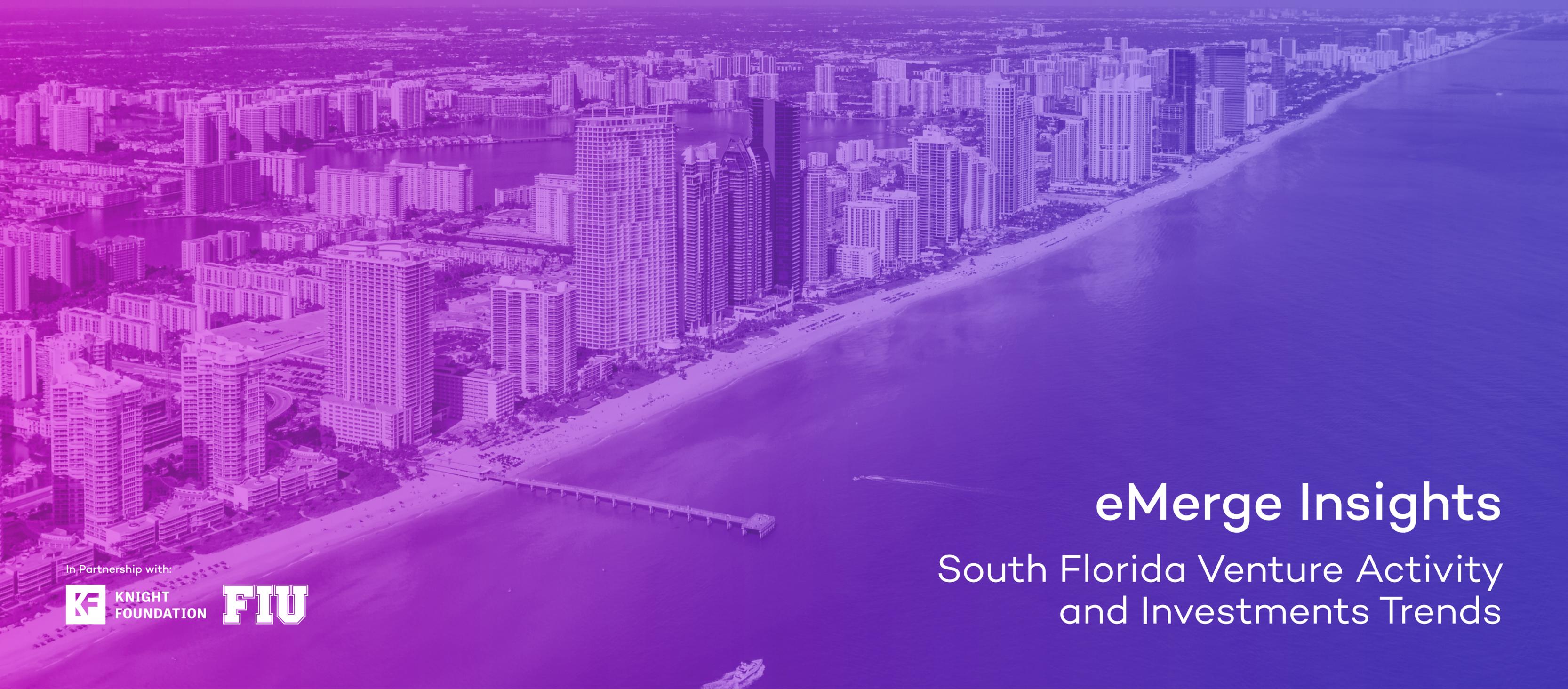


2018 Year End Report



eMerge Insights South Florida Venture Activity and Investments Trends

In Partnership with:



Table of Contents

Why We're Doing This	03
2018 Year End Highlights	04
Top Metro Areas in U.S.	05
Florida Snapshot	06
South Florida Snapshot	08
Let's Dig Deeper	10
Let's Look for Trends	11
Spotlights on Innovation	13
Methodology	15

About eMerge Americas

eMerge Americas is the premier technology event connecting the Americas held annually at the Miami Beach Convention Center. By connecting global industry leaders and investors with top business executives, technology decision-makers, and entrepreneurs, eMerge Americas is transforming Miami into the tech hub of the Americas. In 2018, eMerge Americas attracted over 15,000 attendees and more than 400 participating companies from over 40 countries. eMerge Americas serves as a catalyst in order to propel innovation and investment in South Florida and Latin America. The eMerge Americas founding partners include: Medina Capital, A- Rod Corporation, Greenberg Traurig, Knight Foundation, Miami-Dade County, and the Miami Herald. For more information about eMerge Americas, please visit: emergeamericas.com.

