	0	0

# COMBINATIONS - QUARTERLY

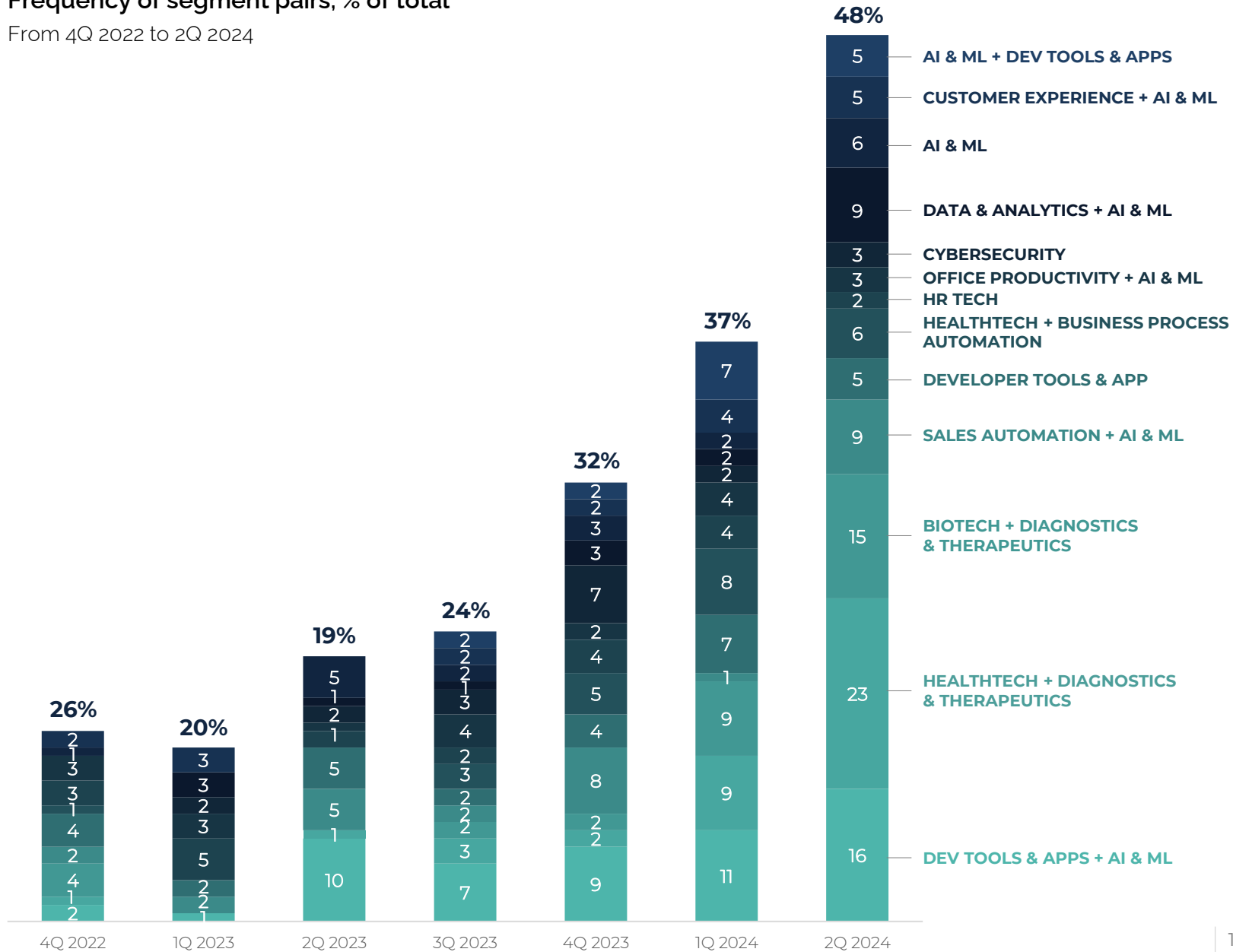
While the **total number of funding rounds** in the sample **grew 9.3% per quarter**, the number of rounds of the **most relevant converging segment combinations grew by 29.2%.**

While some of these combinations result from the **accelerating consequences of the digital era**, others **signal a shift in priorities** such as those involving AI & ML and Biotech.

The adoption of these combinations is also related to the available economic space for segments of client-problems.

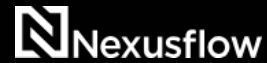
We point to the relevance of **Diagnostics & Therapeutics, with 35.5% of the most relevant combinations.** Many of these business models involve a networks of providers to deliver solutions and care, signaling the capability to orchestrate and organize networks critical for success, and these models were valued by investors.

Frequency of segment pairs, % of total  
From 4Q 2022 to 2Q 2024



# Dev Tools & Applications + AI & Machine Learning

In these two startups we can see the combination of Developer Tools + AI & Machine Learning to provide new and more effective value to developers.



Developer of AI-based conversational interface designed for security tools. The company's platform synthesizes data from various security knowledge sources and tap into existing security tools via APIs by leveraging open-source large language models that operate behind a customer's firewall or in the cloud, enabling enterprises to control the security software and get metrics and insights using natural language commands.

**\$10.6MM**

Amount Raised

**2023**

Year Founded

**Palo Alto**

Headquarters



Developer of a low-code platform intended to build multi-search applications. The company offers to unlock next-generation search and enrichment on images, text, and video through one simple SaaS API to build apps, enabling users to search using natural language or any combination of data.

**\$10.2MM**

Amount Raised

**2021**

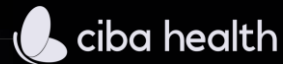
Year Founded

**San Francisco**

Headquarters

# Healthtech + Diagnostics & Therapeutics

Here we see two approaches to patient-centric healthcare and the network of providers and technologies to support them.



Digital health company that aims to simplify healthcare with a personalized, whole person-care approach to prevent and reverse chronic diseases through root-cause treatment. The company is focused on delivering personalized care through tailored programs focused on common chronic conditions that include treatment of Type 2 Diabetes, Depression and Anxiety, Digestive Health, Advanced Primary Care, Prediabetes, Weight Loss, and Obesity.

**\$10.3MM**

Amount Raised

**2020**

Year Founded

**New York**

Headquarters



Provider of virtual care services intended to serve patients who experience an eating disorder. The company's platform offers virtual sessions with therapists and dietitians to texting or meeting lives with care advocates as a part of day-to-day challenges to come up, providing users with a new kind of care to help them heal their bodies and minds.

**\$6.5MM**

Amount Raised

**2022**

Year Founded

**New York**

Headquarters

# Biotech + Diagnostics & Therapeutics

These two companies use Biotech to develop and deliver new therapies for more personalized and effective care.



Developer of RNA sensing technology intended to provide therapies that go after pathogenic cells based on their transcriptional signatures. The company's technology incorporates control elements that allow for rationally designed, highly precise, programmable therapies that work in previously undruggable targets, enabling doctors to get drugs that remove or reprogram those pathogenic cells.

**\$13.4MM**

Amount Raised

**2022**

Year Founded

**Menlo Park**

Headquarters



Developer of healthcare platform intended to exploit DNA defects in a wide range of cancer cells. The company's approach to fighting cancer is based on its ability to modify tumor.

**\$10.7MM**

Amount Raised

**2014**

Year Founded

**New Haven**

Headquarters

## Sales Automation + AI & Machine Learning

The combination of GTM and AI was a very relevant trend within the US sample as illustrated by these two companies.



Developer of AI-based software designed to bring emotional intelligence to video calls. The company's software uses computer vision and artificial intelligence to understand facial and body language and provides real-time insights into the sentiments of participants in context with the overall mood of the room, enabling clients to understand and connect better with their participants on video meetings.

**\$14.4MM**

Amount Raised

**2020**

Year Founded

**Mountain View**

Headquarters



Developer of a sales coaching platform designed to coach field sales managers every day. The company's platform records in-person conversations, and analyses as well as bookmarks key points, enabling sales managers to more actively and efficiently coach their sales representatives by automatically identifying "coachable moments" in client conversations.

**\$18MM**

Amount Raised

**2020**

Year Founded

**New York**

Headquarters

# Developer Tools & Applications

As a single segment, Developer Tools & Applications was one of the most relevant segments within the US sample.



Developer of a serverless postgres database platform designed for modern SaaS applications. The company's platform features built-in tenant virtualization, drop-in user management, and seamless tenant-aware vector embeddings, enabling SaaS providers to deliver secure, performant, and AI-powered applications at the global scale.

**\$11.6MM**

Amount Raised

**2022**

Year Founded

**San Francisco**

Headquarters



Developer of a webhooks-as-a-service platform designed to make webhooks easy and ubiquitous. The company's platform makes it convenient to send webhooks while ensuring deliverability and a developer experience, enabling clients to not worry about deliverability, retries, monitoring and security while sending webhooks and improving their existing webhooks-sending system.

**\$10.4MM**

Amount Raised

**2021**

Year Founded

**New York**

Headquarters

# SEGMENT EVOLUTION

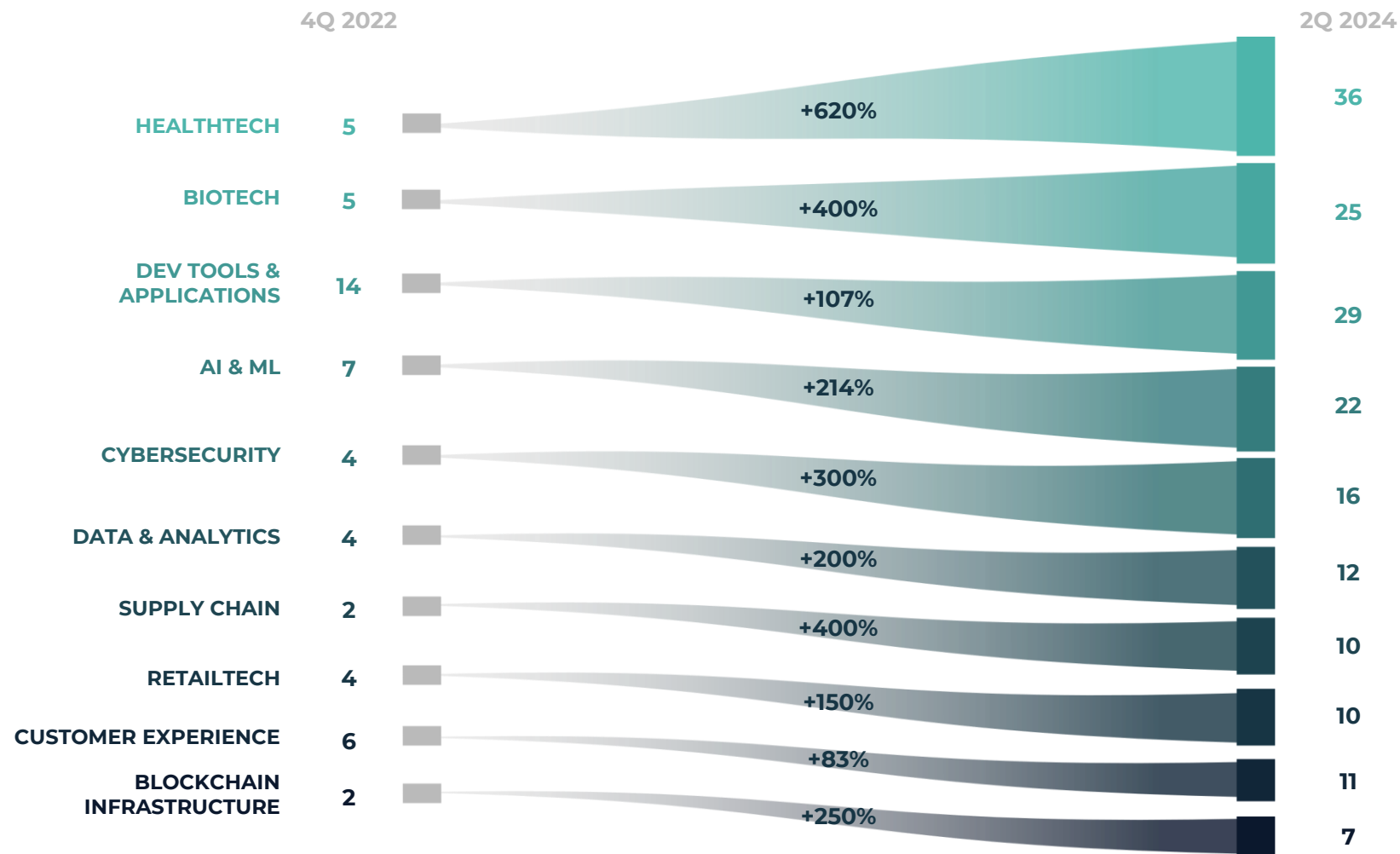
We define the **primary segment** as the field, technology or context in which the company primarily builds its products and/or focuses its sales and business development efforts.

In the US sample, Life Sciences, or **Healthtech and Biotech** have shown the **most significant growth**, increasing from 10 deals in Q2 2022 to 61 in Q2 2024 with a quarterly CAGR of 35%, while all these segments combined grew at 22.4% quarterly.

Additionally, we highlight three other **relevant primary segments: Developer Tools & Applications, AI & Machine Learning** (in this case, only companies developing core AI solutions) and **Cybersecurity**.

## Primary segments growth ranking

From 4Q 2022 to 2Q 2024





# SEGMENT EVOLUTION

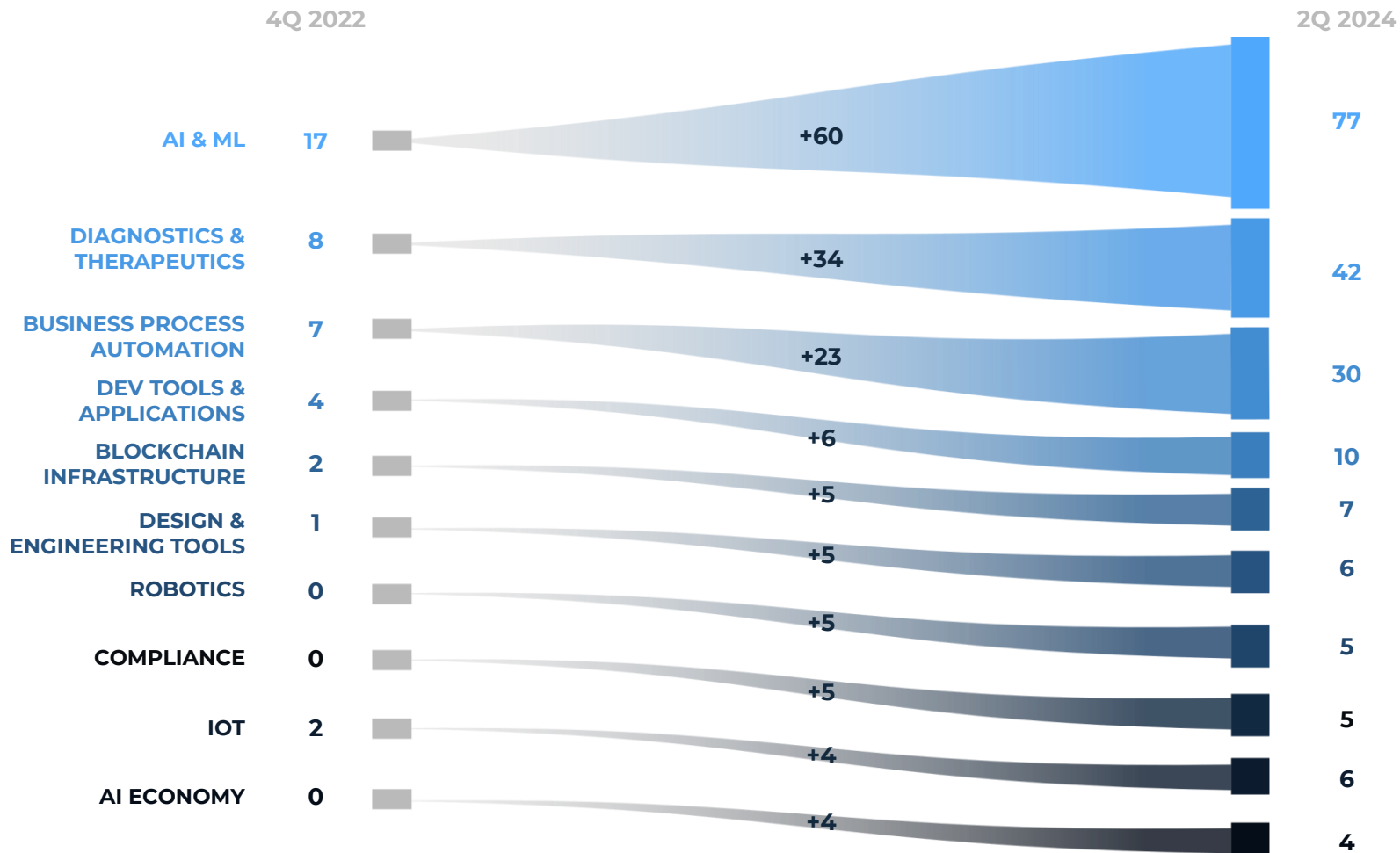
We define **secondary segment**, always linked to a primary segment, as the enabling technology, field or domain in which the company develops its capabilities.

In recent quarters, **AI & Machine Learning** emerged as the **dominant enabling technology**, while **Diagnostics & Therapeutics** were the **fastest-growing secondary segments** during this period..

Additionally, we highlight Business Process Automation and Developer Tools & Applications as the third and fourth most relevant secondary segments.

## Secondary Segment growth ranking

From 4Q 2022 to 2Q 2024



# SEGMENTS & TECHNOLOGIES

Regardless of their classification as a primary or secondary segment, we analyzed which technologies and domains experienced the highest growth over the past six quarters.

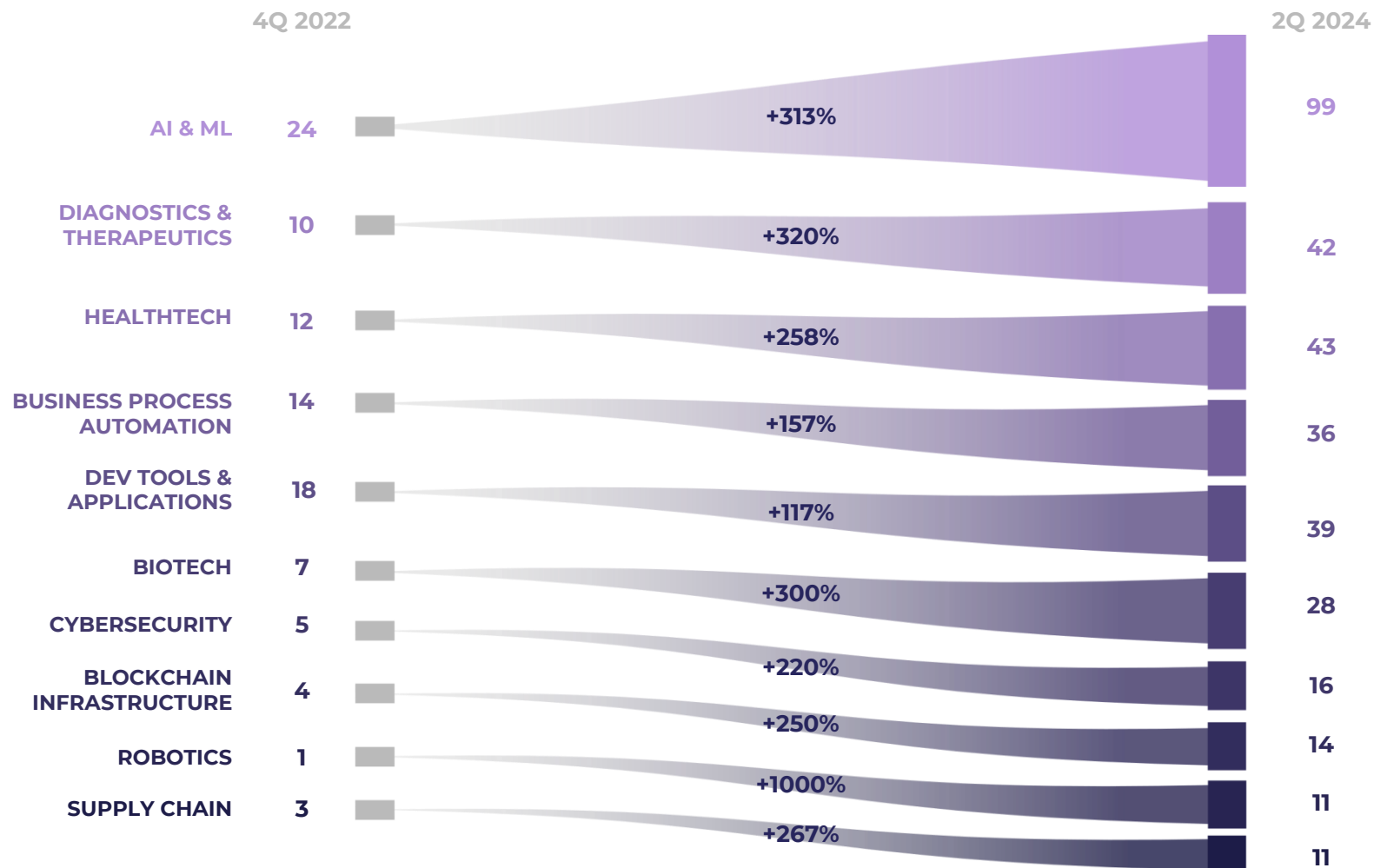
As such, the top five segments and technologies by growth were:

1. AI & Machine Learning
2. Diagnostics & Therapeutics
3. Healthtech
4. Business Process Automation
5. Developer Tools & Applications.

There was significant dispersion across our 99 segment labels. While there are undoubtedly major opportunities in less concentrated segments and domains, **investor capital and attention have increasingly focused on these five key areas.**

## Evolution of most frequent segments and technologies

From 4Q 2022 to 2Q 2024



# SEGMENT GROUP ANALYSIS

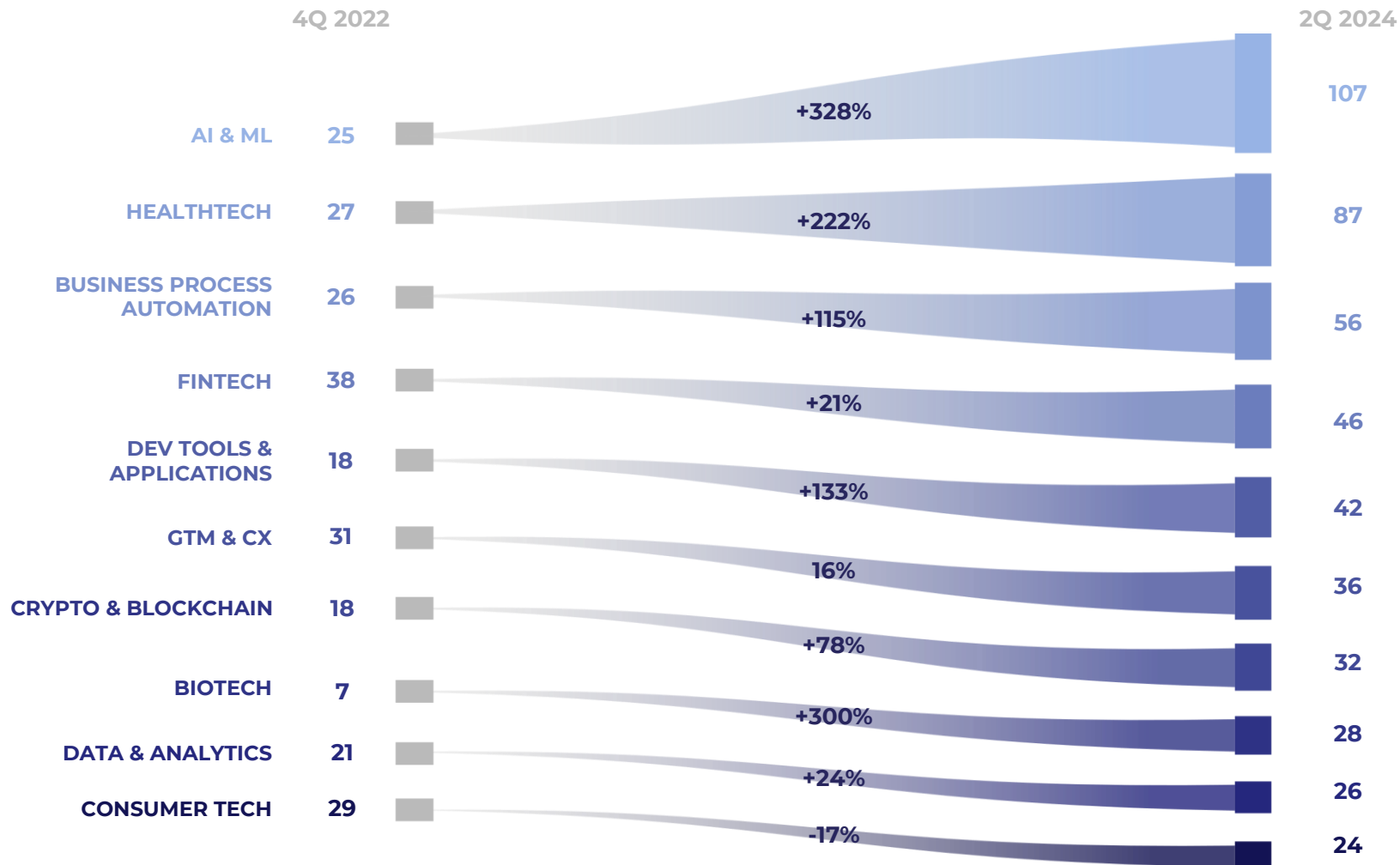
We grouped 99 segments into 46 major categories to better analyze the areas receiving most capital and attention from investors.

By consolidating segments that could be classified in broad sectors, as Healthtech, Fintech, GTM and CX, and Crypto & Blockchain, we were able to distinguish more general trends. In this case **these four groupings above emerged as highly relevant** in the US sample.

Additionally, the **aggregation of fields and technologies related to Renewables** - such as Waste Management, Carbon Tech, Water Tech, and Renewable Energy - revealed the **10th most important domain for startups and investors** in the US sample.

## Segment Group Analysis

From 4Q 2022 to 2Q 2024



## TOP 25 FUNDS US (I/II)

It is challenging to determine the best performers in any field, and this also applies to venture capital, as most funds and managers are unique.

