

eMERGE INSIGHTS

VENTURE ACTIVITY AND INVESTMENT TRENDS

1H 21
HIGHLIGHTS

FLORIDA
SNAPSHOT

EXIT ACTIVITY
HEATS UP

STARTUP
SPOTLIGHTS

TWO POWERHOUSE
BRANDS JOIN FORCES
TO GROW FL'S
VC ECOSYSTEM

VC ACTIVITY IN LATIN
AMERICA IS EXPLODING

IN PARTNERSHIP WITH

FIU



KNIGHT
FOUNDATION

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LETTER FROM THE TEAM

Welcome to Miami! Amid a pandemic-fueled remote-working boom, the Miami tech scene has experienced unprecedented growth - and the news headlines in recent months underscore that South Florida has blossomed into a burgeoning ecosystem. Hundreds of venture capitalists, hedge funds, private equity funds, and large tech firms have recently moved their headquarters to the South Florida region - all lured by a sunny climate, lower taxes, and a local government that has been a proponent for tech companies.

This is the fruit of the groundwork that Miami tech leaders have been building for years. We believed that Miami had all the elements of being a global tech hub, but what was lacking was a platform to help convene all the stakeholders that make up any thriving innovation ecosystem. eMerge Americas was launched in 2012 - with the sole purpose of solving this problem.

Our hypothesis was that the most innovative ventures are not exclusive to Silicon Valley but, instead, can be found throughout the world and especially across the Americas.

Almost ten years later and with over 16,000 attendees from 40 countries, eMerge Americas is truly a platform that connects the entire tech ecosystem: startups, investors, higher-education institutions, government institutions, corporate enterprises, and media partners.

Beyond the conference, our programming extends year-round, as we connect entrepreneurs & investors through in-person and virtual convenings. And an important part of our work is to track

and tell the story of how Miami and the region as a whole is transforming. To this end, we track and publish the venture trends and investor activity throughout South Florida and Latin America in our weekly newsletter The Brief and eMerge Insights digital magazine publication.

Continuing the momentum, in July, eMerge Americas announced the closing of an investment round led by Florida Funders, a hybrid of a venture capital fund and an angel investor network recognized as the top VC in the Southeast region by Pitchbook. The partnership brings together two of the largest brands serving the venture capital, tech, and innovation ecosystem throughout the state of Florida. The resulting transaction will further amplify eMerge Americas' year-round platform with content, events, pitch competitions and a match-making agenda for investors and entrepreneurs with expanded programming and engagement across the state of Florida, in addition to an office in Miami.

eMerge Americas and Florida Funders will capitalize on this partnership by hosting La Casa, an exclusive in-person event gathering investors and startup founders in Miami on November 30th and December 1st, 2021, coinciding with the commencement of Art Basel.

This latest edition of eMerge Insights, published in partnership with Knight Foundation and Florida International University, is an overview of the exponential growth and potential of our local tech ecosystem.



Left to right: Diane Vidoni, COO of eMerge Americas; Felice Gorordo, CEO of eMerge Americas; Melissa Medina, President of eMerge Americas



ABOUT eMERGE AMERICAS

eMerge Americas is a venture-backed platform focused on transforming Miami into the tech hub of the Americas. The eMerge signature event, launched in 2014, is a global tech conference held annually at the Miami Beach Convention Center, attracting more than 16,000 attendees from 40 countries and over 3,900 unique participating organizations. In addition to the annual conference, eMerge organizes and hosts year-round executive summits, innovation challenges, startup pitch competitions, masterclasses, webinars, as well as publishes venture activity and investment insights reports. For the last decade, eMerge has served as a catalyst for innovation and investment across the Americas, working at the forefront of building the South Florida entrepreneurial and tech ecosystem.

OUR TEAM



FELICE GORORDO
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NANCY DAHLBERG
INSIGHTS EDITOR

LETTER FROM THE EDITOR

Miami is becoming a top tech hub – we feel it, and now we see it in our data.

By Nancy Dahlberg

The Miami Movement is real, and our metro area is on the way to becoming one of the country's top hubs.

The pandemic helped to prompt the first wave of investors, founders and tech professionals to take refuge in our paradise – we call them our early adopters. It was Miami Mayor Francis Suarez's 'how can I help?' tweet on Dec. 4, 2020, that started sending the Miami Moment spiraling into a Movement that has only accelerated in 2021 and shows no signs of abating. Now, as we look back on the first half of this year, we are starting to see the Miami Movement bearing fruit in our venture capital numbers – detailed in his report – and beyond.

So far in 2021, we've seen a number of milestone developments, including the Knight Foundation's \$15.3 million investment into Florida International University, University of Miami and Baptist Health South Florida to prime the tech talent pipeline. SoftBank announced early this year a \$100 million commitment to fund Miami startups -- and quickly got busy investing. SoftBank also launched data science training programs and more recently announced its Startup Operators School at UM, FIU and Miami Dade College. Plug and Play announced it will be part of Mana Commons, Founders Fund staked out its home in Wynwood, while SoftBank reportedly is seeking more space for its growing team. Events and pitch competitions resumed, a

a Miami Tech Week and Miami Hack Week sprang up organically, and Mana Wynwood hosted the world's largest Bitcoin Conference.

Mayor Suarez launched a Venture Miami team that includes the city's first VC in Residence. The team, in part, helps to recruit and welcome startups, helping them get established in their new home and connected with the ecosystem. In the past year, and particularly in 2021, a flurry of startups and venture funds have announced relocations or significant expansions bringing jobs to the Magic City, including a number of crypto trading platforms and blockchain funders. Others making moves included Atomic, General Catalyst, Blackstone Group, Pareto Holdings, Ceros, 305 Ventures, SeedInvest, Introhive, GreenLight, Novo, Red 6, Loupe, Nirvana, Frank, Teal, Fortu, Flexbase, SwagUp, 100.co, OpenStore – plus many more. Our homegrown tech companies are growing too: On the heels of its \$60 million raise led by Tiger Global, Papa moved into a new HQ in Brickell for its fast-growing team. The SoftBank-backed REEF Technology employs 2,400 people in South Florida.

Exit and IPO activity came alive in 1H 2021, too. Cyxtera, the Manny Medina-founded cybersecurity company, merged with Starboard SPAC and the combined company is valued at \$3.4 billion. Cyxtera-spinoff AppGate also will soon be a public company, valued at about \$1 billion. Nearpod, an edtech company started by three Argentinian friends and another homegrown success story, was acquired for about \$650 million. MDLive, a telehealth unicorn, was acquired by Cigna's Evernorth. BrainStation acquired Wyncode, Stryker bought OrthoSensor and Wix bought SpeedETab.

Venture capital investments in South Florida rocketed higher in the second quarter, and in total for the 1st half of 2021 \$1.26 billion flowed into South Florida companies, across 106 deals. The Miami Movement effect could especially be seen in Q2, where two of the second quarter's largest deals were new-to-Miami

companies Pipe and Introhive that together raised \$350 million. From seed to Series C and beyond, the deals were larger compared to past years with some new-to-Miami investors, and for the first time fintech, not medtech, was the most active vertical. We'll be watching to see if these trends continue.

Also worth noting: In the first half of 2021, there were no single deals in the \$500 million to \$1 billion range; in each of the last three years and in several other preceding years, we have had at least one company, most recently REEF and before that Magic Leap, that attracted one of those outsized deals each year, skewing the South Florida results.

To be sure, Miami's slice of the venture capital pie is still tiny, with the big three tech hubs – Silicon Valley, New York and Boston still feasting on most of the money. But if the momentum we saw in Q2 continues, it could be a record year for the Miami-Fort Lauderdale metro area. The VC total will likely surpass last year's total of \$2.27 billion, part of a record-setting three-year run that brought in \$6.5 billion in 2018 through 2020.

Because venture capital data lags, the second quarter of 2021 marks the first time we saw venture investment directly linked to the Miami Movement. In the following pages, we take a deep dive into the numbers, looking for trends and spotlighting some of the highlights.



1H 2021 HIGHLIGHTS

\$1.26 BILLION
INVESTED

106
DEALS

13TH IN THE NATION
VC INVESTMENTS
BY DOLLAR VOLUME

73% OF THE STATE'S
VENTURE
CAPITAL TAKE IN
DOLLARS

More deals and larger rounds -- that was the story of the first half of 2021, particularly Q2, in the Miami-Fort Lauderdale metro area and the state.

\$1.26 billion was invested in South Florida startups and later-stage companies across **106 deals**.

Q2 showed considerable strength in the Miami-Fort Lauderdale area, with venture capital **surging 171% over Q1**. If the 1H momentum continues, South Florida will have a record year.

