

Vietnam Tech Investment Report

H1 2019



INTRODUCTION

Cento Ventures has been tracking data on digital investment activity in Southeast Asia for several years, some of which we had the pleasure to share through Cento's Southeast Asia Tech Investment Reports. This year, we continue to see the interest from the investment community towards the region, with a strong surge towards one market in particular, **Vietnam**.

In collaboration with Vietnam's leading early stage venture fund, **ESP Capital**, we are excited to announce the 2019 Vietnam Tech Investment Report, covering up to the first half of the year.

We hope this report will be helpful to local entrepreneurs, investors, or policymakers who are working hard to drive Vietnam forward, as well as international participants who are looking to understand more about this thriving startups ecosystem and its opportunities.

Thank you

Cento Ventures

ESP Capital



ABOUT CENTO VENTURES

Cento Ventures is a venture capital firm focused on technology startups building products and services emerging from the digital transformation of promising growth markets, particularly Southeast Asia.

We are based in Singapore and backed by a team well experienced in internet business. We operate three funds that invest across industries through a disciplined, well-researched approach to locate technology investment opportunities originating from the Southeast Asian region.

Our investments are guided by three main principles:

Sectors ready for digital transformation

There is a great opportunity for technology to solve some of the inefficiencies present in emerging markets. However, technology alone does not digitalise industries. Most of our investments apply innovative business models to large industry sectors that are set in their ways, using technology as an enabler.

Tech startups at an early stage, but with proof points

Our investments are usually at Series A, where we lead the round. This helps us establish a solid relationship with the founder, and to influence

company strategy. We only invest once a company can show that a market exists for its product and that it is ready to use extra capital to scale.

Founders with great ambition

We look for founders who want to build large digital companies that are leaders in their category. In a fragmented region, such as Southeast Asia, operating across multiple countries often essential. Our preference is for business models that are light on physical assets and where the founders have ambitious plans to scale internationally.

Cento Ventures is convinced that the opportunity exists for Southeast Asian founders to build transformational digital companies, and we look forward to working with more startup teams to create new success stories.

Learn more about us at cento.vc or our Facebook or LinkedIn pages





ABOUT ESP CAPITAL

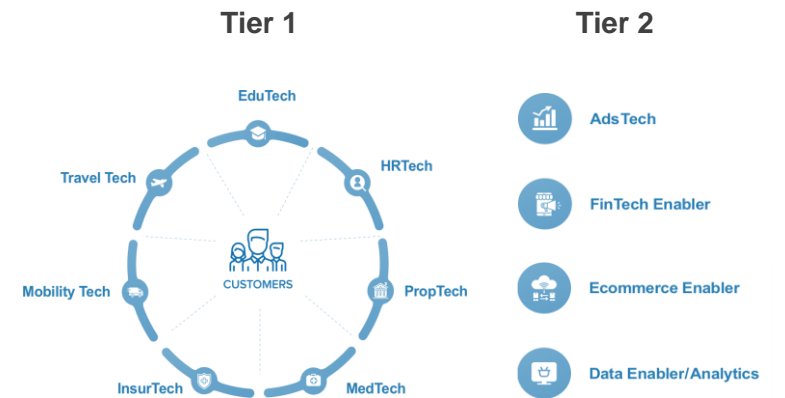
ESP Capital is an early stage venture fund investing in Vietnam and Southeast Asia technology startups. ESP Capital is managed by a team of experienced entrepreneurs, who have successfully developed multi-million dollar companies and possess unique insights into Vietnam market.

Standing for `Early Stage Partner`, ESP is committed to supporting outstanding entrepreneurs to achieve their ambitious vision and build disruptive, high-impact technology-based startups.

In addition to capital, we provide our portfolio companies with first-hand expertise in strategic planning, product building, technology enhancement, operational execution, talent development, and corporate governance to help them realise their full potential.

ESP Capital's investment strategy is to develop a complete ecosystem of services around consumers' lives. We aim to invest and actively facilitate collaboration between 2 tiers of companies:

- Tier 1: B2C platforms that build an ecosystem of services around young consumers' lifestyle.
- Tier 2: Global B2B platforms that have synergies with tier 1 companies and enable them to scale globally.



We believe that the combination of great entrepreneurs, strong ecosystem support, and unprecedented growth in economic opportunities, put Vietnam in a great position to breed Southeast Asia's next billion dollars company. Learn more about us and the support we provide at espcapital.net



Vietnam highlights



1. VIETNAM TECH INVESTMENT OVERVIEW

The rise of Vietnam tech investment

In only 2 years, Vietnam jumped from the second least active startup ecosystem among the 6 largest ASEAN countries into no.3, trailing behind only Indonesia and Singapore. The amount of invested capital and the number of technology deals done have grown six-fold from H1 2017 to H1 2019. This report explores different aspects of this impressive growth. For readers who would like to understand how Vietnam performs in the regional context, our Southeast Asia Tech Investment Report is also available [here](#).

Capital concentration exists

Vietnam startups raised a total of \$246M in H1 2019, of which, 3 largest investments (Tiki, VNPay, VNG) captured 63% of the funding. In terms of sector, the building blocks of the digital economy such as retail and payment captured almost 60% of the period's investment. Multi-vertical companies are emerging and capture 12% share of capital, while sectors that have been growing in other part of the regions such as fintech (non-payment), real estate, and logistics are only beginning to pick up in Vietnam, collectively taking 10% share of capital in total.

Companies are approaching later stages

We have been observing a continuous growth in deals across all size. It is worth noting that 2018 and 2019 has also produced a new wave of Vietnam startups that raised \$50M to \$100M rounds for the first time. If this trend progresses, we will expect to see more Vietnamese companies approaching \$0.5B and eventually \$1B valuation mark in the years to come.

More diverse mix of investors

In 2017-2018, the majority of deals were from Singapore and Japan-based investors. This year, Korean VCs took the throne as one of the most active investors in H1 2019, having participated in almost 30% of the deals. Interestingly, many of those Korean investors invested in Vietnamese startups for the first time. The local investors were equally active, with participation in ~36% of the deals. The number of deals grew from 13 deals in H1 2018 to 21 deals in the same period of 2019.

Exits are small, but growing

Exit opportunities exist, but the majority are still within the \$20M range. However, Yeah1! IPO and Batdongsan acquisition by Propertyguru in 2018 will likely inspire both the local entrepreneurs to build their companies for bigger exits, and potential acquirers to begin looking for large opportunities in Vietnam.

Asia = Key sources of acquirers

Similarly to the investors' origins dynamic, acquirers in Asia contributes 99% of the exit value and 96% of total acquisitions and secondary deals. Vietnamese acquirers contributed to half of the liquidity events, but only 17% of the value. Acquirers from other Southeast Asia countries, predominantly led by Singapore, contributed up to 66% of exit value. The remaining portion consists of a mix between Japanese and Korean acquirers. As Vietnam's ecosystem mature, we expect to see a more diverse set of acquirers looking into the country, such as those from Europe, Australia, as well as more exit opportunities from East Asian countries.

Going forward

Vietnam is in an important period where key components of a strong digital economy is beginning to shape up. For instance, being part of the 7% club, Vietnam is backed by a favorable economic tailwind, where a recent [report](#) by Standard Chartered predicts that Vietnam's GDP growth pace is set to sustain at around 7% through 2020s and will surpass the \$10,000 GDP per capita milestone in 2030. Moreover, a favorable demographic, where 60% are comprised of young population under 35, allows for ongoing mobile and internet penetration that will bring 10M+ more consumer online by 2023. Further economic boost will also come from multiple well-funded digital companies, competing to build better commerce, payment, and logistics infrastructure. Other contributing factors include active government support as well as increasing interests from both local and foreign investors.

As these components evolve and assemble, Vietnam certainly has the potential to establish itself as Southeast Asia next leading startups ecosystem.

2. EVOLUTION OF VIETNAMESE FOUNDERS

Since the beginning of digital economy in the 2000s, Vietnam has identified 3 generations of founders with distinct mindsets.

1st GENERATION (Founding period: 2000-2006)

Including founders of remarkable startups such as VNG, Vatgia, NextTech (previously known as Peacesoft), VCCorp, 24H, and Yeah1. As most of these startups quickly gained traffic and user, they could become the leading players in their respective sectors. Once their core businesses reached sufficient scale, these founders generally chose to expand their companies to new digital sectors.

2nd GENERATION (Founding period: 2007-2014).

Including founders of notable companies such as Batdongsan, Tiki, Foody, Topica, and Nhaccuatui. They started in a more competitive environment compared to their predecessors and required longer time to dominate their respective industries. The 2nd generation tends to focus on strengthening their core business through vertical expansions and building adjacent businesses.

