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# SINGAPORE: The Futuristic Nation Beyond 2021

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# 2021: A Bumpy Ride Before Take Off

The first nine months of 2021 have seen Southeast Asia's startup ecosystem fully realise its potential. Amid the lingering effects of the pandemic, the region's deal activity showed an encouraging resilience, even if the pace of recovery has, predictably enough, not been uniform.

Tech startups in Singapore have raised \$8.3 billion in the nine months ended Sept 30, 2021, nearly two-and-a-half times the \$3.5 billion raised in the same period last year. This represents over half of the funding received by tech startups based in the region. In Q3 2021 alone, Singapore startups raised around \$4.1 billion, almost equivalent to the entire capital raised by private companies in the city-state through 2020. Despite the start-stop recovery in the first three quarters, venture capitalists believe Southeast Asia is entering a 'golden age' where mega exits are bound to happen.

In the first nine months of the year, 21 unicorns got minted, surpassing the number seen in the last half decade. With unicorns such as Bukalapak having already gone for an IPO and many other Southeast Asian powerhouses such as Grab and GoTo waiting in the wings, investor interest in the region is on the rise. With the first generation of unicorns nearing an exit, they will free up an entire batch of talent who would go out to create or seed the next generation of startups. Singapore, which is the commercial capital amidst a maturing ecosystem, stands to reap the benefits as a fintech hub. Less discussed but equally significant is the city state's preparation for Industry 4.0, where the country is looking to boost capabilities in food, pharmaceuticals and industrial manufacturing, in partnership with VCs based in the region.

In this overview of startup funding produced in collaboration with Enterprise Singapore, we offer a nuanced perspective on the opportunities, emerging trends and sectors that are attracting and likely to draw in capital, as well as the challenges that startups in the region are likely to face. This paper makes a case for patient capital yielding outsized returns for investors and having a transformative effect on the economy of Southeast Asia.

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# Executive Summary

## Dealmaking Surge Sees SE Asia Mint Record New Unicorns

The first nine months of 2021 saw the region's deal activity rebound strongly from a year ago. In the 9M21 period, investors funnelled at least \$16 billion into 828 deals. In the process, the region minted at least 21 unicorns, surpassing the combined tally of the last eight years. This is despite the start-stop recovery faced by Asean governments as they combat different waves of the Delta variant.

## Singapore's Tech Startups Bag Lion's Share

Tech startups in Singapore raised \$8.3 billion in the first nine months of this year, nearly two-and-a-half times the \$3.5 billion raised in the same period last year. The amount raised represents 52% of the funding received by tech startups in the entire region. The number of deals closed in the first nine months rose by 17% year-on-year to 487. The strong numbers can be attributed to three factors: (1) startups enjoying strong increases in user bases and activities even after the initial flight-to-digital behavior in 2020 (2) investors' preference to focus on Singapore-based companies due to mobility restrictions imposed in Southeast Asia (3) the relatively easier access to funding in the city-state. Startups in Indonesia and Vietnam raised the second and third highest quantum of funds in the first nine months amongst ASEAN 6 countries at \$4.9 billion and \$1.4 billion, respectively.

## Deep Tech Ecosystem In The Making

Investments in deep tech startups in Singapore (amongst disclosed deals) have surged from \$324 million in 9M20 to \$861 million in 9M21, as investors start to take more interest in deep-tech companies. Deal count rose 44% year-on-year to 131. While the ecosystem still faces funding gaps in the growth stage, investors note that it is the right time for deep tech firms. Singapore's investment into the space over the last three decades means that the country has reached a stage where these companies help the country create a natural competitive advantage. Within deep tech, sustainability investment is now at an *inflection point*, according to members of the CFA Institute Future of Finance Advisory Council in a December 2020 [discussion](#). As the startup ecosystem in SE Asia matures, deep tech startups will be able to leverage on the region's tech-savvy population and talent base.

# Executive Summary (Continued)

## Crisis-Birthered Resilience & Growth

Startups in the digital solutions space, especially those offering digital payments and Software As a Service (SaaS) have benefited tremendously from the pandemic. In the process, the funding landscape, as well as the surge in user growth, has propelled them to Unicorn status. In Singapore, these include software firm PatSnap, used car marketplace Carro, payments company Nium, and pre-loved goods marketplace Carousell. Hard-hit ones in travel and hospitality, quickly adopted merchandise to survive. For example, Singapore-based Youtrip have adopted e-commerce on top of their multi-currency wallet, Malaysia's AirAsia went into food delivery and digital ecosystem, and GrabFood expanded into groceries.