The Miami-Fort Lauderdale metro area ranked **13th in the US**, falling from 8th in 2020. It ranked 2nd in the Southeast, behind Atlanta and just ahead of Raleigh-Durham.

The Miami movement is bearing fruit, as two of the **top 5 deals were new-to-Miami** companies: Pipe, in the No. 1 spot with a **\$250 million** raise, and CRM-focused Introhive, whose **\$100 million** raise ranked third.

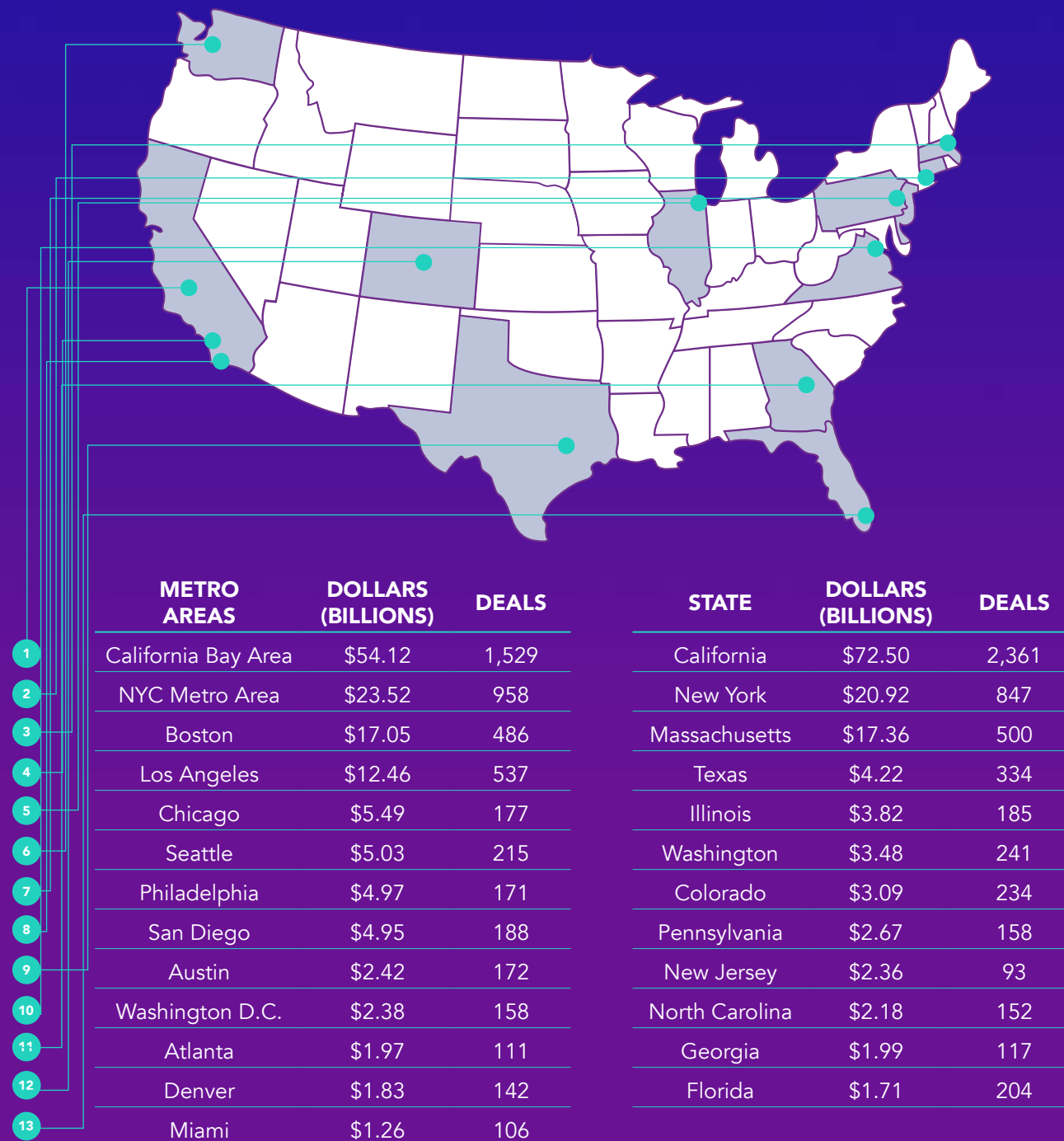
Startups based in the Greater Miami metro area snagged **73% of the state's venture capital** take in dollars and over **52% of the deals in 1H 2021**.

Fintech came on strong in Q2, **capturing more than half of the total dollars invested in the first half of 2021**. It also captured almost as many deals (24) as the traditional leader, healthcare technology (25).

After a couple of relatively quiet years since Chewy was sold in 2017 for more than **\$3 billion**, exits are coming alive. **Two major cybersecurity companies announced they're going public**, a homegrown edtech startup was acquired for about **\$650 million**, a national player bought **Miami's first coding bootcamp startup** – plus more.

METRO AREA AND STATE RANKINGS FOR VC

While nearly two-thirds of U.S. venture capital dollars went to companies in San Francisco-Silicon Valley, New York and Boston, all of the metro areas in the top 10 pulled in about the same or more dollars in the first half of this year as they did for all of 2020. Nationally, 1H 2021 saw \$150 billion invested in 8,406 deals, and US venture capital is on the way to a record shattering year, according to Pitchbook. For 1H 2021, the Miami-Fort Lauderdale MSA fell out of the top 10, ranking 13th. Florida ranked 12th among states.