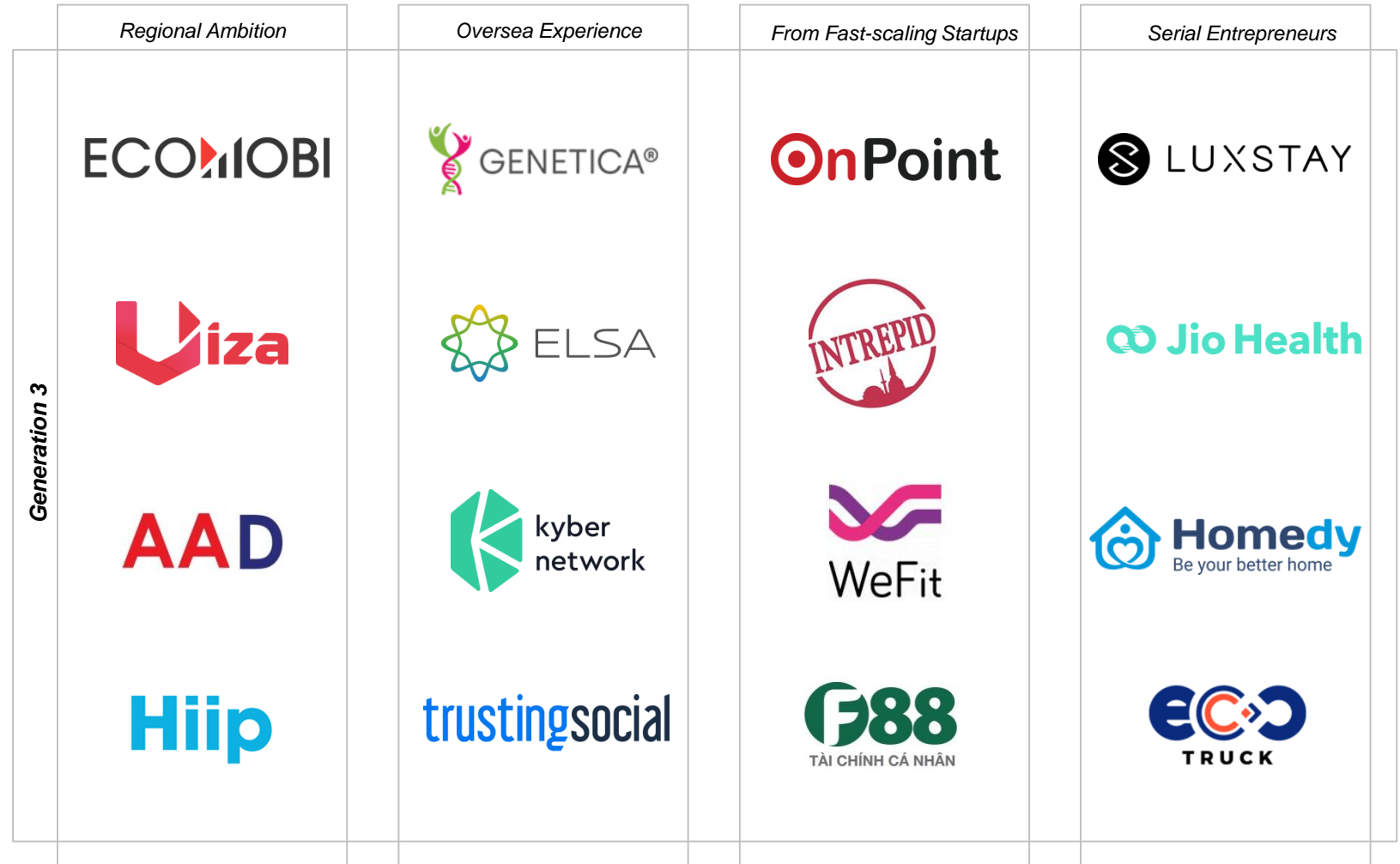
Note – Companies are from selected samples. This list is non-exhaustive

	Core Business	eCommerce	Finance	Logistic	Content	Communication	Others	
Generation 1	Gaming 	Zalo shop	Zalo Pay 123pay			Zalo Zing	Cloud Server, vCloudcam	
	eCom 	Vatgia.com, cucre.vn	BAOKIM.VN	5SHIP			weSave, WESTAY, mytour.vn	
	eCom 	CHODIENTU.VN, Weshop	Ngân Lương.vn, VIMO, TI P&S.vn, VAY NGUON	BOXME, Ship Chung.vn, FASTGO			nhanh.vn, TEHY	
	Media 	RongBay	SohaPay		sohagame	LinkHay.com, F319.com	admicro	
	Media 	DECA.vn			24		anycar.vn, SeuViet, 30 SHINE	
Generation 2	Core Business	Adjacent Businesses						
	eCom 	Category expansion	Become general eCom	Delivery Service	Cross Border eCom			
	Food 	Food Delivery						
	Education 	MooC	Online tutoring	Online Degree	Branded Course	Accelerator		
Music 		Music Licensing						

2. EVOLUTION OF VIETNAMESE FOUNDERS









3rd GENERATION (Founding period: 2015 onwards)

Potentially the generation with the most distinctive traits. Firstly, while previous generations could primarily rely on the local market for growth, the existent of local incumbents in key digital sectors and the increasing competition from global and regional startups entering Vietnam pushed this generation to adopt a regional mindset early on and place a higher emphasis on building a robust core technology as a competitive advantage. Secondly, the 3rd generation founders come from a more diverse background. There are more founders who have studied or worked in advanced tech ecosystems, who have experience in sizable fast scaling startups, and serial entrepreneurs who are familiar with startup building and are returning with grander ambitions. Lastly, their growth is accelerated due to prior generations of founders who successfully exited or have built large companies investing back into newer generation of local startups.



3. ECOSYSTEM SUPPORT - GOVERNMENT

Vietnam government has been actively supporting startups in four key areas: infrastructure development, talent development, event and exposure, and regulatory framework enhancement.

INFRASTRUCTURE	TALENT	EVENT	REGULATORY
<p>High-Tech Park</p> 	<p>Incubator</p> 	<p>Summit</p> 	<p>Initiative</p> <ul style="list-style-type: none"> • SBV Fintech Steering Committee
<p>Government Program</p> 	<p>Accelerator</p> 	<p>Startup Competition</p> 	<p>Regulation Support</p> <ul style="list-style-type: none"> • Decree 80/2016/ND-CP – Non-cash payments • Law 04/2017/QH14 – Supporting SMEs, including innovative startups • Law 24/2018/QH14 - Cybersecurity • Decree 38/2018/ND-CP – Innovative Startup Investments • Decree 39/2018/ND-CP – Guidelines for law on supporting SMEs and innovative startups
<p>Government Fund</p> 	<p>Government Fund</p> 		
<p>2019 Initiatives</p> <p>National Innovation Center (NIC) provides regulatory sandboxes in unregulated industries for startups to experiment with new ideas. \$82M is committed to the first NIC at Hoa Lac Hi-Tech Park, with more centers to be set up nation-wide</p>	<p>Vietnam Global Innovation Fund aims to build future Vietnamese talent pipelines via a scholarship program for Vietnamese talents to study and gain working experiences overseas.</p>	<p>The government not only endorses major startups-related events such as the recent Vietnam Venture Summit, but the highest-ranking government officials also join to have insightful discussions with key stakeholders in the startup ecosystem.</p>	<ul style="list-style-type: none"> • Decree 13/2019/ND-CP – 4 years tax exemption and 9 years of 50% tax reduction, preferential tax treatment for import, export, land and housing taxes, and 50% discount to SMEs' loan interest rate.

3. ECOSYSTEM SUPPORT - CORPORATE

Meanwhile, corporates also play an active role in Vietnam's startup ecosystem. For example, FPT has long provided investment support to local startups. Vingroup set up its CVC last year, while other prominent corporations such as Masan and VietjetAir are considering similar initiatives. Leading banks like VPBank and TPBank provide preferential lending programs for startups. VPBank and UP Coworking offer free facilities for qualified companies. Viettel, the largest Vietnamese state-owned corporations, has actively organized and sponsored numerous startup events such as Viet Challenge, IOT Hackathon, Viettel Advanced Solution Track.



FPT Ventures

FPT Ventures is the first CVC in Vietnam with \$3M commitment per year.



2015



VIISA

\$6M fund for early-stage Vietnam startups, founded by FPT and partners



2016



VpBank Startup Up@VpBank

\$1M project to aid the development of startup community in Vietnam, including building the UP@VPBank working space.



Vietnam IoT Hackathon

Sponsor the money prize of \$26K



CMC Innovation Fund

\$2M fund for information technology and telecommunications startups



2017



Vingroup Ventures

\$100M fund for growth stage tech startups



2018



Viettel Advanced Solution Track 2019

\$50K prize and 1-1 mentoring program from Viettel and partners



Vintech Fund

\$6.5M grants for hi-tech research projects



Asanzo Innovation Fund

\$8M fund for series A startups



Vingroup Innovation Foundation

Support researches on science, technology and innovation.