## Singapore's Dance With DeFi

Within the Fintech vertical, DeFi has been a sub-vertical gaining investor's attention - it took up 38% of deals in 9M2021. Globally, 2020 has been a year about staking and DeFi-based lending while 2021 has seen DeFi expand into trading platforms, insurance, and other solutions. Crypto exchange platform Matrixport emerged as the first Unicorn in the space after securing \$100 million for its Series C round in August. In terms of funding, E-payment and Fintech lending verticals were the star, bagging 40% of the \$2.6 billion recorded in Fintech.

## What's Next?

With the high-profile merger of Grab with Altimeter Growth Corp, other US SPACs (special purpose acquisition companies) are sitting up and looking to target the region's startups. More than [40 SPACs](#) were targeting the region, according to Vinnie Lauria, partner at Golden Gate Ventures. 4Q 2021 is likely to kickstart a slew of mega flotations for the region as the most valuable unicorns are exploring plans to go public, either via the traditional IPO route or by merging with SPACs. Despite cooled sentiment towards SPACs in the US, Singapore Exchange's [new rules](#) welcoming SPACs could serve as a booster in attracting regional funds and fast-growing firms in the region to list on the exchange. With a growing shift amongst SE Asia's regulators to treat COVID-19 as endemic, pent-up demand will unleash the much needed economic recovery in the region.

# Note From the Authors

- This report covers fundraising activities on Singapore-based startups private companies, and the context relative to the rest of Southeast Asia in 2021.
- All data cited in this report is based on industry reports, company announcements, media reports, regulatory filings and DealStreetAsia's research.
- Considering the opaque nature of the Southeast Asian market, we strive to constantly update our data to ensure accuracy. If you spot an error or inaccuracy, please let us know here: [andi@dealstreetasia.com](mailto:andi@dealstreetasia.com) and [raras@dealstreetasia.com](mailto:raras@dealstreetasia.com)



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# Methodology & Definitions

- For the purpose of this report, deals counted here are predominantly equity fund raising. Funding via debt, bridge loans, initial coin offerings (ICO), grants are excluded.
- ASEAN 6 refers to Singapore, Malaysia, Philippines, Thailand, Vietnam, and Indonesia.
- Companies are classified according to their country headquarters. Those who have offices but not headquartered in that country are excluded.
- Deep tech covers a broad range of firms, which can cover quantum computing, biotechnology, medtech, cell-based protein, blockchain, and autonomous mobility just to name a few. Hence, there is no one vertical for Deep tech per se.
- **Classifications of deal types:**  
We classify deal types as close to the Series - A, B, C etc where disclosed. For Singapore deals that are funded under accelerator/ incubator programs but amounts are undisclosed, they are classified as Seed.
- The broad sector themes covered in this report are aligned to Singapore's Research, Innovation & Enterprise 2025 plan, which highlight areas of strategic importance to Singapore:
  - **Manufacturing, Trade and Connectivity:** besides manufacturing sectors, it includes trade and connectivity sectors (examples include aviation, sea transport, logistics and wholesale trade).
  - **Human Health and Potential:** this includes enhancing development during pregnancy and early childhood, augmenting learning outcomes, and fostering healthy and meaningful longevity. Most health tech firms fall under this theme.
  - **Urban Solutions and Sustainability:** this theme address new challenges in sustainability and resilience, including climate change, decarbonisation, healthy cities, and transformation of our built environment.
  - **Smart Nation and Digital Economy:** capabilities to prepare the populace for opportunities in the digital space and transformation of enterprises.
- Singapore's Biomed Tech firms is broadly compared with Health Tech firms located in the rest of ASEAN in this report.
- Currency benchmark - For clarity, and the avoidance of doubt, all monetary values listed in this report are United States Dollars (US\$).