Our Team



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Why We're Doing This

eMerge Americas is much more than an event – it is about an ecosystem that is transforming Miami into becoming the tech hub of the Americas. We believe Miami is on the cusp of something transformative - and we know the data and trends backs this up.

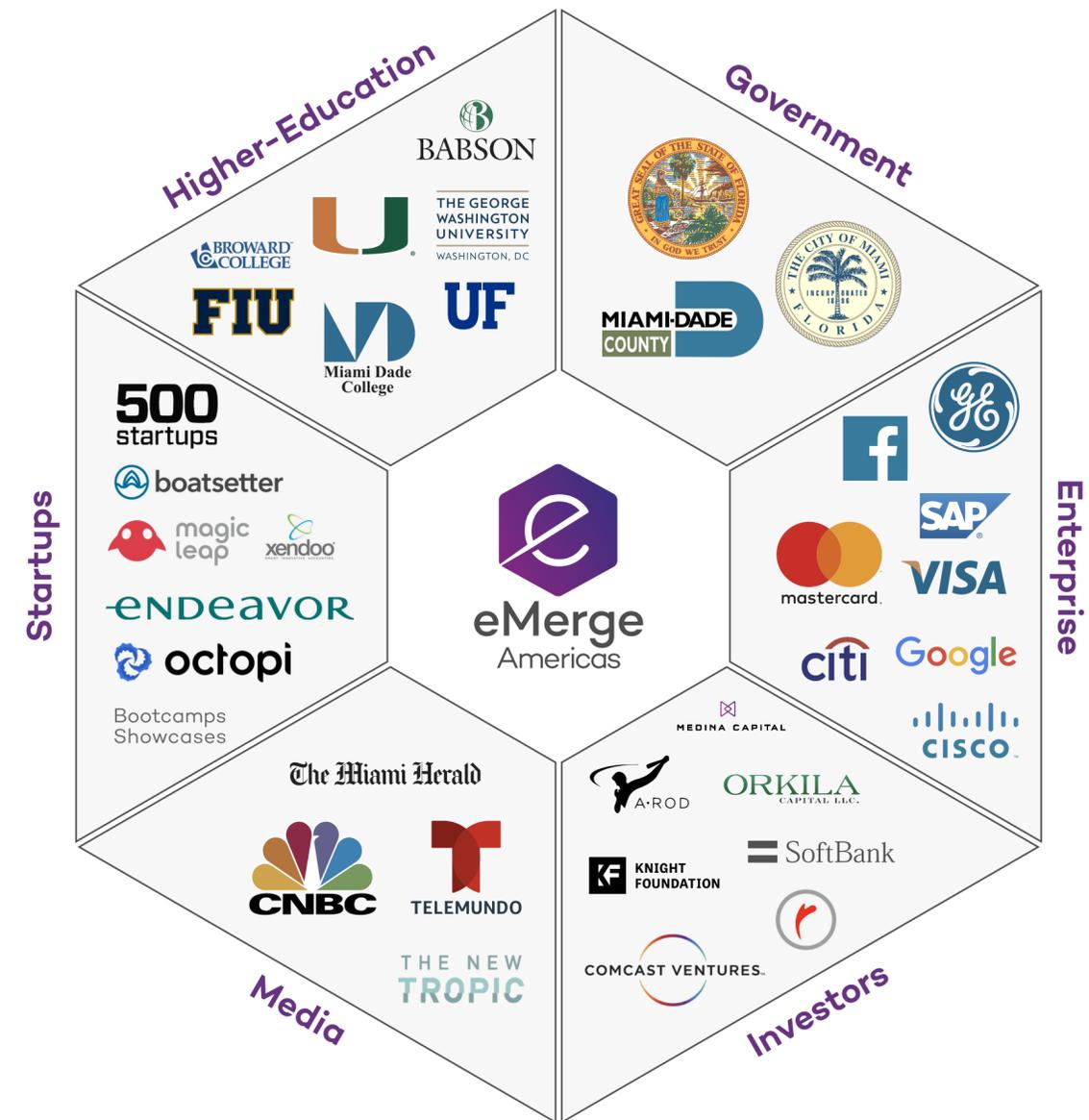
In order to better measure our ecosystem's evolution and impact, we are partnering with former Miami Herald Business Editor Nancy Dahlberg, Florida International University, and the John S. and James L. Knight Foundation to track and tell the story of Miami's transformation.