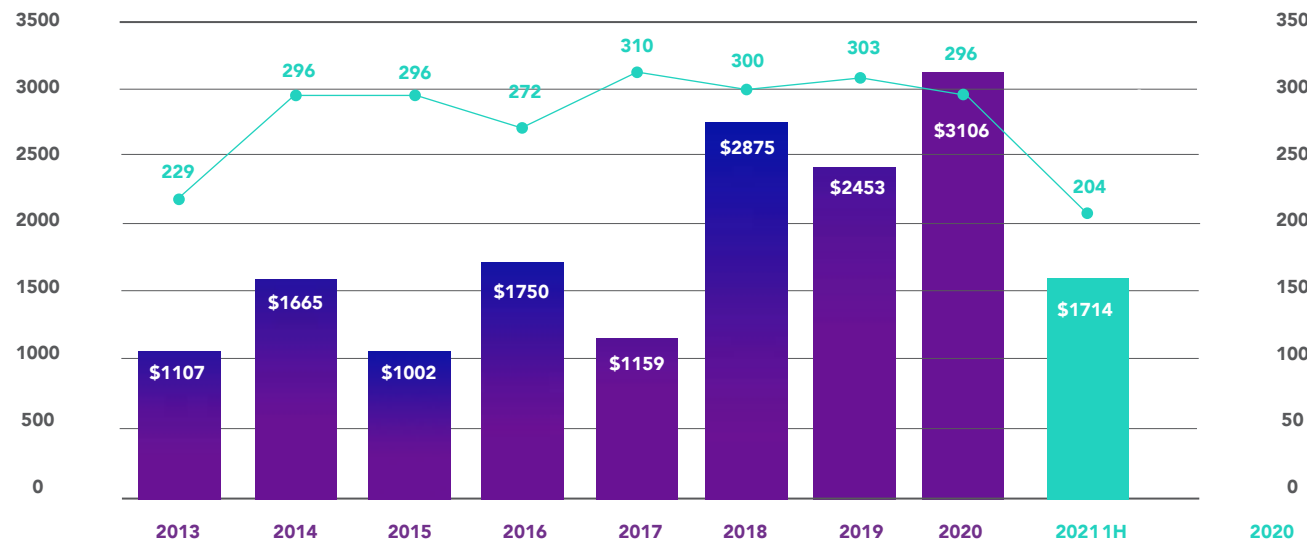


*Source: Pitchbook, author's research

FLORIDA SNAPSHOT

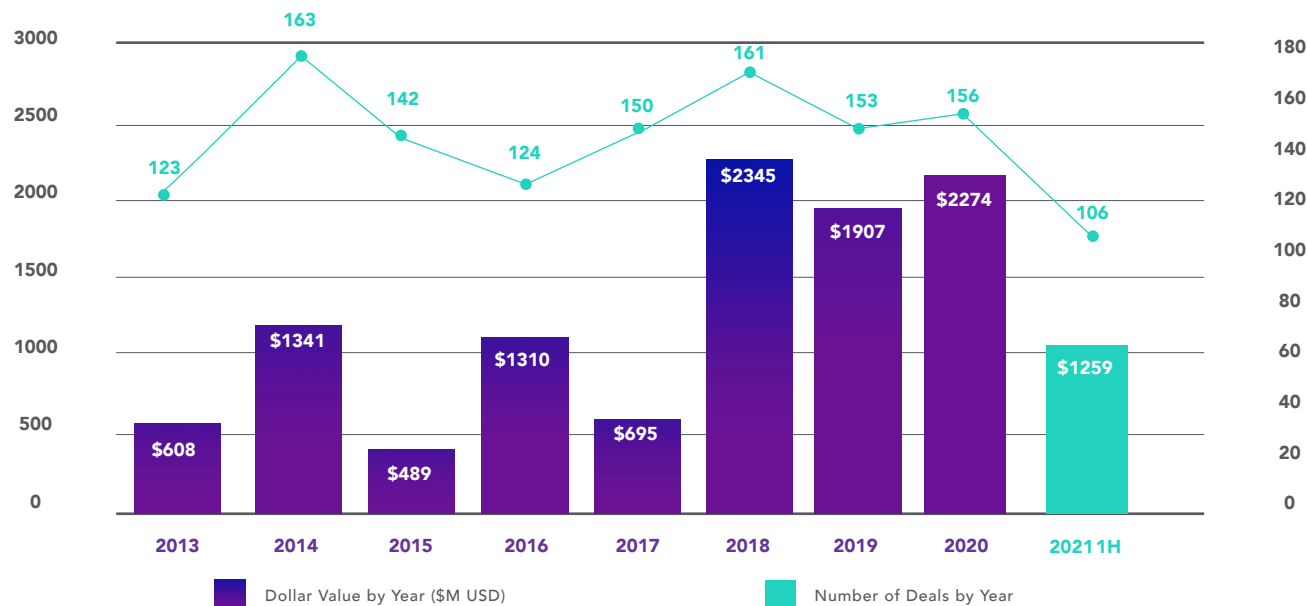
With a strong second half, Florida could beat last year's record of \$3.1 billion. In 1H-2021, \$1.71 billion flowed into the Sunshine State, across 204 deals. South Florida's slice of the dollar total was big: 73%. The Miami-Fort Lauderdale metro area attracted \$1.26 billion across 106 deals. With the momentum achieved in Q2, where investment into South Florida companies jumped 171% over Q1, South Florida could have a record year. It will at least continue the momentum of 2018-2020, when \$6.5 billion was invested in the region

DEAL FLOW INTO FLORIDA COMPANIES BY NUMBER OF DEALS AND DOLLARS, BY YEAR



*Source: Historical data tracked by Pitchbook; 2021 data includes 4 deals tracked by CB Insights. Crunchbase or author's research

DEAL FLOW THROUGH THE YEARS, SOME WITH MEGA-ROUNDS MIAMI-FORT LAUDERDALE METRO AREA



*Source: Pitchbook, CB Insights and author's research; historical data tracked by Pitchbook (includes Pitchbook revisions)

TOP DEALS IN FLORIDA

TOP FLORIDA DEALS OUTSIDE SOUTH FLORIDA 1H 2021

COMPANY	ROUND	SECTOR	HQ
Finxact	\$74.8 million	Fintech	Jacksonville
CrossBorder Solutions	\$70 million	Fintech	St. Petersburg
kore.ai	\$30.8 million	Business productivity	Orlando
Clearsense	\$30 million	Healthcare data platform	Jacksonville
beep	\$25 million	Autonomous vehicle service	Orlando
CARESTACK	\$22.5 million	Dental practice management	Kissimmee
SOMA GLOBAL	\$22.5 million	Public safety solutions	Tampa
PARABEL	\$20 million	Food products	Vero Beach
THREATLOCKER	\$20 million	Cybersecurity	Maitland
red rover	\$19.3 million	Moving and storage solutions	Tampa

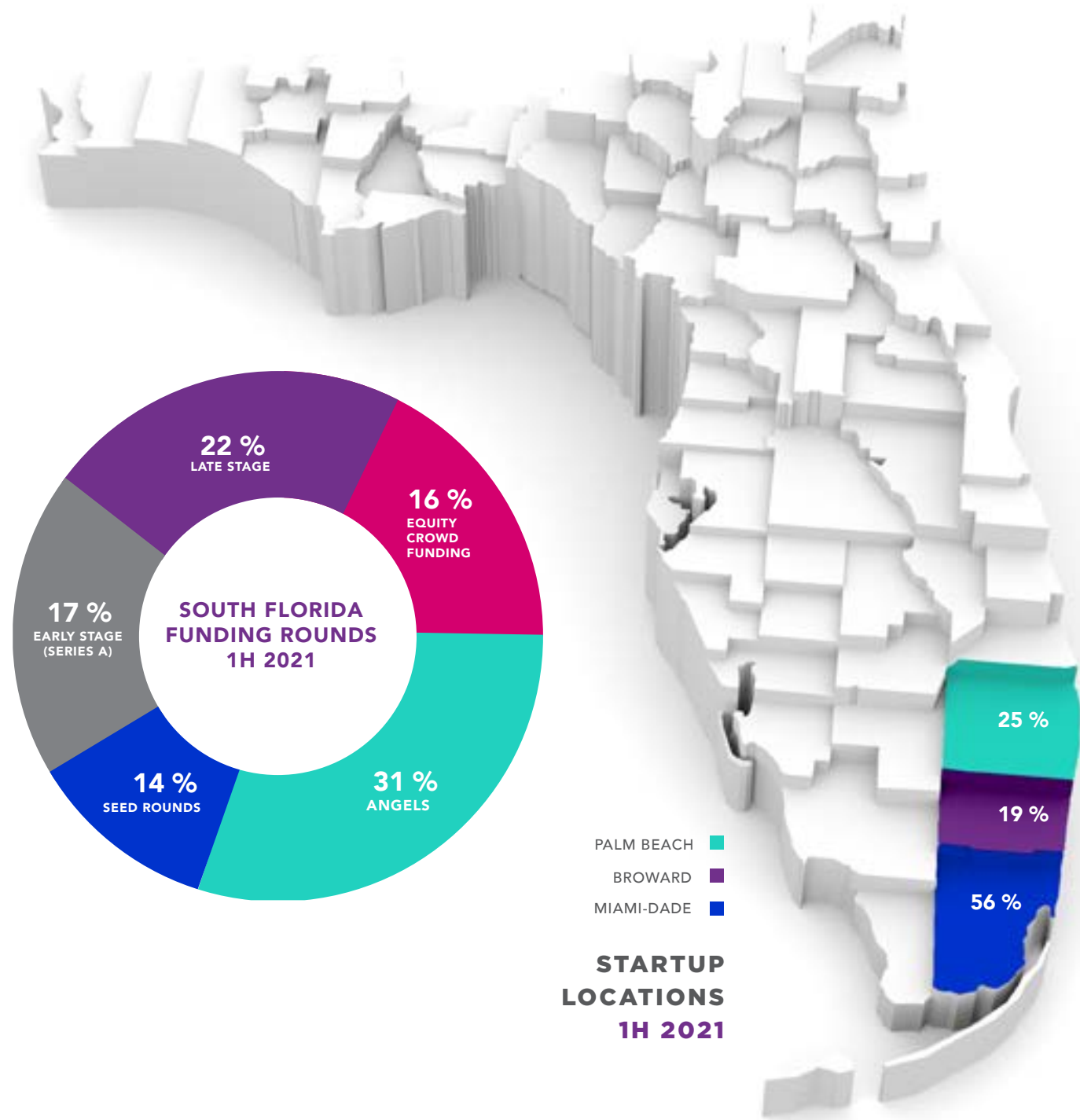
TOP FUNDED SOUTH FLORIDA COMPANIES IN 1H 2021

COMPANY	ROUND	SECTOR	HQ
pipe	\$300 million*	Fintech	Miami
PayCargo	\$125 million	Logistics tech	Coral Gables
introve	\$100 million	CRM software	Miami
material bank	\$100 million	Interior design marketplace	Boca Raton
shipmonk	\$65 million	Logistics tech	Fort Lauderdale
popo	\$60 million	Healthtech/elder care	Miami
NYMBUS	\$73 million **	Fintech	Miami Beach
TISSUE101	\$15 million	Medtech	Miami
SECURITIZE	\$48 million	Blockchain	Miami
NOVO	\$40.7 million	Fintech/digital bank	Miami
heru	\$30 million	Medtech	Miami
Honorlock	\$25 million	Edtech	Boca Raton
unybrands	\$25 million	E-commerce	Miami
codecademy	\$20 million	Coding school	Miami
MAGiS	\$20 million	Business productivity software	Sunny Isles
RapidPulse	\$15 million	Medtech	Miami

*Source: Pitchbook, CB Insights, Crunchbase *Pipe: \$250M in Q2; \$50 M in Q1 **Nymbus: \$53M in Q1; \$20M in Q2