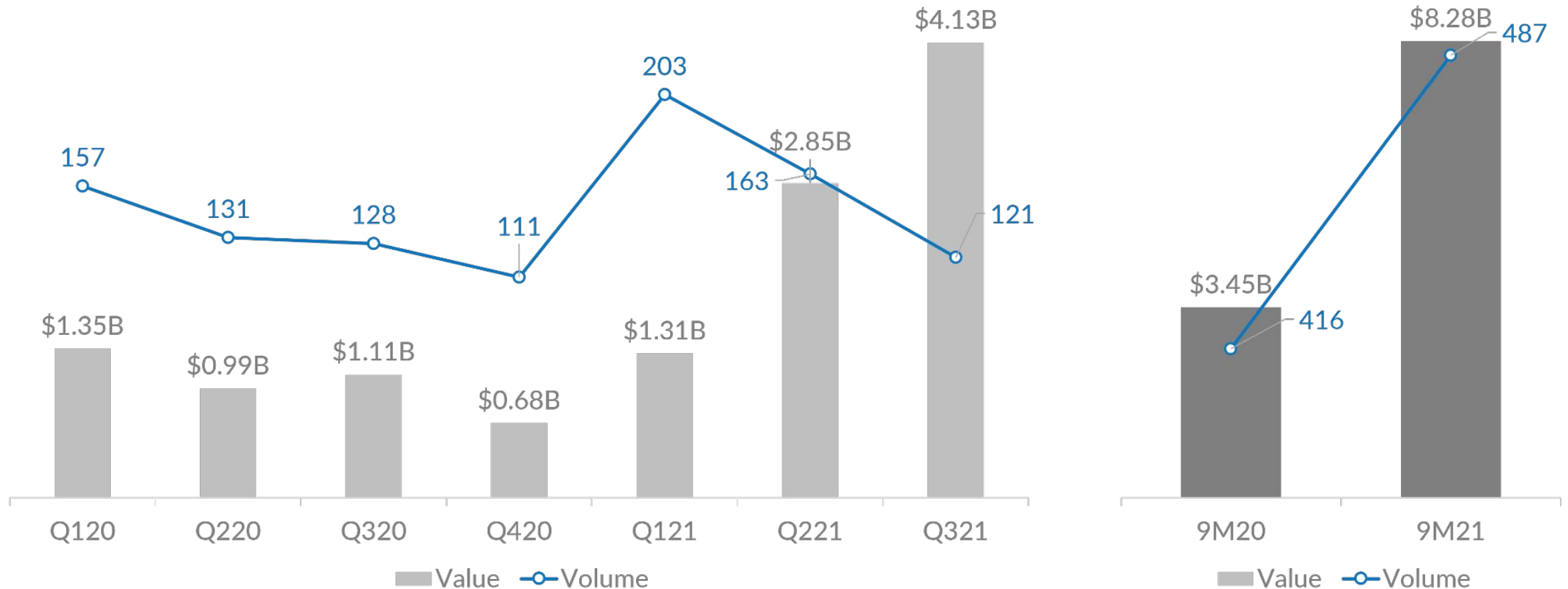


# PRIVATE CAPITAL MARKETS ACTIVITY

# Singapore startups beat pandemic blues in 9M21

Equity funding deal volume & value by Singapore-headquartered firms