To this end, we will be publishing quarterly and annual insight reports that track investment trends and venture activity in South Florida* – and eventually across Florida and throughout Latin America.

We invite you to partner with us on this endeavor and encourage you to submit stories on emerging innovators and entrepreneurs worth highlighting.

* For purposes of this report, South Florida is referenced to be inclusive of the Miami-Ft. Lauderdale metro-area.

The Ecosystem



Note: This is a small subset of our partners within each sector.



2018 Year End Highlights

The numbers are in: South Florida-based startups had a very good year luring venture capital in 2018.

\$1.38 BILLION
INVESTED

128
DEALS

11th in the nation
VC Investments
by Dollar Volume

61% Angel
or Seed
Stage
Deals

\$1.38 billion invested in South Florida startups in 128 deals.

Startups based in the greater Miami area snagged three quarters of the state's venture capital take in dollars and more than half of the deals.

The Miami-Fort Lauderdale metro area ranked 11th in the nation for its venture capital investments by dollar volume.

Magic Leap's \$963 million Series D round was responsible for most of South Florida's funding.

61% of the deals in South Florida were angel or seed stage deals.

South Florida startups attracted venture capital from all over the world; from Silicon Valley VCs to investors from New York, Boston, Saudi Arabia, China, Latin America, Singapore, Japan, Denmark, UK and many more.



Top Five US Metro Areas for VC

This is the reason that AOL co-founder Steve Case's "Rise of the Rest" is gaining momentum. Three-quarters of U.S. venture capital dollars were concentrated in companies in these top five metro areas in 2018.

Nationally, 2018 ended up being a banner year for the VC industry with \$130.9 billion invested across 8,948 US venture deals. It was also the first time annual capital investment exceeded \$100 billion since the height of the dot-com boom in 2000.

Metro	Dollars (Billions)	Deals
San Francisco	\$54.23	1,560
New York	\$14.57	1,622
Boston	\$11.75	644
San Jose	\$10.07	538
Los Angeles	\$8.59	606
Top 5 Total	\$99.21	4,970
U.S. VC Total	\$130.9	8,948

Top 5 Southeast U.S. Metro Areas for Deal Flow by Dollar Value in 2018

Still, in Florida and the Southeast U.S, the Miami metro showed some 'Magic'.

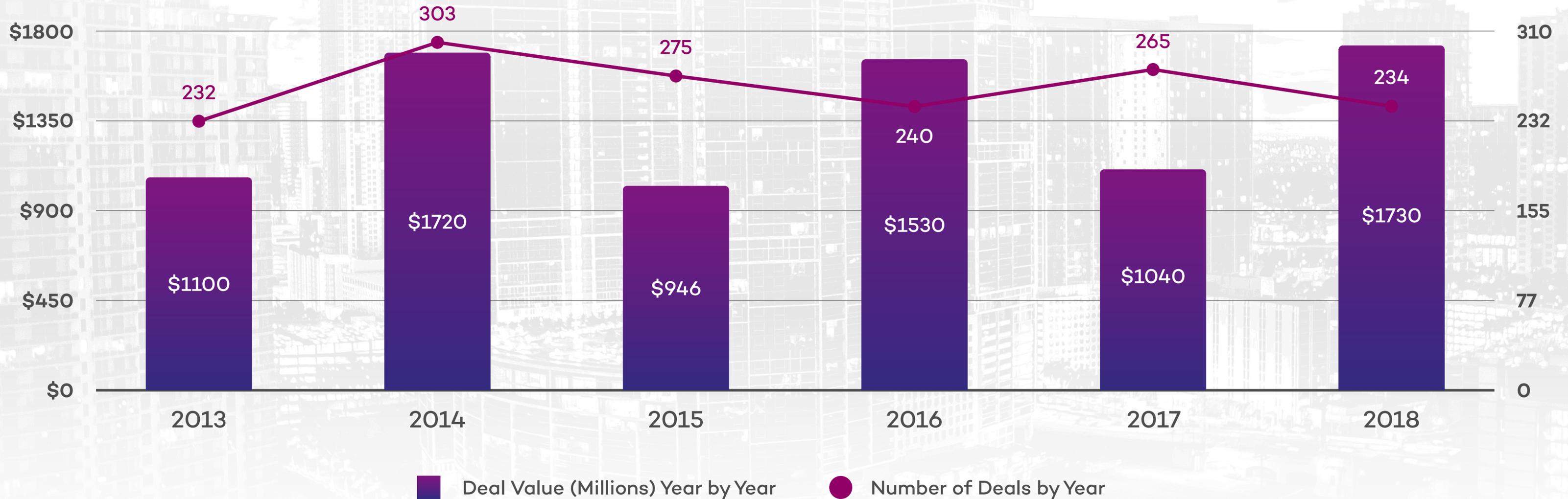
City	Dollars (Millions)	Deals
Miami	\$1,380	128
Atlanta	\$1,130	115
Durham, NC	\$745.50	66
Raleigh, NC	\$612.20	60
Tampa	\$97.41	34