LET'S DIG DEEPER

*What did South Florida funding rounds look like?
Where are the startups based?*





TOP TRENDS TO WATCH

TOP TRENDS TO WATCH

FEISTY FINTECHS STEAL THE SHOW

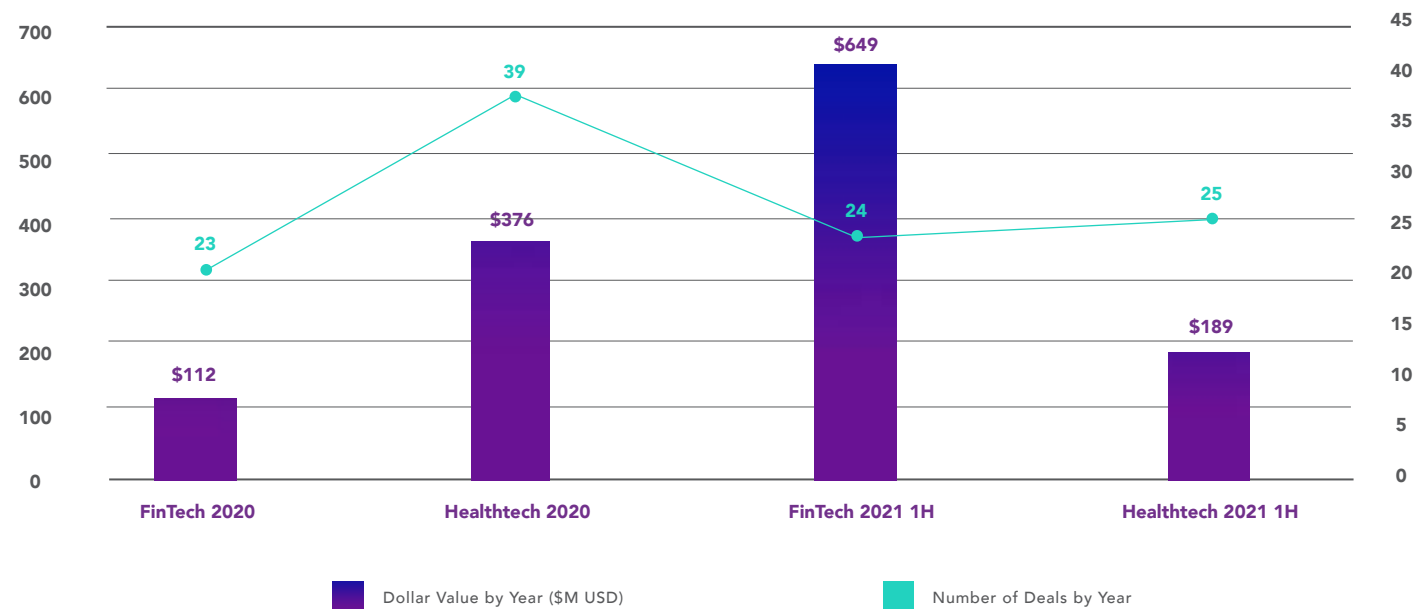
While it's usually healthcare-related companies that show outsized venture capital strength in the Miami-Fort Lauderdale startup ecosystem, this half of the year saw the rise of fintech. And quite a rise it was.

In all of 2020, \$112 million flowed into 23 fintech companies. But consider what happened in the first half 2021: 24 deals representing \$649 million. Pipe, creator of a trading

platform for recurring revenue (see spotlight on page 24) brought in the top money in 2021 so far: \$250 million in the second quarter, following \$50 million in Q1.

The third quarter got off to a quick start with Marco, Lula and Play2Pay announcing sizable fintech deals during the first two weeks of July.

VC Activity for Fintech & Healthtech companies in Miami-Ft. Lauderdale Ecosystem



HEALTHTECH HOLDS ITS OWN

Health-tech, medical device, biotech/pharma and health/wellness services companies encompassed 24% of the total venture deals in South Florida in 1H 2021, on par with 2020. In all, \$189 million was invested across 25 companies, representing 15% of the total venture dollars in 1H-2021. The leading deals were senior-care focused Papa (\$60M) and vision diagnostics startup Heru (\$30M).

Other sectors to watch: Consumer products was the 3rd most active sector with 18 deals. Other sectors attracting at least 5 deals were gaming/entertainment, logistics, edtech and mobility. While there were just two fundings in crypto/blockchain – QuickNode and Securitize – a Miami Crypto Hub is emerging with Blockchain.com, eToro, FTX, Borderless Capital and BlockTower announcing HQ relocations or new offices in the Magic City in June and July.

We're still a big angel market but late-stage deals tick up

The Miami-Fort Lauderdale metro area is a hot market for angel, seed stage and equity crowdfunding deals, which made up 61% of the transactions. Yet, starting in 2019 and again in 2020, and now in the first half of 2021, we saw a big movement on the other end of the startup investment spectrum: Later stage deals, defined here as Series B or higher. In 1H-2021, later-stage deals comprised 22% of total deals -- that's a big jump from 13% in 2018.

Equity crowdfunding gains traction

At least 17 South Florida startups went to their fans and raised funding through equity crowdfunding platforms in 1H-2021. Here is just a sampling of the South Florida startups that crowdfunded in 1H-2021:

AEXLAB, an AR-VR game development studio, raised \$1.02 million on StartEngine

Lucyd, creator of smart sunglasses, raised \$1.07 million on StartEngine

Care Angel, a virtual caregiving assistant, raised \$1.07 million on StartEngine

Aquavault, maker of anti-theft safes and travel accessories, raised \$849,203 on StartEngine

PADL, which provides paddleboards on demand, raised \$411,000 on SeedInvest

WE HAVE A NEW UNICORN

With its most recent \$250 million raise, the fintech startup Pipe, "the Nasdaq of revenue," is valued at \$2 billion, according to the company.

OTHER DEALS OF NOTE: KEY ISRAEL CONNECTIONS

Memic Innovative Surgery, a medical device company based in Tel Aviv with a large office in Fort Lauderdale, raised \$96 million in funding in April. Its chairman of the board is Miami serial medical technology entrepreneur Maurice R. Ferré, founder and former CEO of Mako Surgical and currently chairman and CEO of Insightec.

The funding will support commercialization of Memic's Hominis robotic-assisted surgical platform in the U.S. and potentially in other countries. The financing will also be used for continued research and development, including expanding the company's portfolio of products and manufacturing scaleup, the company said.

The company said the Hominis system is the first and only FDA-authorized surgical robotic platform that features miniature humanoid-shaped robotic arms that provide human level dexterity, multi-planar flexibility and 360 degrees of articulation. The biomimetic instruments are designed to replicate the motions and capabilities of a surgeon's arms, with shoulder, elbow and wrist joints. The robotic device is currently FDA-authorized for use in single-site, natural orifice laparoscopic-assisted surgical procedures, such as a benign hysterectomy.

"The Hominis system represents a significant advancement in the growing multi-billion-dollar robotic surgery market. This financing positions us to accelerate our commercialization efforts and bring Hominis to both surgeons and patients in the months ahead," said Dvir Cohen, co-founder and CEO of Memic.

EXIT ACTIVITY HEATS UP



EXIT ACTIVITY HEATS UP

Acquisitions and IPO activity ramped up in a big way in 1H 2021.

CYXTERA WITH STARBOARD, A SPAC, IN A \$3.4B DEAL. APPGATE IS ALSO GOING PUBLIC.

Tech pioneer Manny Medina was a believer in #MiamiTech before there was much tech. This year, two of his companies will be going public.

Cyxtera Technologies, the Coral Gables-based global data center provider founded by Medina, went public through a merger with Starboard Value Acquisition Corp., valuing the combined entity at \$3.4 billion. With the merger complete, Cyxtera is listed on Nasdaq under "CYXT."

Founded in 2017, Cyxtera provides co-location services, which allow companies to keep their privately-owned servers and networking equipment in a third-party data center. "It's a very big deal to have a multinational, multibillion-dollar technology company focused on cybersecurity headquartered in Miami," Medina said in a 2017 interview. "It is going to help put us on the worldwide map – it will augment significantly the whole ecosystem we are trying to nurture." He was right.

Cyxtera has grown to become the largest privately held data center provider of retail colocation services globally. At the time the deal was announced in February, Cyxtera operated 61 data centers in 29 markets globally and counted more than 2,300 enterprises, service providers and government agencies among its customers. Cyxtera's current owners will own about 58% of the combined company, and Medina and Nelson Fonseca will continue in their current roles as Chair and CEO, respectively.