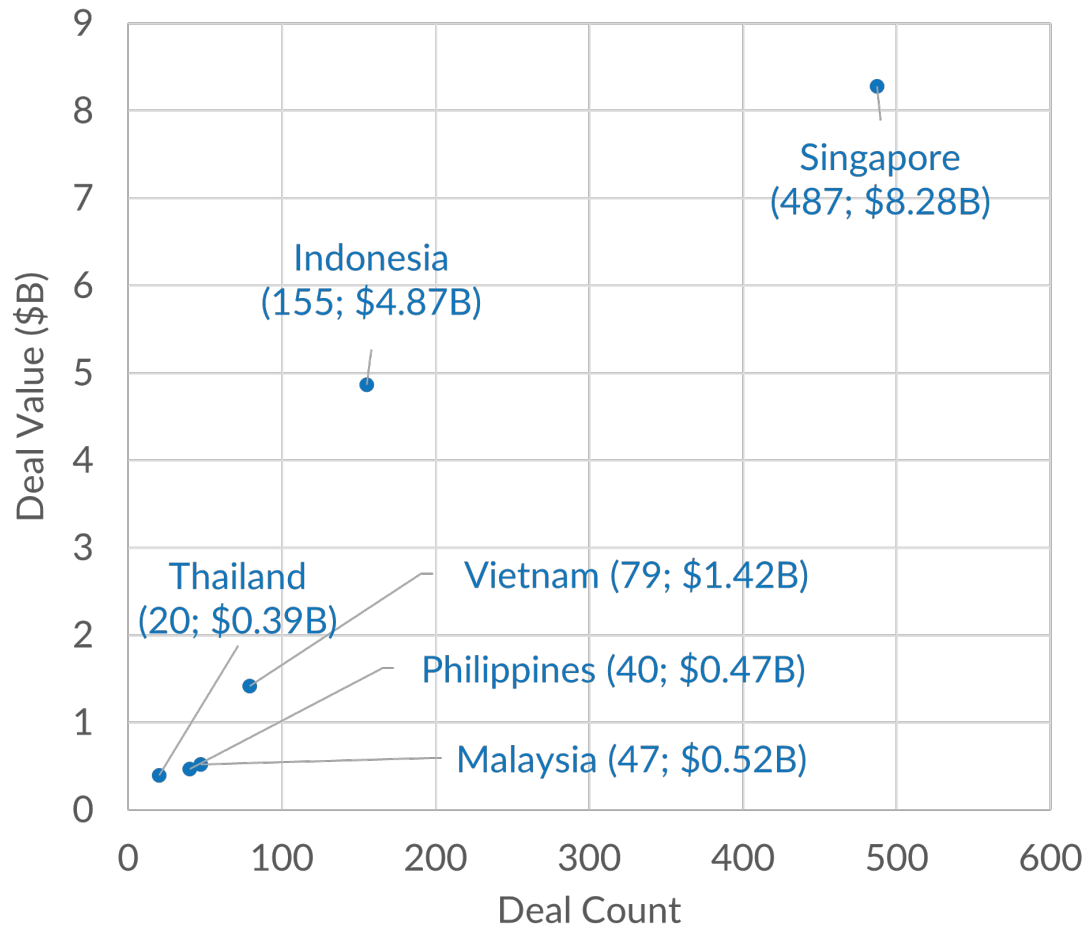
Deal count & value: 2020 vs 9M21



\*All monetary figures are in USD

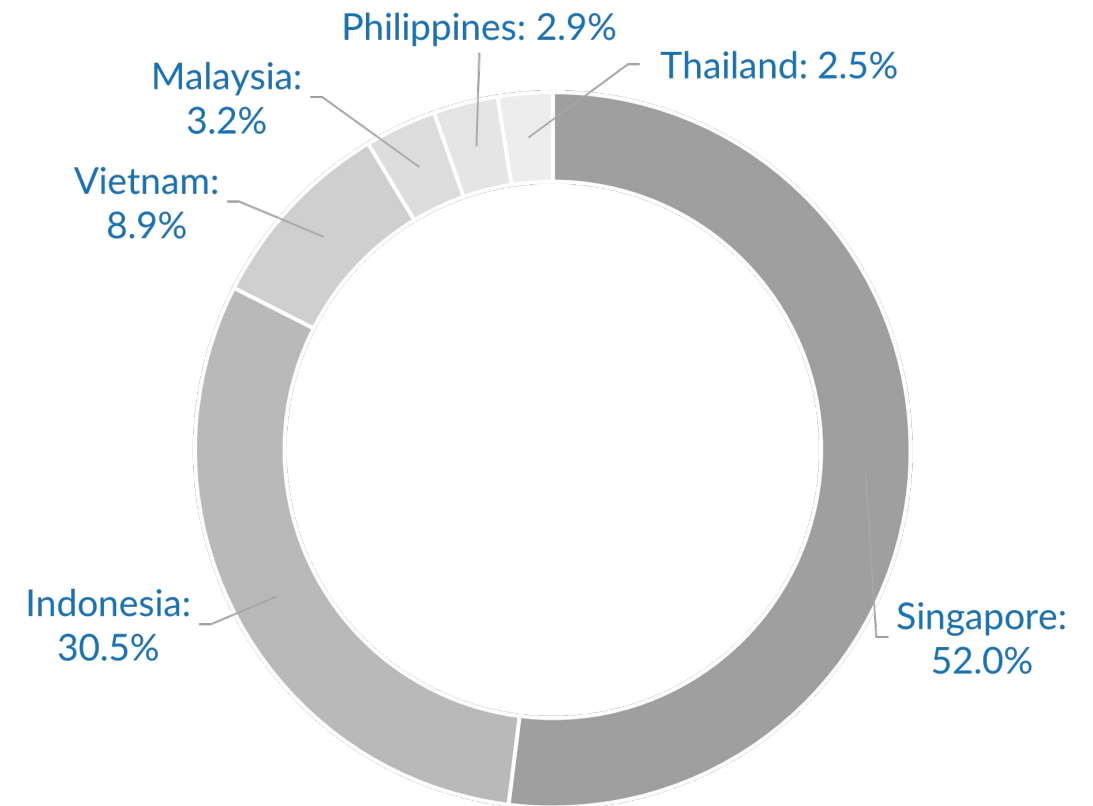
# Singapore generates half of equity funding in SE Asia