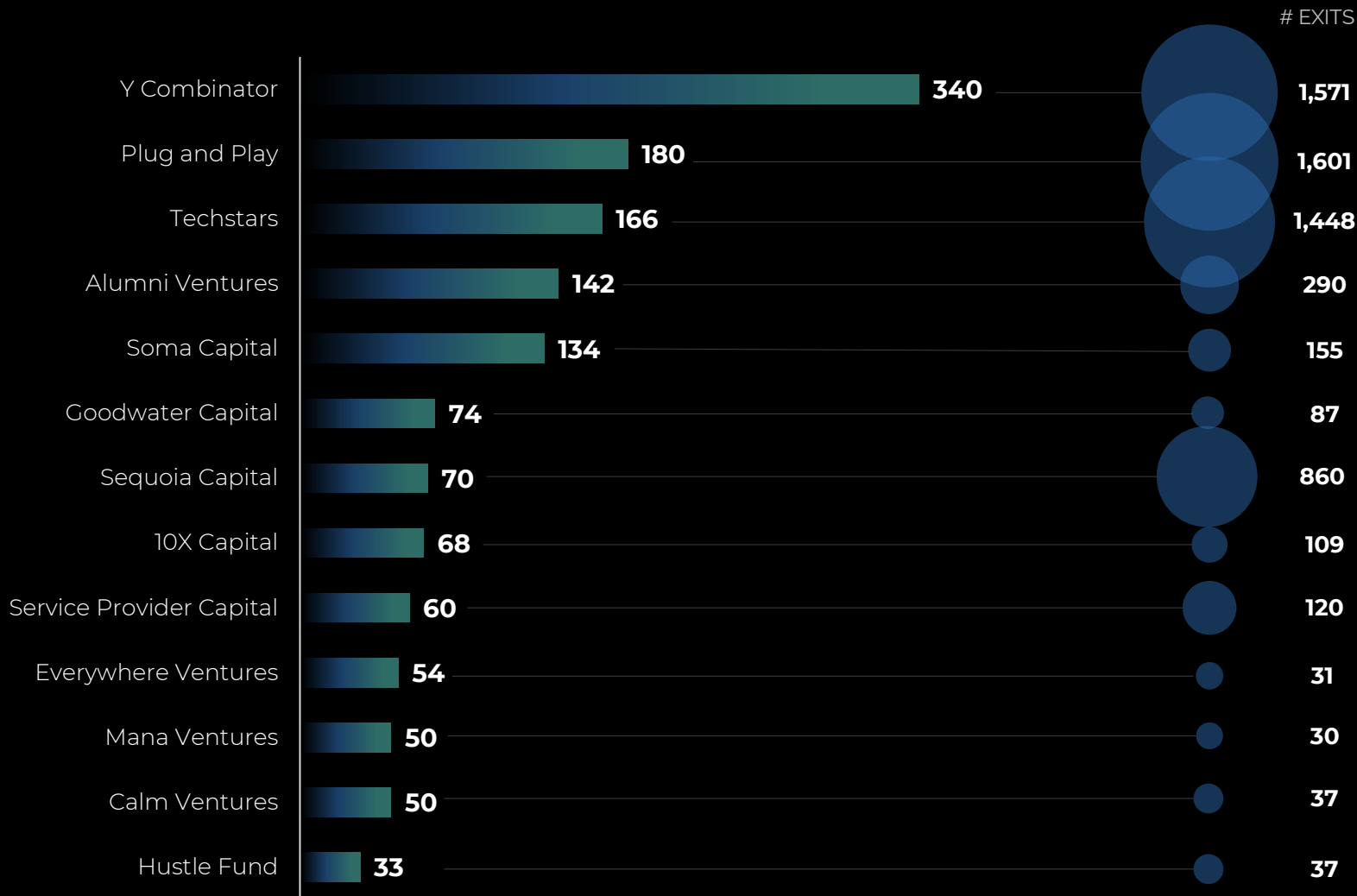
However, our criteria was that, over time, the most successful funds should generate returns for their LPs, with the **number of exits serving as a good proxy for success.**

Based on this, we ranked the US funds in our deal sample by the number of exits, arriving at a list of 124 funds. From there, we selected their corresponding deal rounds and companies that fit our sampling criteria.

It's important to acknowledge that this method prioritizes years of activity and the quantity of exits over other factors. Nevertheless, we believe the most active and relevant funds were identified, within the limitations of publicly available data.

### Top 25 funds US - # of deals within the sample

Investments rounds per investor and #exits all times



## TOP 25 FUNDS US (II/II)

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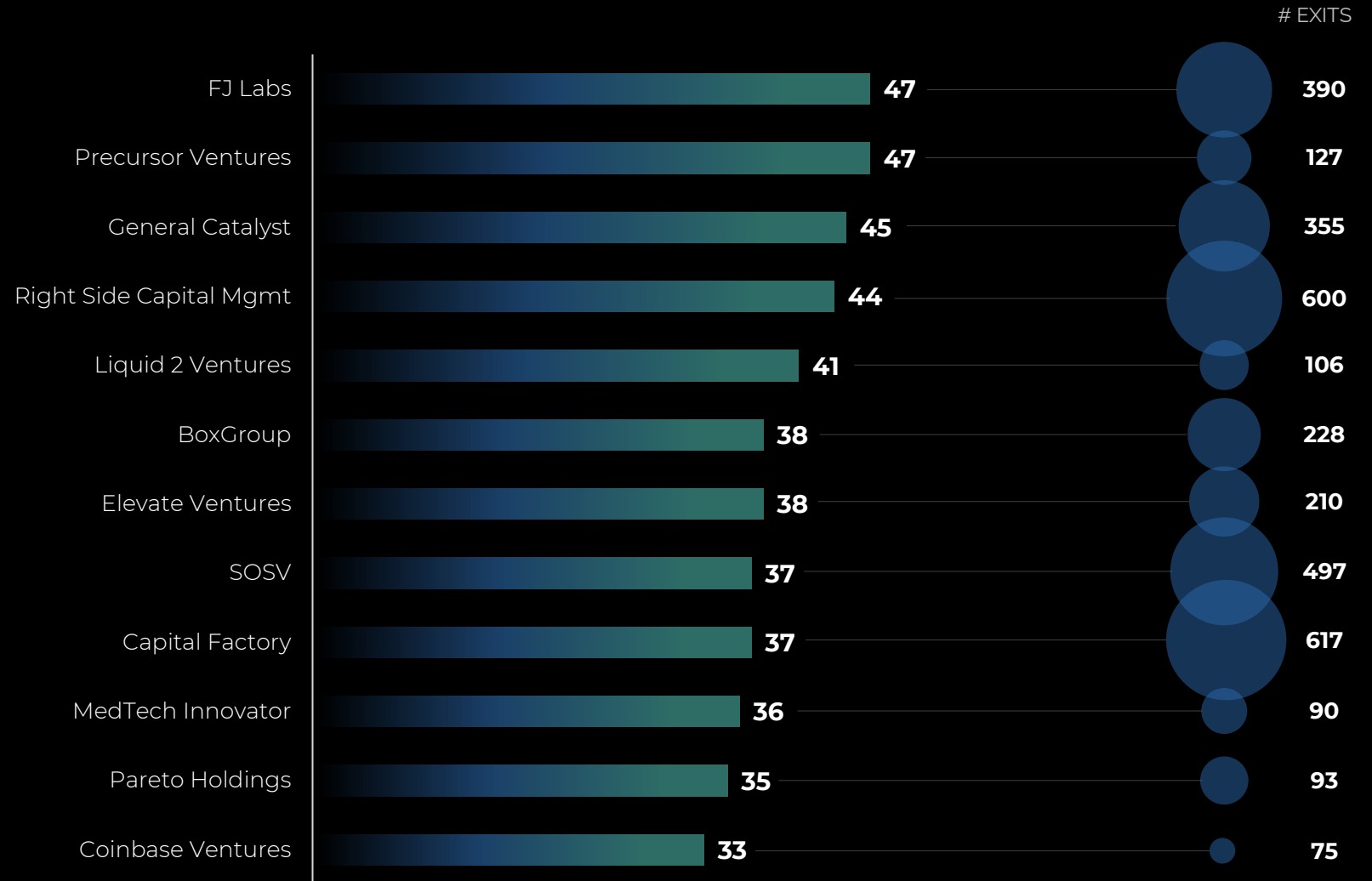
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### Top 25 funds US - # of deals within the sample

Investments rounds per investor and #exits all times



# TOP 25 FUNDS x 1<sup>st</sup> SEGMENTS

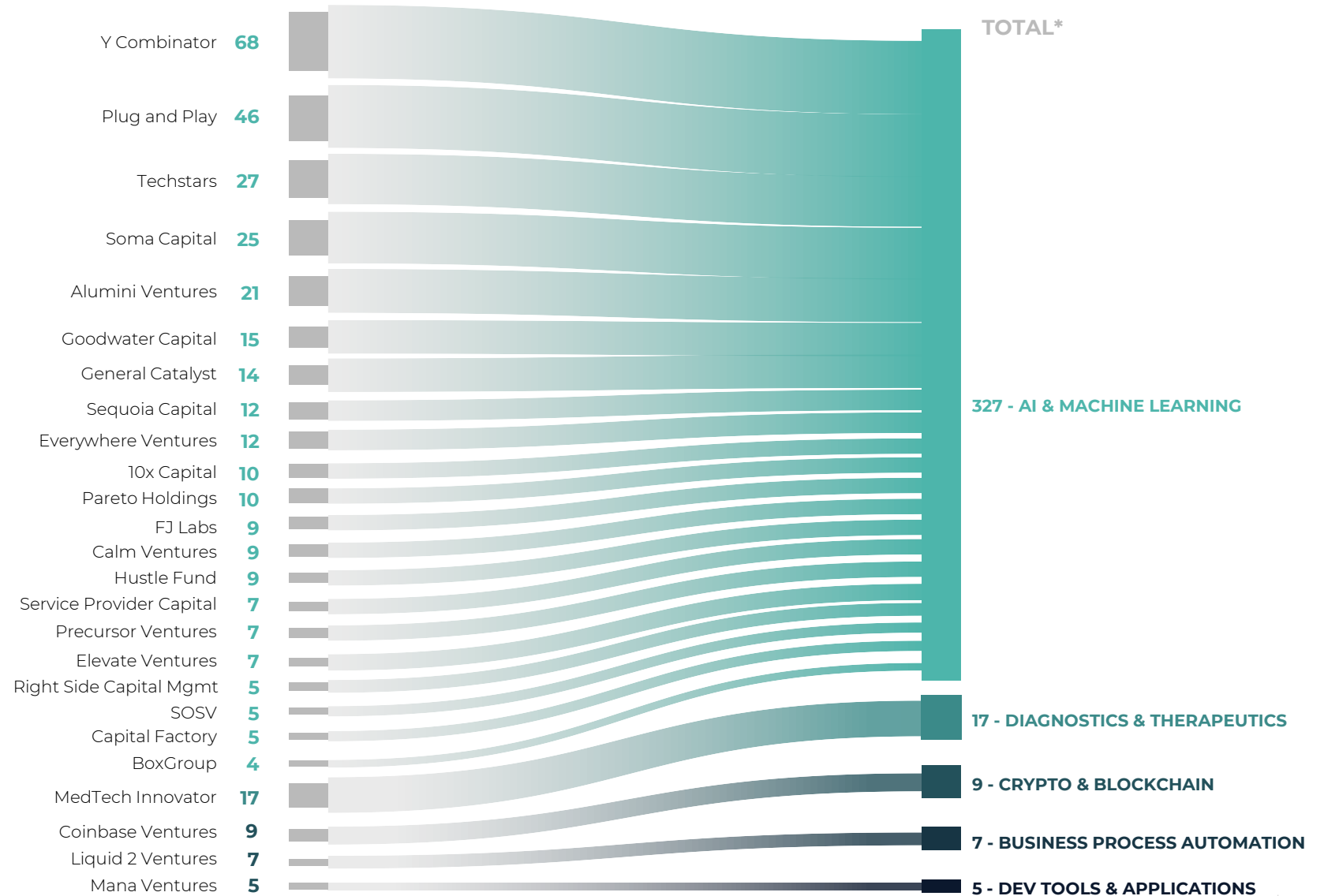
We were surprised by the ubiquitous nature of the **AI & Machine Learning trend** among the 25 selected US funds, as it emerged as the **most relevant segment** for 21 of them.

Notable exceptions were for MedTech Innovator, Liquid2 Ventures, Mana Ventures, and Coinbase Ventures.

It's important to clarify that in our analysis, many companies that are AI-enabled but with primarily focus on Data & Analytics or Business Process Automation are not categorized as AI companies.

As a result, **AI is even more prevalent in the US sample than initially indicated.** However, in our assessment, simply using AI as a utility does not qualify a company to be classified as an AI company.

First most frequent segment by top 25 US funds  
From 4Q 2022 to 2Q 2024



\*As some investors shared the same deals, the sum of their deals not match total deals per segment

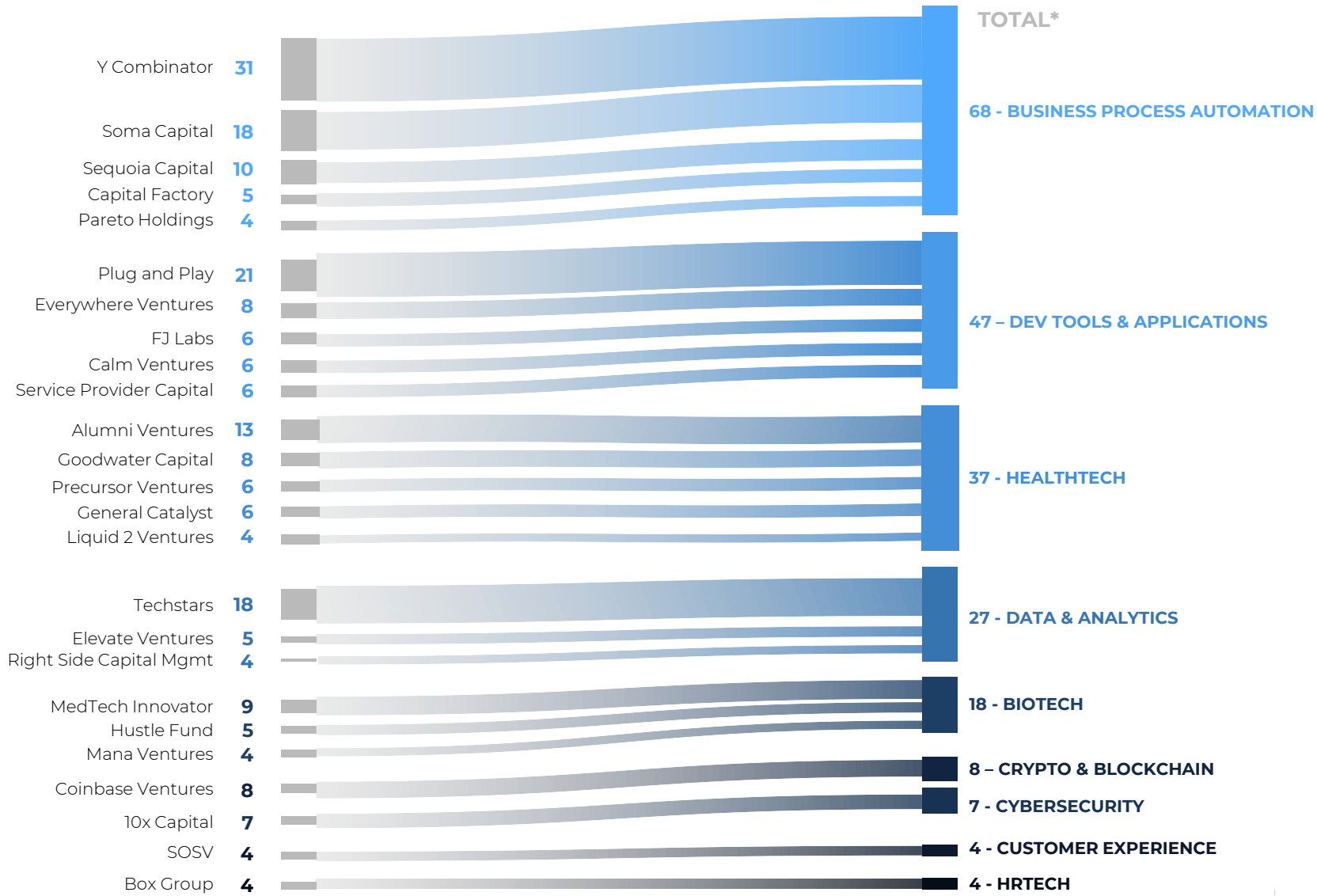
# TOP 25 FUNDS x 2<sup>nd</sup> SEGMENTS

While the first segment of the selected US funds was heavily concentrated in AI, the **second segment displayed greater diversity across different investment thesis**, including:

1. **Business Process Automation**
2. **Developer Tools & Applications**
3. **Healthtech**
4. **Data & Analytics**
5. **Biotech**

These five areas were often combined with AI as the primary segment, highlighting the **key fields where this transformative technology is reshaping the business landscape.**

**Second most frequent segment by top 25 US funds**  
From 4Q 2022 to 2Q 2024



\*As some investors shared the same deals, the sum of their deals not match total deals per segment

# TOP 25 FUNDS x 3<sup>rd</sup> SEGMENTS

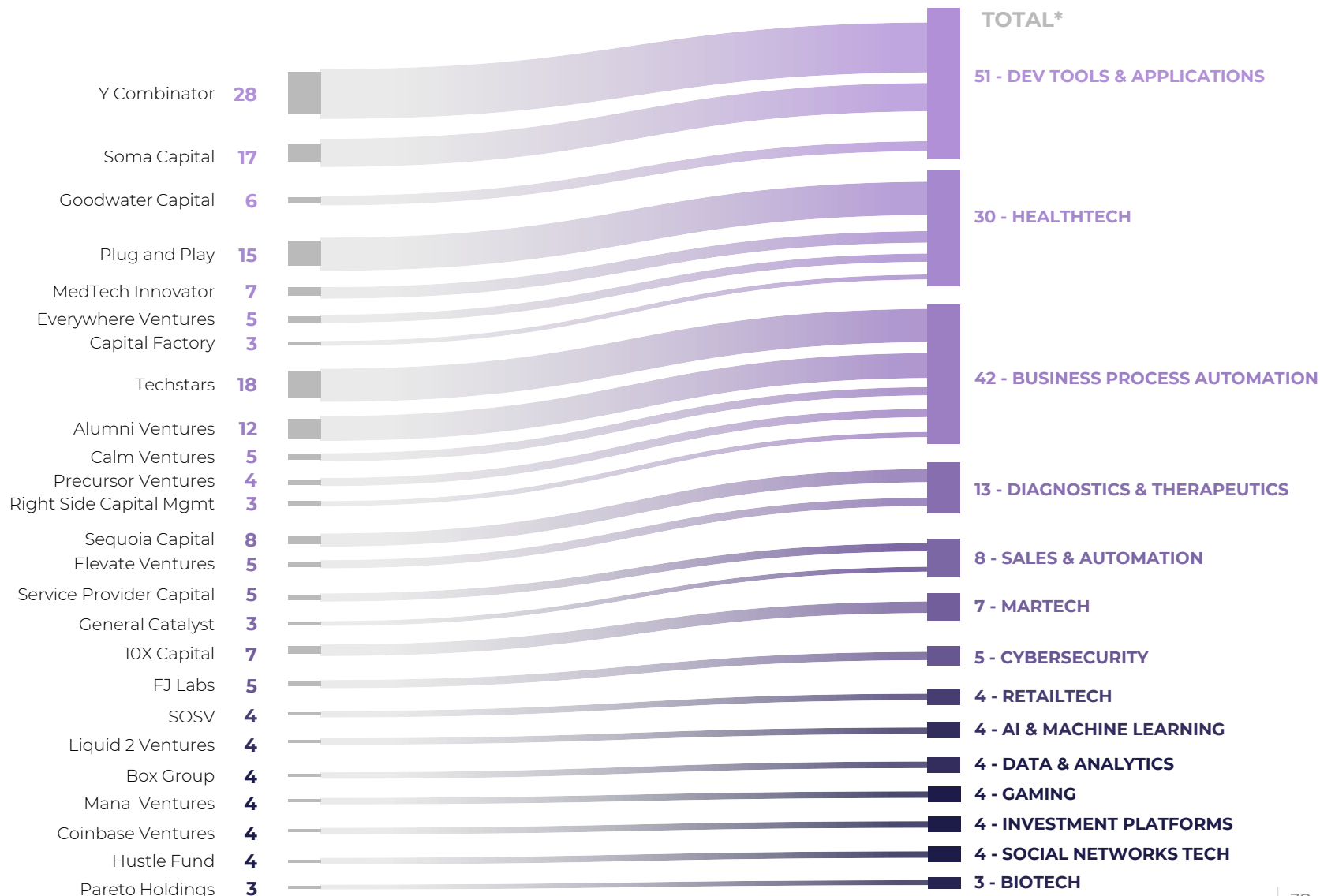
Additionally, we measured the third, fourth, and fifth most relevant segments for each selected US investor to better understand the distribution of their interests.

This also serves as an indicator of the diversity of segments that seed-stage startups have been pursuing over the six quarters since Q4 2022.

As we move from the third to the fifth most relevant segment per investor, based on the number of deals during the sampled period, we see an expected **increase in dispersion across various fields.**

## Third most frequent segment by top 25 US funds

From 4Q 2022 to 2Q 2024



As some investors shared the same deals, the sum of their deals not match total deals per segment



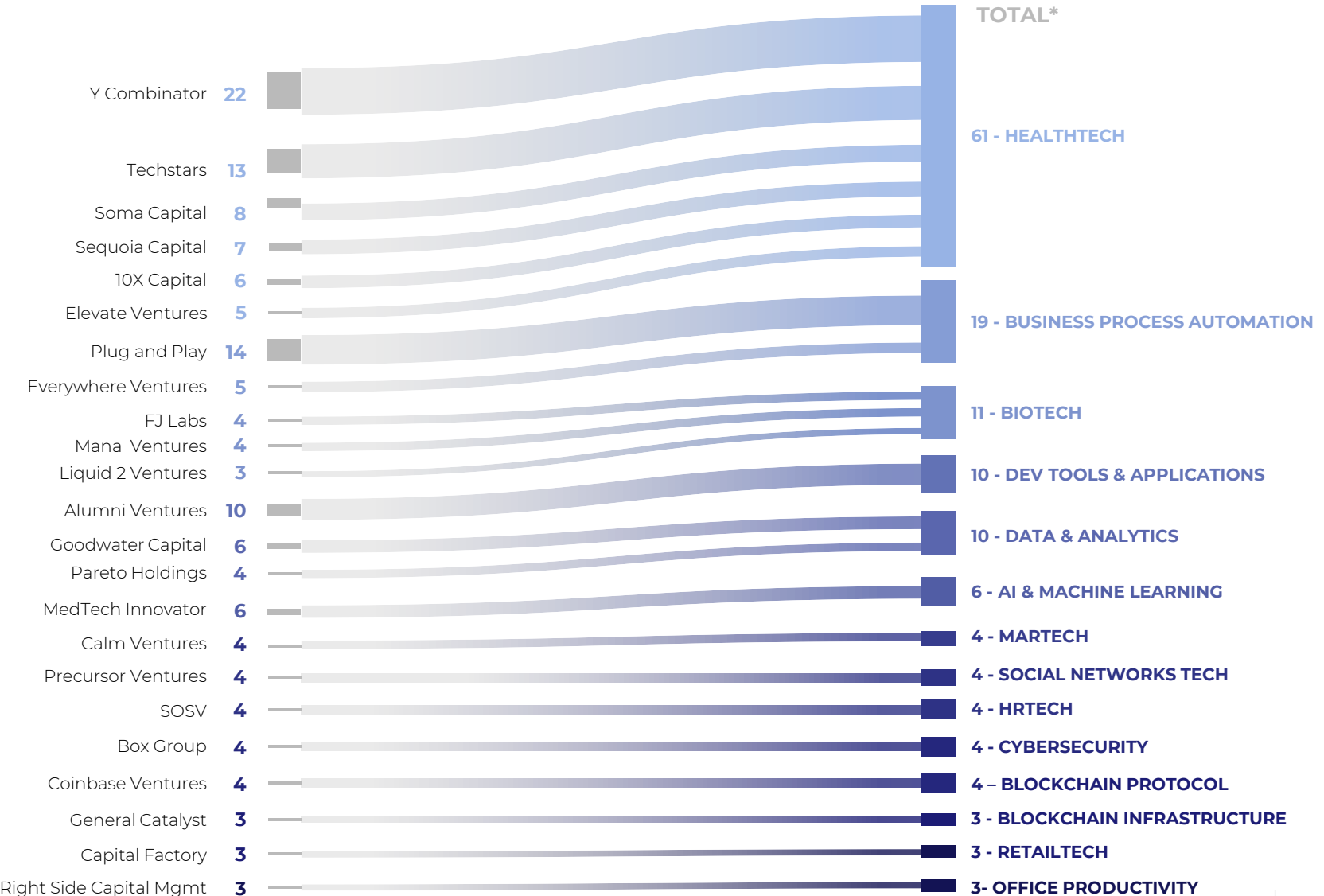
# TOP 25 FUNDS x 4<sup>th</sup> SEGMENTS

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Fourth most frequent segment by top 25 US funds  
From 4Q 2022 to 2Q 2024



As some investors shared the same deals, the sum of their deals not match total deals per segment

# TOP 25 FUNDS x 5<sup>th</sup> SEGMENTS

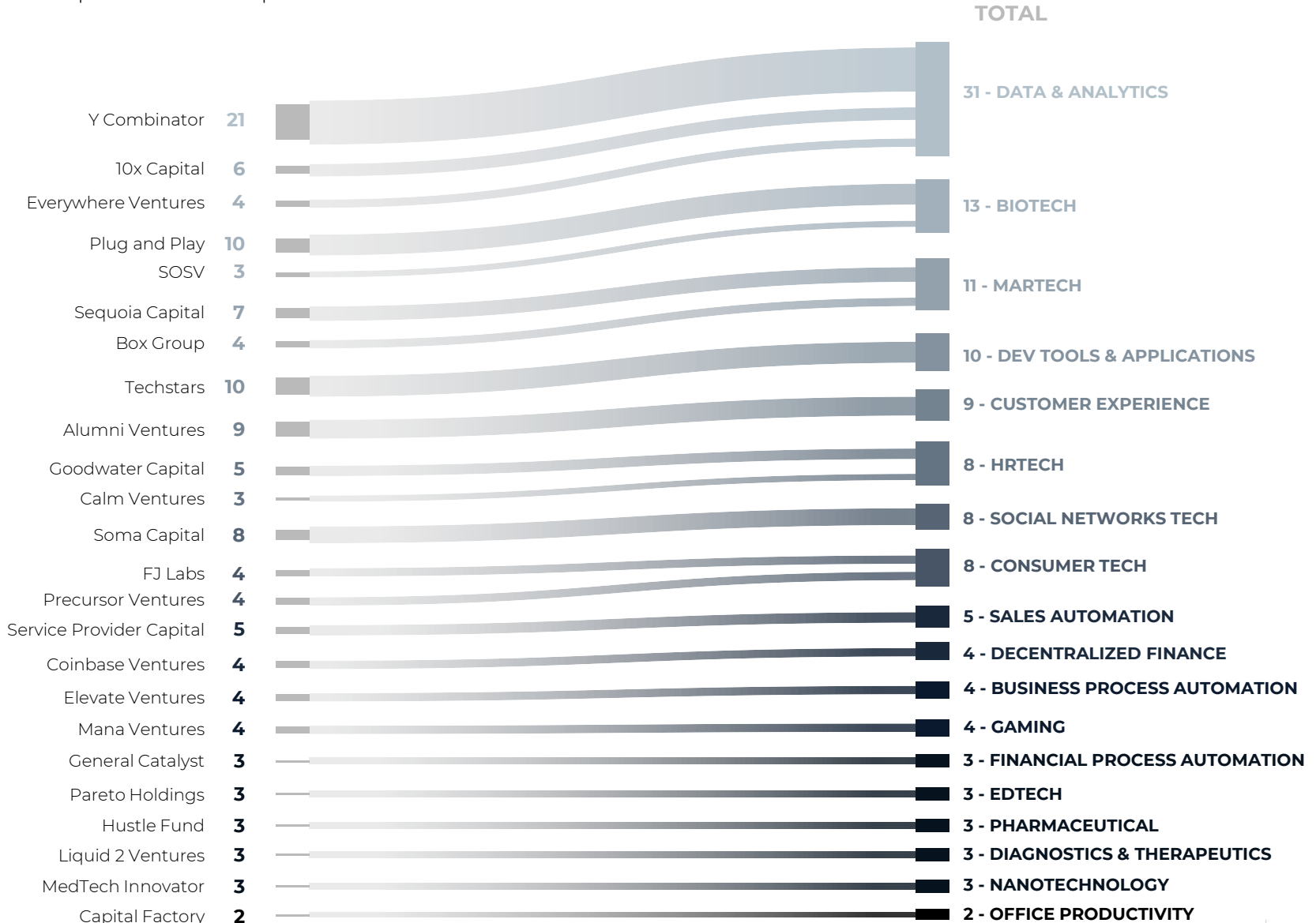
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## Fifth most frequent segment by top 25 US funds