2019

Investment landscape



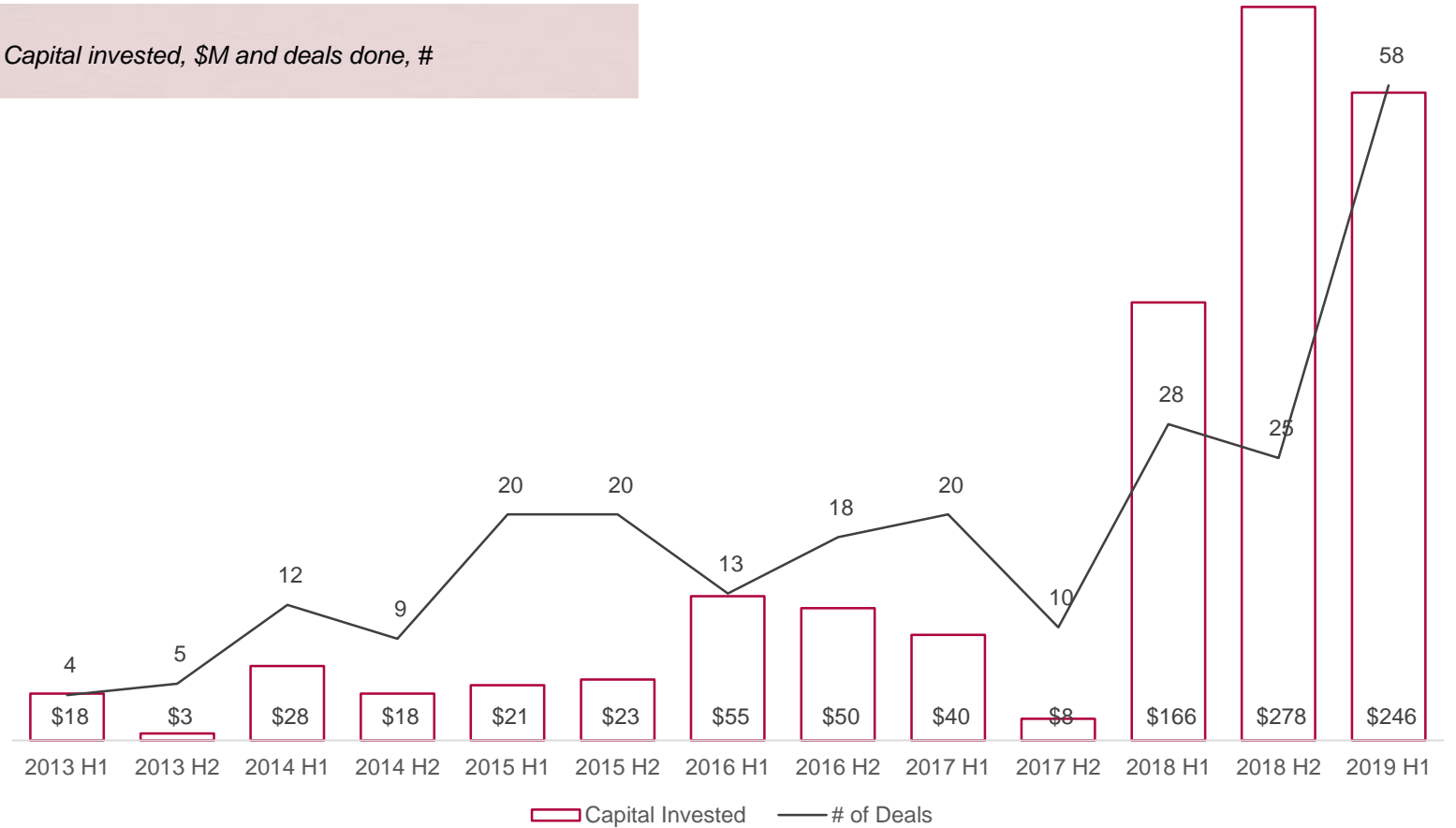
RECORD DEALS IN H1 2019. ~\$0.8B FORECAST FOR FY 2019

Vietnam has experienced a surge in both the amount of capital invested and the number of deals done since the beginning of 2018, with FY 2018 totalling \$444M and FY2019 is expected to reach \$800M. We expect the amount raised in the second half to be significantly higher than the first, as several later stage companies that fundraised in 2018 and early 2019 are either in the process of closing another sizable investment round or expanding their current round.

Notes:

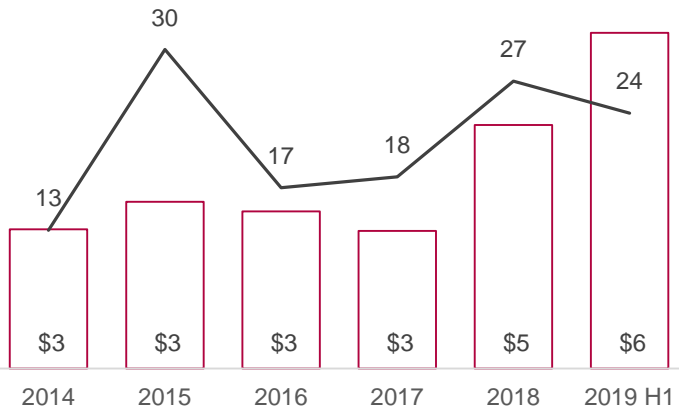
The numbers exclude the investment portion carved out for secondary exits and include various events that while count as investments in technology companies, are considered non-VC, e.g. ICO, project financing, corporate spin-off. Some early stage incubator-funded companies may not have been included in the data.