Deal volume & value per market in 9M21



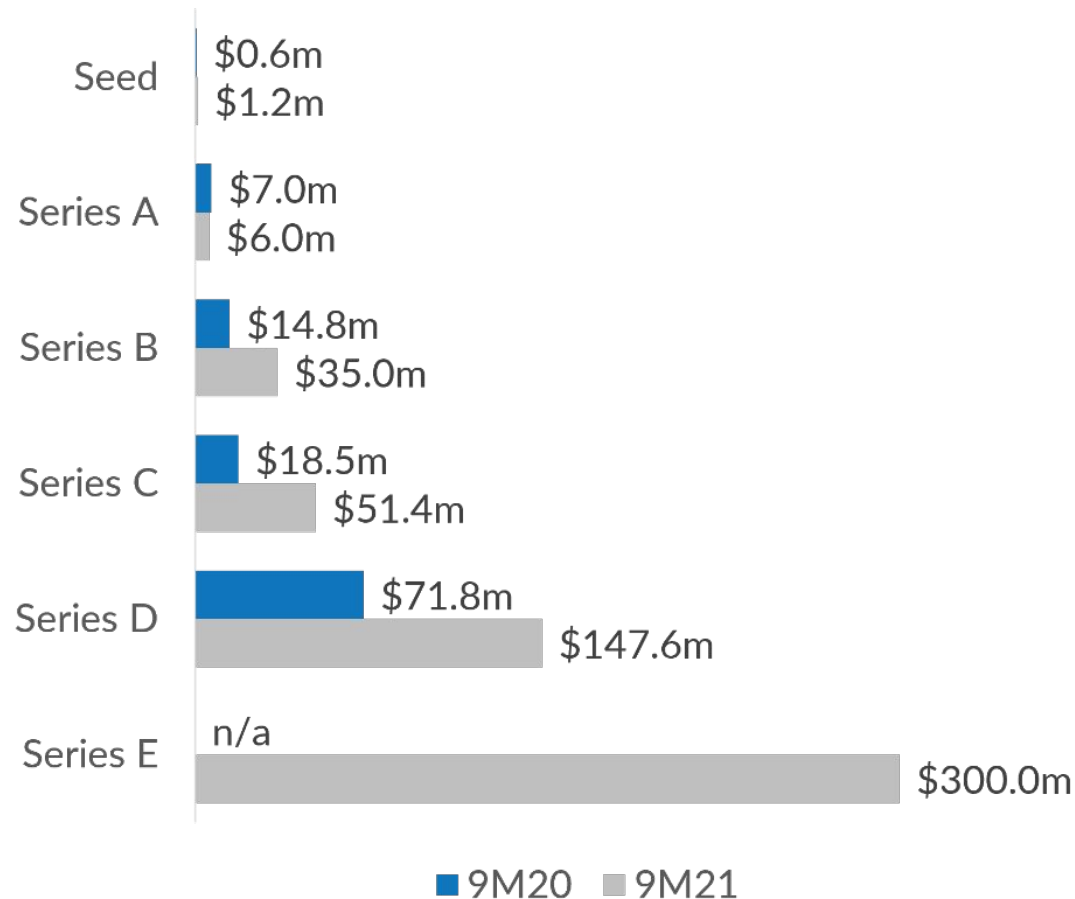
\*All monetary figures are in USD