Source: Pitchbook



Florida Snapshot

VC Dollars Flowing to the Sunshine State in 2018



Source: Pitchbook



Florida Snapshot

Top Florida Deals, Outside South Florida

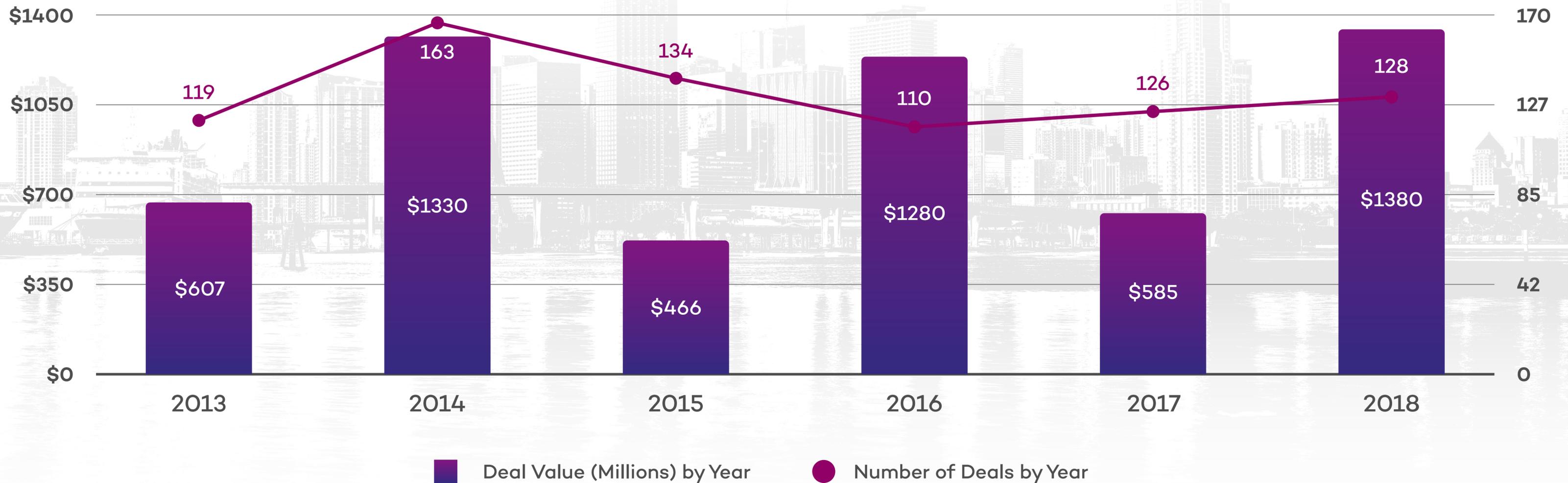
Company	Round	Sector	HQ
 FAIRWARNING	\$60 Million	Healthcare	Clearwater
 A-LIGN	\$54.5 Million	IT Security	Tampa
 metrc	\$50 Million	Cannabis	Lakeland
 kore.ai	\$45 Million	AI Software	Orlando
 Sentieo	\$31 Million	Fintech	Indian Harbor Beach

* Reported by: CB Insights



South Florida Snapshot

Deal Flow Through the Years, Some with Mega-rounds



Source: Pitchbook



Top Funded South Florida Companies in 2018

Company Name	Round(s) Total	Sector
 magic leap	\$963 Million	AR/Spatial Computing
 stimwave	\$110 Million	Therapeutic Devices
 MDLIVE	\$50 Million	Digital Health
 ONCOLOGY ANALYTICS	\$21 Million	Healthcare
 ORTHOSENSOR	\$20.8 Million	Surgical Devices
 PAYRIX	\$19.5 Million	Fintech
 yellowpepper	\$12.5 Million	Fintech
 Sonavation	\$10.85 Million	Wearables
 CORTERA	\$10 Million	Big Data
 F1 ONCOLOGY	\$10 Million	Biotech
 shipmonk	\$10 Million	Logistics
 PLUM	\$10 Million	Electronics
 TiendaPago	\$7.5 Million	Fintech

Source: Pitchbook

* Pitchbook included the two parts of Magic Leap's Series D (a \$502 million deal reported in Oct. 2017 and a \$461 million deal reported in March 2018) in 2018.