From 4Q 2022 to 2Q 2024



As some investors shared the same deals, the sum of their deals not match total deals per segment

CHAPTER THREE - B

# US EARLY-STAGE: ENABLING TECHNOLOGIES

# ROBOTICS

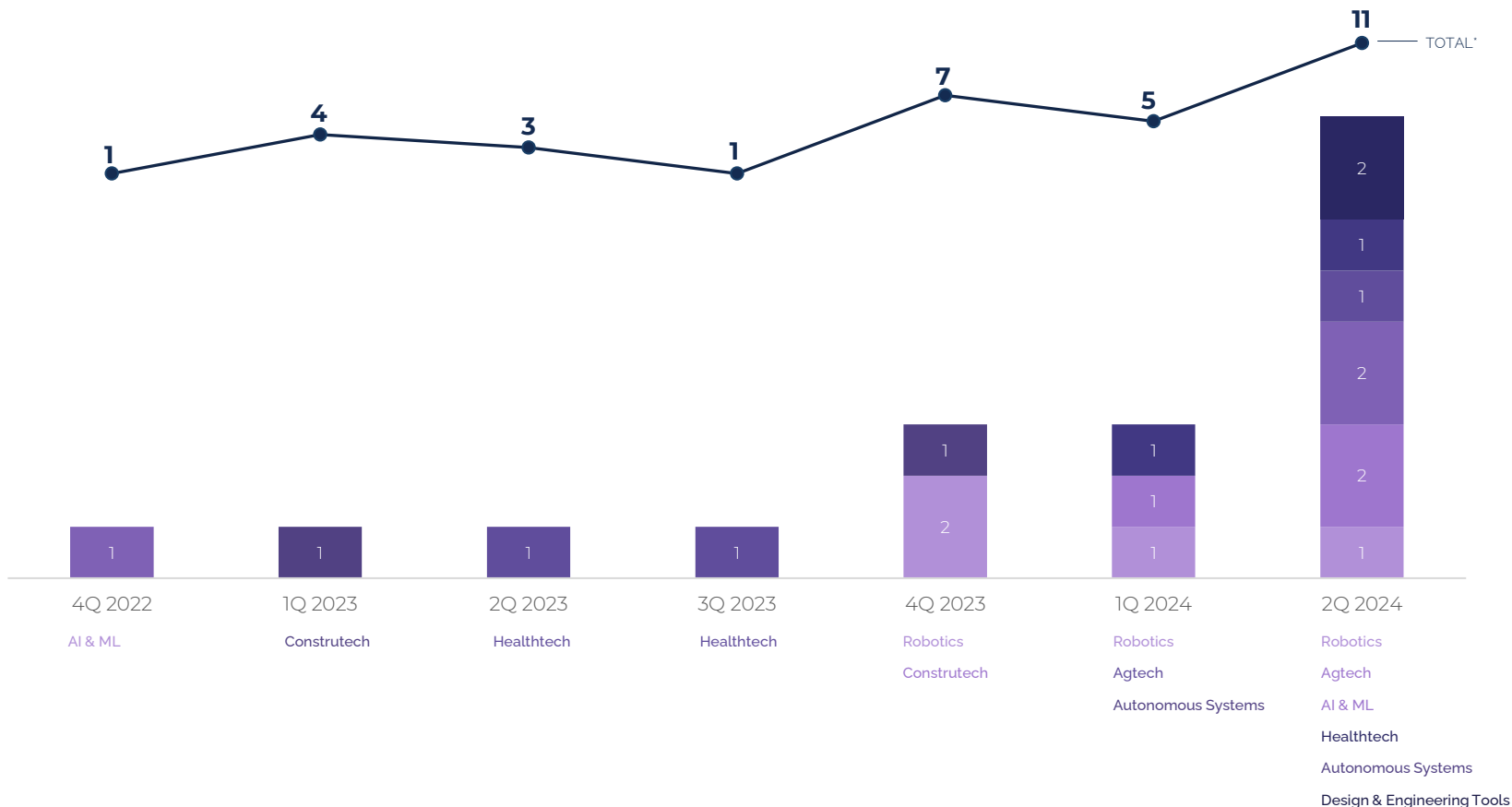
As of 2Q 2024, we see the most frequent applications for Robotics in areas such as Agtech, Design & Engineering Tools, Autonomous Systems, Healthtech, Diagnostics & Therapeutics, Supply Chain, Developer Tools & Applications, and Foodtech. Additionally, specialized Robotic Technologies are merging at the intersection of Robotics, and AI & Machine Learning.

The sample reflects **broader trends in Robotics**, such as:

- **AI integration**, which is driving smarter robots;
- **Cobots** (collaborative robots) designed to work safely alongside humans;
- **Autonomous Mobile Robots**, which are gaining traction beyond warehouses and moving into more complex environments like airports and farms;
- **Robots as a Service (RaaS)**, offering flexible, cost-effective solutions to small business through the leasing of robotic systems;
- **Humanoid Robots**, which are still at some distance from large-scale adoption.

## Number of deals with Robotics as the enabling technology per top 10 segments

From 4Q 2022 to 2Q 2024



\*total number of deals of all segments per quarter

# RENEWABLES

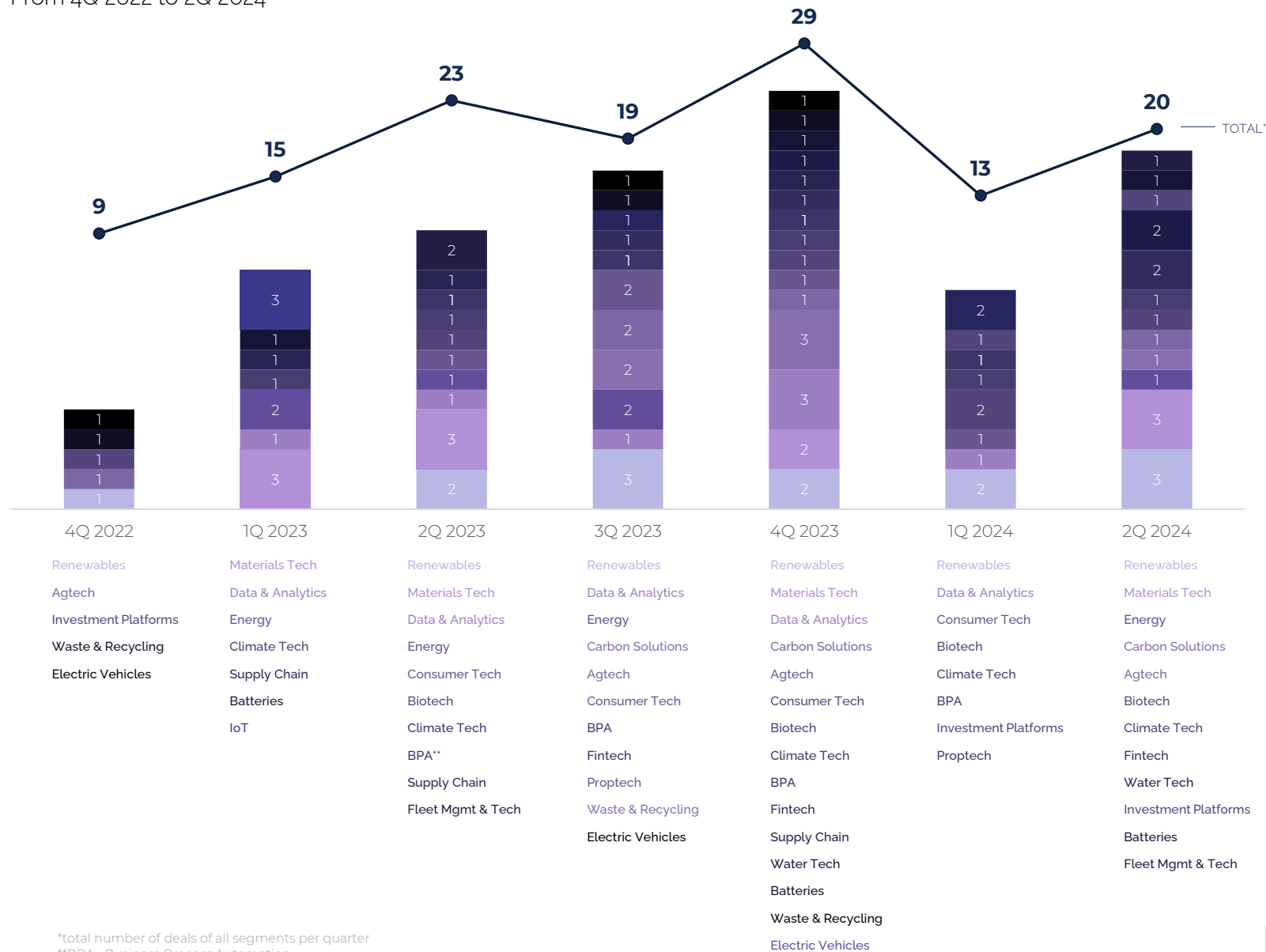
As of 2Q 2024, the most frequent applications for Renewables are focused on areas such as Batteries, Materials Technology, Fintech, Carbon Solutions, Electric, Climate Tech, and even Customer Experience.

Many of the trends observed in the US sample align with broader renewable energy developments, including **Green Hydrogen**, **Energy Storage** (particularly in the context of grid stability), and **Decentralization**, as the traditional energy model shifts toward more decentralized systems.

Additionally, **Digitalization and AI** are playing an increasingly important role in **optimizing energy usage and supply chain management, particularly in carbon accounting and emissions tracking**.

## Number of deals with Renewable as domain technology per top 10 segments

From 4Q 2022 to 2Q 2024



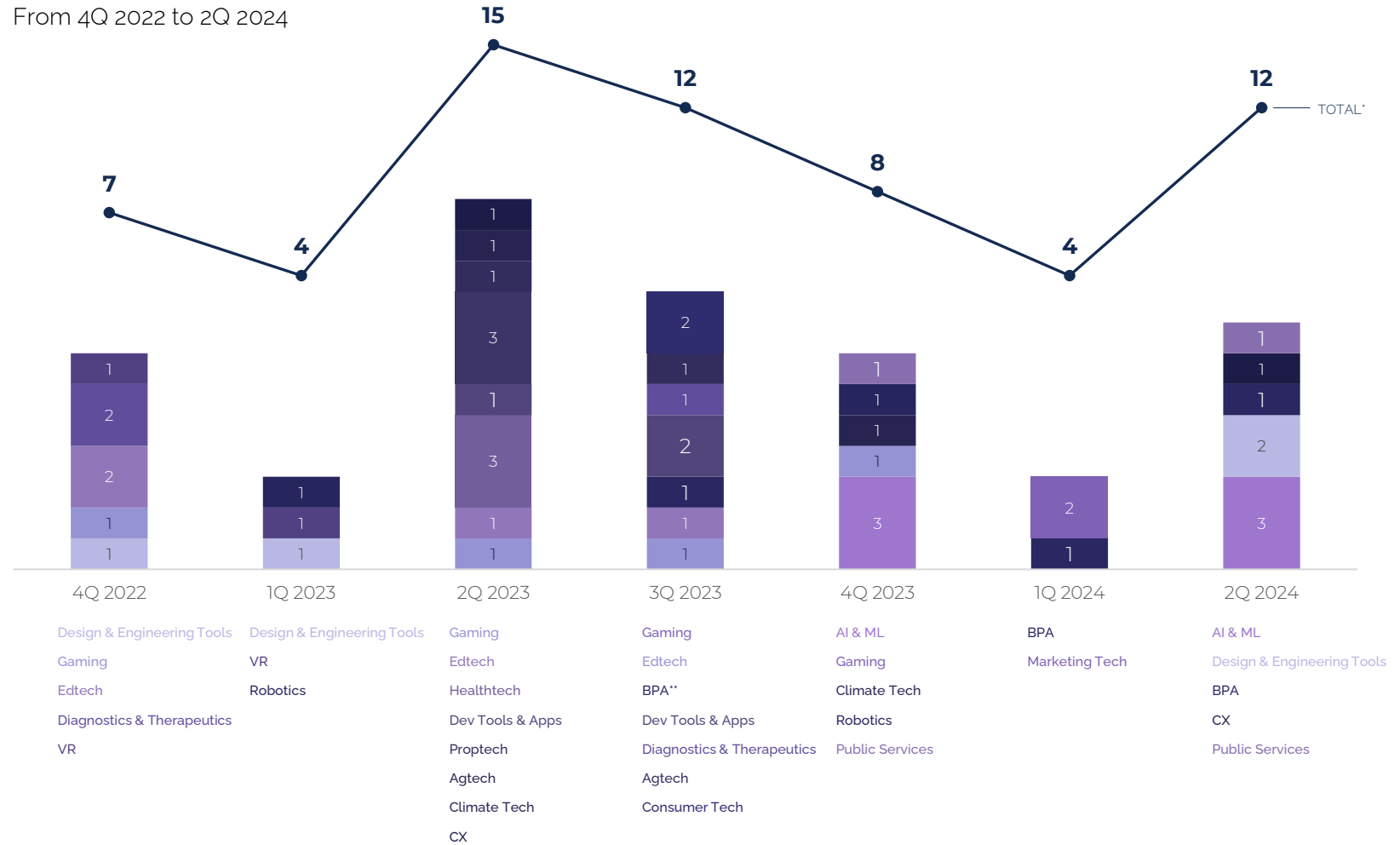
# VR, 3D AND VIDEO TECHNOLOGY

In the sample, we observe VR, 3D and Video Technologies associated with Design & Engineering Tools, AI & Machine Learning, IOT, Gaming, Edtech, Developer Tools & Applications, Customer Experience, Diagnostics & Therapeutics and Creator Technologies, among others.

Many business models combine **VR, 3D and Video Technology with AI & Machine Learning** for applications within **environments that use blockchain infrastructure** (or Web3), particularly in gaming and collectibles.

Other relevant VR, 3D and Video Technology business models focus on **advanced Design & Engineering Tools**, which are expected to **enhance design processes**, as well as Additive Manufacturing solutions.

Number of deals with VR, 3D and Video Technology as the enabling technology per top 10 segments  
From 4Q 2022 to 2Q 2024



\*total number of deals of all segments per quarter  
\*\*BPA= Business Process Automation

# CRYPTO & BLOCKCHAIN

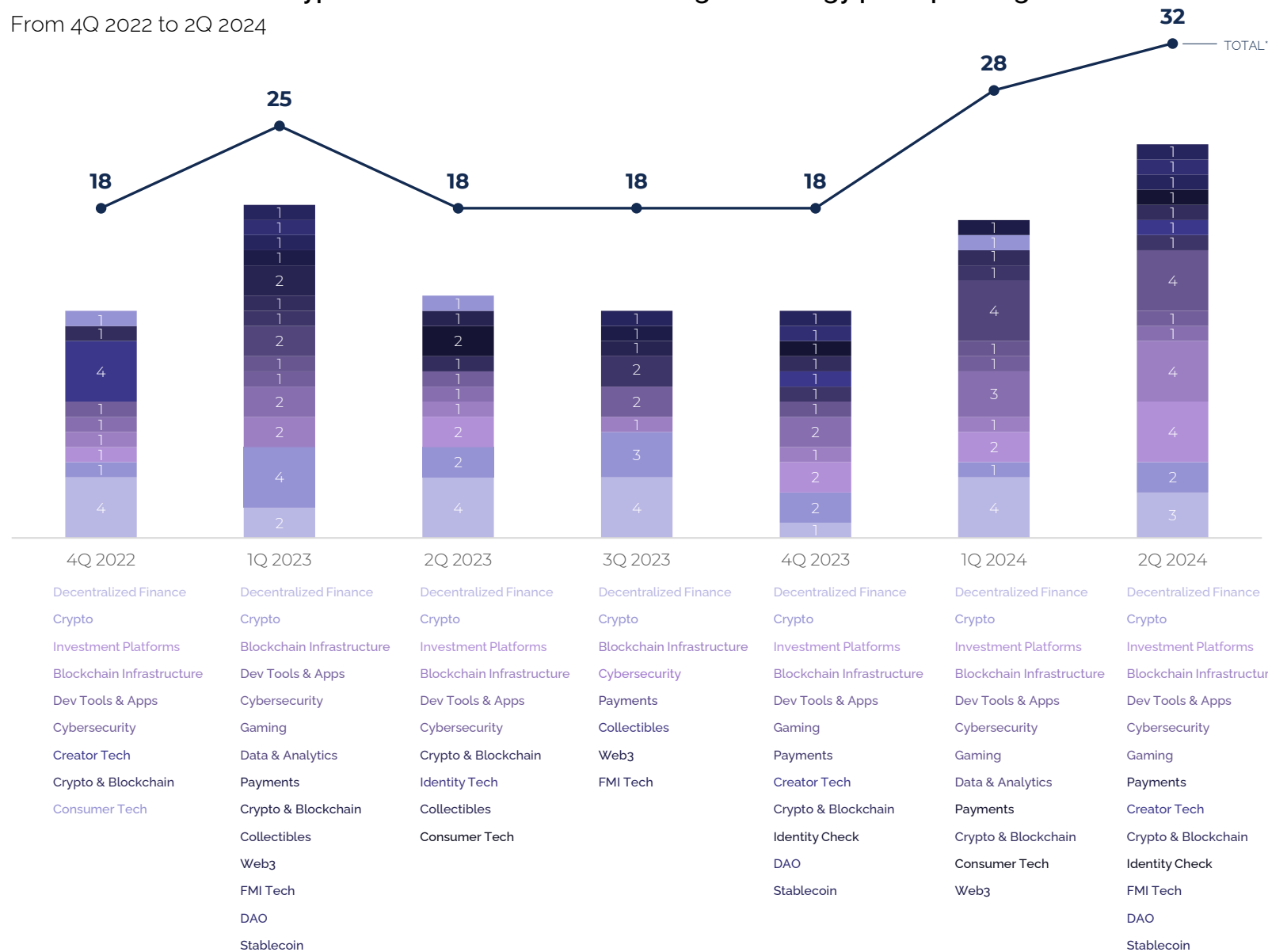
Crypto & Blockchain appeared closely related with Investment Platforms, Gaming, Cybersecurity, Social Finance, Document Management (including Intellectual Property), Identity Tech, Payments, and AI & Machine Learning, in addition to pure Crypto applications.

In the sample, we identified well-known trends in Decentralized Finance, including the need to build infrastructure rails to reduce friction and increase adoption.

Additionally, we observed the **growing convergence between Traditional Finance and Crypto**, with several companies attempting to bridge the gap between these two financial ecosystems.

## Number of deals with Crypto & Blockchain as the enabling technology per top 10 segments

From 4Q 2022 to 2Q 2024



\*total number of deals of all segments per quarter

# ARTIFICIAL INTELLIGENCE

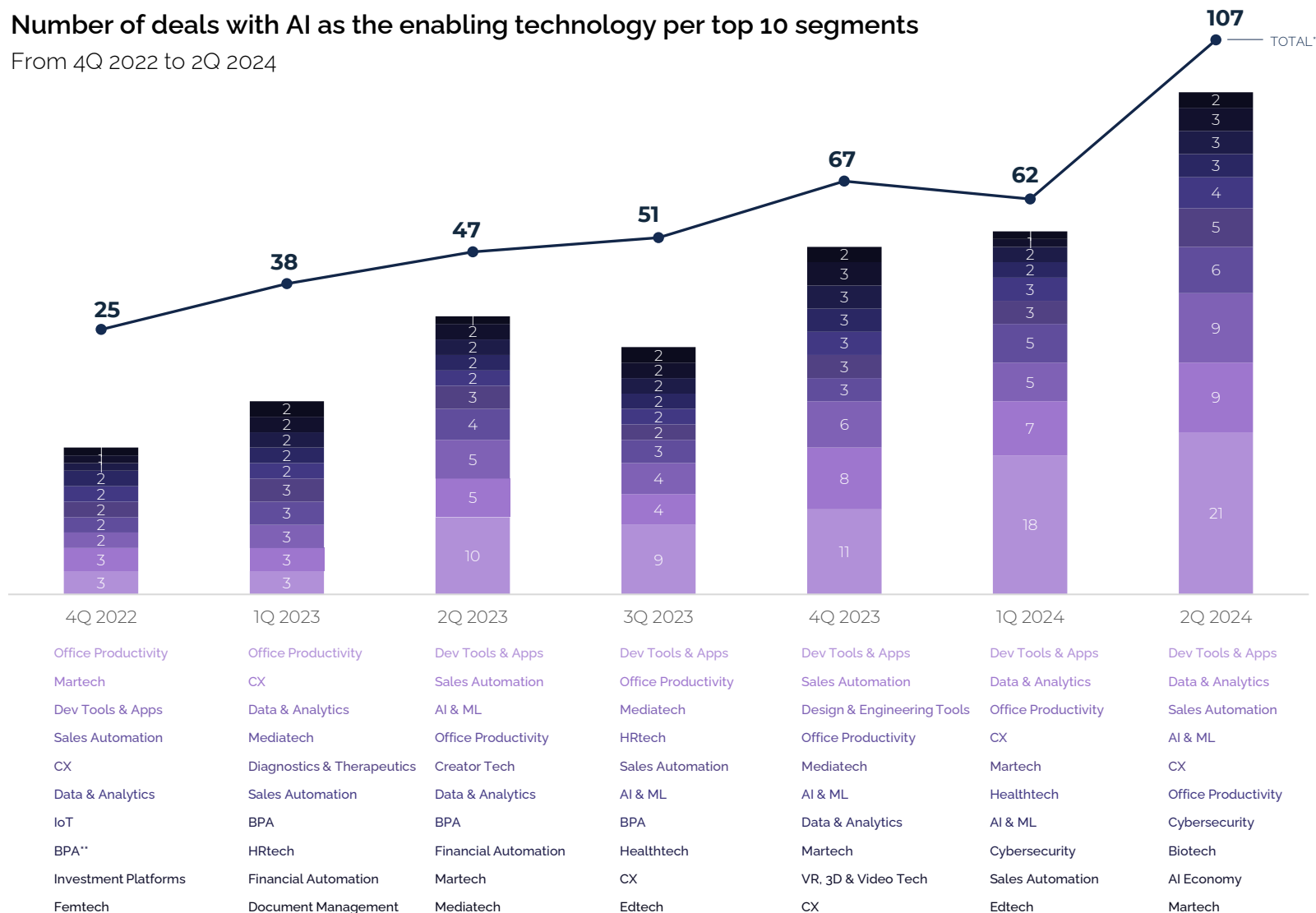
As the most relevant enabling technology in this sample, nearly **every conceivable segment stands to benefit from a combination with AI**. We have observed very different and innovative business models that integrate AI with Diagnostics & Therapeutics, Nanotechnology, Business Process Automation, Data & Analytics, Developer Tools & Applications, Femtech, Foodtech, Research & Development, and others.

In Developer Tools & Applications, AI automates coding tasks and improves software development efficiency. In Data & Analytics, AI automates data processing and delivers real-time predictive analytics.

**The power of AI when combined with these other contexts, segments and technologies lies in its ability to multiply and transform the impact of automation, shifting from linear to a logarithmic scale, enabling new business models to become viable.**

## Number of deals with AI as the enabling technology per top 10 segments

From 4Q 2022 to 2Q 2024



\*total number of deals of all segments per quarter  
 \*\*BPA= Business Process Automation



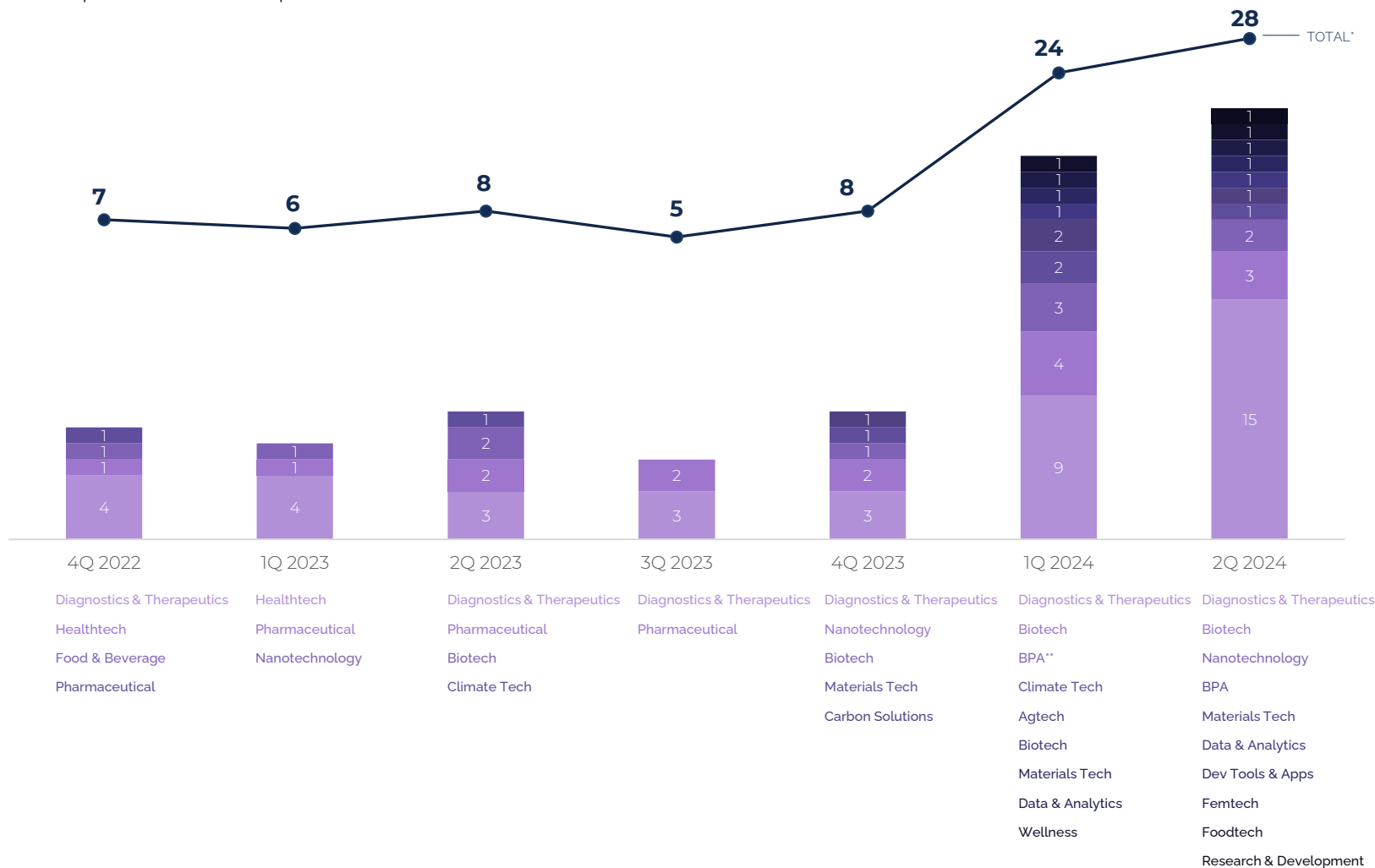
# BIOTECH

Most Biotech companies identified in this study align with the following trends:

- **Personalized Medicine:** Tailored treatments based on genetic profiles; a market projected to surpass \$869 billion by 2031;
- **CRISPR:** Driving breakthroughs of genetic diseases' treatments;
- **Cell & Gene Therapies:** CAR-T cell therapies are expanding beyond oncology into other therapeutic areas;
- **AI:** Transforming drug discovery and diagnostics, accelerating the advancement of precision medicine;
- **Tissue Engineering & Bioprinting:** Advancing regenerative medicine by developing bioartificial tissues and organs;
- **Sustainable Biotech:** Companies adopting greener biomanufacturing practices to improve energy efficiency and reduce environmental impact.