Share of deal value per market in 9M21



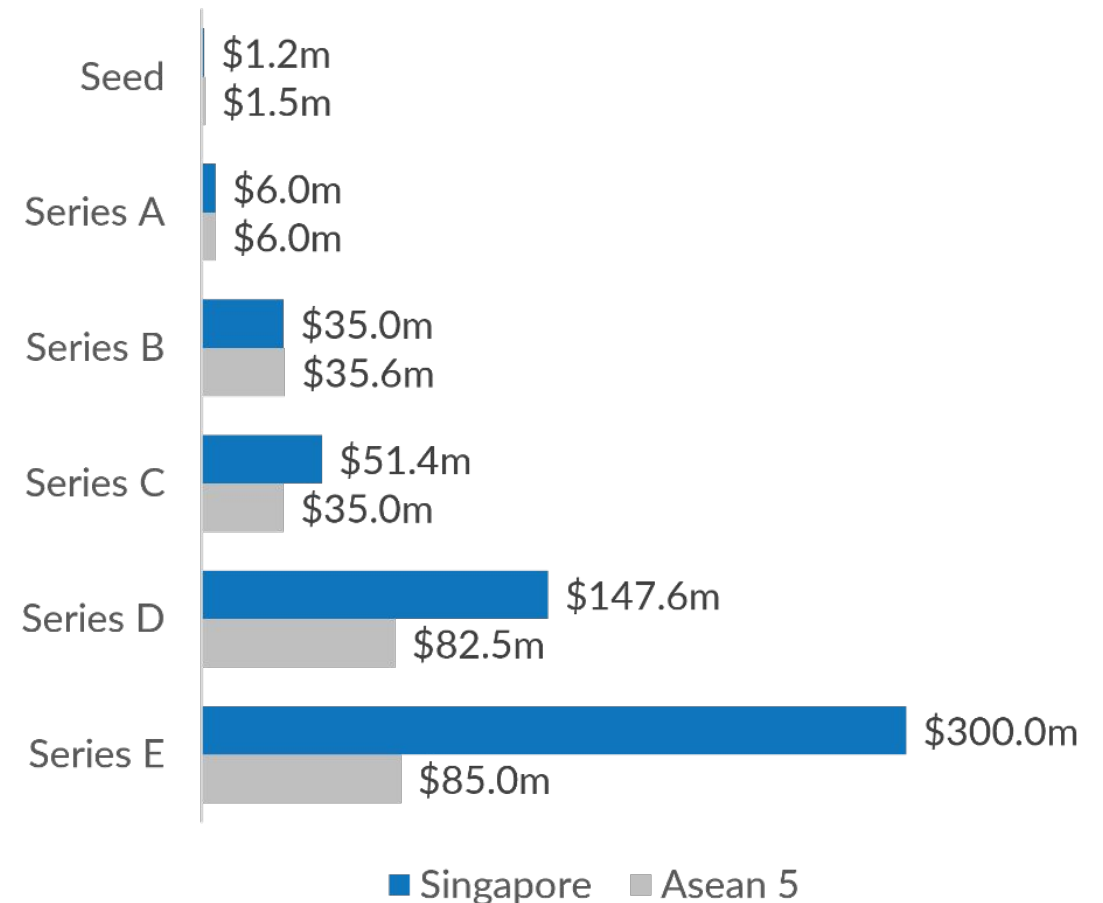
# Median deal values suggest rising valuations in 2021