** Combination of two rounds in 2018.

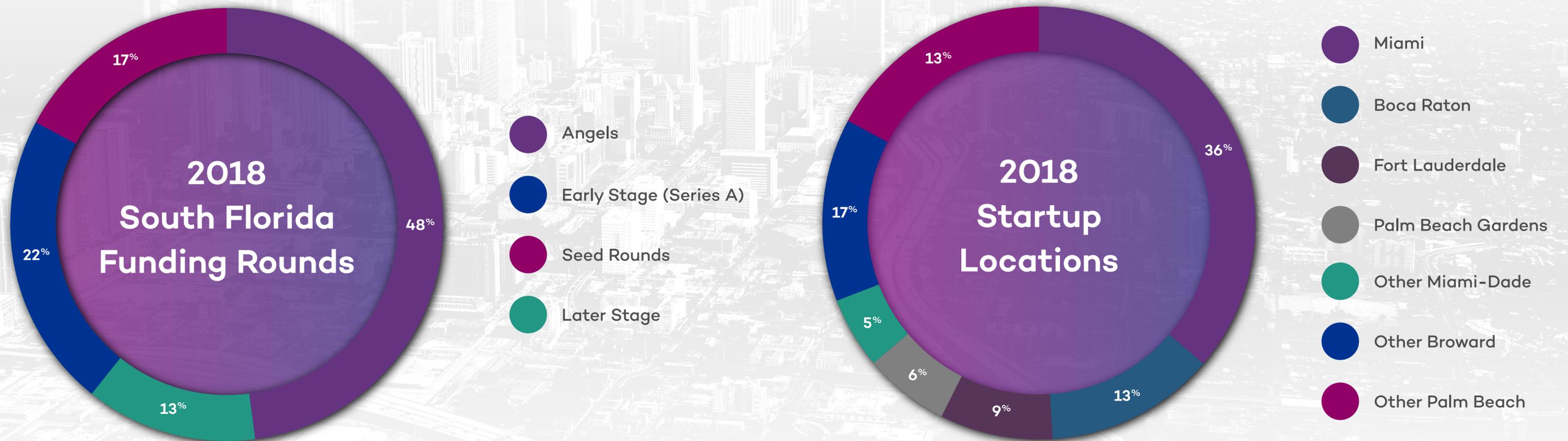
*** Reported by CB Insights.

NOTE: ParkJockey's reported investment by Softbank in December did not show up in Pitchbook database for 2018.



Let's Dig Deeper

What did South Florida Funding Rounds Look Like? Where are the Startups Based?



Source: Pitchbook



Let's Look for Trends

Are clustering sectors bubbling up?



What can South Florida's 2018 funding deals tell us about sectors or industry verticals that may be rising up or clustering in South Florida? It's still too soon to see any broad industry leaders. South Florida is nothing if not diverse in its industries. But we can see some broad trends in 2018's action.

'Software is eating the world' – in South Florida, too.

45% 45% of the companies receiving funding in 2018 offered software of some type. This follows national trends.

Most active industry: healthcare

23% Health-tech, medical devices and biotech startups encompassed 23% of the deals in South Florida in 2018.

Most active vertical: Fintech

18% 18% of 2018 funded South Florida companies were Fintech startups.

Rising up: AI?

12% 12% of the funded startups described themselves as AI, machine learning or big data companies.

Other small clusters of companies could be described as Edtech, Adtech, Real Estate tech and logistics.



Let's Look for Trends (Continued)

Unicorn Watch



ParkJockey will be one to watch. The company confirmed it received a mega-round size investment from Softbank in December, but the size and type of financing has not been disclosed. Will it be our next unicorn?

Top Exits



It wasn't a banner year for South Florida exits, especially following Chewy's \$3 billion exit in 2017, but the pace didn't let up.