## Number of deals with Biotech as the enabling technology per top 10 segments

From 4Q 2022 to 2Q 2024



\*total number of deals of all segments per quarter  
 \*\*BPA= Business Process Automation

CHAPTER FOUR

# LATAM EARLY-STAGE



## Gustavo Ahrends

Founding Partner



“ We had a very prosperous, long cycle with easy access to liquidity. After the pandemic, tech companies proved to be quite resilient, aiming for positive cash flow, quickly adjusting expenses, outperforming large corporations. However, this period of higher interest rates and reduced liquidity has brought more challenges.

In the late stage, the market is very restricted, with a low number of rounds and some M&A activity. In the growth stage, many companies are stuck in the chasm, caught between the need for capital to scale and a size that still leaves them vulnerable.

In this context, the early stage has remained very active, with founders highly eager to pursue entrepreneurship, even though it's more difficult to raise capital, and valuations have returned to 2018 and 2019 levels.

At the same time, for early-stage funds, there are opportunities for these new vintages to perform well, combining more reasonable valuations with entrepreneurs who, besides being highly motivated, are experienced and already on their second or third entrepreneurial journey.

Additionally, even though many funds have dry powder, all are more demanding, which means entrepreneurs need to be much better prepared and ready at every stage, whether pre-PMF or post-PMF. ”

## EARLY-STAGE SAMPLE LATAM

When considering the sampling for LATAM, we debated the impact of setting a minimum deal size of \$500K. While this criteria undoubtedly excluded many companies from our research, it allows for **better comparison with the US sample** and ensures that only the most relevant startups, capable of raising significant capital in LATAM (given the exchange rate differences with the US), are included.

For the LATAM sample, we did not filter based on relevant investors, which would have significantly reduced the sample size to just 80 companies, limiting our ability to draw conclusions from many important perspectives.

Therefore, we aim to create a sample that will provide insights into the major technology and business trends likely to shape the LATAM landscape over the next 5-10 years.

# \$1.9 Billion

TOTAL RAISED

The selected sample companies have raised more than \$1.9 Billion together between 4Q 2022 and 2Q 2024

# +465

COMPANIES

With deal sizes from \$500K to \$15MM between 4Q 2022 to 2Q 2024

# \$2.0 MM

MEDIAN DEAL SIZE

The sample's deal size standard deviation is approximately \$2.5 MM

# \$3.0 MM

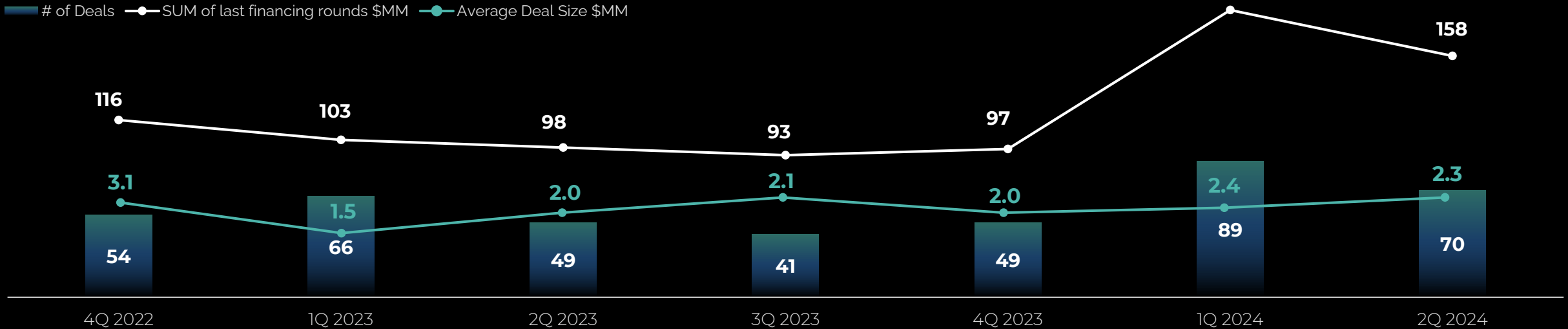
AVERAGE DEAL SIZE

LATAM average deal size is \$1.7MM below the US sample average

# LATAM SAMPLE: QUARTERLY OVERVIEW

## Number of Total Funds Raised, Average Deal Size and Number of Deals

Evolution from 4Q 2022 to 2Q 2024



Data from 2Q 2024 shows approximately the same number of deals as 4Q 2022, but with a significant reduction of deal size, from \$3.1MM to \$2.3MM. Higher interest rates, risks affecting the region, and a general posture of cautious optimism revealed by the improvement seen in 1Q 2024, as well as very restrictive markets contribute to maintaining a difficult environment for fundraising that persists in the 2Q 2024.

# PRIMARY SEGMENT FOCUS

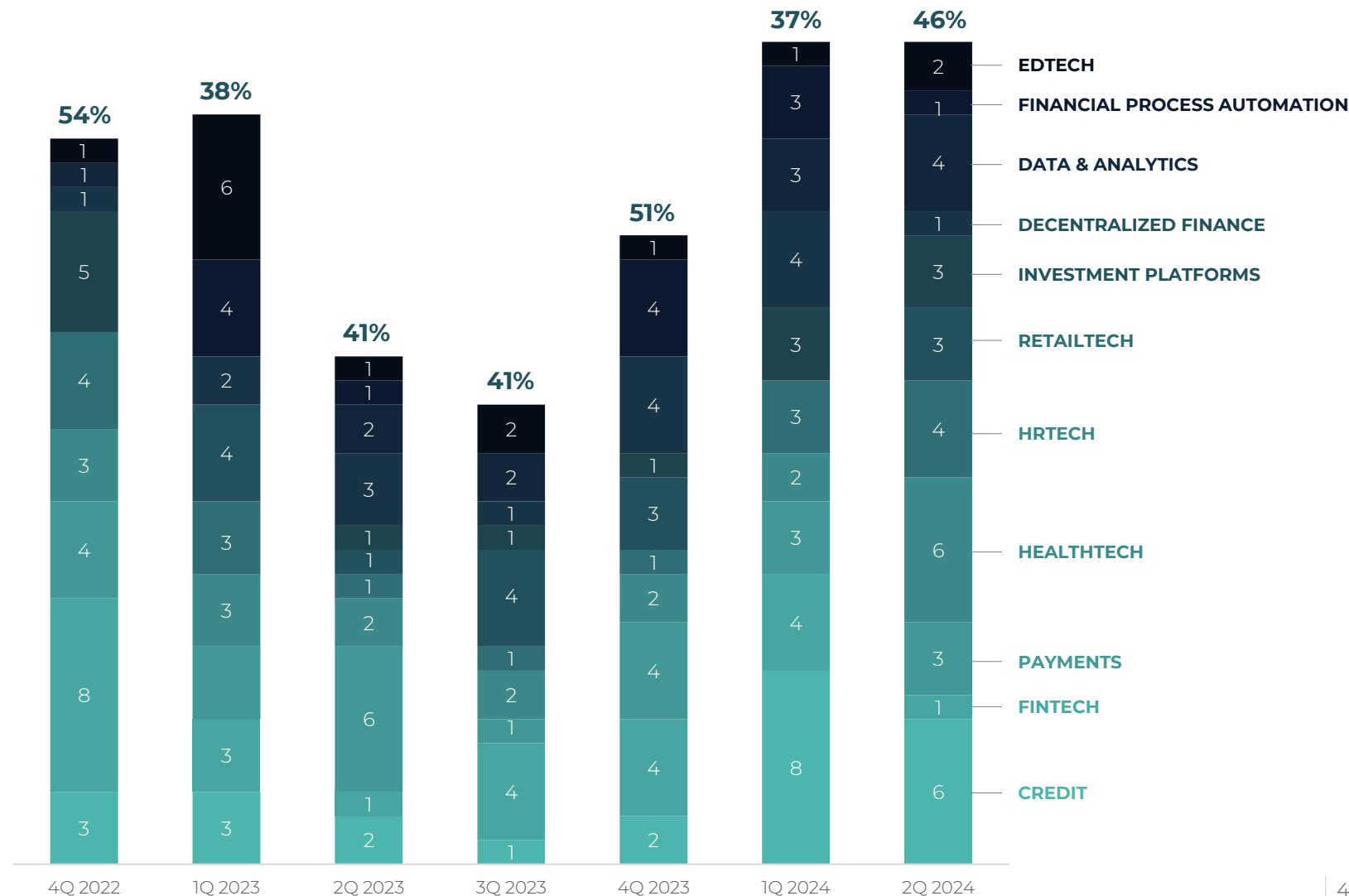
The sample shows funding rounds from company segments that, when compared to the US, reflect a **continuation of the 2021-2022 trends rather than any significant or disruptive changes.**

While **Credit, Fintech,** and **Payments** were not among the most frequent segments in the US sample, they **still show a strong prevalence in LATAM.**

Similarly, segments focused on Investment Platforms, Decentralized Finance, and Financial Process Automation remain preeminent.

It is unsurprising that 15 of the 34 funding rounds in Q2 2024 were related to finance, as LATAM has a strong track record in this sector. The key question is: **Will LATAM's main segments follow the US trends of 2024 in the near future?**

Number of deals by top 10 primary segments, % of total  
From 4Q 2022 to 2Q 2024



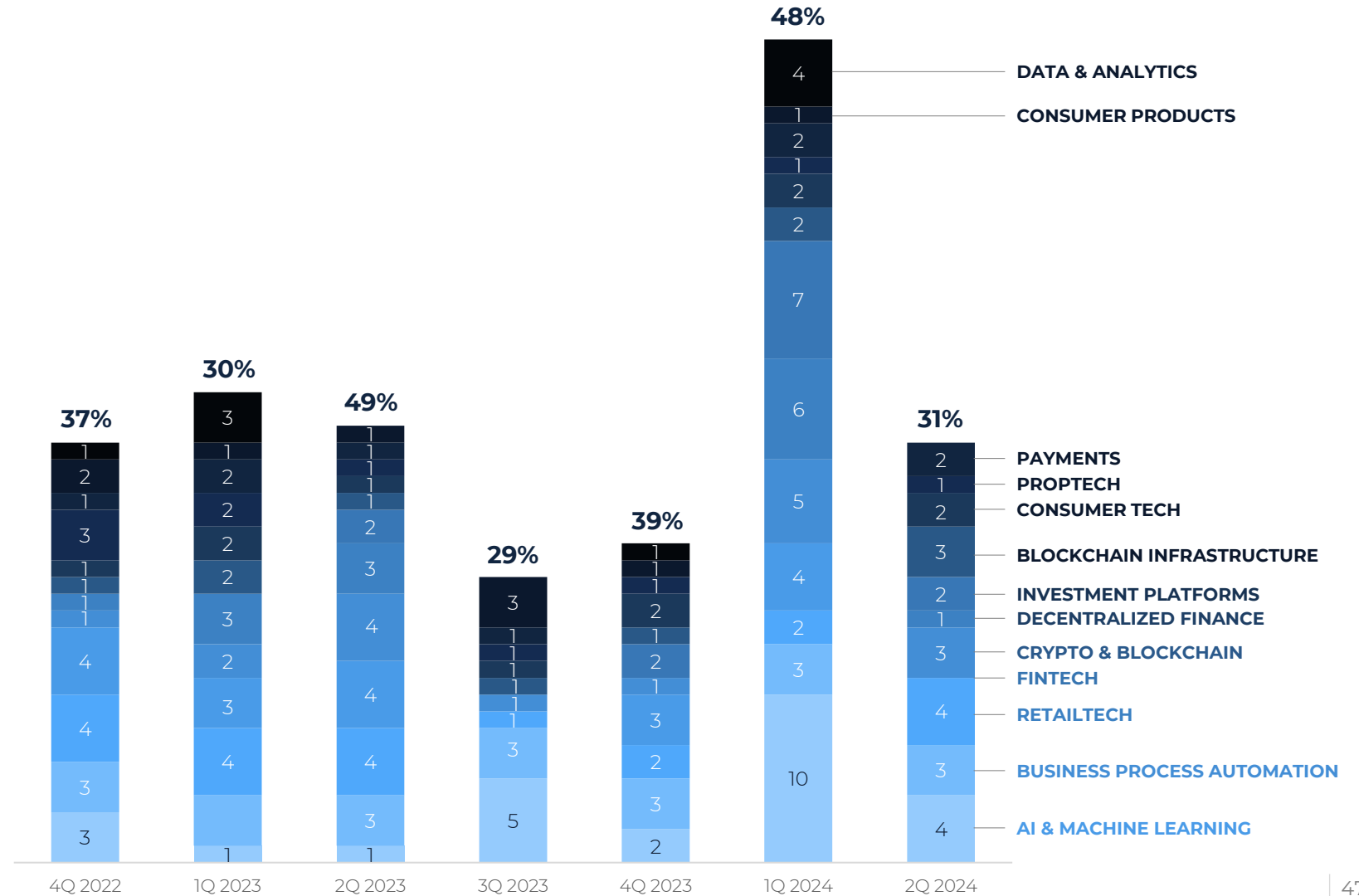
# SECONDARY SEGMENT FOCUS

As a secondary segment, **AI & Machine Learning is emerging as a relevant enabling technology in LATAM**, though to a much lesser extent than in the US, particularly when considering the number of rounds in 1Q 2024.

However, if we combine segments like Crypto & Blockchain, Decentralized Finance, and Blockchain Infrastructure, Blockchain becomes the most relevant enabling technology in 2Q 2024, above AI & Machine Learning in 1Q 2024.

The quarterly figures also highlight the **"stop-and-go" nature of the region**, as seen in the smaller number of funding rounds between 3Q 2023 and 4Q 2023, followed by a strong rebound in 1Q 2024.

Number of deals by top 10 secondary segment, % of total  
From 4Q 2022 to 2Q 2024



# COMBINED SEGMENTS & FOCUS

From **over 467 different combinations** of segments and focus areas, **98** are displayed in this extraction. They represent some of the potential intersections between early-stage startup segments and focus areas, with seven key combinations highlighted here:

1. DeFi & Investment Platforms: **# 7**
2. Edtech: **# 5**
3. Credit: **# 4**
4. Payments + Retailtech: **# 4**
5. Investment Platforms + Crypto & Blockchain: **# 4**

The main conclusion of this analysis is that technological **convergence, especially with new disruptive technologies, has yet to fully accelerate in LATAM.**

At the same time, our study may have underrepresented emerging segments due to the \$500K minimum round size.

## Extraction: segment & focus combinations

# Number of Deals per Combination



	Single segment focus	AI & ML	Business Process Automation	RetailTech	Fintech	Crypto & Blockchain	Decentralized Finance	Investment Platforms	Blockchain Infrastructure	Credit
Credit	4	0	0	1	3	1	3	0	0	0
Fintech	0	0	0	4	0	0	1	0	0	3
Payments	3	0	0	4	4	2	0	0	0	1
Healthtech	1	3	1	0	0	0	0	0	0	1
HR Tech	4	2	2	0	0	0	0	0	1	0
RetailTech	3	3	2	0	0	0	0	0	0	0
Decentralized Finance	0	0	0	0	0	4	0	7	2	0
Investment Platforms	4	0	0	0	2	4	2	0	2	0
Data & Analytics	0	2	1	3	0	0	0	0	0	0
Edtech	5	2	1	0	0	0	0	0	0	0

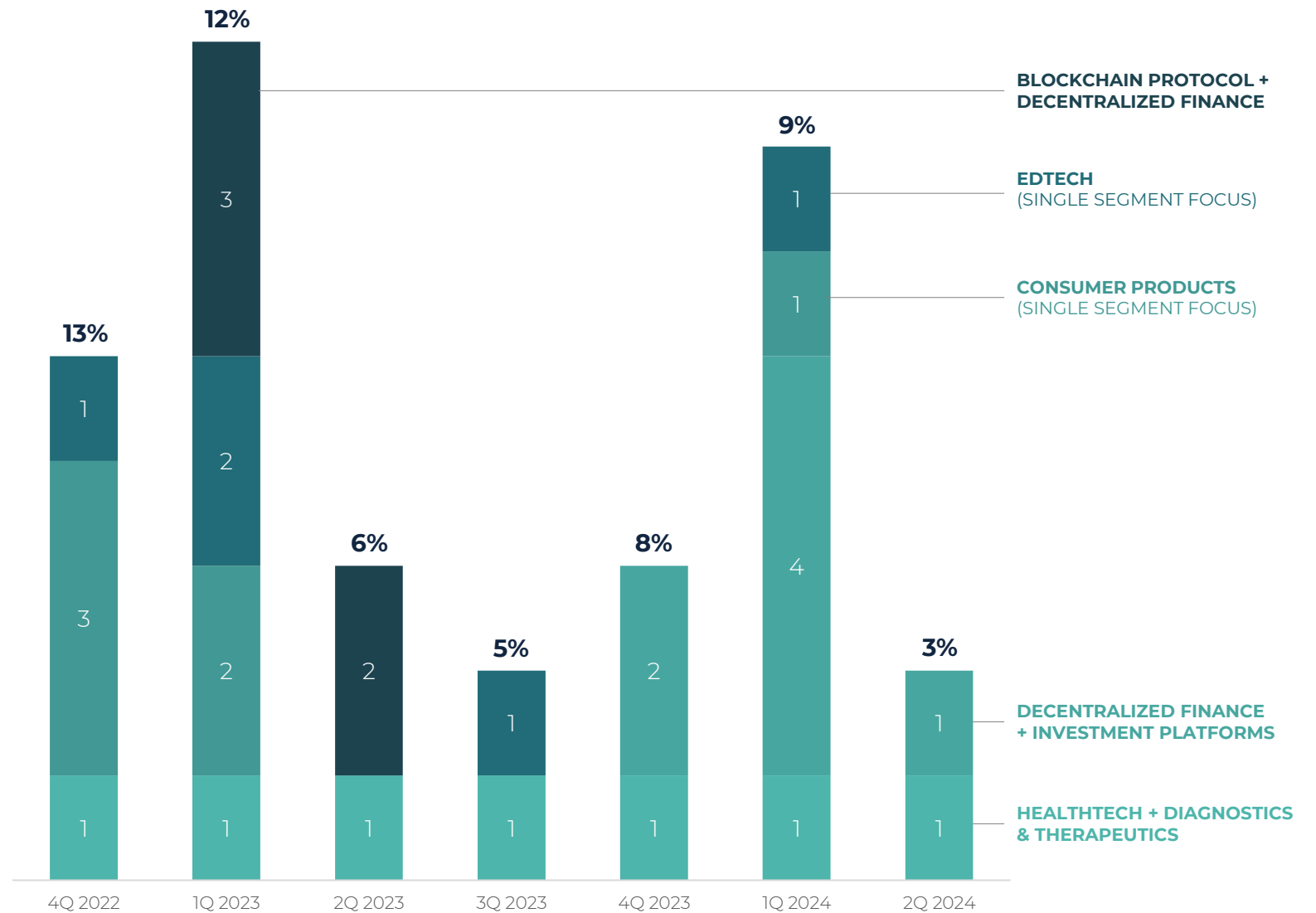


# COMBINATIONS - QUARTERLY

As expected, our LATAM sample did not reveal significant numbers of segment and focus combinations. Therefore, we will not present a distribution of top segments by enabling technology or focus, as data would lack statistical significance.

As the inclusion criteria combines both frequency of deals per quarter and per segment, certain deals involving disruptive technologies did not meet the threshold for this slide.

Frequency of segment pairs, % of total  
From 4Q 2022 to 2Q 2024



# AI & Machine Learning as an Enabling Tech

In these two startups we can see the combination of Martech and Sales Automations with AI & Machine Learning to provide superior performance in GTM and client management activities.

## advolve

**Martech + AI & Machine Learning:** Operator of a marketing platform intended to maximize return on ad spend (ROAS) through data-driven marketing and experimentation. The company offers marketing automation and AI-powered creative generation, enabling clients to scale their performance marketing efforts.

**\$1.5MM**

Amount Raised

**2023**

Year Founded

**Sao Paulo**

Headquarters

## Assis

**Sales Automation + AI & Machine Learning:** Developer of a digital assistant platform designed for online businesses. The AI-powered virtual assistant streamlines key functions, including customer relationships, payments, automatic charges, and receipt tracking, enabling businesses to manage operations more efficiently and improve customer experience.

**\$5.3MM**

Amount Raised

**2022**

Year Founded

**Sao Paulo**

Headquarters

# AI & Machine Learning as an Enabling Tech

In these two startups we can see the combination of Healthtech and RetailTech with AI & Machine Learning to provide great impact to clients.



## NeuralMed

**Healthtech + AI & Machine Learning:** Developer of an artificial intelligence-enabled healthcare technology designed for medical examinations. The company specializes in artificial intelligence that combines technology and health in real-time to aid screening and decision-making for healthcare institutions, helping doctors carry out the diagnosis by analyzing images, and signs, reducing costs, and increasing accuracy and managers and care staff to care for the relevant patients.

**\$2.9MM**

Amount Raised

**2018**

Year Founded

**Sao Paulo**

Headquarters



## aravita

**RetailTech + AI & Machine Learning:** Developer of a fresh food inventory management platform designed to revolutionize retail operations by optimizing purchase orders and reducing waste. The company's platform offers intelligent forecasting and order recommendations, enabling grocers to maximize profitability, boost sales, and drive performance in fresh food operations while reducing food waste and unnecessary costs.

**\$2.5MM**

Amount Raised

**2022**

Year Founded

**Sao Paulo**

Headquarters

# Healthtech + Diagnostics & Therapeutics

In these two startups we see the combination of Healthtech + Diagnostics & Therapeutics to provide patient-centric solutions.



Operator of a healthcare technology platform intended to offer healthcare services for all stages of the patient journey. The company offers services like online clinic check-in, medical product pickup and delivery and doctor appointment booking, enabling people to get the required treatment as per their needs and timing.

**\$5.46MM**

Amount Raised

**2019**

Year Founded

**Santiago**

Headquarters



Developer of speech and language science designed to assess brain health. The company's platform offers natural speech metrics for objective insights on cognitive health and non-invasive methods to identify, discriminate, and monitor neurodegenerative diseases, enabling patients and clinicians to make timely decisions about brain health through automated analysis.

**\$0.5MM**

Amount Raised

**2022**

Year Founded

**Rosario**

Headquarters

## Decentralized Finance + Investment Platforms

These two companies showcase the successful combination of DeFi and Investment Platforms in LATAM.



Developer of Ethereum staking software designed to control keys while delegating staking to node operators and earning rewards. The company's platform provides decentralized and non-custodial staking, enabling the investor to own all keys in a secure location not owned by the node operators.

**\$5.4MM**

Amount Raised

**2022**

Year Founded

**Grand Cayman**

Headquarters



Developer of a treasury protocol management software designed to offer a comprehensive decentralized finance protocol for crypto treasuries. The company's software helps catalyze the shift to a decentralized future by building the next generation of the financial infrastructure that creates sustainable crypto treasuries, enabling protocols and blockchain operators with the ability to diversify their assets, unlock liquidity in their treasury and receive cash flow.

**\$6.7MM**

Amount Raised

**2022**

Year Founded

**Road Town**

Headquarters

## Martech + Data & Analytics

These two Martech + Data Analytics startups represent one of the most frequent combinations found for GTM startups.



Developer of an advertisement tracking platform designed for brands to improve ad targeting accuracy. The company's platform features a dashboard that offers a view of the results of acquisition channels and 'source-of-truth' technology, which collects data from each user interaction on the client's website, enabling brands to improve the efficiency and effectiveness of their advertising campaigns.

**\$1.3MM**

Amount Raised

**2022**

Year Founded

**Sao Paulo**

Headquarters

## SENZAI.

Developer of healthcare platform intended to exploit DNA defects in a wide range of cancer cells. The company's approach to fighting cancer is based on its ability to modify tumor.

**\$2.0MM**

Amount Raised

**2022**

Year Founded

**Mexico City**

Headquarters

# SEGMENTS & TECHNOLOGIES

Within the LATAM sample, the most frequent segments and technologies, regardless of their association as primary or secondary segment in any combination, are:

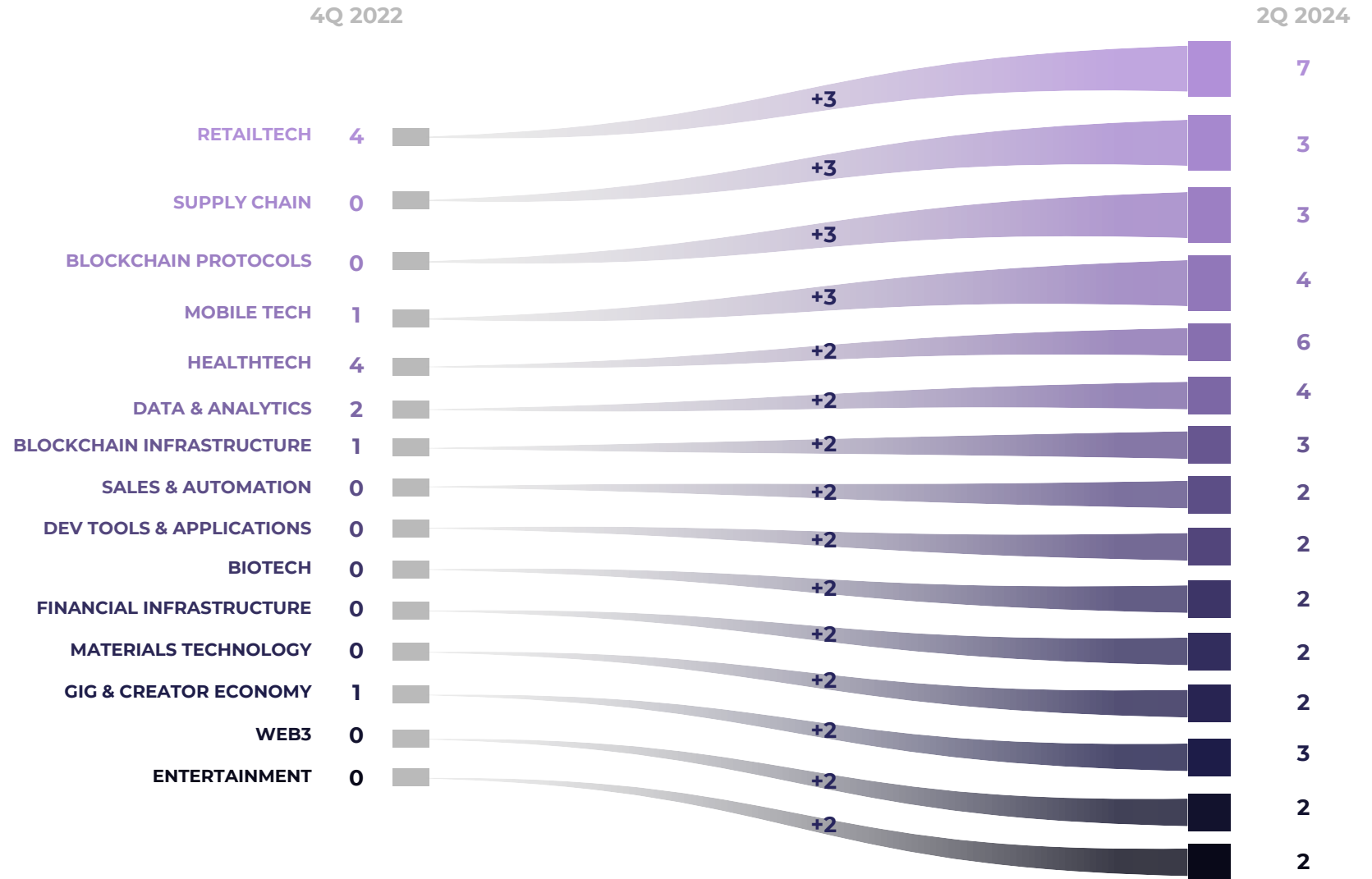
1. RetailTech;
2. Supply Chain;
3. Blockchain Protocols;
4. MobileTech;
5. Healthtech.