Median deal value per investment stage in Singapore



\*All monetary figures are in USD

9M21 median deal value in Singapore vs rest of Asean\*

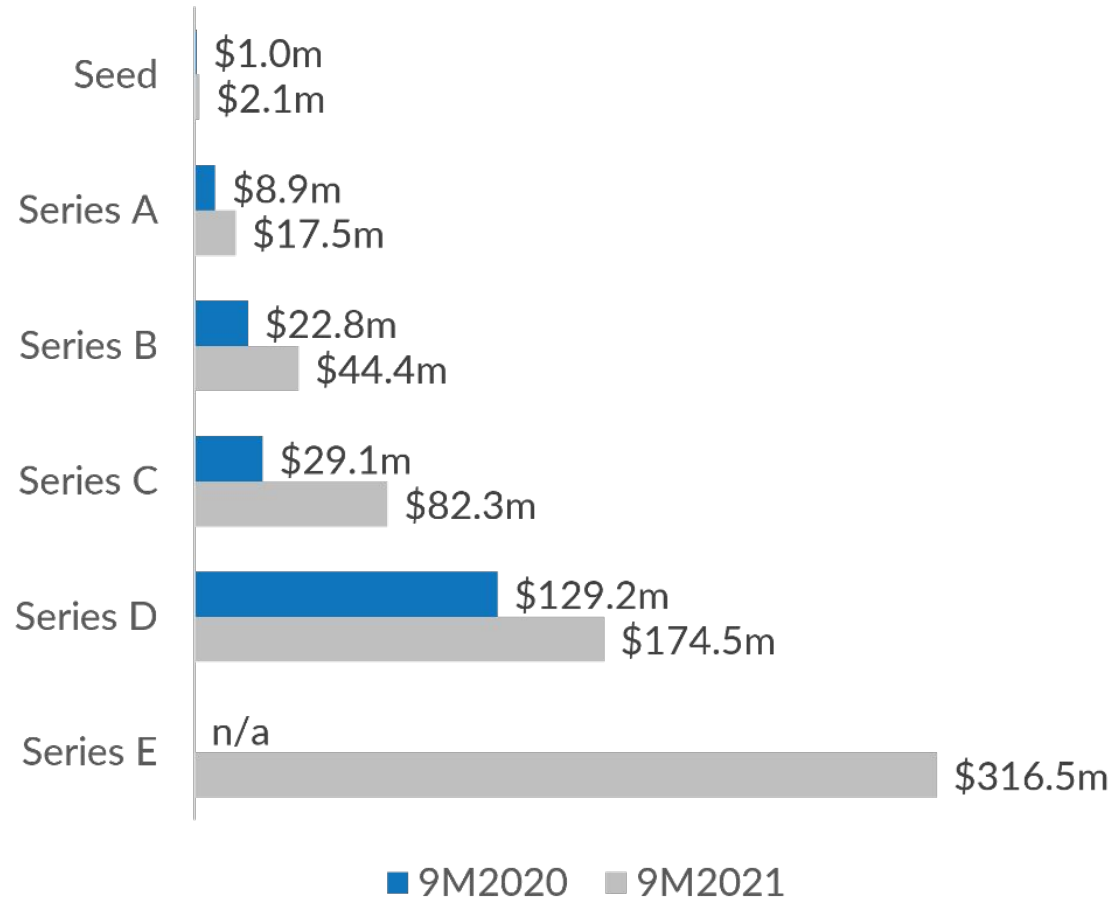


\*Indonesia, Malaysia, Philippines, Thailand and Vietnam

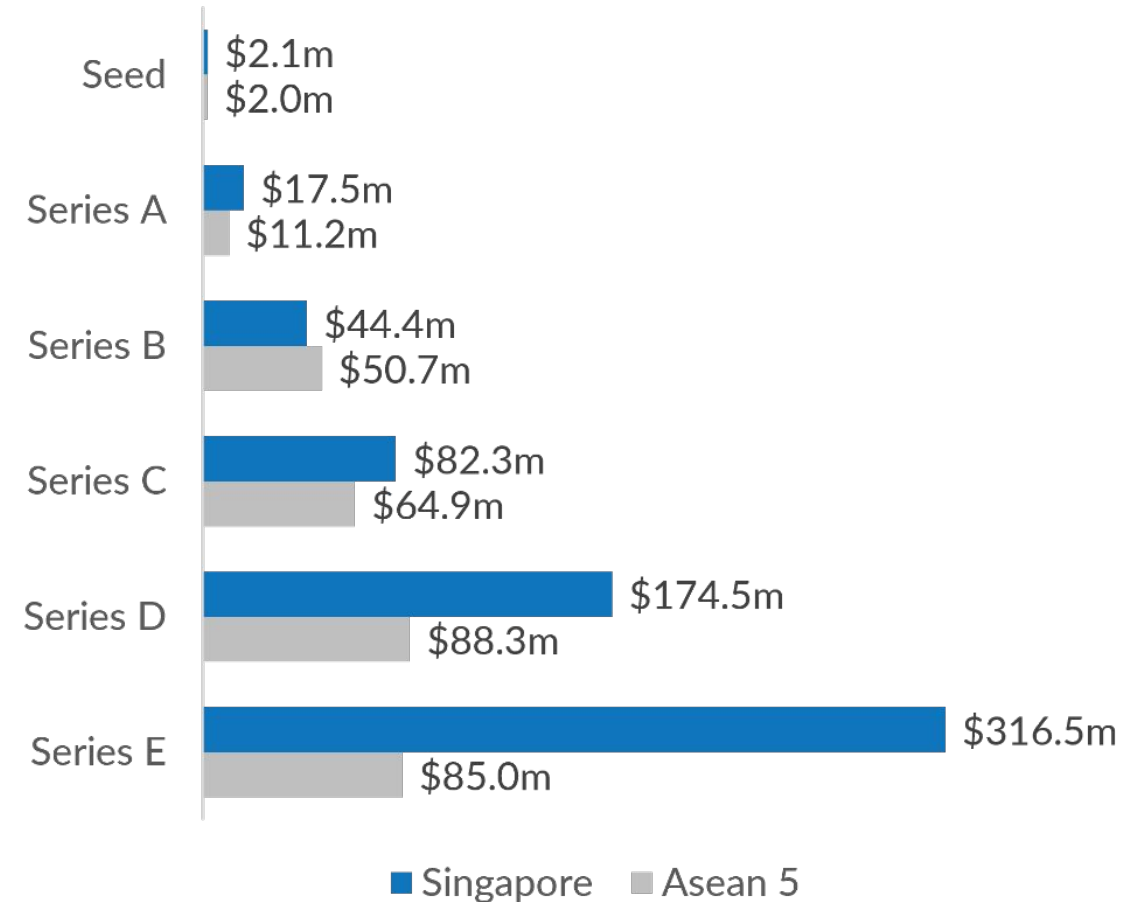