Capital invested, \$M and deals done, #

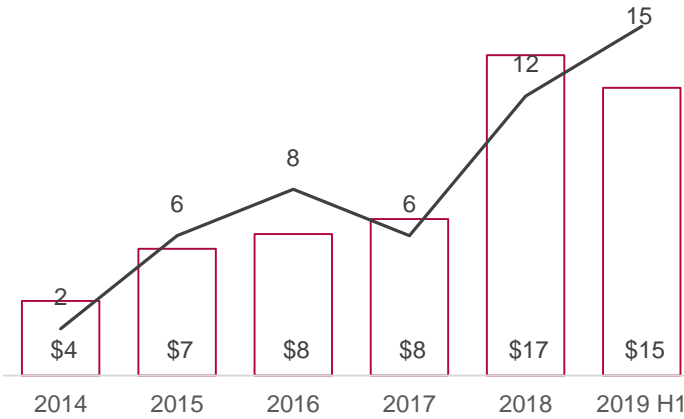


GROWTH ACROSS ALL DEAL SIZES. \$50M+ DEALS EMERGE

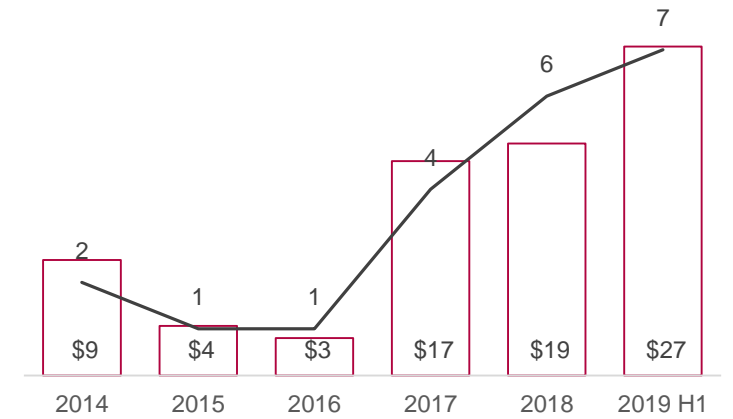
\$0.5M or smaller deals*



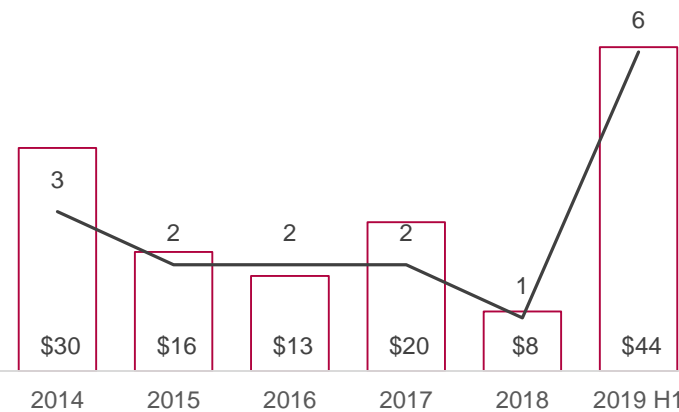
\$0.5M+ to \$2M deals



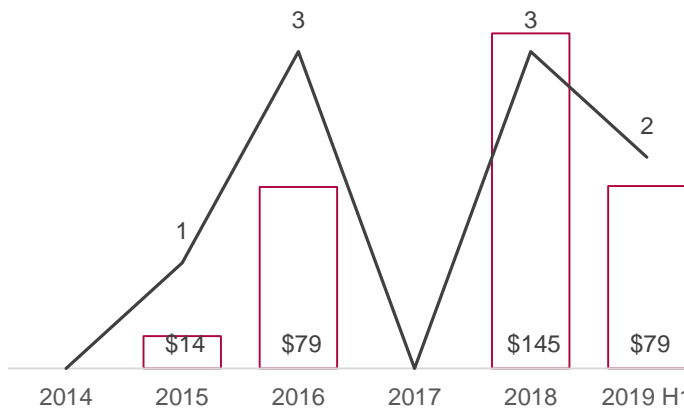
\$2M+ to \$5M deals



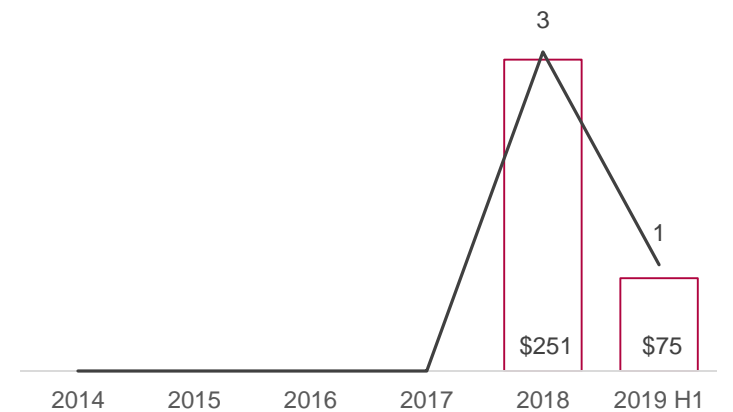
\$5M+ to \$10M deals



\$10M+ to \$50M deals



\$50M+ deals



□ Capital invested, \$M
 ■ Deal #

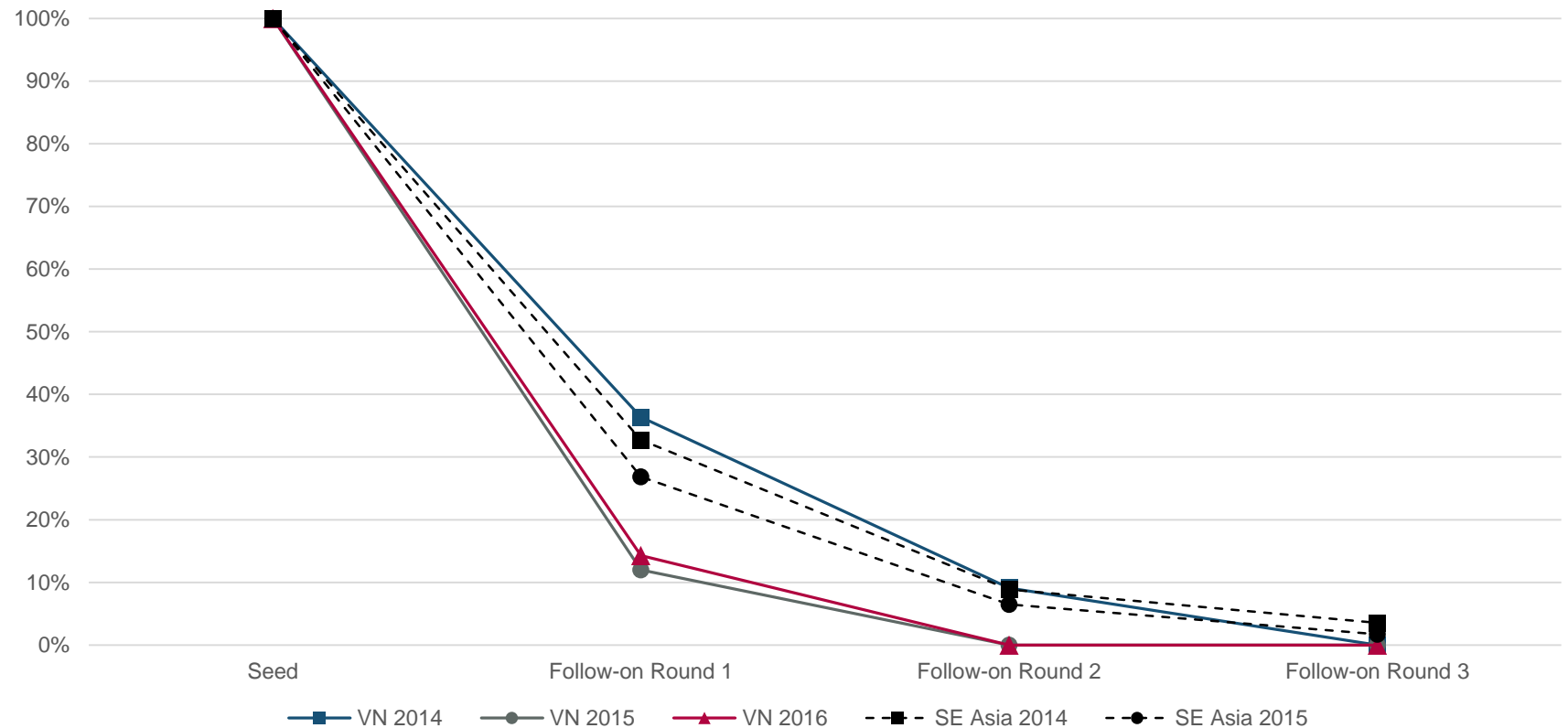
Source – Cento Ventures and ESP Capital Research
 *Data may exclude incubator funded early stage companies

SLOWER FOLLOW-ON ROUNDS COMPARING TO SE ASIAN PEERS

Every year, we tracked Southeast Asian startups that raised seed funding and their ability to attract follow on funding. The 2014 cohort attracts series A and B at a similar rate to its SE Asian peers. However, the 2015-2016 cohort seems to be fundraising at a slower pace.

We are expecting that the combination of Vietnamese startups ability to raise Series B and C round as illustrated by older cohorts, and the growth in investment interest toward Vietnamese startups will likely increase the follow-on funding rate through time

% of companies raising seed round that raised follow-on rounds



RETAIL, PAYMENT, EDUTECH DOMINATE

Vietnam shares a number of similar trends with other SE Asian markets. Online retail attracts a large portion of funding, while sectors that are trending regionally, such as financial services, real estate, and logistics are also gradually growing in Vietnam. Multi-vertical companies are being formed as mature digital companies expand outside their core businesses and will likely attract an increasing share of funding in the coming years.

At the same time, differences exist. Education is among the better-funded sectors in Vietnam. Payments firms still attract the majority of fintech investment, as the country continues to build out necessary digital payment infrastructure.

Deals done by sector, \$M

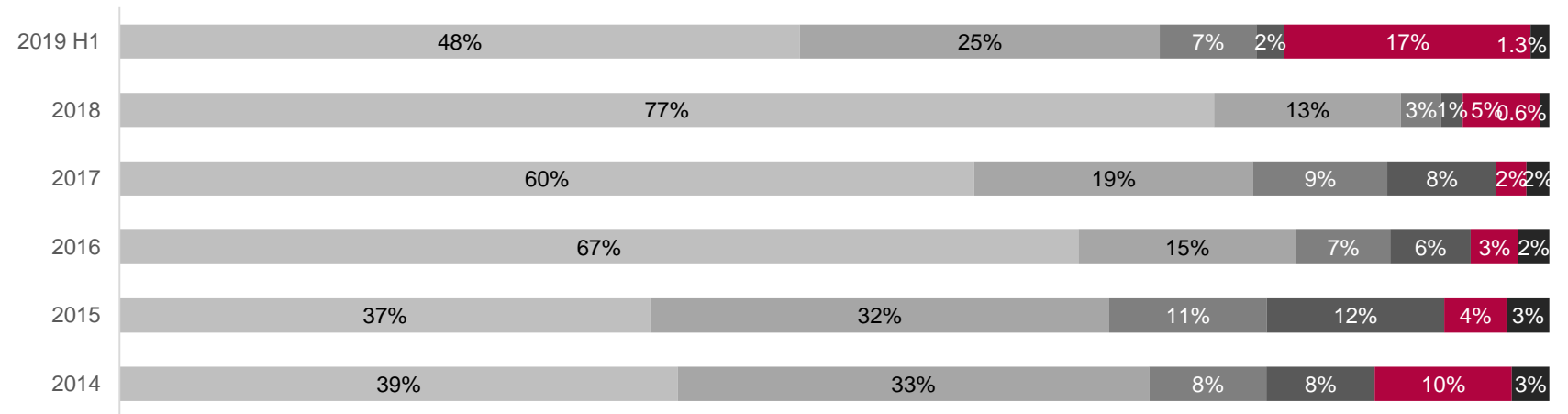
Proceed (US\$M)	2013	2014	2015	2016	2017	2018	2019 H1	Total
Retail	\$1	\$15	\$1	\$18	\$15	\$102	\$89	\$241
Payments and Remittances	\$12	\$10	\$1.1	\$29	\$10	\$100	\$50	\$212
Education	\$0	\$3	\$6	\$1	\$5	\$53	\$9	\$77
Advertising and Marketing Technology	\$6	\$7	\$30	\$1	\$6	\$3	\$5	\$59
Travel	\$0	\$0.6	\$0	\$4	\$1	\$4	\$19	\$29
Multi-vertical	\$0	\$0	\$0	\$0	\$0	\$0	\$29	\$29
Financial Services	\$0	\$0	\$0.1	\$1	\$1	\$8	\$10	\$20
Real estate	\$1	\$0	\$0.1	\$0	\$6	\$4	\$7	\$18
Logistics	\$0	\$0	\$0.3	\$1	\$0	\$4	\$7	\$13
Local services	\$0	\$0	\$4	\$2	\$0	\$4	\$2	\$11
Business Automation	\$0	\$0	\$0	\$0	\$0	\$1	\$11	\$11
Healthcare	\$0	\$0	\$0.1	\$0	\$0	\$0	\$7	\$8
Entertainment	\$0	\$0	\$0.1	\$0	\$3	\$0	\$0	\$3
Others	\$0	\$0	\$0.1	\$0	\$0	\$3	\$0	\$3
Employment	\$0	\$0	\$0	\$0	\$0	\$1	\$0	\$2