It is not a surprise that **the only transformative technology highlighted in this analysis is Blockchain**, given its strong association with finance and investments, **a domain in which Latin America holds competitive advantages.**

Due to the smaller number of startups and limited range of technologies in LATAM, further breakdowns by technology, segments, and domains were not practical, as they would lack relevance.

## Most frequent segment

From 4Q 2022 to 2Q 2024



# SEGMENT GROUP ANALYSIS

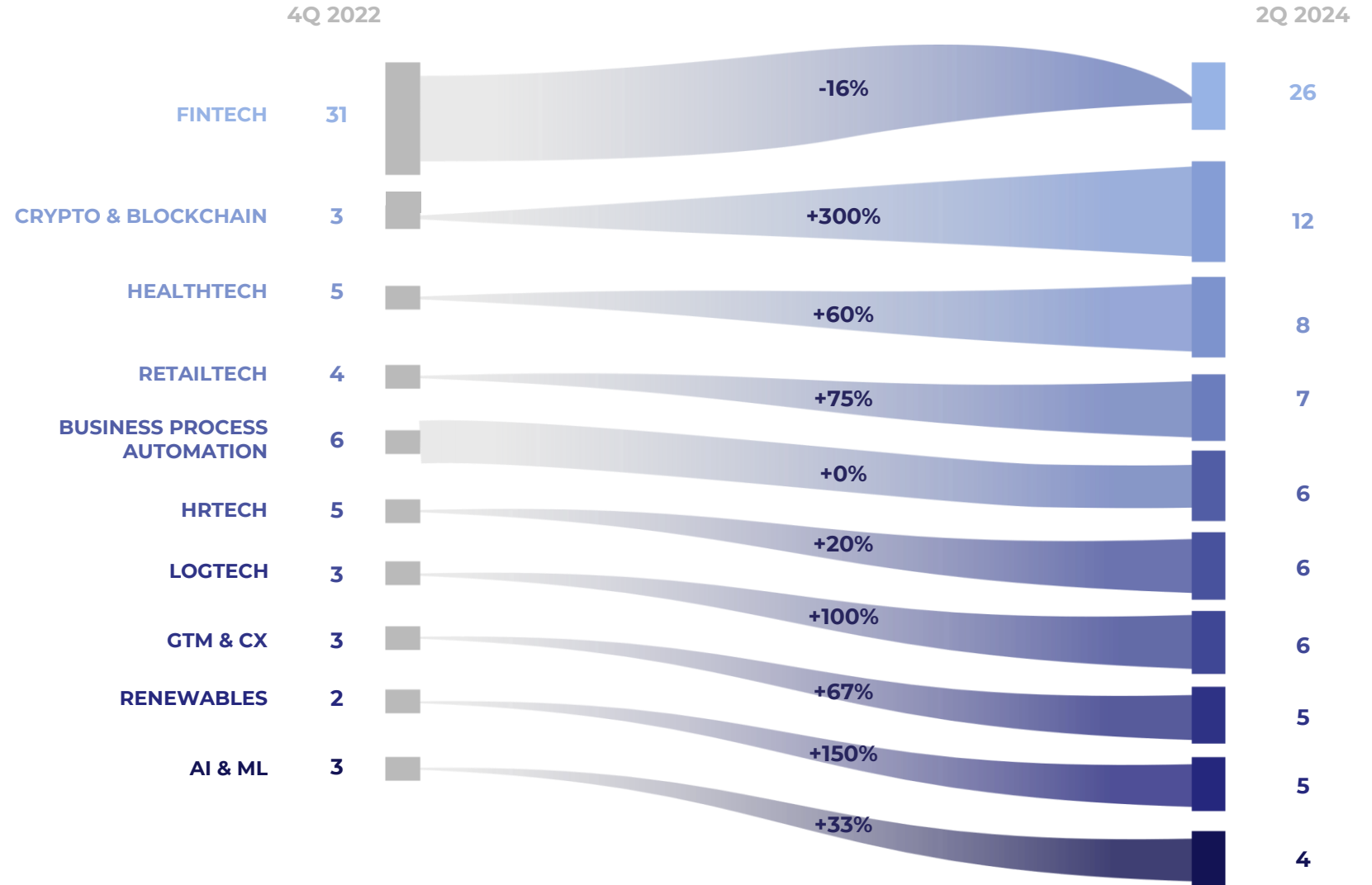
We grouped 99 segments into 46 major categories to better analyze the areas receiving the most capital and attention from investors.

By consolidating segments like Healthtech, Fintech, GTM, CX and Crypto & Blockchain, we observed a noticeable decline in Financial Technology investments, though the sector remains among the most prominent in the region.

Notably, **Crypto & Blockchain saw a 300% increase in deal count**, while the second most active segment, **Renewables, grew by 150%**. Despite these large percentage increases, the actual deal count remains relatively low, especially considering the region's potential.

## Segment Group Analysis

From 4Q 2022 to 2Q 2024





## TOP 25 FUNDS LATAM (I/II)

Our criteria for selecting LATAM Venture Capital funds was based on CB Insights' "Most Relevant VC Funds" list, published in 2023, combined with each fund's available data on closed deals that fit within the sampling criteria.

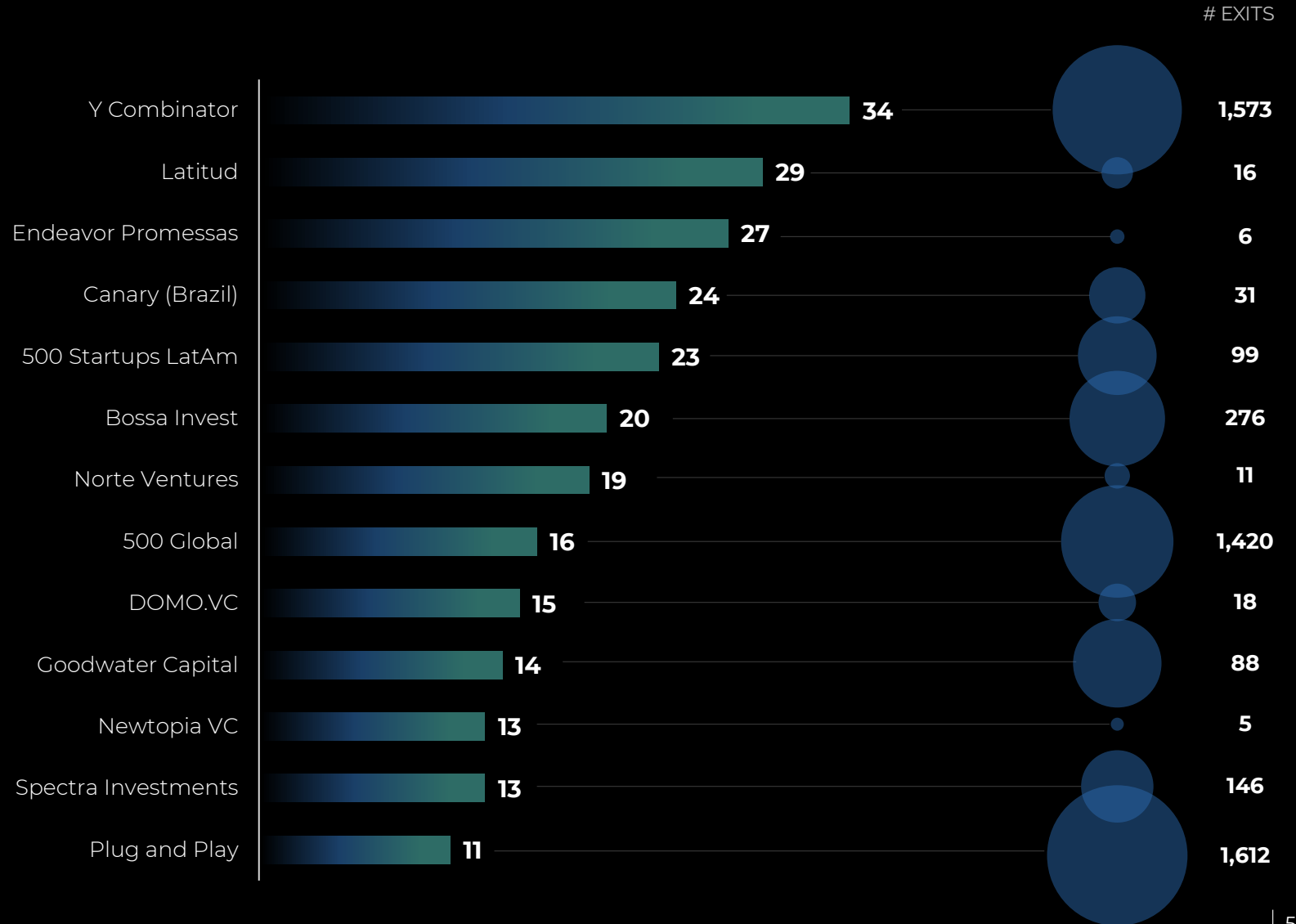
As a result, we compiled a list of LATAM funds where some very active US funds also hold relevant positions, alongside well-known LATAM venture capital investors.

Given the limitations of publicly available data from capital markets information systems - particularly in LATAM - some discrepancies among sources were found.

However, overall, the selected funds represent the most active VC funds in LATAM for deals within the sample criteria.

### Top 25 funds LATAM - # of deals within the sample

Investments rounds per investor and #exits all times



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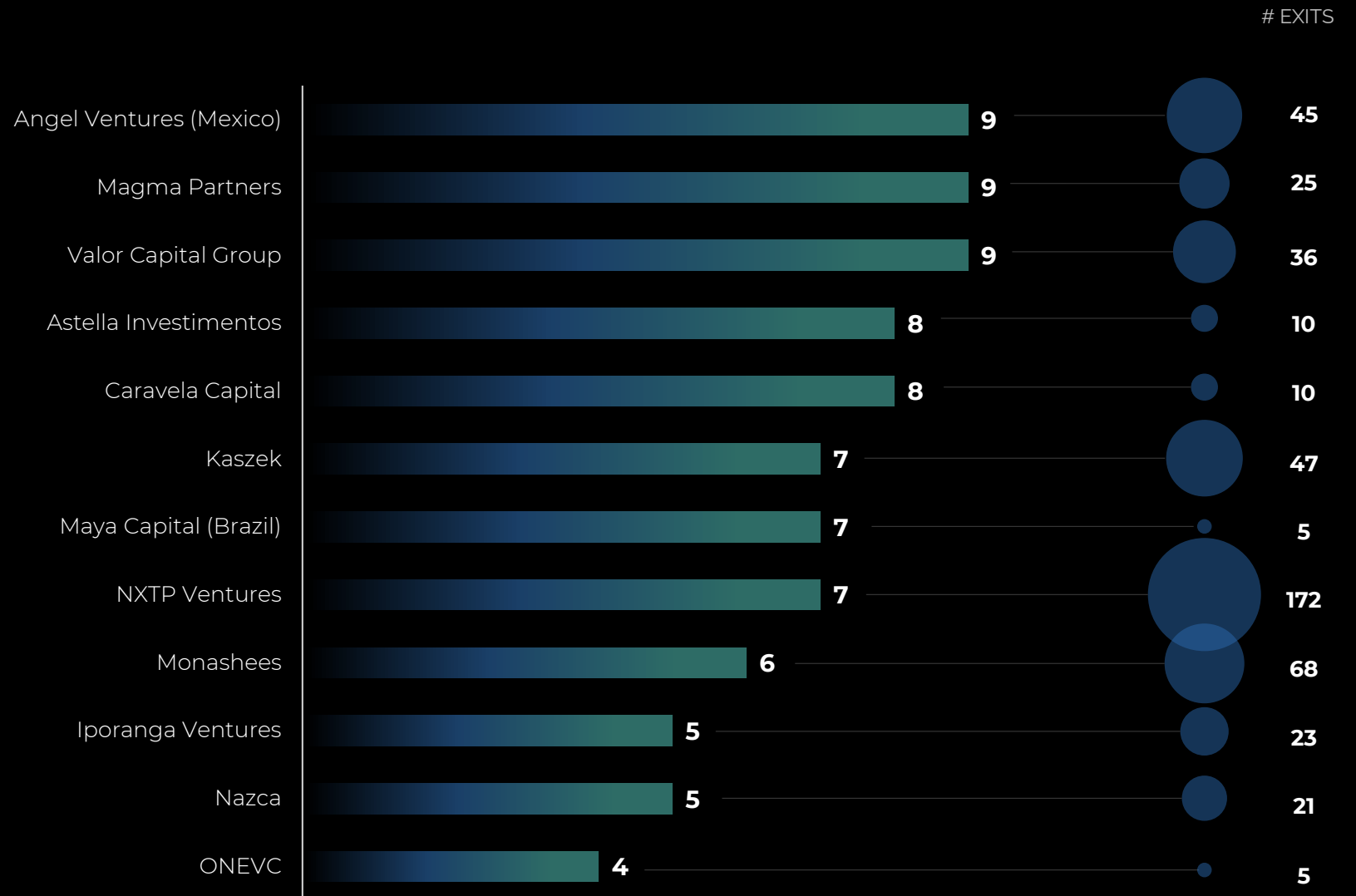
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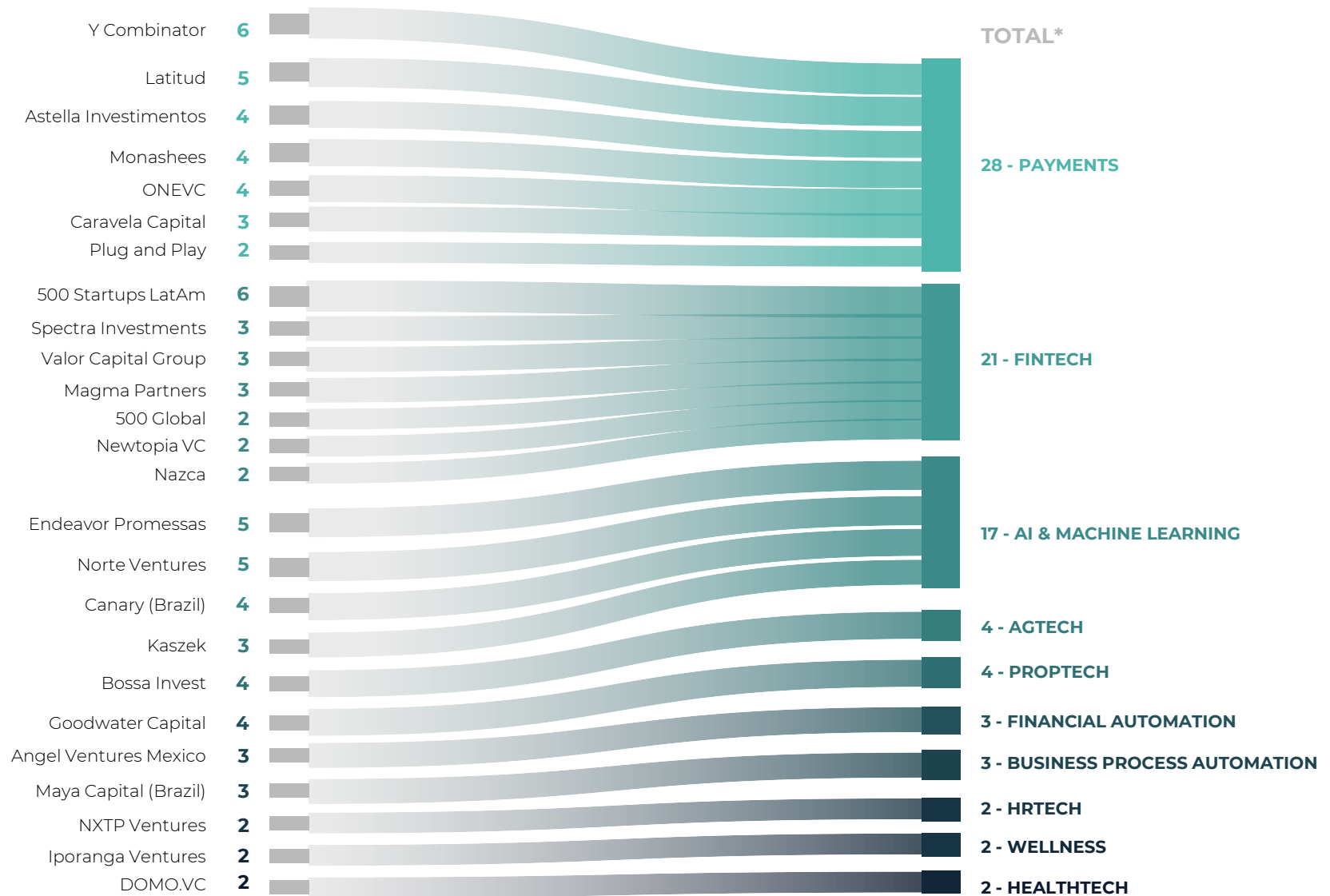
# TOP 25 FUNDS LATAM

As expected, when analyzing the most frequently invested segments by each selected investor in Latin America, most of the attention is still focused on **Fintech, Payments, and Financial Automation**, which together account for 49 of the 83 deals closed in 2Q 2024.

Additionally, we observe that for some investors, **AI has already become their primary investment segment** in 2Q 2024, indicating that the region is beginning to align with US trends.

It remains to be seen whether, as we move into 2025, the distribution in LATAM will more closely mirror the trends seen in the US.

First most frequent segment by top 25 LATAM funds



\*As some investors shared the same deals, the sum of their deals not match total deals per segment

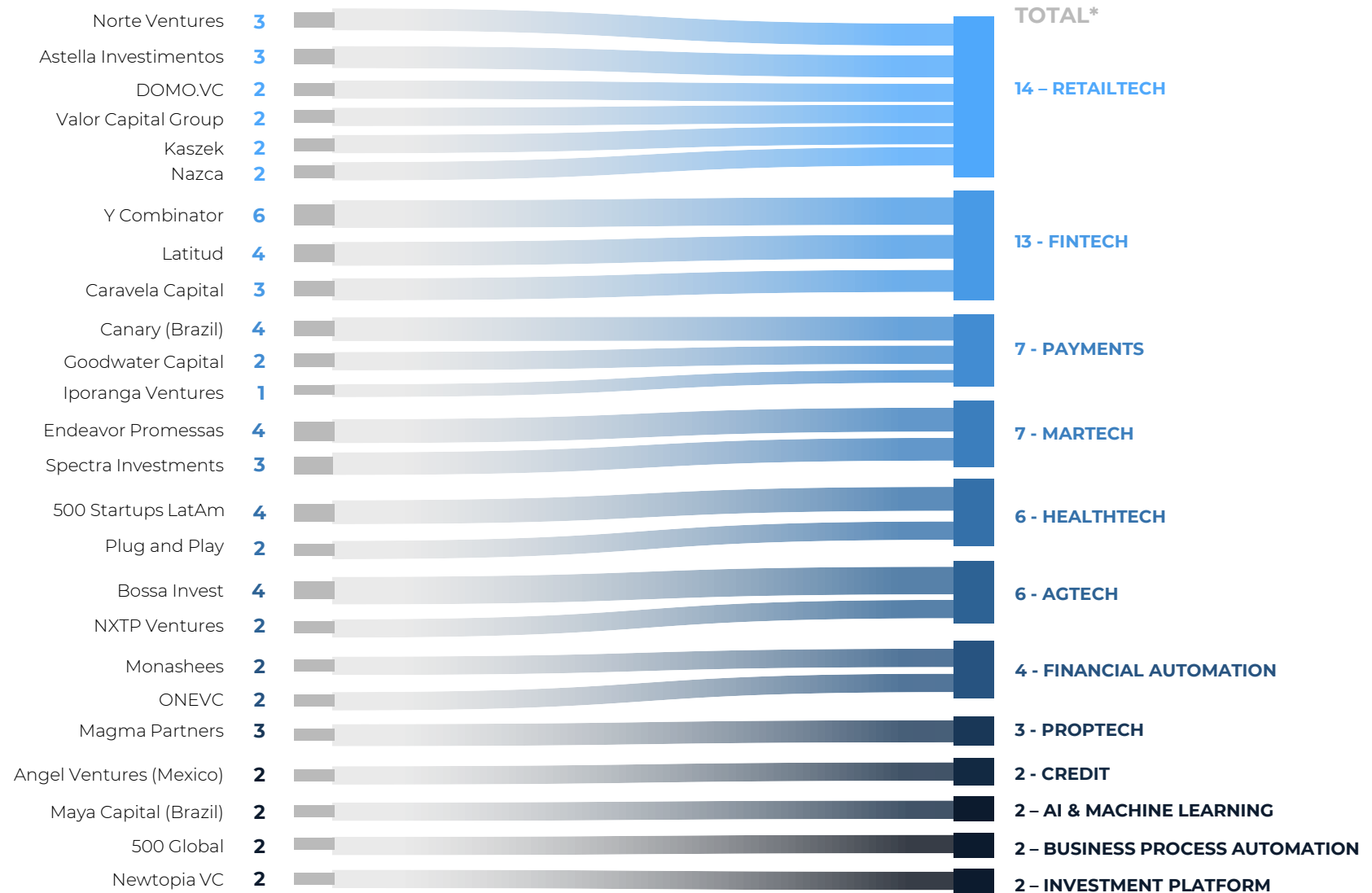
# TOP 25 FUNDS LATAM

When considering the second most frequent segment for LATAM investors, like the US sample, we observe **increased dispersion**.

However, by grouping together Fintech, Payments, Credit, Investment Platforms, and Financial Automation, we account for 28 deals in 2Q 2024 — representing 40% of the 67 total deals, all related to Fintech.

Given the number of deals in the LATAM sample, further breakdowns into third or fourth segments were not relevant and, therefore, are not displayed here.

## Second most frequent segment by top 25 LATAM funds



\*As some investors shared the same deals, the sum of their deals not match total deals per segment

CHAPTER FIVE

# TRENDS & INSIGHTS

**Daniel Ibri**

Co-Founder



Especially after the pandemic, technological innovations have shifted from being based on just one technology or business model to merging various new possibilities into more complete solutions with greater value for users. This also reflects increased complexity and higher barriers to entry for potential new competitors.

Currently, it is very important to analyze the convergence of various new technologies in the creation of new business models, as well as their use in enabling models that were previously impractical due to cost or scale.

These include technologies such as AI, Blockchain, Quantum Computing, Cloud, and the entire digital financial and payment infrastructure.

These technologies are horizontal, and it is no longer enough to create something of value simply by using one of them. They must often be applied together to enable more disruptive and valuable businesses across various sectors.

For example, using AI to optimize production processes in a factory connected by sensors, or enabling new forms of payment, financing, and revenue generation for a healthcare provider, seems much less obvious and of much more value to the end user.

Investors will increasingly need to understand the specific challenges of each sector and the potential confluence of multiple technologies that will make a startup successful in that market, considering that the barrier to entry is getting lower. Those investors that are generalists and lack deeper technical capabilities will quickly lose their edge in the market and access to good startups.



CHAPTER FIVE - A

# ACCELERATING TRENDS

# ACCELERATING TRENDS

These six accelerating trends, shaped during the last cycle, are rapidly **driving the adoption of new business models and addressing previously unmet needs.**

Just a few years ago, many of the startups identified in this study couldn't have existed due to the lack of key preconditions such as computing power, AI, developer tools, and a knowledgeable workforce.

Today, the freedom to design and scale startups feels like to navigating a multidimensional Rubik's Cube. We identified more than 200,000 combinations of segments and activities, and when considering different monetization strategies (such as SaaS, Management Fees, and Service Fees), the possibilities expand into millions.

In this report, we offer a snapshot of these trends and provide examples to understand the current cycle. By extrapolating these vectors, we can also catch a glimpse of what the future might hold.

## I. HYPER-SPECIALIZATION

Business models and solutions focused on very specific combinations of activities to meet underserved segments.

## II. TECH CONVERGENCE

This new cycle is bringing new combinations of fundamental technologies together, to address problems that couldn't be solved just recently, often creating interlay new solutions.

## III. DIAGNOSTICS & THERAPEUTICS

Advances in Biotech, the availability of widespread digital infrastructure, the awareness about systemic Healthcare problems and underserved patient needs made this domain one of the most relevant in the sample.

## IV. SOCIAL NETWORKS

The application of open source, co-creation, collaborative work and the power of communities not only to increase reach and relevance but also as an integral component of business models.

## V. INTELLECTUAL PROPERTY

AI has brought an exponential challenge to Intellectual Property holders and creators, but also brought the ability to monitor, protect and monetize intellectual works.

## VI. DEVELOPER APPLICATIONS

The new cycle brought a relevant increase in startups providing new Developer Tools, often AI-enabled, but anyway connected with the growing need to build the applications for this advanced digital age.



## I. HYPER-SPECIALIZATION

It's easy to grasp why hyper-specialization is attractive: if a company can **solve a specific, valuable problem** better than generalist providers, it has a clear path to success and to scaling opportunities.

However, hyper-specialization comes with well-known challenges:

- **Resource Bottlenecks:** Access to technical talent, industry knowledge, and the range of technologies needed to solve highly specific problems can be limited.
- **Timing and Ecosystem:** Is the market mature enough to support business models around this specific problem? Are there critical network participants, suppliers, or technologies that need to align?

In this slide, we highlight three companies that we believe are effectively leveraging specialization and technology.