Miami-based cybersecurity company **Appgate**, a spinoff of Medina's Cyxtera, will also become a public company. Appgate has entered into an agreement to merge with a publicly traded shell company Newtown Lane Marketing, in a deal valued at \$1 billion. Under terms of the deal, Appgate's existing investors, private equity firms Medina Capital and BC Partners, will retain

74.4% ownership of the merged company and remain majority shareholders.

Appgate enables rapid, effective, and scalable Zero Trust cybersecurity for private enterprises and government entities. Through its cloud and hybrid security products, Appgate shields more than 650 organizations, including Norwegian Cruise Lines and Fifth-Third Bank, against cyber threats. The company, which was spun out of Cyxtera Technologies as a standalone company in January 2020, believes it is well positioned in its cybersecurity market that is expected to reach \$38 billion by 2025.

Medina is also the founder of eMerge Americas. Starting it all, Medina founded Terremark Worldwide, the data services company he led and sold to Verizon Communications for \$1.4 billion in 2011.

A \$650 MILLION EXIT FOR NEARPOD, A HOMEGROWN EDTECH SUCCESS STORY

Nearpod, the South Florida education technology company founded in 2012, was acquired by Renaissance Learning, a Wisconsin-based global provider of K-12 software and assessments, for about \$650 million, according to media reports. The acquisition followed a year of explosive growth for **Nearpod** during the pandemic, building on a strong foundation of fast, organic adoption and a string of successes in its earlier years.

Nearpod is being run as its own brand, and Pep Carrera, who joined the company as CEO in early 2020, leads the team of about 300 Nearpod employees from its Dania Beach headquarters. The products are used in all 50 states, and in more than 1,800 school districts.

Nearpod was founded in South Florida by three immigrants from Argentina – Guido Kovalskys, Felipe Sommer and Emiliano Abramzon. Breaking into the K-12 education market is no easy feat, but the founders at first took a bottoms-up approach, believing that if teachers loved the product – and they did – the school districts would follow. Nearpod's tools allow teachers

to offer video content, create quizzes, offer digital field trips with virtual reality technology, and gamify their lessons. "We turn them into publishers. We're the tool, the teachers are responsible for the magic," said Sommer in an earlier interview. Three Miami private schools, Immaculata-La Salle, Pine Crest and American Heritage, were among Nearpod's first customers.

Sommer told Refresh Miami after the news that he is "super excited and super proud" of the full cycle of Nearpod. He recalled the excitement of drawing out the initial idea and the founders' first iterations of the product - "super buggy" - and the journey to where the product is today. He also recalled when the Nearpod founders made the pioneering decision to consolidate their San Francisco office into their South Florida operation. Sommer continued, "I think this is a key time for Miami - what Francis Suarez is doing, a couple of companies going public, and I think our story helps to tell the Miami story. I'm super thankful for the support of the investors and the ecosystem here. I have only good things to say about everything that is happening."

MORE EXITS

MDLive, the Miramar-based homegrown telehealth unicorn founded by Randy Parker in 2009, was acquired by Cigna's Evernorth in April. "MDLIVE and Evernorth share a common vision and passion for changing health care for the better," said Charles Jones, chairman and CEO of MDLive, at the time of the acquisition. "Together, we can accelerate the delivery of new virtual care capabilities in a way that will optimize the care journey for our clients and customers."

Wyncode Academy, Miami's first coding bootcamp that has trained and reskilled hundreds of South Floridians for high-paying tech jobs, was acquired by Brainstation, a global leader in digital skills training. Wyncode's founders, Johanna and Juha Mikkola, stayed on as part of BrainStation's senior leadership team. "Wyncode's our baby, and, you know, Wyncode has grown up and found a soulmate," said Johanna, when the news was announced. "Our whole team is so invested and passionate -- and it was really important for us to find that perfect match."

SpeedETab, founded by Adam Garfield and Ed Gilmore, served restaurants by allowing customers to order ahead and during the pandemic helped hundreds of restaurants pivot to delivery to save their businesses. SpeedETab was acquired by Wix, the website builder.

Stryker acquired **OrthoSensor**, the Dania Beach-based developer of orthopedic technology founded in 2007. Stryker was also the purchaser of Mako Surgical in 2013.

Terms of these acquisitions were not disclosed.



Manny Medina, Founder & Executive Chairman of Cyxtera Technologies, Appgate, and eMerge Americas addresses the audience on the main stage at the eMerge Americas conference. Medina has taken Cyxtera & Appgate public in 1H 2021.

Thinking about moving to Miami?

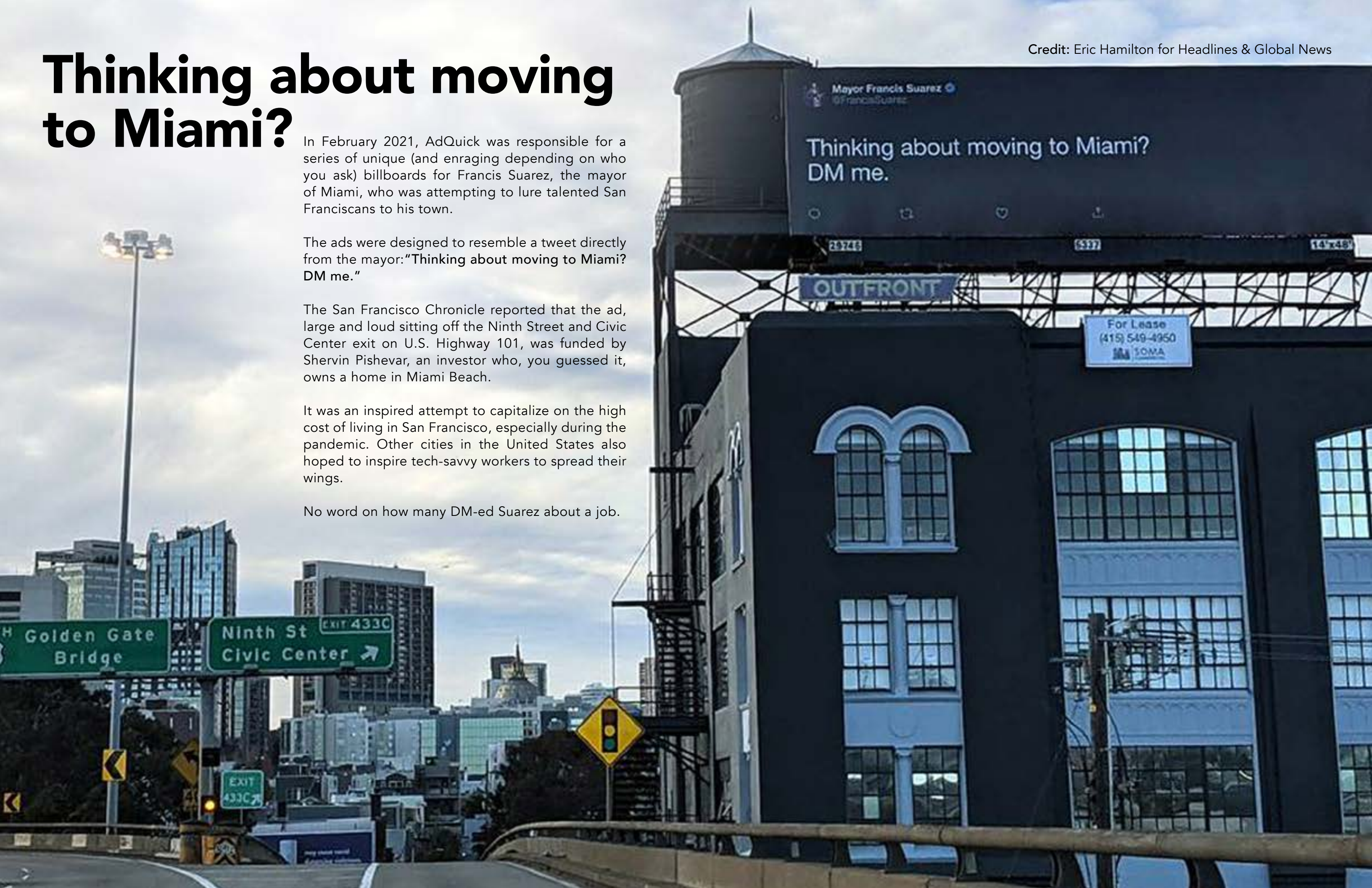
In February 2021, AdQuick was responsible for a series of unique (and enraging depending on who you ask) billboards for Francis Suarez, the mayor of Miami, who was attempting to lure talented San Franciscans to his town.

The ads were designed to resemble a tweet directly from the mayor: "Thinking about moving to Miami? DM me."

The San Francisco Chronicle reported that the ad, large and loud sitting off the Ninth Street and Civic Center exit on U.S. Highway 101, was funded by Shervin Pishevar, an investor who, you guessed it, owns a home in Miami Beach.