CLEAR SHIFT IN CAPITAL AND DEALS TO VIETNAM

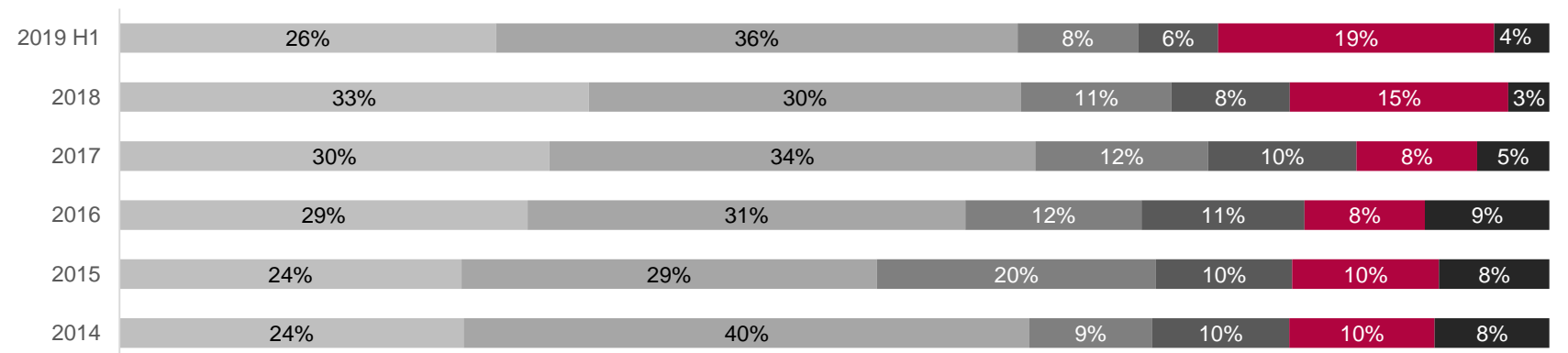
Only 2 years ago, Vietnam ranked 5th in capital allocation and the number of deals done.

Last year, it grew into SE Asia 3rd most active startup hub, with the trend becoming more apparent in H1 2019.

Share of capital invested by country*



Share of deals done by country*



■ Indonesia ■ Singapore ■ Malaysia ■ Thailand ■ Vietnam ■ Philippines

Source – Cento Ventures Research
 *Country of origin is where the company was founded and is believed to be the key source of revenue, companies with truly regional footprint are excluded.

\$100M+ COMPANIES GROWING FROM FAMILIAR SECTORS

Vietnam is home to a number of sizable digital companies. The most well known is VNG, one of a few profitable unicorns in the region.

Vietnam also produced a crop of independent companies and subsidiaries we believe are valued over \$100M based on a recent substantial financing or liquidity events and known business developments. Although the majority are retail, payment, and ride-hailing companies, large companies in education, entertainment, and real estate also exist. Examples include Topica, which successfully expanded regionally, Yeah1, which became Vietnam's first listed digital media company, and Batdongsan, which was acquired by PropertyGuru.

~\$1B+ Digital Companies



~\$100M+* (Independent startups)

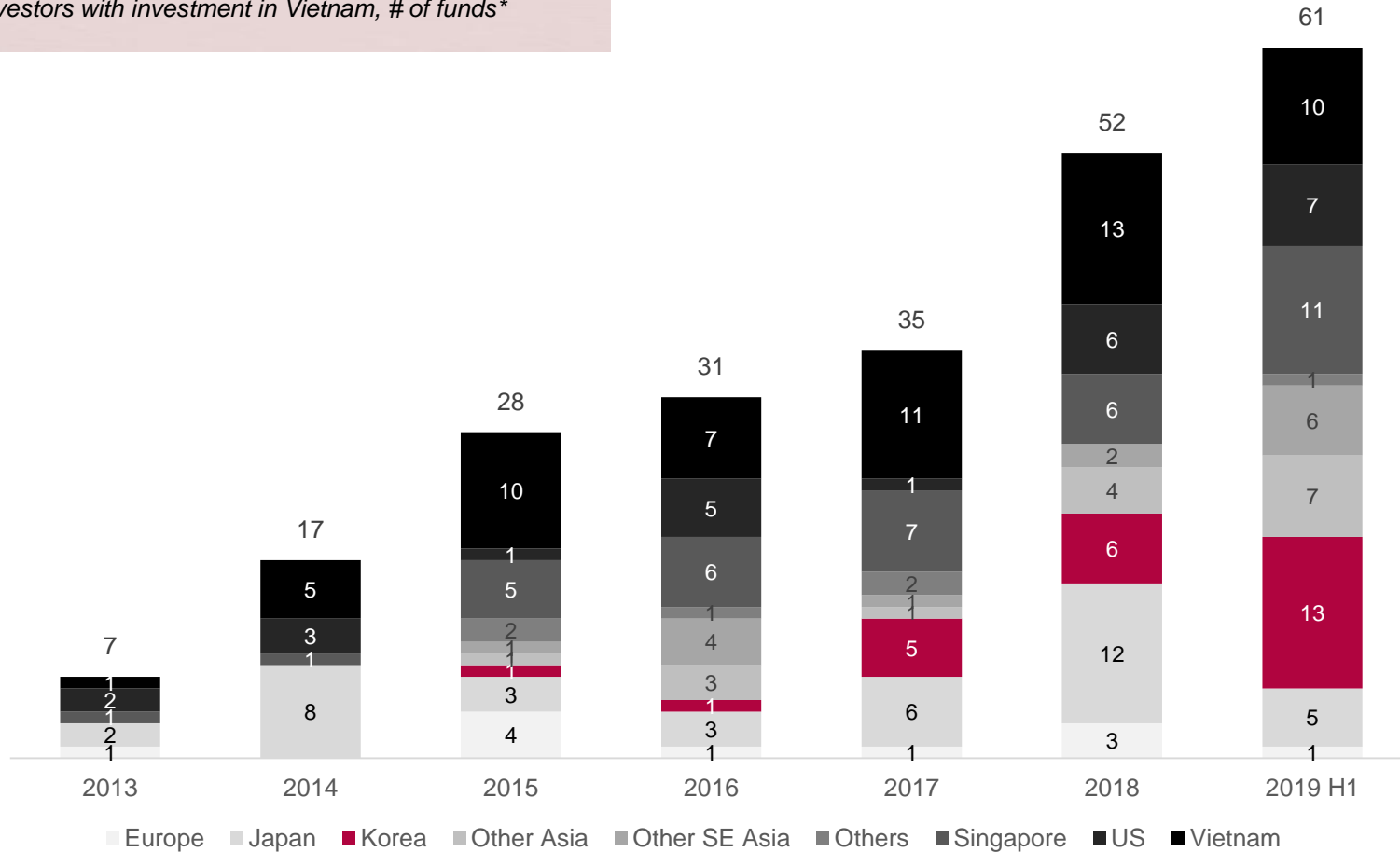


~\$100M+* (part of larger companies)