### perx health

**Digital care management for medically complex members:** Perx uses a personalized mix of behavior science techniques to motivate members to complete their health tasks every day. Chronic high-risk patients are not well served by general solutions.

**Investors:** AirTree Ventures, ANDHealth, Artesian Venture Partners, Blackbird Ventures (US), Brandon Capital, Giant Leap, HCF Catalyst, Jobs for NSW, Matter (Consulting Services (B2B)), Plug and Play Tech Center, RHL Ventures, Startmate, Tenmile, Tractor Ventures, YMF Investments

### Polyhive

**Spatial design platform that enables visual artists, engineers, designers and more to create production-ready 3D assets in minutes instead of days:** Developer of a generative artificial intelligence technology intended to improve productivity for 3D professionals. The company's software helps with texturing and customization features to optimize 3D workflow, enabling businesses to boost productivity by saving time on model customization.

**Investors:** Firestreak Ventures, Soma Capital

### Profound

**Data & Analytics for global brands measure how AI is talking about them:** From SEO to AIO (AI optimization), As users are adopting generative AI-powered searches, Profound aims to help companies monitor and improve their brand performance.

**Investors:** Balaji Srinivasan, Khosla Ventures, Saga Ventures, Scott Belsky, South Park Commons

## II. TECHNOLOGICAL CONVERGENCE

Since Schumpeter shared his views of entrepreneurship, we have understood that **innovation is primarily about the use case, rather than an invention or patent** - a lesson worth reviewing in every business cycle.

New business models are being created by combining technologies and addressing client problems that would have been impossible just few years ago.

However, we see many AI-Enabled businesses, for example, that use AI as commonly as we use electricity. Still, there is a significant number of companies that create new value by combining multiple technologies and solving specific problems, resulting in unique value propositions.

**In numbers:** 3.3% of the US sample and 2.3% of the LATAM sample combine two or more fundamental technologies, such as AI, Biotech, Blockchain, Robotics, VR, 3D and Video Technology, Materials Technology, and Nanotechnology.



**Ai-native 3D simulation game and game engine:** An AI-native simulation engine and platform where users can create and share 3D animated characters, worlds, games and scripted interactions all using natural language. This company combines AI, 3D & VR, Social Networks and Gaming.

**Investors:** Boost VC, Patron (North America), Pear (California), Pioneer Fund, Singularity Capital, Y Combinator



**Talus network is an L1 blockchain purpose-built for smart agents:** Talus blends Move's smart contract security, performance, and object-oriented programming to create strong developer tools and a symbiotic ecosystem for a plethora of new AI smart agent use cases like DeFi Monetizable agents and Gaming Agents. Talus combines Blockchain and AI & Machine Learning.

**Investors:** Blue7, ComfyCapital, dao5, Hash3, nception Capital, Polychain Capital, TRGC, WAGMI Ventures



**Digital twins for ML-guided cell replacement therapy:** Leveraging AI to produce human tissue for cell-based therapies, by developing a digital twin of human Embryos to guide diagnostic and therapy. This company combines Biotech and AI & Machine Learning.

**Investors:** BC Growth Equity, Conscience, DarkMode Ventures, Lerer Hippeau, Mark VC, Next Coast Ventures, TechAviv Founder Partners, Texas Venture Partners, Trust Ventures

### III. DIAGNOSTICS & THERAPEUTICS

The growing recognition of gaps in healthcare - such as bureaucracy, underserved communities, chronic diseases - and the advances in Genomics and Cell Therapeutics, have driven startups to develop novel approaches for early diagnosis, personalized treatment, and patient monitoring.

For example, **Milu** provides a platform to help employees and employers navigate the complex healthcare system, **myBiometry** supports asthma patients by helping prevent and manage crises, and **Cytoveris** leverages imaging technology and AI for real-time tissue identification during critical surgeries.

From 4Q 2022 to 2Q 2024, the **number of deals involving Diagnostics & Therapeutics rose by 320% in the US sample, and 100% in the LATAM sample.**

These new Diagnostics & Therapeutics business models are shifting toward more technologically integrated and patient-centered care.



**Milu Health uses AI to drive cost savings in healthcare for employees and employers:** The company offers price transparency data to identify high-quality, reasonable-cost doctors and hospitals for frequent procedures and surgeries, enabling patients and users to identify ways to save money on their doctor visits, procedures, prescription drugs, and medical bills.

**Investors:** Andreessen Horowitz, BoxGroup, Hypothesis Studio, Koh Founders, Pags Group, People Tech Partners



**Provides biological data for patients to predict and prevent asthma attacks:** patented sensor and device technology to biologically determine risk daily at home. The app monitors exposure to environmental triggers, AI models are trained on a proprietary dataset that is self-labeled with measures of asthma control. The care team provides guideline-based asthma education, coaching, and support.

**Investors:** Bantam Group, Boston Harbor Angels, Cherrystone Angel Group, Elevate Ventures, Launchpad Venture Group, Massachusetts eHealth Institute, MassChallenge, Matter, MedTech Innovator, SideCar Angels



**Provides Real-Time Tissue identification for surgery environments:** Target Tissue Identification through the detection of Intrinsic Biomolecular Markers using AI-enabled Multispectral Autofluorescence Imaging, to allow surgeons to detect tissues in critical surgery situations.

**Investors:** Aimers Venture Partners, Connecticut Innovations, Cycle Venture Partners, MedTech Innovator, National Cancer Institute

## IV. SOCIAL NETWORKS

The early years of what we now know as social networks were dominated by large social media companies, forums, discussion groups, and open-source initiatives like UNIX, LINUX and APACHE.

Today, social networks are considered one of the key enablers for value creation:

- **Through open-source:** Companies build open ecosystems that profit from collaboration, gaining advantages over centrally controlled environments.
- **With communities:** Companies leverage user relationships to reinforce and transform their business models.

While this concept isn't new, **we've never seen so many startups making "social" a core pillar of their business models.**

**In numbers:** 109 companies or 5% of the US sample, and 2% of the LATAM sample include significant components of social networks.

### OpenFoundry

**Developer Tools & Applications with Open Source + AI:** Developer infrastructure for open-source AI. Helps engineers build, deploy, and scale their open-source AI stack seamlessly, betting on AI evolving from closed spaces to open and collaborative environments.

**Investors:** Soma Capital, Y Combinator

### FLAMEL.AI

**FlameL.ai enables multi-location franchises to turn each unit into a marketing engine:** The company's platform engages artificial intelligence tools to create social media posts, videos, and radio advertisements, enabling users to generate attractive and engaging influencer marketing content on Instagram, Twitter, LinkedIn, TikTok, and other platforms.

**Investors:** Allos Ventures, DundeeVenture, Capital Elevate Ventures Flywheel Fund

### THE MIRROR

**Open-source game and gaming engine:** Gaming & Real-Time Developer Platform at the Same Time. Creators can modify the platform, own their creations, unlike Roblox, for example.

**Investors:** Balaji Srinivasan, Khosla Ventures, Saga Ventures, Scott Belsky, South Park Commons

## V. INTELLECTUAL PROPERTY

It can be said that AI and Intellectual Property are increasingly at odds as the scale of AI scraping becomes more evident. However, these fields are also converging into new business models through startups like Solve, Trips, and Spawning, which are developing innovative AI tools to protect, monitor, create, and manage intellectual property more efficiently.

For example, **Solve** uses AI to assist patent attorneys in drafting patents and analyzing IP through an in-browser document editor. Meanwhile, **Trips** and **Spawning** empower content creators to monitor, protect, and even monetize their work in new ways.

We identified 5 companies in the US sample that combine AI and Intellectual Property, collectively raising \$21MM.

With the rapid evolution of AI technologies, these startups are pioneering a new wave of IP management that is set to transform how creators, businesses, and legal professionals handle intellectual property.

### Spawning

**Data Governance for Generative AI:** The Company is building an ecosystem-wide solution to meet the needs of rights holders and AI developers. Spawning's Do Not Train Tool Suite consolidates machine-readable opt-out methods around the Do Not Train Registry, making it simple to declare data preferences and to respect them.

**Investors:** Abhay Parasnis, Balaji Srinivisan, Bertelsmann Digital Media Investments, Charles Songhurst, Jacob.eth, NoiseDAO, SeedClub Ventures, True Ventures

### *trips*

**Integrates Blockchain and AI to protect and monetize Creators' Intellectual Property:** Creators are protected and empowered to reclaim revenues and control over their content, while preventing future unauthorized exploitation.

**Investors:** Animal Capital, Blackwood Ventures (Denmark), Blizzard Avalanche Fund, Blockchain Builders Fund, Calligraphy Digital Multi Strategy Fund, Serafund, Shima Capital



### Solve Intelligence

**Copilot for Intellectual Property Professionals:** The company develops a Copilot, in-browser document editor, specialized for IP, leveraging the world's best patents to ensure high-quality output. Users can quickly configure the AI to draft in their specific style, enabling customization for different fields, clients, and regions.

**Investors:** Amino Capital, Coho Deeptech, Davidovs Venture Collective, FoundersX Ventures, General Advance, Nomad Capital, NVO Capital, Scale Asia Ventures, Sterling Road, Team Ignite Ventures, TransLink Capital, Y Combinator

## VI. DEV TOOLS & APPLICATIONS

Recent startup investments have surged in AI-powered developer tools that enhance coding and streamline developer workflows.

**Inngest** helps developers build serverless functions, integrating with various services to create, test, and deploy automated, event-driven code, leading to a more efficient development process.

**TraceMachina** provides solutions for code tracing and analysis, offering real-time monitoring and debugging capabilities that give developers valuable insights into their software's performance.

**Nile** enables developers to build, deploy, and scale serverless applications with minimal configuration. Its AI-driven platform simplifies tasks such as API integrations, database management, and real-time data processing, significantly reducing development time and complexity.

Of the total raised funds, 5.5% in the US sample and 1.6% in LATAM went towards this segment.

### **inngest**

**Developer of a code automation platform for building reliable event-driven workflows with zero infrastructure:** The company's platform offers a powerful workflow engine that allows complex, multi-step functions that can coordinate between events in the business operations of organizations, enabling operators and builders to build and run complex workflows in real time.

**Investors:** AforeCapital, Andreessen Horowitz, Banana Capital, Comma Capital, Kleiner Perkins, Notable Capital, Vercel



**Developer of open-source software company intended to reduce the cost of running simulations for safety-critical systems:** The company offers work on advanced technologies like physical AI, specialized chip design, robotics, and autonomous mobility, enabling builders to create futuristic technologies of existing infrastructure and tools.

**Investors:** GreenBay Ventures, Samsung NEXT, Sequoia



**Developer of a serverless postgres database platform designed for modern SaaS applications:** The company's platform features built-in tenant virtualization, drop-in user management, and seamless tenant-aware vector embeddings, enabling SaaS providers to deliver secure, performant, and AI-powered applications at the global scale.

**Investors:** Benchmark Capital Holdings, SVAngel

CHAPTER FIVE - B

# TRANSFORMATIVE TECHNOLOGIES



## Alexander Busse

Managing Partner

**NXP**  
VENTURES

“

Certain technological innovations, such as blockchain and AI, have the potential to enable entirely new business models and unlock value propositions that were previously unattainable due to technological limitations or prohibitive costs.

These innovations open doors for solving problems in ways that were not feasible before, offering companies the opportunity to disrupt traditional industries and create significant competitive advantages.

When applied to address an acute, real-world problem in an innovative manner, these technologies can be incredibly transformative and powerful.

However, from an investor's perspective, it's critical to ensure that these new use cases are grounded in practical applications rather than being driven by hype. Too often, buzzwords like "AI" and "blockchain" are thrown together without a clear understanding of how they contribute to solving the problem at hand.

Investors must thoroughly assess whether the integration of such technologies genuinely adds value and offers sustainable solutions, rather than simply being used to make a business appear cutting-edge or innovative without substance.

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## AI & MACHINE LEARNING

Beyond the transformation of well-known processes with AI, such as **Altera** does for GTM and Sales Automation, we are witnessing the rise of an **AI Economy, which signals major innovations in how the world operates.**

**Skyfire**, for instance, is pioneering the concept of the AI Economy by building autonomous AI agents with the ability to buy, sell, rent, and interact with both other AIs and humans. **This notion of an AI Economy, where AI has its own agency, contrasts sharply with mainstream perception of AI as merely a tool that is subordinate to humans at every step.**

**Sumer** is challenging established e-commerce platforms like Shopify and VTEX by allowing SMBs to set up online stores in just 15 seconds.

While these companies will surely face many challenges, many well-funded startups are already creating a future that seemed unimaginable just a few years ago.

### UNITED STATES

#### ▲ ARTISAN

**Sales Automation with AI Employees** - Artisan develops autonomous AI employees to the mainstream, starting with Sales and having announced solutions for Marketing and Customer Success

**Investors:** Bayhouse Capital, Bond Capital, Fellows Fund, Mento VC, Sequoia Scout, Soma Capital, Y Combinator

#### ▲ ALTERA

**Builds machines with fundamental human qualities, starting with friends that can play video games with you** - Starting to generate digital friends that can play Minecraft with humans

**Investors:** Alumni Ventures, Andreessen Horowitz, AP Investment, Bob Meese, First Spark Ventures, Greg Harper, Liquidmetal Ventures, Mitch Lasky, Patron (North America), Rich Aldrich, Stephen Lim, VamosVentures

#### Skyfire

**Developer of a SaaS simulation platform designed to evaluate, scale offline testing, and accelerate robot growth** - Provides simulation tech for Robotic Developers while leveraging services to address developer's questions, enabling robots to go from prototype to product quickly

**Investors:** Arca (Los Angeles), Arrington Capital, BlockFi Ventures, Brevan Howard Asset Management, Brevan Howard Digital Nova Fund, Circle Ventures, Crossbeam Venture Partners, Draper Associates, DRW Venture Capital, Everyrealm, FBG Capital, FJ Labs, Gemini, Gemini Frontier Fund, Hidden River, Inception Capital (British Virgin Islands), Intersection Growth Partners, Neuberger Berman, Outpost Ventures, Red Beard Capital, Red Beard Ventures, Ripple Labs, Sfermion

### LATIN AMERICA

#### ○ allie

**Mexico: AI & ML with Supply Chain** - Software development company that offers real-time monitoring and organizes data via AI-based applications

**Investors:** Caravela Capital, OBS

#### 📁 perhaps

**Chile: First workspace designed for collaboration between people and AI** - It offers dev tools for programmers, enabling coders to explore and create as per their needs and improve the interaction between humans and AI

**Investors:** Bessemer Venture Partners, Hi Venture, Platanus Ventures

#### Sumer.

**Colombia: 15 seconds online store** - Operator of an online digital store intended to empower SMEs by providing access to essential online services

**Investors:** Canary, Predictive Venture Partners, Clocktower Ventures, 8VC, Alter Global, Broom Ventures, Marathon Ventures, Sebastian Mejia,

## RENEWABLES

Current trends in renewable energy highlight a shift towards AI, biotechnology, and data-driven solutions to optimize energy use and reduce emissions.

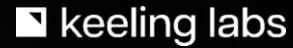
AI is becoming integral in managing energy storage and grid interactions, with companies like **Keeling Labs** optimizing grid and battery systems.

Biotechnology applications, such as **Birch Biosciences'** enzyme engineering for plastic recycling, emphasize sustainability. Additionally, AI optimizes operations in wastewater treatment, reducing costs.

Platforms like **Popular Power** enable the scaling of solar energy, reflecting a broader movement toward accessible and efficient renewable energy solutions across various markets.

Renewables are also benefiting from a **new wave of VC funds targeting this growing segment**, accelerating the transformation of how we manage our planet's limited resources.

## UNITED STATES



**Provides AI-based technology that teaches itself how a battery should optimally charge or discharge in the grid to maximize the usage of clean energy** - Dynamic, optimized bidding specifically calibrated to each battery, its location, and changing grid landscape

**Investors:** Y Combinator, Collaborative Fund



**Engineering enzymes to enable high yield, sustainable, cost-effective plastic recycling** - leverages Artificial Intelligence, bioinformatics, and high-throughput screening techniques to engineer enzymes for plastics recycling

**Investors:** Y Combinator, Plug and Play, Climate Capital, Elevate Capital, Fundament, Liquid 2 Ventures, Olive Tree Capital,



**Develops Algy-based feed supplement to make cattle burp less, earning cash for cattle owners** - Uses biochemistry develops red seaweed and feed additives which causes methane emissions to be reduced in beef cattle and dairy cows, enabling farmers to save money and help fight against climate change

**Investors:** Y Combinator, L2 Ventures, Helium-3 Ventures, DAY ONE Ventures, Pioneer Fund, Collab Fund, Rebel Fund

## LATIN AMERICA



**Chile: AI-driven wastewater treatment system** - Operator of a go-to platform intended for optimizing wastewater treatment systems, for industries and utilities. Uses AI to optimize the energy consumption of wastewater treatment plant without the need to invest in equipment or modify processes

**Investors:** Village Capital, SantanderX, Arpeggio, Buildtech Ventures, Grupo-Imagine, Sudlich Capital, Imagine H2O



**Mexico: Software platform that empowers solar companies with actionable data & insights** - Developer of an end-to-end digital solar power platform intended for scaling solar energy with a hardware-agnostic approach

**Investors:** OBS, Amplifica Capital, Cerulean Partners, Dunn Family Charitable Foundations,, Mercy Corps



**Mexico: AI-driven energy storage system solutions** - Prevents energy disruption by providing predictive analytics, weather forecasting, and artificial intelligence to address reliability, cost, and environmental impact

**Investors:** Techstars, Village Capital, Katapult Group, Emprendeduros Ventures, Third Derivative

## VR, 3D AND VIDEO TECHNOLOGY

Current trends VR, 3D and Video technologies, powered by AI, are transforming industries ranging from entertainment to agriculture.

AI-enhanced video content creation is enabling tools to generate expressive characters for storytelling and marketing, fostering more interactive content.

AI-driven social analytics is also emerging, with startups analyzing video content on social media to provide brands with insights into influencer impact and trends.

In industrial applications, AI-powered cameras and 3D imaging are optimizing infrastructure maintenance through automated data collection. Similarly, in construction, these technologies enhance productivity.

**Overall, these trends reflect a shift toward integrating 3D and AI into digital content creation and real-time analytics, meeting the growing demand for immersive, interactive solutions.**

### UNITED STATES

#### hedra

**Generate video with expressive and controllable human characters** - Next generation of storytelling technology to empower content creators and enterprise marketers to tell narratives at scale. Hedra plans to integrate storytelling, sound and video generation in a unified workflow

**Investors:** Index Ventures, Abstract, and A16Z Speedrun



**Tracks trending influencers for brands & analyzes their posts** - Identifies mentions, influencers, or trends happening frame by frame in millions of videos in social networks and generates data, analytics and insights

**Investors:** Techstars, Supernode Global, Carnegie Mellon University, Crush Ventures, Duo Partners

#### noteworthy ai

**Infrastructure intelligence based on video Technology and AI** - Mounts AI-powered smart cameras on existing fleet vehicles to automatically identify pole defects, inventory components and other grid's physical infrastructure

**Investors:** Techstars, Avesta Fund, Climate Capital, Boro Capital, Earthshot Ventures, City Light Capital, Connecticut Innovations, C2 Ventures, Asymmetry Ventures, Keiky Capital, Susquehanna International Group

### LATIN AMERICA



**Chile: Engaged in the research, development, and provision of dimensional information technology-based solutions** - Developer of a construction optimization platform designed to improve productivity in design, construction, and maintenance

**Investors:** Magma Partners, ChileGlobal Ventures, Fondo Sudamerik, Fundación Chile



**Argentina: Immersive storytelling** - Creates social games leveraging new technologies like AI, mixed reality, and spatial computing, enabling users to get animated content

**Investors:** The Venture Reality Fund, Transcend Fund, 1Up Ventures



**Brazil: Agro Data Platform** - Agricultural monitoring intelligence platform designed to offer cloud assistance for processing drone images and generating agronomic indicators

**Investors:** SLC Agricola, Village Capital, Bossa Invest, DOMO.VC, Silver Angels, Endeavor Promessas,

## CRYPTO & BLOCKCHAIN

As AI becomes more integrated into Cybersecurity, there is an **increasing need for secure**, decentralized AI systems to defend against cyber threats. Blockchain provides a solution due to its decentralized and immutable nature.

In gaming, Blockchain supports "play-and-earn" models, allowing players to capture in-game value while providing transparency for AI-generated content.

The convergence between Traditional Finance and Crypto is evident in DeFi and stablecoin remittances, which **reduce costs and enable new financial models**.

New token distribution methods, such as DePIN and Points, are expanding Crypto adoption by allowing users to earn assets through participation rather than direct purchase, signaling blockchain's growing role in mainstream finance and digital ecosystems.

As a transformative technology, we expect Blockchain to emerge in the coming years as the primary medium for how we register, transact and interact.

### UNITED STATES



**Operator of a DeFi platform that integrates real-world assets into blockchain ecosystems** - The platform enhances liquidity through tokenization, enabling investors to access, trade, and invest in various tokenized assets while improving transparency in decentralized markets

**Investors:** A. Capital Ventures, Breed VC, Galaxy Digital Holdings, Haun Ventures, Hyperithm, Portal Ventures, Reciprocal Ventures, Selini Capital, Serafund, Superscrypt, SVAngel



**Developer of a strategic investment platform for trading stocks and transferring crypto** - Empowers enterprise clients to authenticate with banks and wallets through seamless integrations, creating a secure crypto ecosystem for payments and transfers

**Investors:** Aleka Capital, AltaIR Capital, Alumni Ventures, Astir Ventures, B3 Capital, CapitalX, Dreamers VC, Evolution VC, Florida Funders, Gaingels, Galaxy Digital Holdings, Plug and Play Tech Center, B Capital Group



**Developer of a comprehensive platform for organizing Fungible Tokens and NFTs** - Simplifies complexity for web3 developers with APIs and tools that index blockchains and ingest media, enabling top crypto companies

**Investors:** Caffeinated Capital, Coinbase Ventures, Funders Club, Open Sea Ventures, Outset Capital, Y Combinator, Orange DAO

### LATIN AMERICA



**Customized social network tailored to users' specific needs** - Provides an expansive environment for content creators and audiences to connect without barriers, enabling creators to reach their target audiences and monetize user-targeted advertisements

**Investors:** UOB Venture Management, Mask Network, DWF Labs, HashBrown, AC Capital, Signum Capital, Smrti Lab, RSS3



**Empowering WEB3 UGC Gaming: Web3 UGC game platform** - dedicated to creating a more open, fair, transparent, and free Web3 game world through user creation, sharing, and games

**Investors:** Infinity Labs., Mangrove Capital



**Comprehensive DeFi protocol, crafted to unify lending and liquidity pools** - Integrates cutting-edge automation tools and market-making strategies, enhancing capital efficiency for participants

**Investors:** Comfy Capital, Delphi Ventures, Hack VC, Jump Capital, LongHash Ventures

## BIOTECH


Startups are leveraging AI-driven drug discovery and CRISPR to streamline the identification of new drugs and to develop targeted therapies, unlocking new potential for personalized healthcare solutions.

In addition, AI and bioinformatics are being used to design enzymes for efficient plastic recycling and biofuel production, while agricultural Biotech is enhancing food production through genetically modified crops, precision farming, and lab-grown alternatives.

Blockchain technology is being applied to secure sensitive biological data and protect intellectual property.

Synthetic biology and biomanufacturing are creating engineered organisms to produce pharmaceuticals and specialty chemicals in more sustainable ways. **This convergence of Biotech with AI, Blockchain, and advanced Data Analytics is poised to drive innovation, offering holistic solutions across healthcare, sustainability and agriculture.**

## UNITED STATES

 AminoChain

**Developer of a blockchain-based platform for tokenizing stem cell donations** - Enables donors to receive compensation and provides biobanks with a secure way to manage their inventory

**Investors:** Lightshift Capital, Plug and Play Tech Center, Rosecliff Venture Partners, Superscript, Zero Knowledge

 BRINTER®  
3D BIOPRINTED TISSUE

**Developer of biomanufacturer implants for personalized cartilage reconstructions** - Combines biosynthetic materials with bio-printing technology, revolutionizing treatment for injuries and conditions through direct sales to clinics and hospitals

**Investors:** Techstars, Winston Starts, Athensmed, Innovestor, ProHealth Growth

 syenex

**Synthetic biology company focused on leveraging extracellular vesicles for therapeutic advancements** - Develops targeted delivery vectors for cell and gene therapy, enabling effective delivery of therapeutic cargoes

**Investors:** AlleyCorp, Constellation Technology Ventures, KdT Ventures, MedTech Innovator, The Querrey InQbation Lab

## LATIN AMERICA

 BY BUG

**Chile: Environmental platform intended to manage the organic waste management system** - ByBug uses synthetic biology and a negative carbon process to reduce the ecological impact and turn it into an organic fertilizer and insect protein

**Investors:** Arpegio, Atento Capital, Grid Exponential

## POLYBION

**Mexico: Manufacturer of bio-assembled materials** - Polybion grows premium, high-performance biomaterials from fruit waste enabling designers and material engineers to increase sustainability and drive the circular economy

**Investors:** Bolt Threads, Modern Meadow

 Symbiomics

**Brazil: Nature-based solutions** - Symbiomics develops biological products containing efficient microbes for multiple applications in agriculture and the environment

**Investors:** The Yield Lab Latam, Baraúna Investimentos, Ecoa Capital, MOV Investimentos, Vesper Bio

CHAPTER SIX

# US X LATAM

## US X LATAM

Given our research objectives, which aim to shed light on early-stage developments to explore technology and investment trends, it would escape the purpose of this study to delve deeply into the markets, contexts, and key differences between the US and LATAM Venture Capital ecosystems.

Nevertheless, it is important to highlight some of the most relevant known factors to provide context for the perspectives and insights in this study, particularly where LATAM presents a reality that differs from common perceptions.

For instance, it is well known that LATAM is strong in Fintech. But why? Is it because Brazil's Central Bank is considered the world's best financial regulator for Fintech innovation? Is it due to the higher online banking penetration in LATAM compared to the US, UK, or Western Europe? Or could it be that, despite certain national challenges, a significant portion of LATAM's population possesses a highly entrepreneurial and innovative culture?

CHAPTER SIX - A

# US X LATAM: MAIN FINDINGS



## US & LATAM – MARKET CONTEXT

### ECOSYSTEM MATURITY

**US:** One of the most mature and sophisticated VC ecosystems globally, with decades of development, established networks, and a track record of successful startups.

**LATAM:** Emerging ecosystem, rapidly growing but still relatively nascent. Major hubs like Sao Paulo, Mexico City, and Bogota becoming more established, yet the region still lacks many components to become more relevant.

### ENTREPRENEURSHIP CULTURE

**US:** Deep-rooted culture of innovation, risk-taking, and entrepreneurship, supported by a long history of success stories and strong university-industry collaboration.

**LATAM:** Growing culture of innovation and increasing willingness to take risks but given cultural and socio-economic factors still less widespread than the US. LATAM's universities have a lot to do on collaboration yet.

### REGULATIONS & ENVIRONMENT

**US:** Generally favorable regulatory environment for startups and investors, with strong IP protection and well-established legal frameworks.

**LATAM:** More complex regulatory landscape, varying significantly by country. Bureaucracy, legal protection, taxation, market regulations, and inconsistent IP laws can pose challenges.