It was an inspired attempt to capitalize on the high cost of living in San Francisco, especially during the pandemic. Other cities in the United States also hoped to inspire tech-savvy workers to spread their wings.

No word on how many DM-ed Suarez about a job.



STARTUP SPOTLIGHTS IN INNOVATION:

**PIPING HOT
FINTECH LED
BY HARRY
HURST LANDS
MIAMI'S TOP
DEAL**



Harry Hurst, Founder & Co-CEO of Pipe

Pipe, the Miami-based startup creating the world's first trading platform for recurring revenue, is now valued at \$2 billion and is the fastest fintech in history to reach that valuation. Led by Harry Hurst, the startup raised \$250 million in Q2 in an oversubscribed round with a who's who of investors. Pipe, which also raised \$50 million in Q1, is one of Miami's new arrivals from California, putting down stakes last year.

By clearing a path for companies to look beyond equity or debt financing as their only ways to raise funding, Pipe enables entrepreneurs to grow their business on their terms. Pipe allows companies to trade future recurring revenue into capital today for scaling, without debt or dilution. Institutional investors purchase these recurring revenue-generating assets, which act similar to fixed-income products, and Pipe makes money from transaction fees on these trades. Its platform is suited for companies with predictable subscription revenue, such as through memberships.

Co-founded by Hurst, Josh Mangel and Zain Allarakhia, Pipe will be using the massive round of funding to bolster its platform globally, and aims to expand its offering across every recurring revenue vertical including property management companies, sports and entertainment, and healthcare, in addition to its initial target market of SaaS companies.

Hurst and Michal Cieplinski, chief business officer, were part of the leading wave of investors and founders from California and New York choosing the Magic City as a place to live and build their companies. Attracted to check Miami out, by the buzz as well as the attractive time zone for doing business, they moved from California in September 2020, and quickly set up the startup's new base and first "Microhub" in Wynwood. "Pipe continues to look forward to partnering with local Miami-based companies to give them access to growth capital and further fuel the vibrant startup scene." Hurst said.

ASTEYA CEO ALEX WILLIAMSON

SEEKS TO WIDEN ACCESS TO DISABILITY INSURANCE

Asteya is a Miami-based startup focusing on widening access to disability insurance, particularly among small businesses and the self-employed. In the first quarter, Asteya raised \$10 million and announced its public launch.

Asteya was founded in 2018 by CEO Alex Williamson, who was a former chief brand officer at Bumble, and Hadi Radwan, Asteya's chief product officer. They saw a need to focus on transforming disability insurance, which is typically offered through employers to cover unforeseen gaps in income from health issues, injuries or childbirth. But with a growing number of Americans self-employed – the so-called Gig Economy – there is a huge gap uncovered. The industry has not evolved.

Indeed, one out of three people will be unable to work due to wellness complications at some point before retiring, yet 50 million working adults do not have income protection, the company said. Another reality, the company would like to change: Women often pay significantly more than men for traditional income insurance. Asteya's initial offering out of the gate is gender neutral.

"For so many of us, our income and wellness are intertwined — and yet there are not enough solutions for when the unexpected happens. Asteya is designed to empower people for the way we work and live today," said Williamson.

Asteya's application process is online – no more waiting days or weeks, users can get coverage within minutes. The startup's first offering is geared toward gig economy workers who can enroll in monthly plans that start at about \$6 a month. The company says it works with A-rated carriers including Munich Re and certain underwriters at Lloyd's.

The startup is continuing to enhance the product offering, while also working hard to bring awareness and education to the public about the importance of income protection, Williamson said. "We aim to build a community to support our users in their mental, physical, and financial well-being."



Alex Williamson, CEO of Asteya

MIAMI INVESTORS BET BIG ON HERU, A BASCOM PALMER SPINOUT

South Florida continues to spin out promising medical technology startups incubated in its premier healthcare institutions. Heru is a spinout from the University of Miami's renowned Bascom Palmer Eye Institute, and it is building a next-generation cloud-based AI-powered platform for eye diagnostic and vision correction. In Q2, the company closed Series A financing of \$30 million to accelerate development and commercialization.

The funding round was led by global investment firm D1 Capital Partners, with participation from some familiar Miami names: SoftBank's Opportunity Fund, Miami serial medtech entrepreneur and Insightec CEO Maurice R. Ferre, and Miami-based Krillion Ventures.

Heru was founded in 2018 but the technology has been in the making for about 10 years now, said Dr. Mohamed Abou Shousha, founder and CEO of Heru. "We are here at the No. 1 eye hospital and we see 300,000 patients a year, and we know the gaps in vision care. We developed a technology that helps patients live a better life and

a technology that democratizes vision care."

Heru is developing vision augmentation software that is designed to correct the user's vision effects in real time using AI. The technology is delivered through wearable devices and Heru is compatible with off-the-shelf AR/VR headsets such as Magic Leap's device. What's more, there are many more uses for the FDA-registered Heru platform, which is designed to diagnose a wide range of diseases without the need for large capital equipment investment and dedicated exam rooms.

According to Heru, the platform is the only cross-platform solution that can autonomously diagnose vision defects and customize individual vision augmentation based on the user's unique vision defects. Heru holds 24 patents on vision augmentation and wearable diagnostics to date and its technology was developed and clinically validated within the Eye Institute's accelerator program and has been licensed exclusively to Heru.

An estimated 450 million people worldwide experience visual field defects or double vision.

Dr. Mohamed Abou Shousha, Founder & CEO of Heru

LEIGH-ANN BUCHANAN

IS AN ARCHITECT OF INCLUSIVE ECOSYSTEMS

By Ashley Abdullah

Leigh-Ann Buchanan thrives on solving complex issues with purpose and intention.

As a daughter of Jamaican immigrants growing up in Vancouver, Canada, she dreamed of becoming a lawyer. After graduating high school, Buchanan emigrated to the U.S. to attend college at 16 years old and later, at 19 years old, relocated to Miami to attend law school. "I've wanted to become a lawyer since I was four years old. I love the strategy around litigation. It's what I do now. Strategic innovation and ecosystem building," she explains.

After eight years of complex commercial litigation and white collar defense, she found her way into the tech space - landing a role to launch and lead Venture Café Miami in 2016. As the founding Executive Director of Venture Café Miami, she led the organization to exponential growth and impact to connect over 50,000 innovators and establish over 1000 content partnerships with national and global organizations over a 5 year period. Venture Café Miami - particularly known for its popular #ThursdayGatherings - served a diverse demographic of over 70% people of color and 49% women.

At the beginning of 2021, Buchanan launched Aire Ventures, a venture studio that scales technology, entrepreneurial and innovative solutions to bridge systemic gaps in access, opportunity, inclusion and racial equity.



Leigh-Ann Buchanan, strategist, writer, facilitator, and Founder of Aire Ventures

Amid a pandemic-stricken economy, the murder of George Floyd and other Black Americans sparked an international wave of social protests, prompting brands and companies to take a closer introspection of their practices around diversity, equity, and inclusion. The protests reverberated throughout South Florida and, particularly, sparked a tense dialogue within the Miami tech community.

"I think [the tech community] reacted, but didn't truly respond," Buchanan reflects on the social protests throughout last summer. "There were legitimate, authentic concerns - albeit some of it was performative - but there was no sustainable, long-term follow through."

It became clear that the work she was doing around inclusion within the South Florida ecosystem necessitated a deeper focus and larger platform - a complex problem she strategically set to alleviate through Aire Ventures. "A more appropriate response would have been [an examination] of where are the funding dollars committed and what are the strategies of how we're going to retool and redesign our ecosystem for racial equity and inclusion."

Based in South Florida, Aire Ventures is a national platform that provides strategic advising, positioning, platform development and operational infrastructure design support to increase investor/funding confidence and accelerate growth.

