Farmland and Agtech Start up innovation at DXA Invest

DXA diversification in Agribusiness Fintech

New York City, New York Jan 10, 2024 (Issuewire.com) - DXA Expands Portfolio into High-Tech Agribusiness Services

DXA Invest is expanding its portfolio of Brazilian startups by taking a significant position in Brazil's vast agricultural sector. Earlier this year, the Rio de Janeiro-based investment firm led a funding round totaling BRL 28 million (USD 5.7 million) into A de Agro, a Brazilian Agri-FinTech firm. The company provides proprietary machine-learning high-tech crop analysis services to Brazil's agricultural sector. This latest funding round was preceded by contributions from SP Ventures, SVG Partners, and BTG Pactual. DXA has a long and successful track record with investments in startups Zee Dog, BeautyforAll, Greenpeople, DOCG, and Modern Logistics.

DXA's diversification into agri-fintech is consistent with the firm's strategy of seeking alternative investments capable of thriving in diverse economic operating environments distinctive from traditional assets. This strategy has led to large and affluent investors to increasingly favor these investment options in their pursuit of higher returns. This is being reinforced by the digital transformation which allows a wider range of investors, including smaller ones, to participate in hitherto inaccessible private equity investments.

“As the first private markets firm to manage a 100 percent digital fintech platform in Brazil, DXA is uniquely positioned to offer its clients access to investments in the country's fintech startups ” states Oscar Decotelli CEO of DXA Invest Since the end of the pandemic, Brazil has been riding a wave of investments in the region's startups which are propelling these new high-tech entities into the spotlight.

In 2024, DXA Invest seeks to play an increasing role in this trend by partnering with other private equity firms in securing substantial investments in agri-tech and trade-commodity farmers.

Agribusiness is recognized as a critical driver of Brazil's economic growth with the sector forecast to generate US$ 234 billion this year. Nearly 50 percent of Brazil's foreign trade is comprised of agribusiness products, making the country the world's fourth largest agricultural exporter. The industry also supports a wide range of ancillary economic activities such as agricultural machinery, fertilizers, storage and logistics as well as financial services.

Latin America is currently a key growth region for the expansion of entrepreneurship and the attendant increase in venture capital-backed startups, signaling a financial boom as well as the region's growing attractiveness to investors. Evidence of this is the unprecedented influx of investment into startups since the end of the pandemic. This trend is being supported by a recognition of Latin American innovation, diversified markets and a growing middle class which is the foundation of a solid consumer base.

Investment inflows into the region are positively benefitting the profitability of Fintech companies both in terms of profitability and maturation. Currently, technology companies in the region represent just 1.5 percent of GDP, indicating clear potential for expansion. Given this outlook, DXA Invest is committed to taking additional and substantial positions in Brazilian startups, including technology-driven agribusiness, over the course of 2024.

About DXA Invest

DXA's existing portfolio of profitable investments while maintaining its focus on small to midsize Latin American companies at their early stages of development. With over US$200M currently under management, this year's anticipated increase in subscriptions to its private equity business will mark a material increase in DXA's capital while significantly expanding the firm's portfolio of companies in which it invests. Through its partnership model, DXA has more than 20 advisory firms using its platform, which in total have more than 50 thousand clients. DXA Invest has offices in Sao Paulo, Rio de Janeiro, and New York. www.dxainvest.com

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