### SEGMENT DIVERSITY & DEPTH

**US:** Highly diverse across all tech segments. VCs invest in a wide range of industries, including R&D of fundamental technologies.

**LATAM:** Increasingly diverse, with fintech, e-commerce, and logistics leading due to unique market needs and characteristics. However, there is less depth compared to the US, with fewer investments in deep tech and biotech.

### CAPITAL

**US:** Abundant capital supply, with large funds and higher average deal sizes. Access to a variety of funding stages, from seed to mega late-stage investments.

**LATAM:** Growing access to capital, with increasing international interest, especially in larger rounds. Overall capital availability is still limited particularly in growth & later stages, and competition with other less risky asset-classes still hinders local fundraising.

### LIQUIDITY & EXITS

**US:** Highly developed exit environment with various pathways, including IPOs, M&A, and secondary markets. Frequent and lucrative exits attract more VC investment.

**LATAM:** Limited exit opportunities, primarily through M&A, with fewer IPOs. This can result in longer holding periods for investments and affects VC appetite for risk.

## FREQUENCY BY SEGMENT

In the US, the **AI & Machine Learning sector stands out**, particularly in the secondary segment (15.7%) and overall (9.7%), highlighting significant **investments in technology and intellectual property**. Developer Tools & Applications and Healthtech also reflect a diverse ecosystem.

In Latin America, the focus shifts to **Credit and Fintech** in general, with both sectors showing strong presence in the primary segment (6.2% and 6%, respectively). AI & Machine Learning is less dominant, at 6.4% in the secondary segment, indicating that **LATAM prioritizes addressing the immediate financial needs of its population**.

These differences illustrate the US's focus on innovation, while Latin America emphasizes practical business solutions, underscoring the more developed nature of the North American market.

### UNITED STATES

#### PRIMARY SEGMENT

Developer Tools & Applications	6.9%
Healthtech	5.4%
AI & Machine Learning	3.8%
HR Tech	3.6%
Biotech	3.4%

#### SECONDARY SEGMENT

AI & Machine Learning	15.7%
Business Process Automation	6.3%
Diagnostics & Therapeutics	4.0%
Data & Analytics	3.9%
Healthtech	2.9%

#### ALL SEGMENTS

AI & Machine Learning	9.7%
Developer Tools & Applications	4.6%
Business Process Automation	4.5%
Healthtech	4.2%
Data & Analytics	3.5%

### LATIN AMERICA

#### PRIMARY SEGMENT

Credit	6.2%
Fintech	6.0%
Payments	5.6%
Healthtech	4.9%
HR Tech	4.3%

#### SECONDARY SEGMENT

AI & Machine Learning	6.4%
Business Process Automation	5.4%
RetailTech	4.9%
Fintech	4.5%
Crypto & Blockchain	3.9%

#### ALL SEGMENTS

Fintech	10.5%
RetailTech	9.0%
Credit	8.6%
Payments	7.7%
Business Process Automation	6.9%

## REVENUE MODELS

One of the surprising findings of this study was that the **distribution of revenue models is consistent across the top 25 US funds**, with little difference compared to **LATAM's distribution**.

A key element is the disproportionately large share of **SaaS as the most invested revenue model in all regions**, along with the significant persistence of Marketplaces.

The primary difference in the revenue model mix between the US and LATAM arises in the **Manufacturing sector**, where we observed numerous **early-stage investments in Robotics, Additive Manufacturing, Materials Technology, and Nanotechnology** in the US, which were almost entirely absent from the LATAM sample.

### UNITED STATES

### LATIN AMERICA

	AVERAGE	SEGMENT*	AVERAGE	SEGMENT*
SaaS	56.9%	AI & Machine Learning	46.9%	AI & Machine Learning
Transaction fee	7.6%	Investment Platforms	24.5%	Fintech
Management fee	0%	Investment Platforms	0.1%	Consumer Tech
Marketplace	5.1%	HRTech	10.3%	RetailTech
Wholesale	0.1%	Consumer Products	1.2%	Products
Retail	0.4%	RetailTech	0%	Consumer Products
E-commerce	3.1%	Consumer Products	0%	Consumer Products
Services	13.1%	Healthtech	15.8%	Renewable Energy
Manufacturing	12.3%	BioTech	0.8%	BioTech

\*most invested segments per revenue model

## DEAL SIZE BY PRIMARY SEGMENT

Considering that competition is increasingly global, with digital maturity and talent able to move more freely between countries than ever before, **most US startups typically raise over \$1.5MM more than their LATAM counterparts**, making a significant difference in the early stages of a company's growth.

Here we display the 10 most relevant primary segments for both the US and LATAM. As a comparison, **total funding for these segments in the US is 7.5 times larger than that in LATAM**, which totals \$365MM, while the US reached \$2.7B.

Investment size differ significantly between these regions. In the US, larger check sizes dominate sectors that require substantial investments in intellectual property, such as AI & Machine Learning (\$5.7MM), Blockchain Infrastructure (\$5.4MM), and Biotech (\$4.6MM). In contrast, **most investment checks in LATAM remain below \$4MM**.

### UNITED STATES

AVG. DEAL SIZE

**\$4.69 MM**

AVG. DEAL SIZE & TOTAL RAISED (\$MM)

AI & Machine Learning	5.76	334
Customer Experience (CX)	5.45	234
Blockchain Infrastructure	5.42	157
Developer Tools & Applications	5.36	627
Sales Automation	5.14	313
Data & Analytics	5.13	267
Cybersecurity	5.10	296
Business Process Automation	4.83	232
Gaming	4.74	166
Biotech	4.64	190

### LATIN AMERICA

AVG. DEAL SIZE

**\$3.03 MM**

AVG. DEAL SIZE & TOTAL RAISED (\$MM)

Developer Tools & Applications	5.60	28
Payments	4.41	75
Credit	3.89	97
Gaming	3.60	29
Proptech	3.54	21
Decentralized Finance	3.46	45
Business Process Automation	3.41	14
Investment Platforms	3.38	41
Digital Banking	3.30	13
Supply Chain	3.24	13

# CHECK SIZE & # OF DEALS

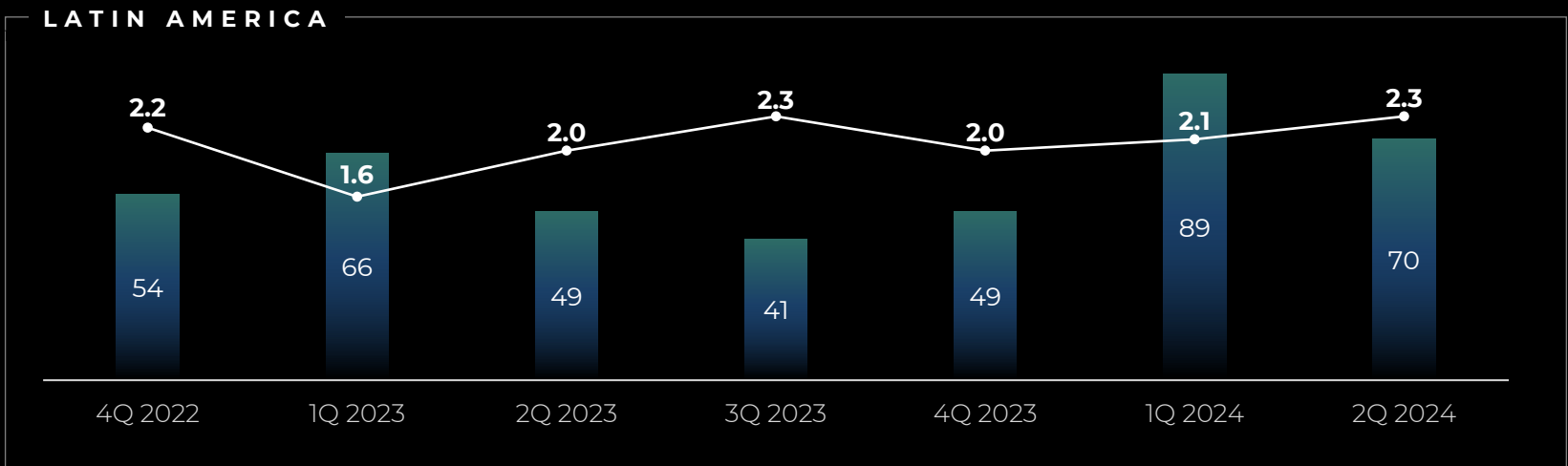
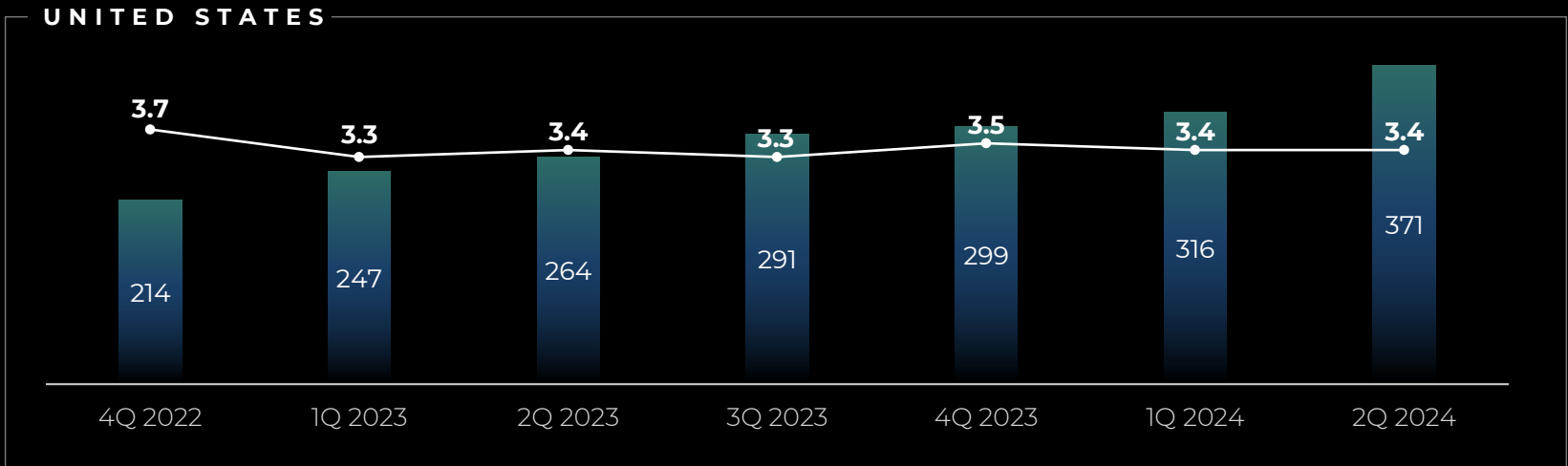
Comparing check size and the evolution of deal count over the last six quarters reveals some relevant differences:

1. While the US sample shows a gradual recovery in both the number of deals and check sizes, the story of LATAM is one of oscillations and volatility.
2. Overall, LATAM improved very little in check sizes from 2022 to 2024, with some growth in the number of deals.
3. US average check sizes consistently exceeded those in LATAM by more than \$1MM during the period. We believe this gives US startups a significant advantage over LATAM startups, even when accounting for differences in purchasing power, as the cost of talent and other technological resources has become more aligned globally since the pandemic.

## Number of Deals and Average Deal Size

Evolution from 4Q 2022 to 2Q 2024

# of Deals      Average Deal Size \$MM

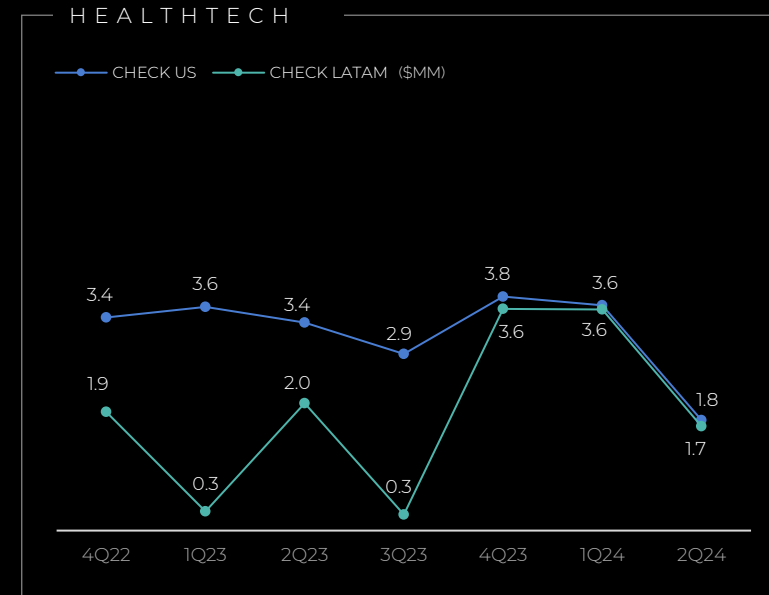
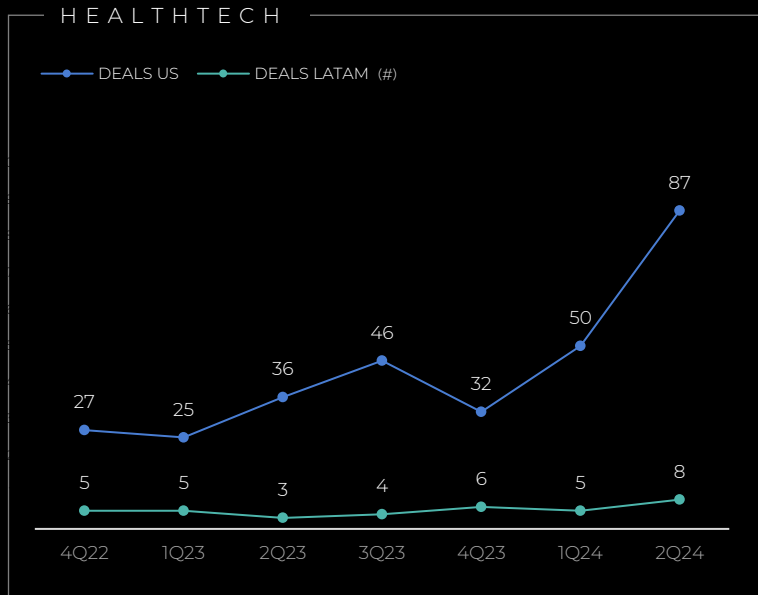
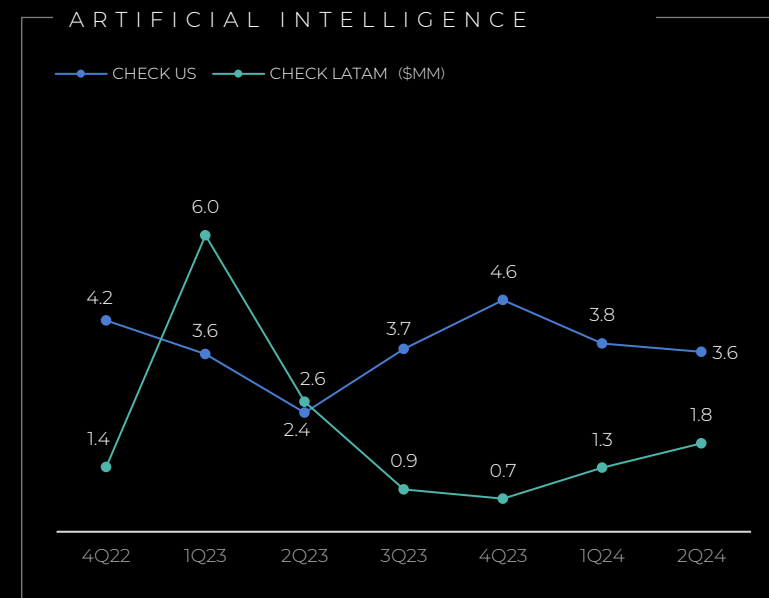
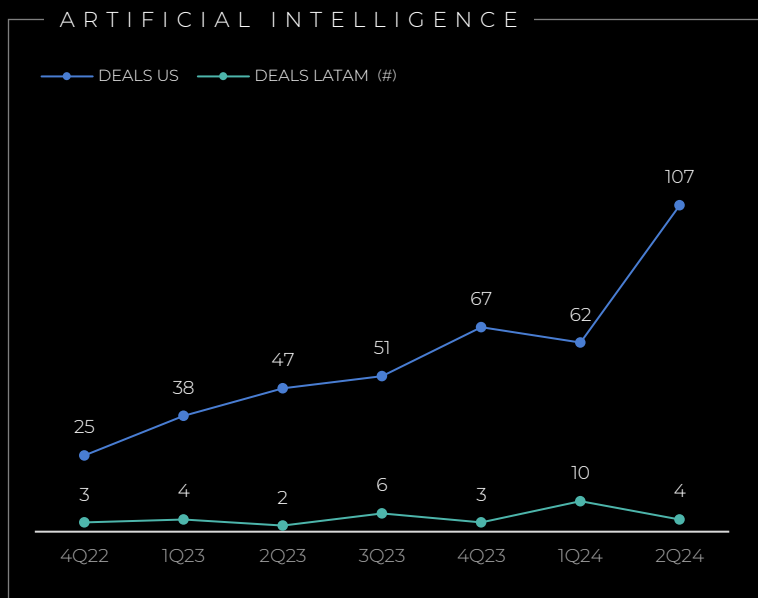


## DEALS: SEGMENT COMP (I/IV)

It's not that AI & Machine Learning haven't taken off in LATAM, but rather that the US has significantly more activity in this segment, as seen in the AI deal count for both regions.

Additionally, US AI startups have a considerable advantage in average check size, reaching almost \$2MM more than LATAM in Q2 2024.

For Healthtech, the differences are also notable in deal count, while check sizes in both regions interestingly aligned well in 2024.

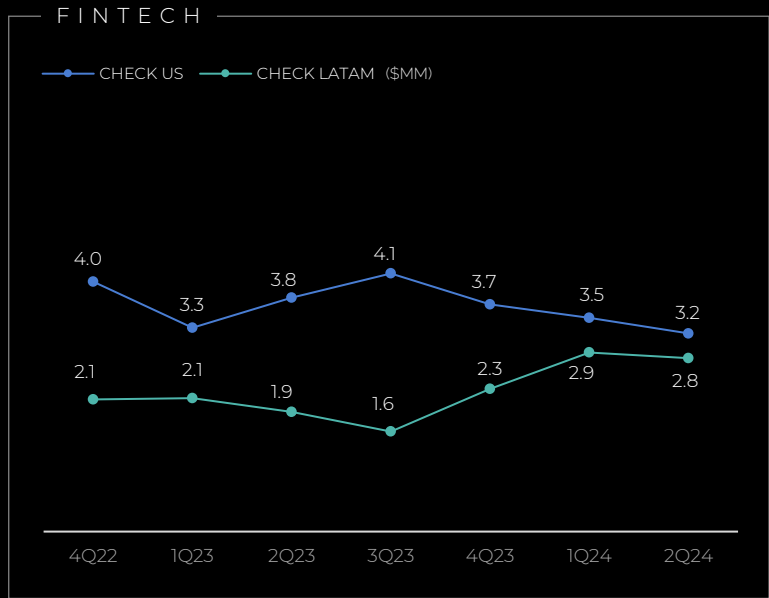
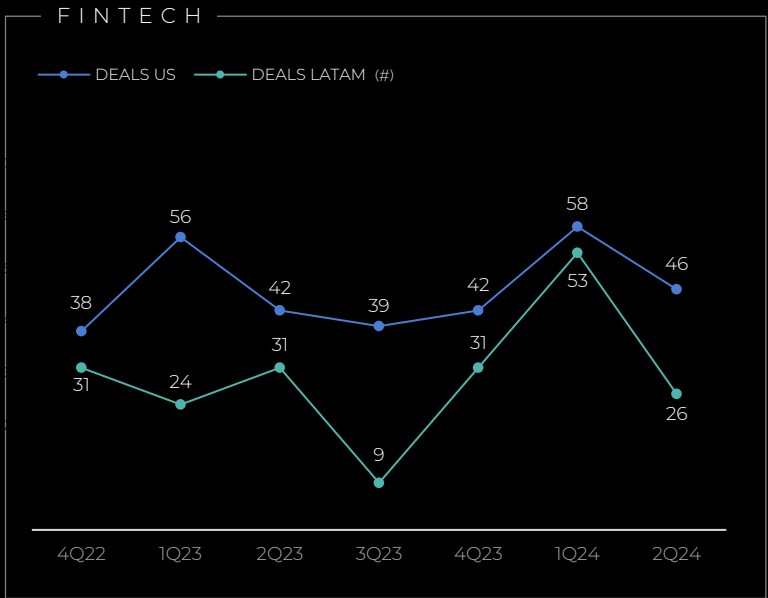
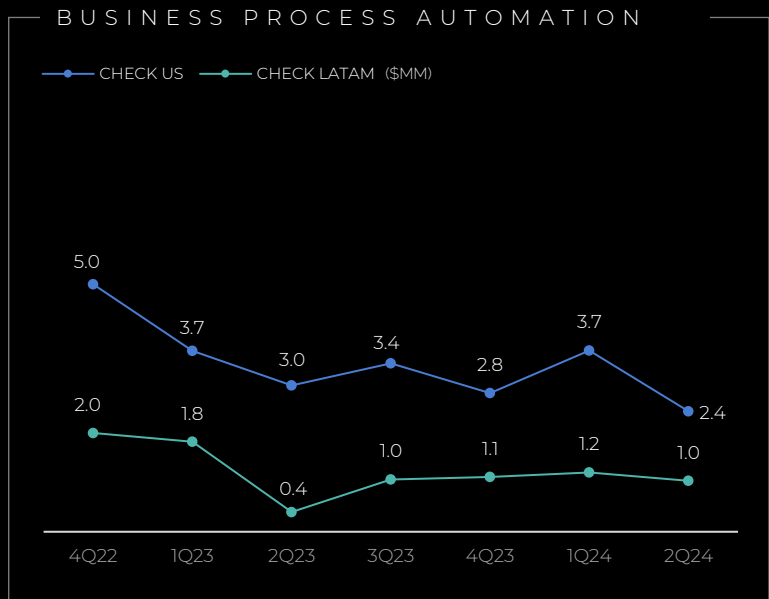
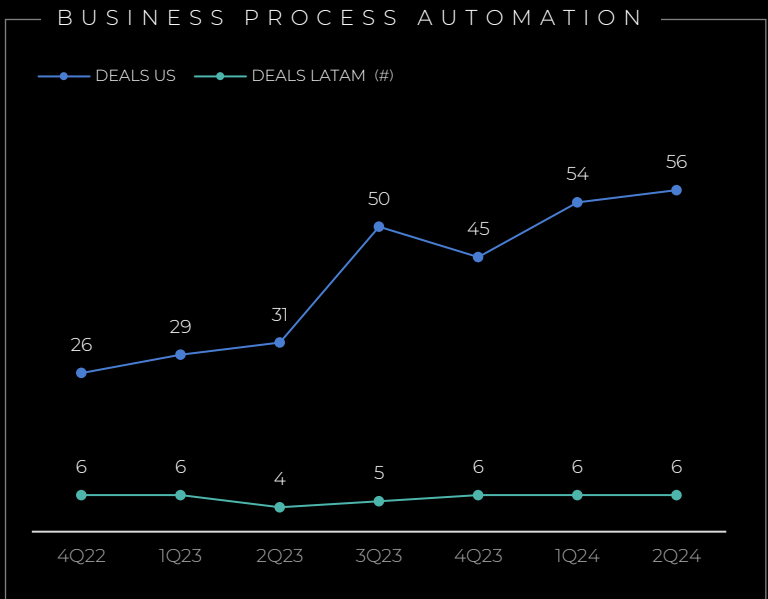


## DEALS: SEGMENT COMP (II/IV)

The regional differences in deal count for Business Process Automation are smaller than for AI, but US still has 10x or more deals compared to LATAM, where deal activity seems to have stalled at around six rounds per quarter.

In terms of check sizes, we observe a significant drop in the US, from \$5MM to \$2.4MM over the period. While we couldn't identify a pattern from the companies' database, it raises the question of whether startups and VCs believe the segment requires less capital in the age of AI.

In the Fintech space, it's not surprising to see fewer differences between the US and LATAM in terms of deal count, with both regions converging over the last four quarters to similar check sizes. While Fintech has been less of a hot segment in the US, it appears to be recovering more robustly in LATAM, particularly in terms of average check sizes.