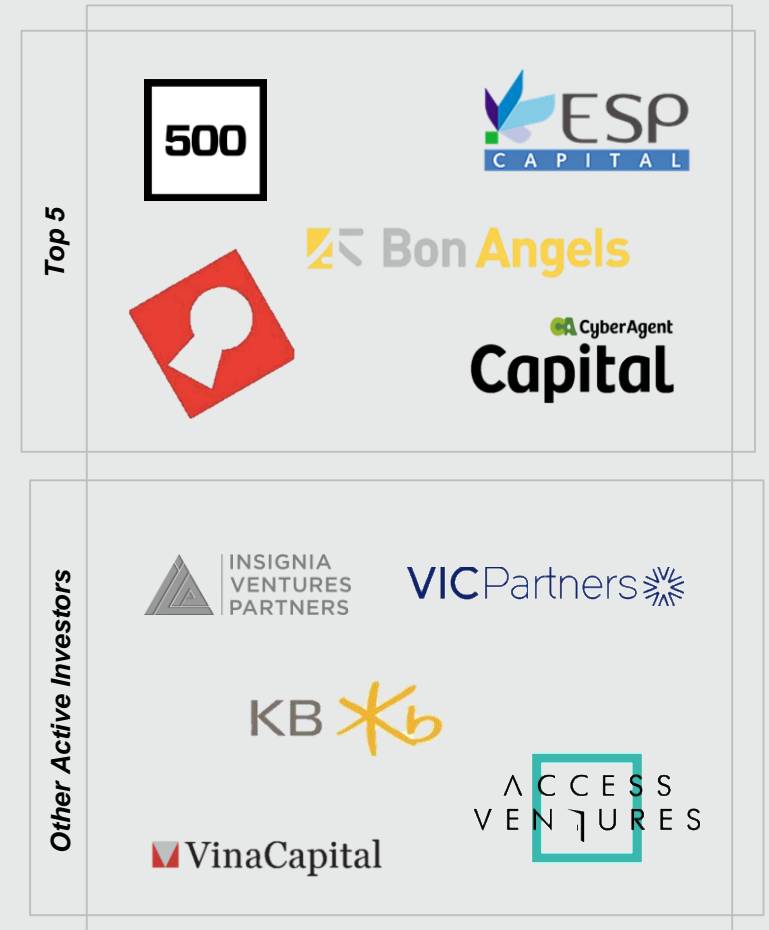
SURGE OF INTEREST FROM KOREAN INVESTORS

Investors with investment in Vietnam, # of funds*



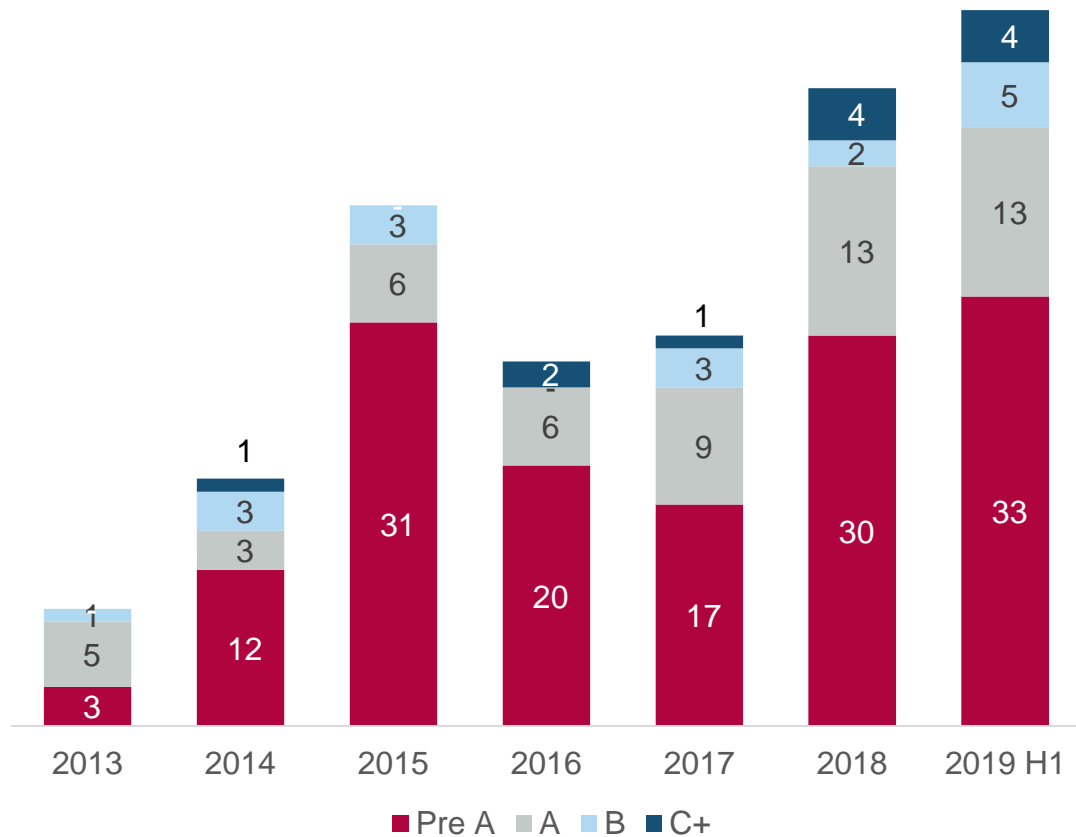
Source – Cento Ventures and ESP Capital Research
 *Excluding angel investors
 **The list of active investors is non-exhaustive.

