# Latest Startup Post-mortems From CB Insights

## 🔎Argo AI

Autonomous vehicle startup Argo AI shut down at the end of October. Having just launched a suite of commercial delivery and robotaxi solutions the month prior, the news came as a surprise to many that had been watching Argo's rise to prominence. In 2017, just a year after it was founded, the company emerged from stealth with a $1B capital commitment from Ford. Two years later, it entered the unicorn club with a $7.3B valuation. In the time that followed, the company reportedly found it difficult to secure new investors amid slow progress toward the commercialization of autonomous driving technology. This led Ford and Volkswagen, its main backers, to shift their strategic focus away from the startup.

Ford said in its third-quarter earnings report released Wednesday that it made a strategic decision to shift its resources to developing advanced driver assistance systems, and not autonomous vehicle technology that can be applied to robotaxis. That decision appears to have been fueled by Argo's inability to attract new investors. Ford CEO Jim Farley acknowledged that the company anticipated being able to bring autonomous vehicle technology broadly to market by 2021.

But things have changed, and there's a huge opportunity right now for Ford to give time — the most valuable commodity in modern life — back to millions of customers while they're in their vehicles,' said Farley.

## 🔎Faze Medicines

Faze Medicines — a biotech startup focused on small molecule drug therapies — closed its doors at the beginning of November. The company initially focused on developing treatments for ALS and other neurodegenerative disorders, and it then expanded to pursue cancer drug research. Despite its efforts, the drugs it developed never made their way to the clinical testing stage. And, unlike its competitors, it wasn't able to secure partnerships with major pharmaceutical firms. The lack of advancement led investors to pull back and the company to shutter.

Third Rock Ventures, one of Faze's early investors, confirmed its shutdown. 'While advancements were made in the company's ALS and oncology programs since launch in late 2020, the science did not progress sufficiently to meet our bar for further investment,' Third

Rock spokesperson Cynthia Clayton, said in a statement. 'When Faze management made the recommendation to wind down the company, we — and the board — supported that decision.'

## 🔎Triplet Therapeutics

In mid-October, reports indicated that Triplet Therapeutics, a biotech focused on repeat expansion disorders like Huntington's disease, was shutting down. Before it closed down operations, the startup had raised $59M in funding. This included $49M in Series A funding, provided in part by Pfizer, that the company planned to use to advance its development candidates and contribute to natural history studies that could be used to guide its clinical development plan. However, the lackluster performance of its peers' Huntington's disease trials and a broader downturn in funding to the biotech space made it more difficult for the company to secure additional funding.

Three years after emerging from stealth with plans to use RNA to silence disease-causing genes, Atlas Venture spinout Triplet Therapeutics is winding down its operations.

Co-founder Nessan Bermingham told the Business Journal the closure had been in the works for some time, following discouraging clinical trial data from competitors that were developing similar medications. The startup went from around 55 employees to around 12, then to a few key leaders who would stay on to ensure that the data Triplet had generated, plus an ongoing natural history study, would not go to waste.

## 🔎Nuri

Nuri — a crypto bank formerly known as Bitwala — also shuttered in the middle of October. At the time of its closure, the company had more than 500,000 customers, who were asked to withdraw their funds by mid-December. Kristina Walcker-Mayer, the company's CEO, cited the insolvency of one of its main business partners as well as macroeconomic and political complications as contributing to its downfall. While the startup initially entered into insolvency proceedings in an attempt to move forward through restructuring, it was not able to find new investors or a buyer.

## 🔎GloriFi

GloriFi — a neobank for conservatives — closed down operations at the end of November. The company's unique positioning initially drew investor attention, and it even announced a $1.7B SPAC merger deal in July 2022. However, the startup ran into several issues related to product development, vendor disputes, and its workplace environment. In a statement on its website, the company cited startup missteps, economic challenges, reputation attacks, and negative media coverage as the driving forces behind its closure.

The platform's closure follows an October story by the Wall Street Journal that detailed the Dallas-based firm's chaotic start, including missed launch dates, workplace issues and vendor disputes. GloriFi founder Toby Neugebauer stepped down as CEO following the Journal report and became the firm's executive chairman.

## 🔎Fifth Season Collection

October also saw the fall of vertical farming robotics startup Fifth Season Collection. The company's use of robotics tech to grow greens for salad kits sold at grocery stores attracted $35M in Series A funding from Drive Capital among others. While the company did not release a statement at the time of closure, reports suggested that the startup could have struggled to raise the capital needed to support its capital-heavy operating model amid economic turbulence.

According to multiple sources familiar with the matter, the revenue-producing startup officially closed its doors on Friday. It employed about 100 workers, most of whom reported to its headquarters in The Highline building on the South Side while others worked out of its 60,000-square-foot indoor farming facility in Braddock.

## 🔎ProntoPiso

ProntoPiso — a proptech startup — started the process of closing down in the middle of October. The startup started as a digital real estate agency with a clear mandate: it would sell a client's property within 90 days (charging a nearly 7% commission) — otherwise, it would pay the owner 95% of the property's market value. It secured more than $5M in equity funding in its first couple of years of existence and then pivoted to function as a platform for real estate agents. However, the pandemic hit soon after, giving rise to challenges that the company ultimately could not overcome.

## 🔎Kite

AI-assisted coding startup Kite announced its closure in the middle of November. The startup, founded in 2014, was focused on leveraging AI to help developers write code and raised $21M in funding. However, a detailed account of the startup's demise written by the company's founder revealed 2 major factors that stood in the way of its success: the company hit the market too early and realized that its product would not monetize. In other words, a product that could help developers increase their code-writing speed by 18% wasn't something engineering managers felt compelled to buy. While the company considered pivoting to AI-powered code search, in the end, it decided to close up for good.

Despite securing tens of millions of dollars in VC backing, Kite struggled to pay the bills, founder Adam Smith revealed in a postmortem blog post, running into engineering headwinds that made finding a product-market fit essentially impossible.

## 🔎Curb Food

Building on last year's series of food delivery startup failures, Curb Food shut down at the end of December. The company — run by co-founders with experience at Delivery Hero — operated a network of dark kitchens, i.e., locations that exclusively prepare food for delivery. From its founding in 2020 to 2021, the company brought in more than $28M in funding from investors including EQT Ventures and Point72 Ventures. However, its journey peaked in 2021 with its Series A round — a year-and-a-half later, it confirmed it would be closing down. CEO Carl Tengberg stated that the startup's capital-intensive model proved unsustainable amid poor capital market conditions.

## 🔎Brodmann17

Computer vision tech startup Brodmann17 shut down at the beginning of December. The company's goal was to create lightweight, software-based computer vision technology (free from traditional hardware requirements) that could support advanced driver assistance systems and ultimately compete with autonomous driving tech co Mobileye's solutions. While it raised more than $16M in pursuit of its goals, it found it difficult to raise fresh capital after its Series A round in 2019. Without a much-needed injection of funding, the company was forced to close its doors despite — per a statement by CEO Adi Pinhas — having proven the technology, seeing demand, and having customers in production.

**Source:** CBInsights