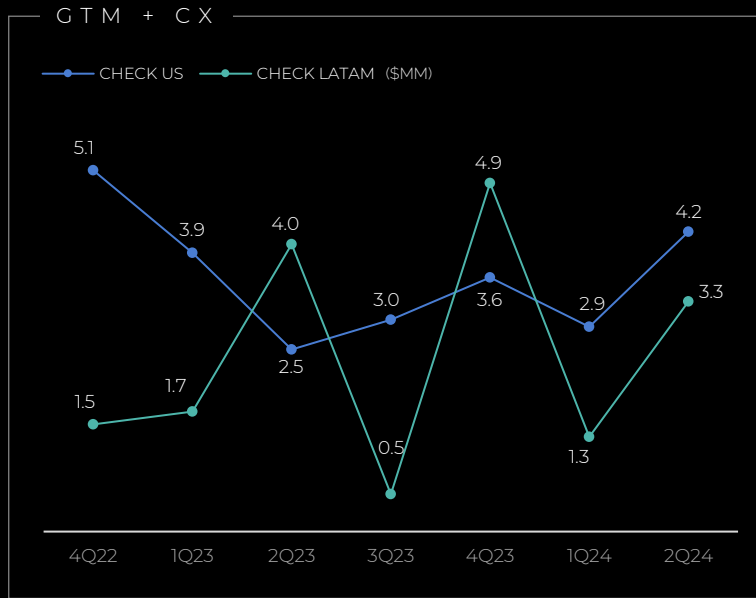
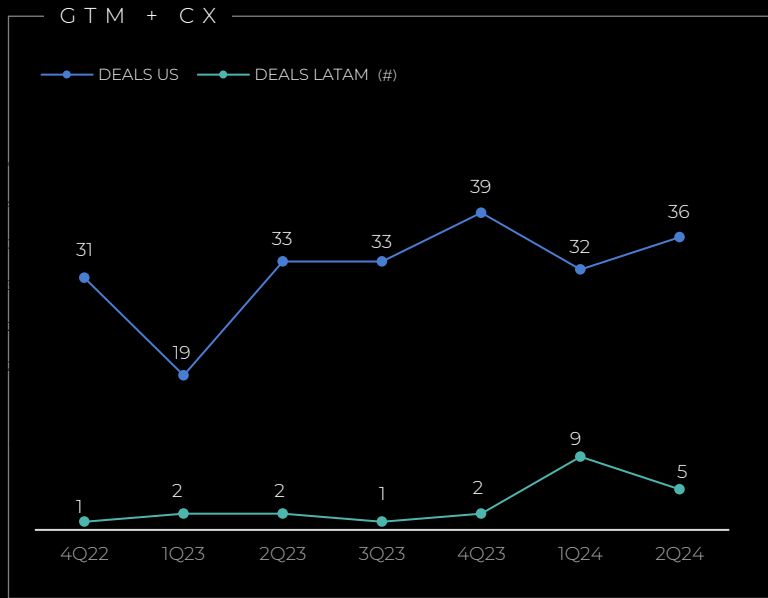
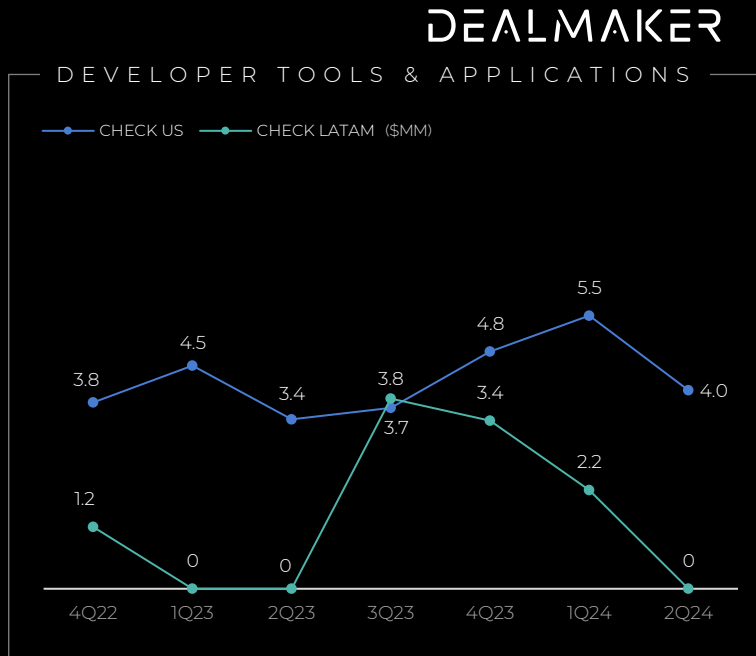
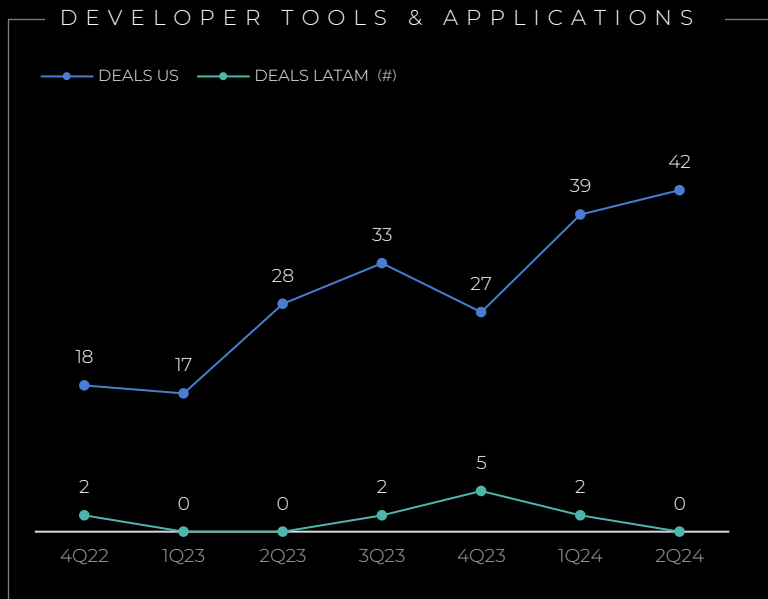


## DEALS: SEGMENT COMP (III/IV)

While the US was always very strong in Developer Tools and Applications, the segment was never close to being one of the most relevant for LATAM and we confirm this by looking at the deal count.

Still, in 3Q 2023 LATAM three deals did match average check size of US startups: it is not that LATAM can't do it, it is a question of the ecosystem maturity, and the volumes involved.

When we look at GTM + CX the last two quarters saw more activity in LATAM, with check sizes going over the US, but as these are based on just a few deals, we don't consider the fluctuation relevant.





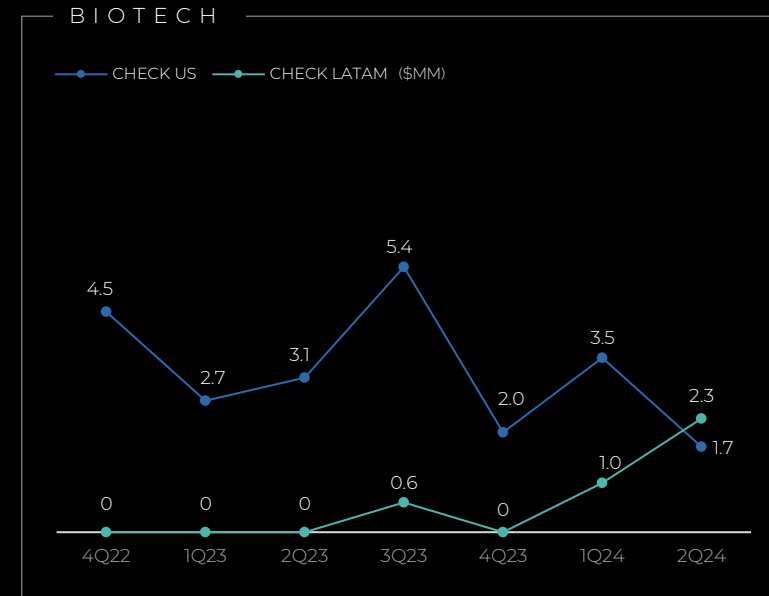
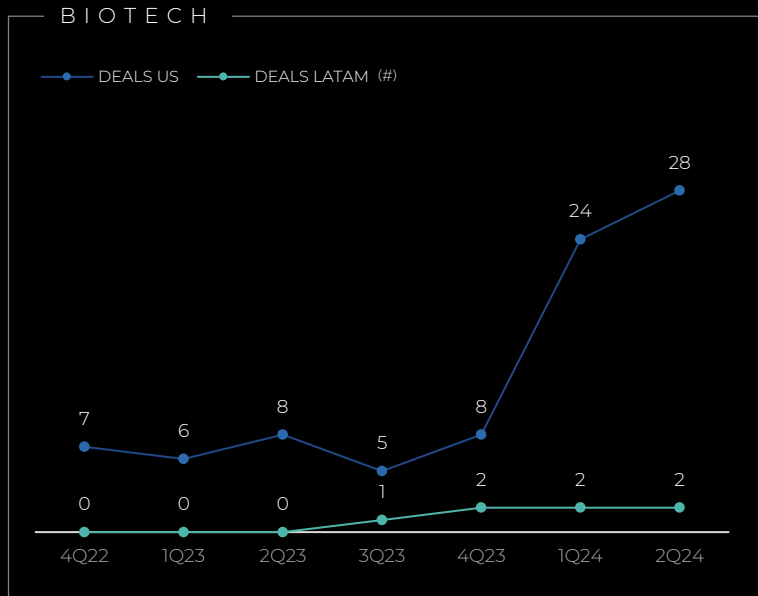
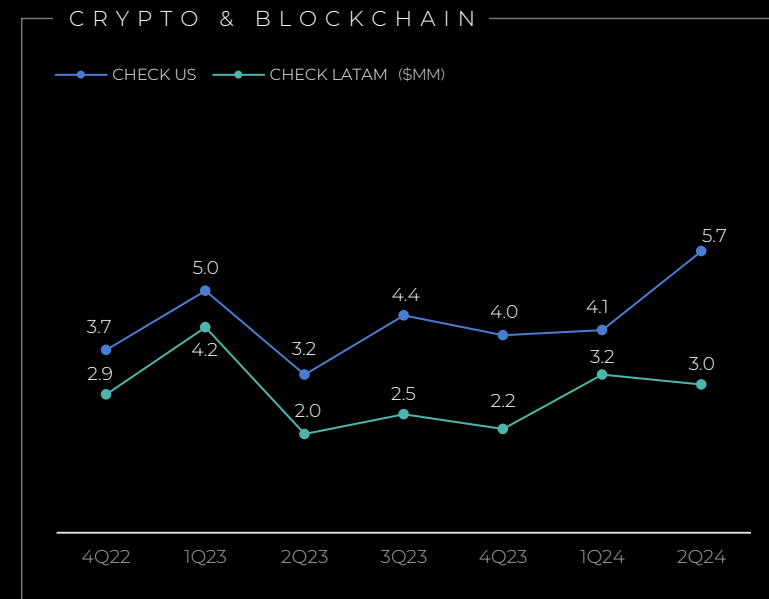
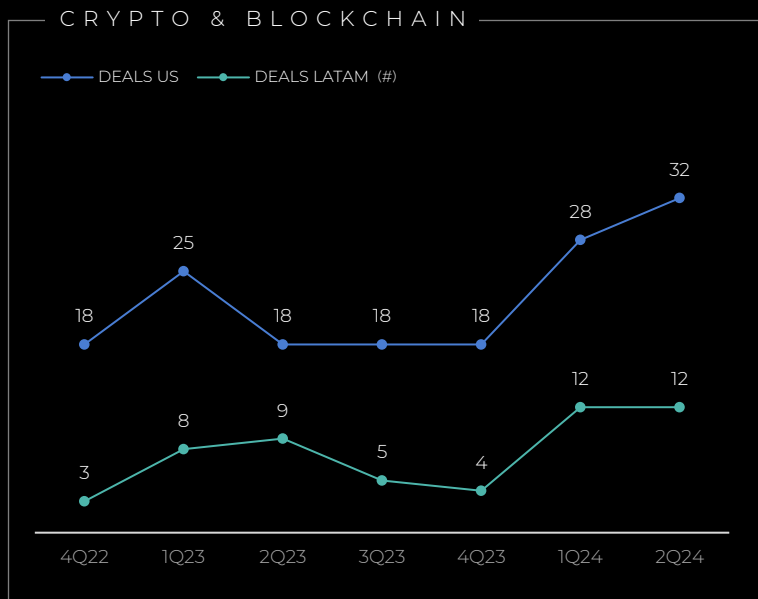
## DEALS: SEGMENT COMP (IV/IV)

LATAM's significance in the financial sector is evident from its deal count for Crypto & Blockchain startups, which is closer to that of the US.

However, the region still raises less money on average in the early stages, with differences ranging from just under \$1MM on to \$2.7MM in Q2 2024.

Biotech is not a particularly strong segment in LATAM, with very few early-stage rounds and more challenging fundraising conditions than perhaps any other segment in the region.

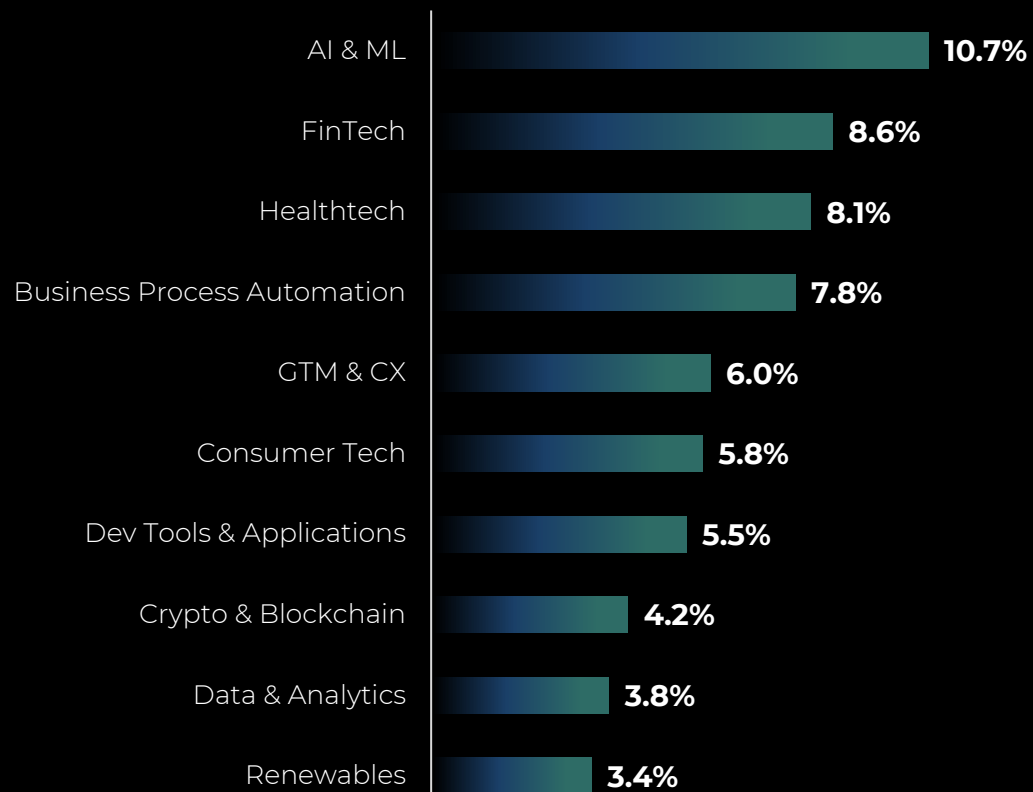
This outcome surprised us, as we expected Biotech to perform better, given LATAM's biodiversity and the global relevance of its highly competitive agribusiness sector, benefiting both investors and founders alike.



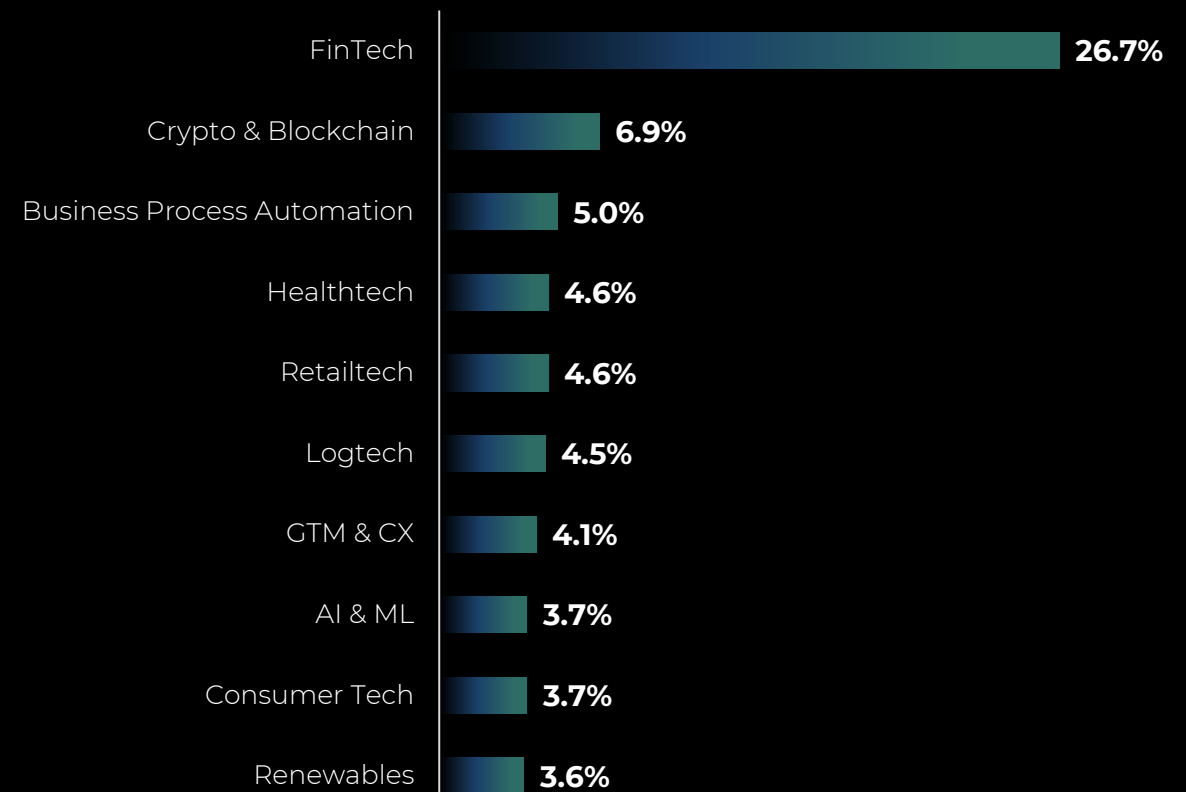
# SEGMENT CONCENTRATION US X LATAM

US & LATAM, top 10 segments as % of total sample

## UNITED STATES



## LATIN AMERICA



## SEGMENTS & COMBINATIONS

When comparing segment similarities and differences between the US and LATAM, particularly in terms of primary segments, we observe more pronounced distinctions.

In the US, startups focused on **Biotech, AI & Machine Learning**, and **Developer Tools & Applications** are the **most prominent**, reflecting the ecosystem's ability to invest in transformative technologies and intellectual property development, which involve **higher risks** compared to the primary segments found in LATAM.

In contrast, LATAM's primary segments tend to prioritize **Financial Technologies and Commerce**, capitalizing on favorable conditions for fintech and significant e-commerce growth in the region. However, as secondary segments, **LATAM is beginning to close the gap with the US in adopting AI & Machine Learning as an enabling technology.**

### 1ST SEGMENT

#### SIMILAR

HRTech  
HealthTech  
Data & Analytics

#### DIFFERENT

##### US

Biotech  
AI & Machine Learning  
Dev Tools & Apps

##### LATAM

Fintech  
Crypto & Blockchain  
RetailTech

### 2ND SEGMENT

#### SIMILAR

Ai & Machine Learning  
Business Process Automation  
Crypto & Blockchain

#### DIFFERENT

##### US

Diagnostics & Therapeutics

##### LATAM

FinTech  
RetailTech

### COMBINATIONS

#### SIMILAR

HealthTech + Diagnostics & Therapeutics

#### DIFFERENT

##### US

Developer Tools & Applications  
Biotech + Diagnostics & Therapeutics  
Sales Automation + Ai & Machine Learning

##### LATAM

Decentralized Finance + Investment Platforms  
Consumer Products  
Blockchain Protocols + Decentralized Finance

CHAPTER SIX - B

# TOP US VC FUNDS INVESTING IN LATAM

**Y** Combinator

Y Combinator is the leading startup accelerator in Mountain View, CA, providing resources and investments to startups since 2005.

**5,000**  
Funded Startups

**3,683**  
Active Investments

**\$600B**  
Combined Valuation

**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

Business Process Automation

Developer Tools & Applications

**SELECTED LATAM DEALS:**



**PLUGANDPLAY**

Plug and Play is a seed and early-stage investor focused on great teams leading emerging growth companies.

**+30**  
Unicorns

**4,842**  
Active Investments

**+25**  
Industries

**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

Developer Tools & Applications

HealthTech

**SELECTED LATAM DEALS:**



**techstars\_**

Techstars is a leading pre-seed venture capital firm, investing in a diverse, global pool of entrepreneurs and high-growth companies.

**\$116B**  
Portfolio Market Cap

**3,588**  
Active Investments

**20**  
Unicorns

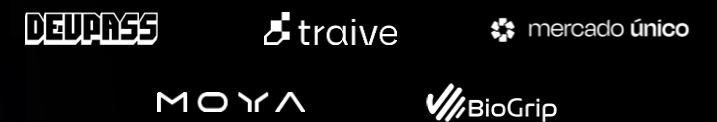
**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

Data & Analytics

Business Process Automation

**SELECTED LATAM DEALS:**



\*Segments from the sample

 SOMA CAPITAL

Soma Capital is a venture capital firm in San Francisco, CA, investing in B2B SaaS, AI, fintech, health tech, and consumer-focused ventures across emerging markets.

**+20**

Unicorns

**872**

Active Investments

**\$50B**

Combined Total Value

**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

Business Process Automation

Developer Tools & Applications

**SELECTED LATAM DEALS:**



**Goodwater**

Goodwater Capital is a venture capital firm founded in 2014 in Burlingame, CA, investing in consumer tech.

**+3.3B**

Capital Commitments

**621**

Active Investments

**+10**

Unicorns

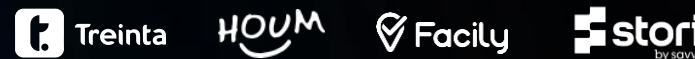
**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

HealthTech

Developer Tools & Applications

**SELECTED LATAM DEALS:**



**SEQUOIA** 

Sequoia Capital is a venture capital firm in Menlo Park, CA, investing in companies in IT, healthcare, mobile, nanotech, financial services, energy, and media.

**+320**

Unicorns

**766**

Active Investments

**\$33T**

Aggregate Market Value

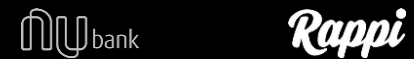
**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

Business Process Automation

Diagnostics & Therapeutics

**SELECTED LATAM DEALS:**



\*Segments from the sample

## FJ LABS

FJ Labs is a venture capital firm in New York investing in B2B, B2C, fintech, e-commerce, food tech, gaming, health tech, SaaS, and real estate tech.

**+1,000**

Invested Startups

**840**

Active Investments

**+30**

Unicorns

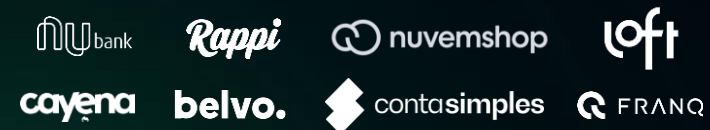
**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

Developer Tools & Applications

Cybersecurity

**SELECTED LATAM DEALS:**



## GENERAL CATALYST

General Catalyst is a venture capital firm in San Francisco focusing on investments in consumer, enterprise, fintech, crypto, and health assurance sectors.

**+70**

Unicorns

**528**

Active Investments

**+\$25B**

AUM

**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

HealthTech

Sales Automation

**SELECTED LATAM DEALS:**



## SOSV

SOSV is a global venture capital firm offering multi-stage investments, starting with pre-seed startup development programs for breakthrough tech. Ranked as one of the most active investors in climate and health.

**+\$17B**

Portfolio Valuation

**883**

Active Investments

**\$1.5B**

AUM

**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

Customer Experience

RetailTech

**SELECTED LATAM DEALS:**



\*Segments from the sample

## Alumni Ventures

Alumni Ventures is a venture capital investment firm based in Manchester, New Hampshire. The firm invests in companies in diversified sectors and regions.

**+1,900**  
Invested Startups

**1,116**  
Active Investments

**\$1.0B**  
AUM

**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

HealthTech

Developer Tools & Applications

**SELECTED LATAM DEALS:**



## BOX GROUP

Founded in 2008, BoxGroup is an early-stage investment fund that invests in technology companies.

**+780**  
Invested Startups

**387**  
Active Investments

**24**  
Unicorns

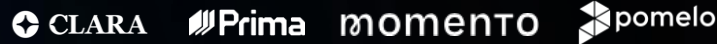
**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

HR Tech

Data & Analytics

**SELECTED LATAM DEALS:**



## Accel

Accel is a global venture capital firm investing in companies from seed to IPO.

**100**  
Unicorns

**586**  
Active Investments

**+\$75B**  
Sum of capital invested in active portfolio

**TOP SEGMENTS INVESTED\*:**

AI & Machine Learning

HealthTech

HR Tech

**SELECTED LATAM DEALS:**



\*Segments from the sample



CHAPTER SEVEN

# KEY TAKEAWAYS

## SEGMENT SCENARIOS FOR THE NEXT FEW YEARS (I/II)

We selected six segments to reflect on what may be ahead for investors and founders given the numbers and business models we were able to study. Instead of trying to predict the future, we rather discuss here challenges and opportunities that may be relevant in the next few years.

### ARTIFICIAL INTELLIGENCE

In this study we downplayed the relevance of AI in many business models, not because we do not value the creativity and endurance of founders, but because in many cases no real AI advancement was pursued.

To consume AI as a utility – an extreme case – wouldn't merit the ".ai" label.

As such, we believe there will be an adjustment in the markets, that will come with AI being more adopted and less hyped, with consequences for valuations and deal count.

### DIAGNOSTICS & THERAPEUTICS

Any mature industry with strong incumbents is difficult to change. In addition, Healthcare is in crisis in both regions, as costs and service levels continue to challenge patients, providers and HMOs.

Fraud, bureaucracy and inefficiency and not focusing on real care are some of the problems startups in the sector are trying to solve.

While the space is not crowded, we expect to see slower growth on deal count and a tough time for all these startups to continue along the VC track.

### GTM & CUSTOMER EXPERIENCE

We estimate this space is already too crowded. Many companies choose to tackle one of the most inefficient processes in every company with AI, a proposition that surely works.

But we see a large number of startups with probably the same business models and client focus, while AI advancements for productivity, workflows, and agentic AI will continue to evolve.

Most startups already pressed by the crowded space may be unable to keep up.

## SEGMENT SCENARIOS FOR THE NEXT FEW YEARS (II/II)

We selected six segments to reflect on what may be ahead for investors and founders given the numbers and business models we were able to study. Instead of trying to predict the future, we rather discuss here challenges and opportunities that may be relevant in the next few years.

### FINTECH

We expect Fintech to continue to be very relevant in LATAM, given more than 10 years of regulatory innovation over different governments. One example is the case of Brazil's central bank that is developing one of the world's leading CBDC initiatives.

Also, there is a lot to do since a simple comparison with the US still shows LATAM's banks with much more AUM and share of financial services. Low levels of service and Credit spreads in the region will also continue to create economic space, despite risks, for challengers.

### CRYPTO & BLOCKCHAIN

There are many signs this sector will take over the world. In Games, the technology is allowing collectibles and items to transcend closed ecosystems and become valuable assets.

In DCM and ECM, Blockchain will turn equity and debt assets that can be arranged, rearranged and transacted freely. In Biotech and other industries where, unique data needs to be registered and protected, Blockchain-based business models will continue to thrive.

However, we expect the next few years to show mild growth for the sector, as regulators must catch up to allow greater adoption.

### GAMING

We know that AI, Blockchain, VR, 3D & Video Technologies and Open Ecosystems are transforming gaming business models challenging the studio-based, closed-ecosystems status-quo.

Bringing players, users and developers on board in more open and collaborative environments is one way, but there is still a challenge for this industry that is based - in the end - in creativity.

New models must reach great success as a "big hit" to be able to engage distracted users.

We expect even more growth from gaming startups in the next few years.

## THINGS TO HAVE IN MIND FOR THE NEAR FUTURE

### EARLY-STAGE GOT HARDER

**1**

To compete, just having a basic understanding of technologies and a generalist grasp of a client's needs will cease to be even a viable starting point for some business models.

### SOCIAL MATTERS

**2**

Collaboration and open ecosystems are going to be more relevant, with networks of users, clients, creators, developers, becoming more often an integral and active part of a company's business model.

### FINANCIAL CONVERGENCE

**3**

Traditional finance, fintech, Crypto & Blockchain are converging into a new financial network where assets will become more interchangeable and liquid, accelerating the adoption of decentralized and user centric-finance.

### WE ARE GETTING MORE GLOBAL

**4**

Markets, talents, and investment opportunities will be even more globalized: within the western world at least, we should expect more cross-border businesses, investments and M&A transactions.

### AI ECONOMY: HERE & NOW

**5**

We are already seeing the emergence of an AI Economy, where AI Agents may sign agreements, sell, buy, rent and share assets autonomously with other AIs and humans. We will see fundamental changes within the next 3-5 years.

### FUNDRAISING & CORP DEVELOPMENT

**6**


After the market correction founders had to raise debt, bridge rounds, execute joint-ventures and M&A. In the accelerating environment of this new cycle, fundraising and corporate development skills will become an integral part of founder's toolkit.

TOOLS

---

 Copilot

 ChatGPT

 cohere

DATA SOURCES

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 PitchBook

 CBINSIGHTS

crunchbase



**DISTRITO**

+ COMPANIES' DATA

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