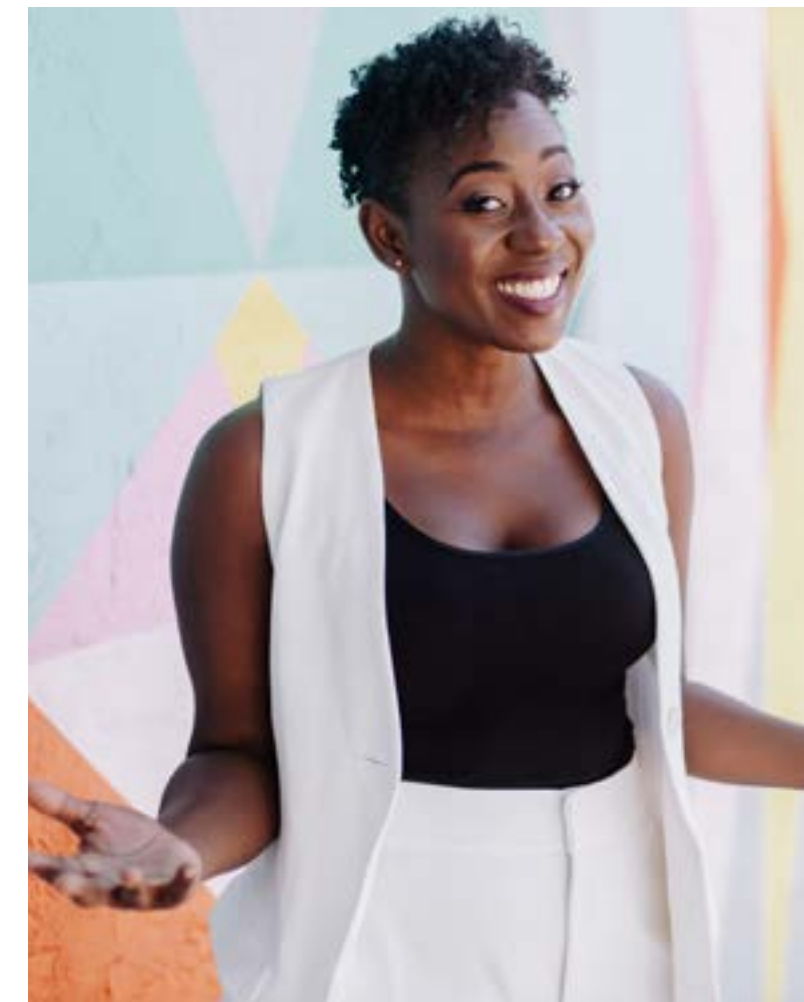
If ever there were a hint of a silver lining in the pandemic, it may be the thousands of Black entrepreneurs turning adversity into opportunity by starting businesses of their own. Last year there were more new Black-owned businesses proportionate to the total population than at any time in the last quarter-century, according to the Kauffman Foundation's annual study. Black entrepreneurship ranked higher than for white-owned and Asian-owned companies, the group found.

On average 380 out of every 100,000 Black adults

became new entrepreneurs during the 2020 pandemic, up from 240 in each of the prior two years, according to the study, based on census data.

Buchanan's solution is to take a values-driven approach to building sustainable solutions around the tech ecosystem. "It's really about how I might connect people with purpose so that they can exponentially increase impact on the world," she explains. When asked what she wants her enduring legacy to be, she responds with a warm smile "I want to be remembered as a visionary thinker who created tools with intention and purpose so that other people could do the same."

To learn more about Aire Ventures, visit www.aireventures.org.



TWO POWERHOUSE BRANDS

JOIN FORCES TO GROW FLORIDA'S VENTURE CAPITAL ECOSYSTEM



Pictured (top left to right):

Tom Wallace, Managing Partner of Florida Funders; Manny Medina, Founder & Executive Chairman of eMerge Americas; Francis Suarez, Mayor of the City of Miami; Melissa Medina, Co-founder & President of eMerge Americas; Felice Gorordo, CEO of eMerge Americas; Diane Vidoni, COO of eMerge Americas; Steve MacDonald, Partner, Board Member, & Investment Committee member at Florida Funders; Rachael Sapoznick, Board Member at Florida Funders; Marc Blumenthal, General Partner at Florida Funders

In July, eMerge Americas announced the closing of an investment round led by Florida Funders, a hybrid of a venture capital fund and an angel investor network recognized as the top VC in the Southeast region by Pitchbook. Marking the close, Marc Blumenthal, General Partner at Florida Funders will assume a board seat. The City of Miami Mayor Francis Suarez has also been appointed to the board of directors, effective immediately. eMerge Americas and Florida Funders will capitalize on this partnership by hosting La Casa, an exclusive in-person event gathering investors and startup founders in Miami on November 30th and December 1st, 2021, coinciding with the commencement of Art Basel.

The partnership brings together two of the largest brands serving the venture capital, tech, and innovation ecosystem throughout the state of Florida. The resulting transaction will further amplify eMerge Americas' year-round platform with content, events, pitch competitions and a match-making agenda for investors and entrepreneurs with expanded programming and engagement across the state of Florida, in addition to an office in Miami.

As an official member of the Board of Directors, Mayor Francis Suarez will support eMerge Americas' mission to build a thriving tech hub and ecosystem in South Florida as businesses, entrepreneurs, and investment talent migrate to Miami. Mayor Suarez will also help to strengthen the growth and long-term strategy of eMerge Americas.

Florida Funders' partners investing in this round include Rachael Sapoznick, Board Member at Florida Funders and founder of Sapoznik Insurance, and Steve MacDonald, Partner, Board Member, and Investment Committee member at Florida Funders and founder of MacDonald Ventures.

The eMerge Americas Board of Directors is now composed of Manny Medina, Founder and Executive Chairman; Marc Blumenthal, General Partner at Florida Funders; Francis Suarez, Mayor of the City of Miami; in addition to Felice Gorordo, CEO, and Melissa Medina, Co-founder and President, who will both continue to lead eMerge Americas alongside Diane Vidoni, COO.

Marking the return to physical gatherings in a post-COVID era, eMerge Americas and Florida Funders will host La Casa, an in-person event on November 30th - December 1st, 2021. The event will be a precursor to the annual eMerge Americas global tech conference, scheduled on April 18-19, 2022, anchoring Miami Tech Week.

Sign up at lacasamiami.co to receive updates on the networking events and planned agenda for La Casa, which includes panels, keynote presentations and more.

"**eMerge Americas** has laid the groundwork for the city of Miami to become a bastion of entrepreneurship, tech, and innovation for over a decade, and I couldn't be more honored to join the Board of Directors. Working closely with eMerge Americas uniquely positions us to attract more businesses, entrepreneurs, and investment talent."

-- **Mayor Francis Suarez**



FLORIDA FUNDERS HAS BEEN BUILDING COMPANIES FOR 3 DECADES

By Taylor Wallace



Marc Blumenthal, General Partner at Florida Funders

Like most investors in Florida, the partners at Florida Funders, a hybrid between a Venture Capital Fund and an angel investor network, are from somewhere else. The difference between them and the onslaught of VCs, founders, and remote workers that have moved here in the last 18 months: they've been living, building, and investing in Florida since the '80s.

Marc Blumenthal, eMerge's newest board member and Partner at Florida Funders, moved here from New Jersey in 1984 to study at USF. It was either USF or UF and Tampa was a bigger city than Gainesville. He took an intro to computer science class, and the rest was history. Within a few years, he was selling IBM computers and running a business with \$600k in revenue out of his dorm room, employing the more technical students at USF's MiS department. For the next 15 years, he built a regional systems integrator and became an integral part of the Florida tech community.

Along the way, he realized that other older, wiser Florida Entrepreneurs of all shapes, sizes, races, and religions were consistently kind and helpful, providing him council, advice, and access. He developed a sense that Florida was going to be the place to build a great life, career, business, and family.

In 1988, not long after Marc started his company, Managing Partner Tom Wallace exited his first company Waldec and secured a partnership for his second startup with IBM that landed him in Tampa. It was Florida, somewhere in Virginia, or New York City,

and he liked golf enough to want to come here, work, and hit the links year-round.

At the time, there weren't many tech companies in town. Tech Data was growing, but it was nowhere near the \$36B, Fortune 500 it would become. Tony DiBenedetto, another founding father of the Tampa Bay Technology Scene, was still working at Arthur Andersen running technical projects for clients. He'd eventually start Tribridge in Tampa, one of the largest Microsoft consulting firms in the world, employing some 800 people and eventually selling to DXC Technologies for \$152M. The Bellini brothers, who would eventually go on to sell Connectwise for \$1.5B, creating some 70 local millionaires, were also just getting started.

Tampa was small, and most of these founders knew each other. They understood that technology was going to power the future, and they loved living in Florida. Very few ever considered leaving for Silicon Valley or New York. But many of their businesses were built despite the Web 1.0 and Web 2.0 gold rush of funding that happened in larger markets. They sold enterprise products, not consumer apps. And as the dotcom era took off, and then into the 2000s, they started seeing smart founders and early-stage companies moving north or west, chasing capital and engineers.

All the while, they were connecting with each other. They started a CEO council with other non-tech business leaders where they could coach and counsel one another toward success. They

eventually formed the Tampa Bay Technology Forum - a non-profit dedicated to connecting, educating, and growing the tech community locally. This was long before every city had an incubator or accelerator.