Travel technology giant Sabre announced in November that it agreed to buy Farelogix, a Miami-based airline distribution technology specialist, for about \$360 million.



e-Builder of Plantation, a construction industry software company, announced it was acquired by Silicon Valley-based Trimble for \$500 million and brothers Ron and Jon Antevy will stay at the helm.



The top exit in the state recorded by Pitchbook for 2018 was Miami-based Biscayne Neurotherapeutics at \$183 million.



Spotlights on Innovation

Game-changing aspirations: magic leap

Magic Leap is defining a whole new way of viewing the real and digital world together – it's called spatial computing. And it doesn't get much more innovative than that. 2018 was a very big year because it marked the launch of Magic Leap One, first to the developer community and then the start of a larger rollout.

In a major development for the local ecosystem, Magic Leap also has partnered with the University of Miami to build Magicverse, a system of systems bridging the physical and the digital world.

Now with more than 1,600 employees globally, the Plantation-based Magic Leap, founded and led by Rony Abovitz, also completed its Series D mega-round in 2018, which included \$502 million from Temasek and other investors (announced in 2017), and \$461 million from Saudi investors. Its \$6.5 billion valuation ranks 16th highest in the nation, according to Pitchbook.

Teaching us about growth and hustle: nearpod

Nearpod expanded its student engagement platform in 2018 – adding 1.8 million new students and 161 school districts in 2018 alone – and now reaches 60% of US school districts. Nearpod also enhanced its already extensive lesson library and added more strength to its executive team.

In the first quarter of 2019, Nearpod acquired Flocabulary, a Brooklyn-based company. Nearpod plans to further tackle the student engagement crisis that's affecting schools across the country and recently hosted its first annual user conference, Transform.

Co-founded by Argentine friends Guido Kovalskys, Felipe Sommer and Emiliano Abramzon, Nearpod has 142 employees and recently moved to larger offices in Fort Lauderdale. It has raised a total of \$30.7 million to date, including from local funders such as Miami Angels, Krillion Ventures, Cito Ventures and Knight Foundation.



Spotlights on Innovation

Global reach with a Miami approach: boatsetter

What could be more Miami than “the Airbnb for boating” being built on our shores? Jaclyn Baumgarten, the co-founder and CEO of Fort Lauderdale-based peer-to-peer marketplace company Boatsetter, is making waves.

From the helm of Boatsetter, she has raised about \$17 million, acquired two competitors and has been selected as an Endeavor Entrepreneur. Investors include Miami-based venture fund TheVentureCity.

Now with over 600 locations across the world, Boatsetter connects owners and licensed captains with customers. It forms strategic partnerships with boat builders and marinas to grow boating participation and ownership.

In 2018, Boatsetter grew globally, expanded its executive team and was honored as Endeavor Miami’s Entrepreneur of the Year.

Making a pivot and seeking to scale: blanket

Miami-based Blanket offers automated sales development by helping companies prospect, email, build landing pages and schedule sales calls, resulting in more demos.

But Blanket, co-founded by Alex Nucci and Ricardo Vazquez, didn’t start out 2018 doing that; it pivoted its business model completely and even changed its name (formerly Gramercy).

Blanket also participated in Jason Calacanis’ LAUNCH accelerator and raised nearly \$3 million in 2018, bringing total funding to \$3.64 million, with a focus on scaling in 2019.

Amongst its investors are Steve Case, AOL co-founder, and Miami Angels, which came in with a follow-on investment in 2018, MC Capital and Mark Kingdon.



Methodology

This report used Pitchbook data nearly exclusively for year over year data and trends. In a few instances, we footnoted where we included data from other data services.

Pitchbook includes equity investments into startup companies from an outside source. 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 US.

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.

eMerge Insights Author: Nancy Dalhberg is a writer, editor and a leader with extensive media experience and a passion for journalism and serving the community. Most of Nancy's career has been spent with the Miami Herald in business news, and her expertise is writing about entrepreneurs.

This report has been produced in partnership with Knight Foundation and FIU.



The John S. and James L. Knight Foundation supports transformational ideas that promote quality journalism, advance media innovation, engage communities and foster the arts. Since 2012, Knight Foundation has invested more than \$30 million in nurturing an entrepreneurial ecosystem by connecting innovators, attracting investments and growing the city's talent base. A founding partner of eMerge Americas, Knight's strategy focuses on building an entrepreneurial ecosystem.



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.



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