Most active investors in Vietnam by # of deals done, 2018-2019 H1**

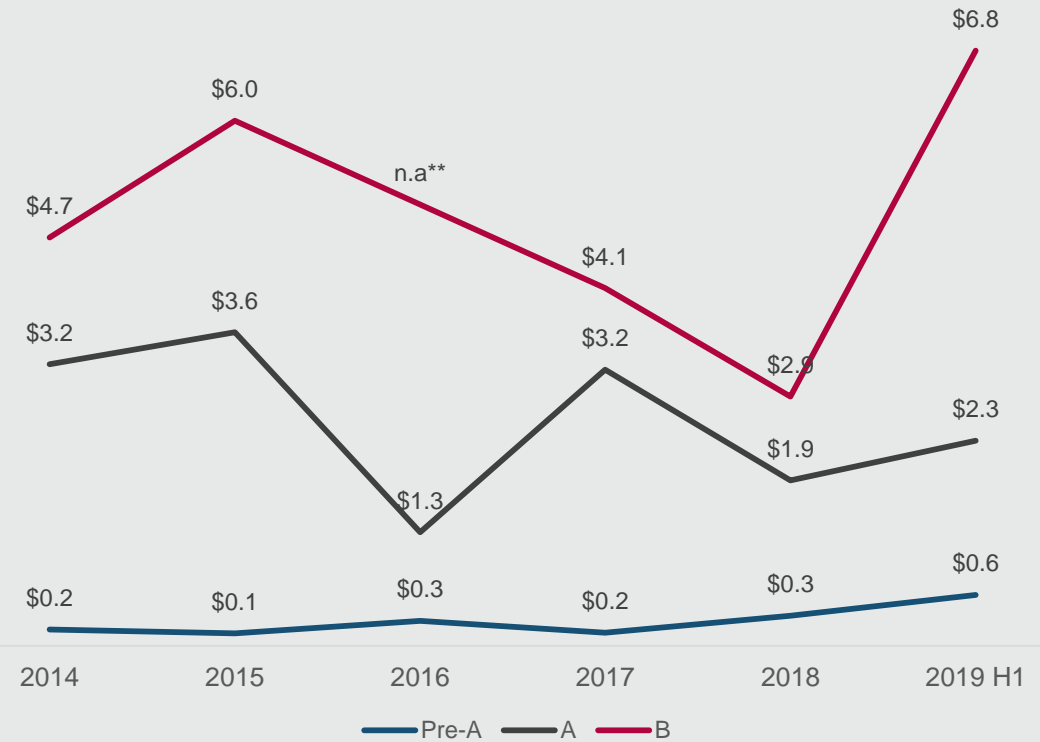


LATER STAGE DEALS INCREASE

Deals done by series, #



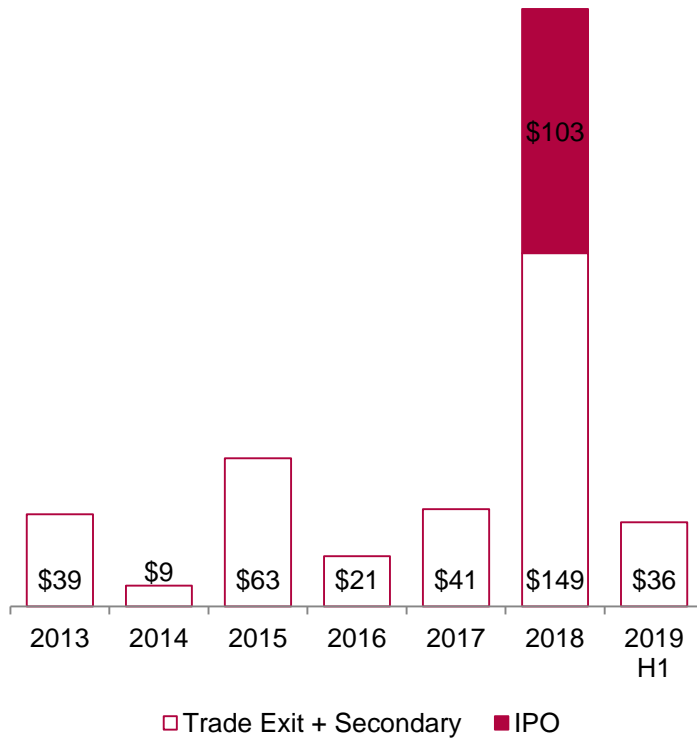
Average deal size by series*, \$M



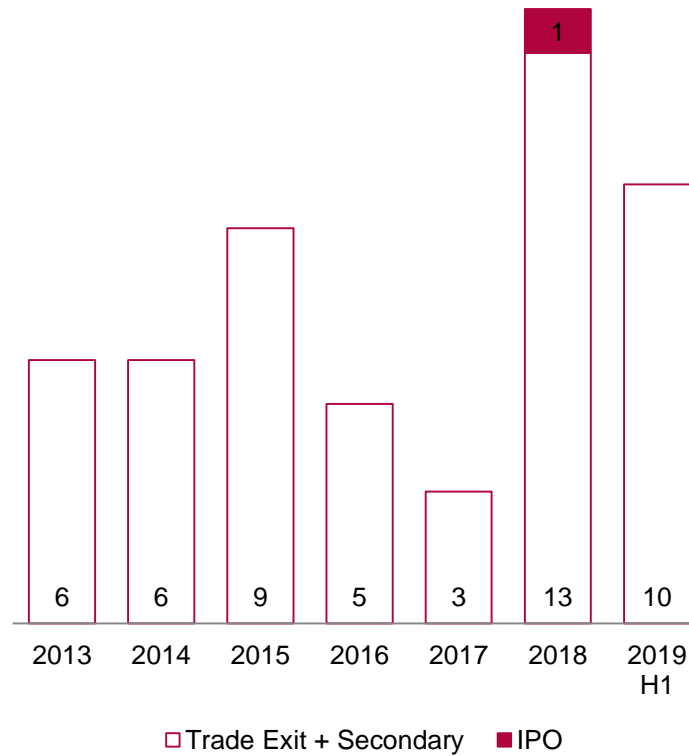
Source – Cento Ventures and ESP Capital Research
 *Average Deal Size for 2013 is omitted due to insufficient data
 **Not sufficient data for Series B funding in 2016