Through the 2000s, Wallace was focused on building Vector Learning, an e-learning company focused on continuing education for specialists like engineers, contractors, police, fire, etc. He'd eventually bring down his long time on again off again partner and third Florida Funders' partner, Kevin Adamek, to be his CFO.

Marc Blumenthal was running his second company, and between the three of them, they started doing angel investments here and there. In 2013, Marc sold his second company. Tom and Kevin sold Vector learning shortly thereafter, and then connected with another long-time Tampa entrepreneur Dave Chitister to discuss the early incarnation of Florida Funders.

The early partners at Florida Funders were all just coming up for air after decades of focused work as leaders of fairly large companies. They recognized that the state needed talent and capital to keep growing, and they might be able to solve the capital problem. And if you could fund more companies, you'd have an easier time attracting and keeping talent local. Over coffee, they said to the other: "If you'll do it, I'll do it..." and they took over Florida Funders with the goal of turning the Sunshine State into the Startup State.

They were joined shortly thereafter by Marc Sokol - a former Systems designer turned entrepreneur, venture capitalist, and "Snowbird Investor" originally from Long Island. He started traveling to Florida as many do after finding success elsewhere, likewise fell in love with the region and its potential, and started investing in tech startups. Marc was a part of some massive exits such as SPLUNK (NYSE).

Together, they started pitching other investors on the idea that they could make Florida a richer, more diverse state by funding early-stage tech companies. Young, smart people would stay and come to build companies here, and as a result, life for everyone gets better when that happens. They believed they could provide startups with capital by providing investors with access and the capabilities of a VC firm without having to become Venture Capitalists themselves.

The partners at Florida Funders realized that through new crowdfunding regulations and technology, they could tap into

the large pool of accredited investors in the state of Florida to activate more "angel investors" in the state. But Angel Investing requires a disciplined framework. Most people that don't angel invest professionally invest in too few companies without doing enough research. Florida Funders finds and vets companies and allows any accredited investor to review their due diligence and invest alongside the professionals. This process both unlocks untapped funding for startups in the region and connects successful business professionals with those same technology companies that needed mentorship and customers.

What started out as a small pool of capital and companies has grown into multiple funds and over 100 portfolio companies. Over the last 24 months, they've been expanding their team into Miami, and they've been thrilled by all the growth they've seen in South Florida. The state and its many startups and technologists are finally attracting the attention of the broader global tech community. People are realizing what Blumenthal and Wallace saw some 30 years ago - that Florida is an incredible place to build a life and a company. Our business climate is far more favorable than in California and New York, no income taxes make it easier to attract those potential future investors, and people in leadership want to open the doors to those trying to build a tech enabled future.

Florida Funder's recent investment in eMerge Americas has brought the two organizations together. They recognized in eMerge the opportunity to go beyond just capital and mentorship for startups, but to help rapidly build a platform for the entire tech ecosystem. The entrepreneurial spirit has long been strong in Florida. With this partnership, we're all just getting started.



Tom Wallace, Managing Partner at Florida Funders

VC INVESTMENT IN LATIN AMERICA

VC ACTIVITY IN LATIN AMERICA IS EXPLODING

By Nancy Dahlberg

Global investors have been betting big on Latin America and its market of 660 million consumers this year. 2021 is already headed for the VC record book – and the surge of activity shows no signs of a slowdown.

Venture capital activity in Latin America is so hot this year it surged 242% between Q1 and Q2. In total, investors poured \$7.2 billion into Latin American companies in Q2 of 2021, bringing the first half total to \$9.38 billion and nearly doubling any other year, according to CB Insights Q2 2021 State of Venture Report. This surge, powered by mega-deals, marks an inflection point in venture capital for the region as a whole, and what's good for LatAm is good for Miami too.

Venture capital investment in Latin America this year will likely exceed the activity of the past five years combined. And the surging interest in LatAm benefits Miami's tech ecosystem, be it the newly funded LatAm startups looking for a base to launch their US expansions, growing Miami startups focused on the LatAm market and benefiting from the momentum, or Miami investors interested in making bets on LatAm. And of course, SoftBank has been a growing force in Miami, where operations for its \$5B Latin America Fund are now based. Indeed, SoftBank's Latin America Fund, launched in 2019, is credited with igniting global VC interest in the region, starting with its 2019 mega-round in Colombia's Rappi, now one of the fastest-growing startups in the region. SoftBank is reportedly considering doubling its bet on LatAm to approx. \$10 billion.

Powering this LatAm VC surge were investments into fintech companies – also the most active VC sector in Miami. In Latin America, large banks in the region have enjoyed a lack of competition for decades, so the region is considered ripe for innovation. Nubank, for example, has gone from a small Latin American banking startup to a billion dollar plus operation, serving some 38 million customers across the region -- and it's rumored to be eyeing going public soon. The high numbers of unbanked and underbanked – a group ignored by the legacy players - is a big reason fintech startups like Nubank are drawing so much interest – and money.

Pitchbook projects that VC investments in Latin American fintech startups will reach \$3.3 billion in 2021, about twice the 2020 number. According to a report in Crunchbase, a number of VCs believe the region is still in the early innings of a big run of venture capital being infused into the region and led by fintech

investments.

More broadly, Brazil, the largest economy in the region, drew two-thirds of all Latin American VC investments in 1H 2021, according to CB Insights. Mexico notched its first billion-dollar quarter, led by a \$485 million mega round. Other centers of entrepreneurial strength include Colombia, Peru and Chile. Uruguay produced its first unicorn this year in dLocal.

Following SoftBank's lead, other big global and US VCs such as Andreessen Horowitz, Sequoia and Founders Fund are diving in and leading deals. According to Pitchbook, in just the past year, the number of Latin American VC transactions that include a US venture firm has risen from 42% to over 69%. With all the venture money that is still on the sidelines, this signals that the exciting times for Latin America venture show no signs of abating any time soon.

A SAMPLING OF MEGA-ROUNDS IN 1H-2021

C6 Bank: The Brazilian digital bank drew \$2.02 billion in Q2 funding, led by JP Morgan Chase

Nubank: The Brazilian challenger bank raised \$750 million in Q2 from numerous investors, including CPP Investments and Berkshire Hathaway

Kavak: The Mexican e-commerce marketplace raised \$485 million in Q2 funding from Founders Fund, D1 Capital and other investors

EBanx: The Brazilian fintech raised \$430 million in Q2 from Advent International

QuintoAndar: The Brazilian ecommerce marketplace raised \$300 million in Q2 from Maverick Capital, Kaszek Ventures and others

Block.one: The Cayman Islands internet security startup raised \$300 million in Q2 from Founders Fund, Thiel Capital and other funders

Bitso: The Mexican cryptocurrency trading platform raised a \$250 million Q2 round led by Cometa

Loggi: The Brazilian delivery app raised \$205 million in Q1, led by SoftBank and Microsoft

MadeiraMadeira: The Brazilian online household furnishings seller raised \$190 million in Q1, led by SoftBank and Dynamo

CloudWalk: The Brazilian fintech raised \$190 million in Q2, led by Coatua

Methodology

Pitchbook includes equity investments into startup companies from outside sources. Investment does not necessarily have to be taken from an institutional investor. This can include investment from individual angel investors, angel groups, seed funds, VC firms, corporate venture firms, and corporate investors. Investments received as part of an accelerator program are not included, however, if the accelerator continues to invest in follow-on rounds, those further financings are included. All financings are of companies headquartered in the U.S.

Venture analytics services differ by the way they track venture, including the type of deals included and when the deals are counted. Some don't include angel funding, but Pitchbook does. We chose to use Pitchbook for its inclusiveness and for consistency, but added in venture/private equity deals Pitchbook

does not include in its methodology.

For the first half of 2021, we used Pitchbook primarily but also included 4 additional deals reported by CB Insights, Crunchbase or our own research. Not all deals in Pitchbook's data could be independently verified. Data about Florida and South Florida venture capital results include only companies with their primary headquarters in the state.

No data set is perfect. Dozens of funding rounds go undisclosed or data is added or revised months or years later. Although venture data often lags, we used the best available sources at the time of publication. If you believe we've missed something, please email us at insights@emergeamericas.com. We always update the data set for future reports.

eMerge Insights Authors: Nancy Dahlberg is a business writer, editor and researcher. Most of Nancy's career was spent with the Miami Herald and her expertise is writing about entrepreneurs. Find her South Florida startup coverage at RefreshMiami.com/news.

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Florida International University is Miami's public research university and in less than five decades has become a top 100 public university, according to U.S. News and World Report's Best Colleges. FIU is focused on student success and research excellence, with nearly \$200 million in annual research expenditures.

SAVE THE DATE

November 30 + December 1



An exclusive event to
GATHER | CONNECT | COLLABORATE
As together we turn the Sunshine State
into the Startup State.



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