LOCAL M&A IS THE PRIMARY CHANNEL FOR EXITS

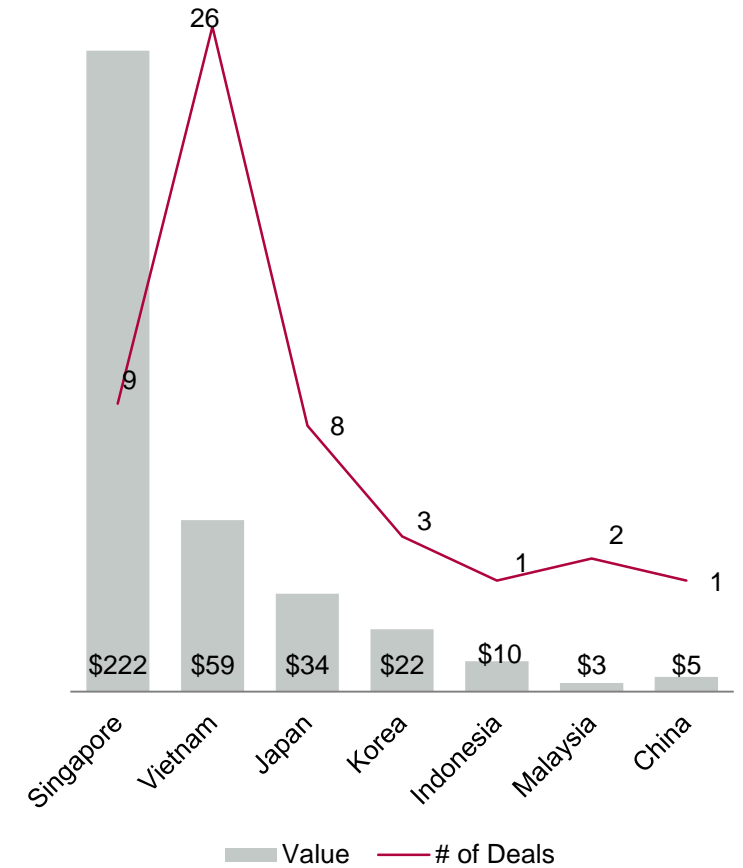
Proceeds realized at exit, \$M



Liquidity events, #



Exit proceed, \$M and liquidity events, #, by acquirers' origin, 2013 – 2019 H1

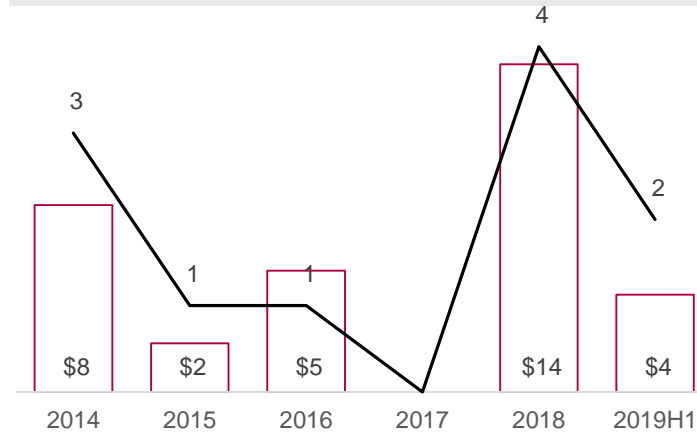


~\$10M EXITS GROW STEADILY. \$100M+ EXITS EMERGE

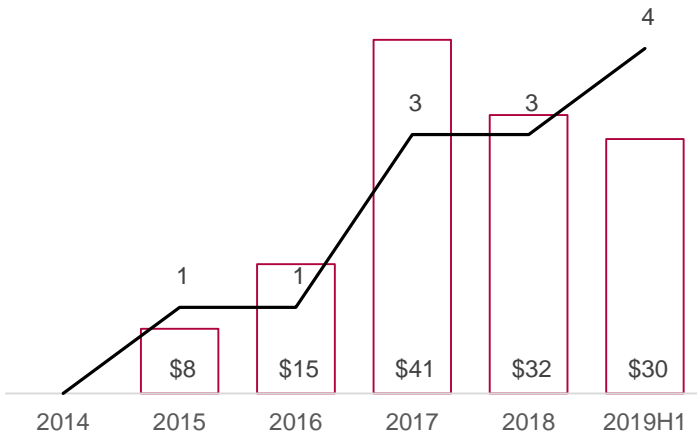
\$0.5M+ to \$2M deals



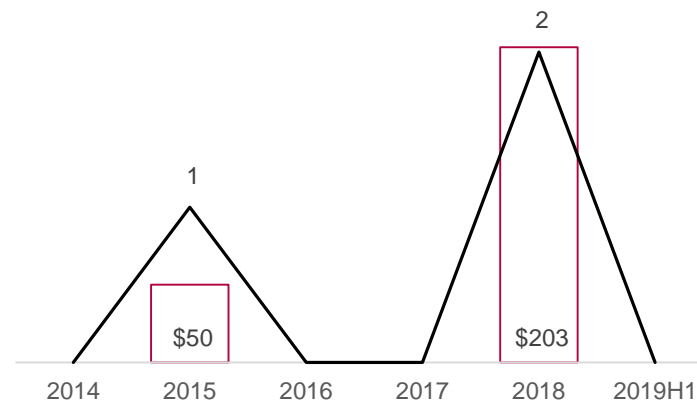
\$2M+ to \$5M deals



\$5M+ to \$20M deals



\$20M+ deals



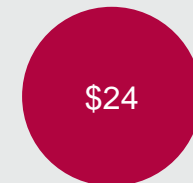
□ Capital invested, \$M
 ■ Deal #

Exit Valuations, \$M*

Top Decile



Top Quartile

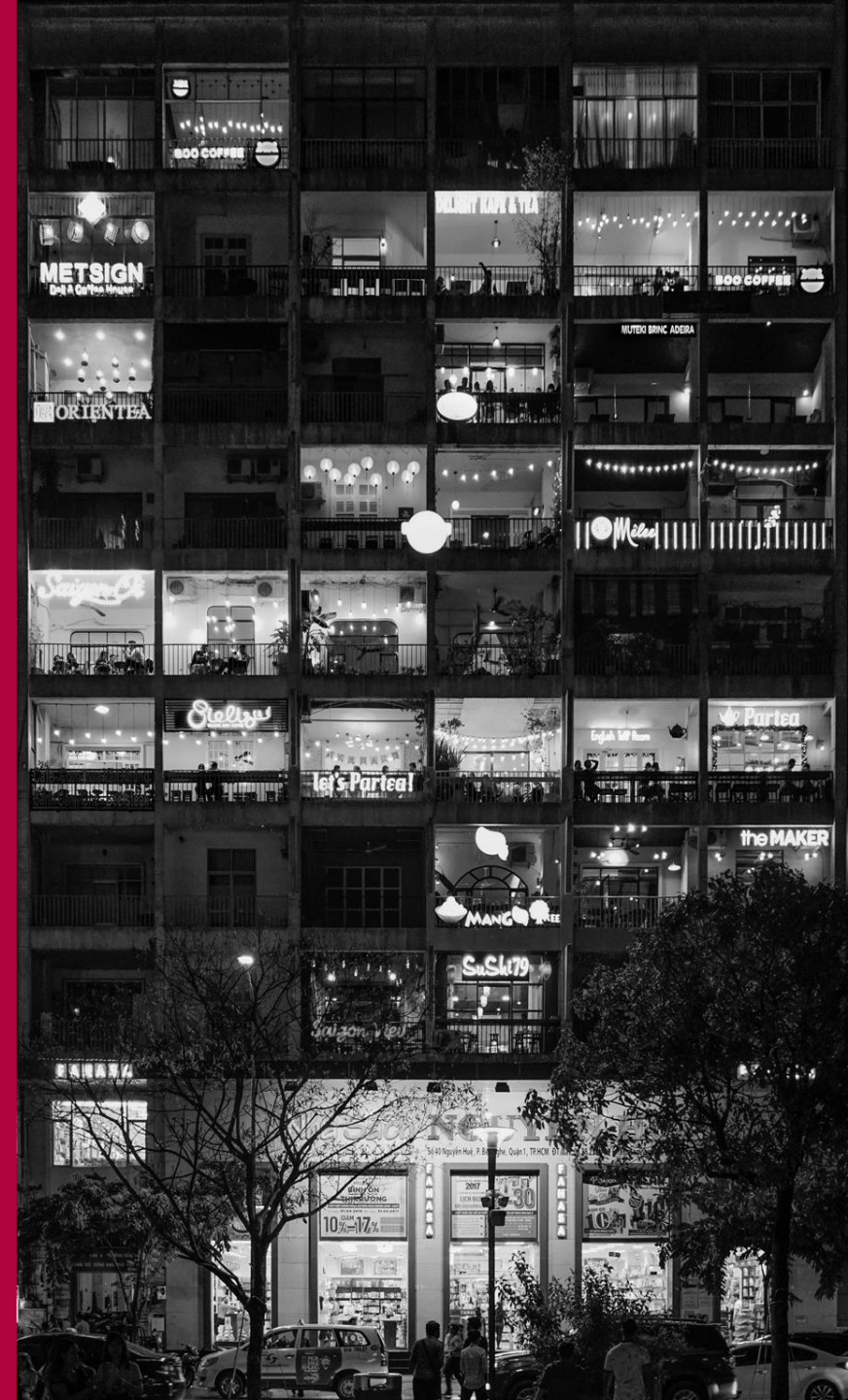


Median



Source – Cento Ventures and ESP Capital Research
 *Exit valuation data is the median of liquidity events during 2014 – 2019 H1

Methodology



METHODOLOGY

Key premises:

Numbers and conclusions in this study rely upon a company's reported last round valuation. At best this is a partial reflection of a company's true value. To all in our audience who appreciate the importance of financing terms over headline valuations, and who recognize that a more complete understanding of any underlying business is helpful, we apologise. To atone for this oversimplification, we'd like to take this opportunity to give a commendation to the great work being done by a few in academia who probe deeply into the contradictory nature of how tech valuations are reported, and produce splendid research that will one day help us as an industry upgrade our reporting systems and, perhaps, change how tech company narratives are formed. In this report, our recognition goes to Will Gornall and Ilya A. Strebulaev (professors at the Sauder School of Business at the University of British Columbia and the Stanford Graduate School of Business, respectively) for their comprehensive work on "Squaring Venture Capital Valuations with Reality", available here:

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2955455 and with media coverage <http://nymag.com/intelligencer/2018/11/fake-unicorns-are-running-over-the-venture-capital-industry.html>

Geographies covered:

This report principally covers Vietnam digital ecosystems, with a few reference to Southeast Asia, particularly ASEA 6 largest economies. More information on the references can be found in Cento Southeast Asia Tech Investment Report is available [here](#)

Data sources and completeness :

Our data is compiled from a number of sources, although we primarily rely on public press announcements and community disclosures from the companies and their investors. Our team researches the validity of claims to an extent possible and supplements incomplete information with insights from our own industry sources and, on occasion, somewhat educated guesswork.

In this report, we analysed and verified over 300+ financing and liquidity events. Inevitably, a few deals would avoid detection on occasion of exceptionally secretive nature of the transaction or due to the methodology we apply. It is also our impression that we are likely seeing only half or less of the pre-Series A activity in the region due to a sheer volume of deals in \$ 10 - 250K range happening in the market – while total dollar value of inflow and outflows is unlikely to be impacted heavily, do take our "number of deal" assessments for pre-Series A with a large handful of salt. Finally, as new facts come to light and as erstwhile announcements are verified, we adjust our databases retroactively, leading to mild inconsistencies between various versions at the same period.

Category definitions and company profiles include:

This report aims to describe the state of financing and liquidity generated by companies focused on digital technology-driven opportunities in Southeast Asia. The exact definition of what a digital technology-driven opportunity constitutes is a subject of much debate. While leaving biotech, new materials and space tech out is relatively straightforward (but including software and digital services enabling these industries), telling an offline company with digital elements apart from a business where value creation is primarily tied to either its technology core or its digital distribution is anything but simple.

We have generally taken the view that if something is valued as a technology company, we can trust its investors that it probably is. At the same time, we also endeavour to exclude categories that, while adjacent to the digital economy, tend to attract non-VC capital to a degree where their financing / liquidation events interfere with the signal from the rest of the ecosystem (notably, excluding the companies with valuations determined by token economics). Furthermore, we currently do not include traditional TV stations, content producers, telcos, IT infrastructures, system integration companies, and holding companies into our reporting. Hence, this excludes a number of otherwise very important names absolutely worth a closer look under different circumstances such as FPT, Global Cybersoft, VCCorp, STI Holding, Nexttech, VNP, and others that would occasionally be included in other digital ecosystem reports.

METHODOLOGY

Company classification:

Country of origin:

Determined by the country in which the company was founded, and has its primary base of operation (defined in terms of revenue, if known). At the (subjective) point where the company has both operations in multiple countries in Southeast Asia and substantial revenues generated in multiple countries, then it may be classified as Southeast Asia / regional in the country of origin.

Sector classification:

Cento's definition of the industry segment in which the company's primary business focus sits. A full taxonomy of sector allocation is listed below. In cases where a company focus on multiple sectors with different units generating thought to generate substantial revenue, then multi-vertical category is used. We also note that a company's sector may change as the company progresses; the company's sector is evaluated according to the primary business focus during the event of financing.

- Advertising & Marketing Technology: companies that facilitate the acquisition of customers including coupons and rebates, price comparisons and affiliate marketing
- Business automation: tools that automate non industry-specific business activities such as CRM, ERP, workplace communication tools, etc.
- Comms & communities: social networks and dating
- Education: provision of goods and services revolving teaching and learning, including adult training and education
- Employment: companies that manage and facilitate the management of employees including onboarding, benefit, payroll, etc.
- Entertainment/ Gaming: gaming development, distribution and publishing
- Entertainment/ Non-gaming: content production and news aggregation

- Financial Services: companies that apply technology into traditional banking services e.g. lending, wealth management, etc.
- Healthcare: provision of goods and services revolving around medical and wellness services including, but not limited to, e-pharmacy, medical tourism and telehealth
- Local Services: platforms that connect local merchants/ service providers to consumers in an urban setting including, but limited to, ride-hailing services, local search and directory and food delivery
- Logistics: companies that facilitate the movement of goods including, but not limited to, acquiring, storing and transporting of goods
- Payments and remittances: companies that facilitate the movement of capital
- Real Estate: construction, buying & selling and management of real estate assets, including the tools facilitating those activities
- Retail: companies that sell or rent goods using internet technology, including tools that facilitate those activities e.g. Store-front management software, POS systems, etc.
- Travel: tourism and hospitality

Currency:

\$ refers to United States Dollar (US\$) unless otherwise stated.

METHODOLOGY

Deal definitions:

Deal stage:

Each series definition is determined as follows:

- Pre-Series A: amounts of \$10K - \$1M. Purpose of investment tends to be building the idea/team; in some cases, the company generates revenue.
- Series A: amounts of \$1M - \$3M. The product has been built and proven via initial but repeatable revenue. Investment purpose tends to be establishing domestic position, and sometimes scaling regionally.
- Series B: amounts of \$3M-\$10M. Investment purpose tends to be building scale, either domestically or regionally.
- Series C+: any amount invested later than Series B. Series C, Series D, later series investments, pre-IPO, mezzanine.

Deal type:

We focus mainly on venture capital deals – investments made by fund entities into early stage startups, whether they are from independent funds or corporate venture capital entities. This is a subset of the total number of early stage tech deals in the region.

We separate the following from most of our data, apart from the 'total capital invested and total deals done' chart:

- Corporate transfers: events where a corporate entity funds an entity in the region in which it owns a majority or significant minority stake (e.g. Rocket Internet, Lippo Group)
- Project financing: A deal which was a partnership for an identified purpose – e.g. Grab-Honda.
- Non-Southeast Asia deals: e.g. India and China focused companies that happen to use Singapore for their corporate domicile.

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