# Startups raise bigger rounds in second pandemic year

Average deal value per investment stage in Singapore



9M21 average deal value in Singapore and rest of Asean\*

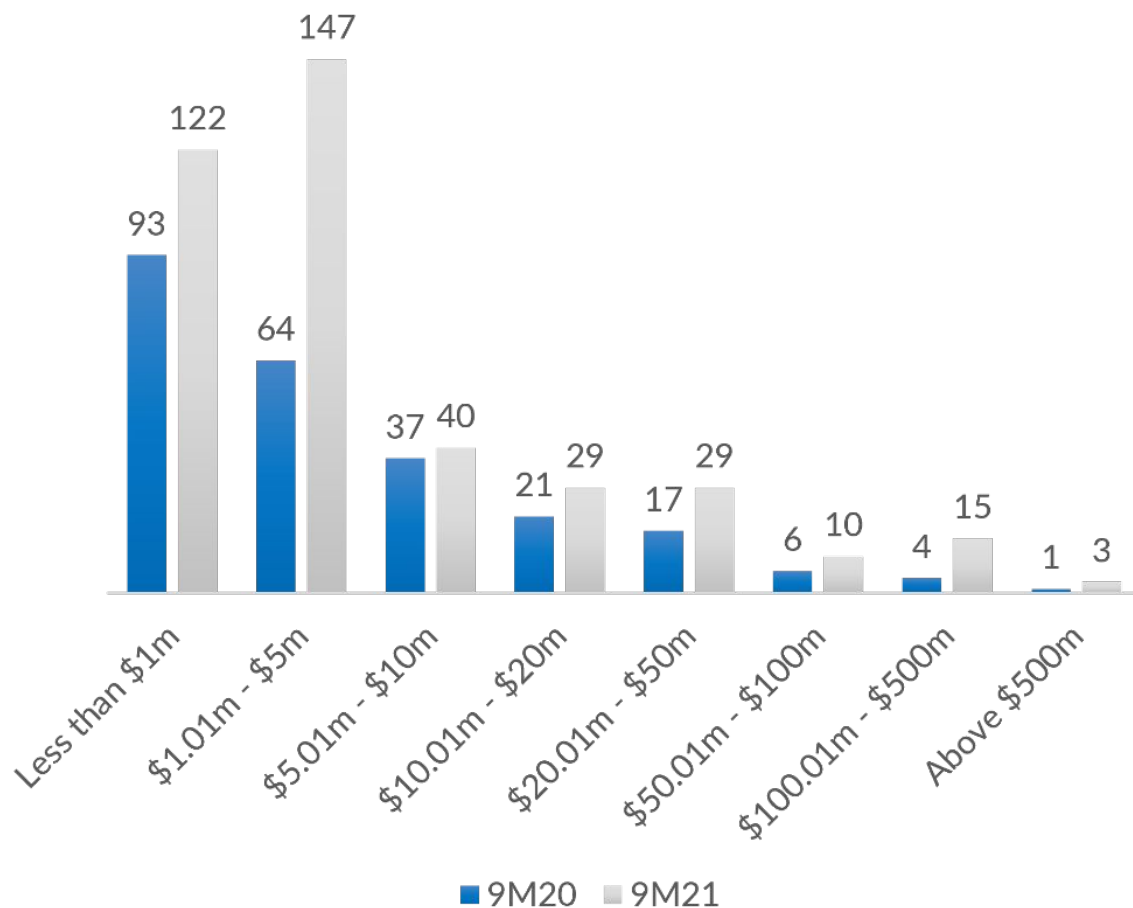


\*All monetary figures are in USD

\*Indonesia, Malaysia, Philippines, Thailand and Vietnam

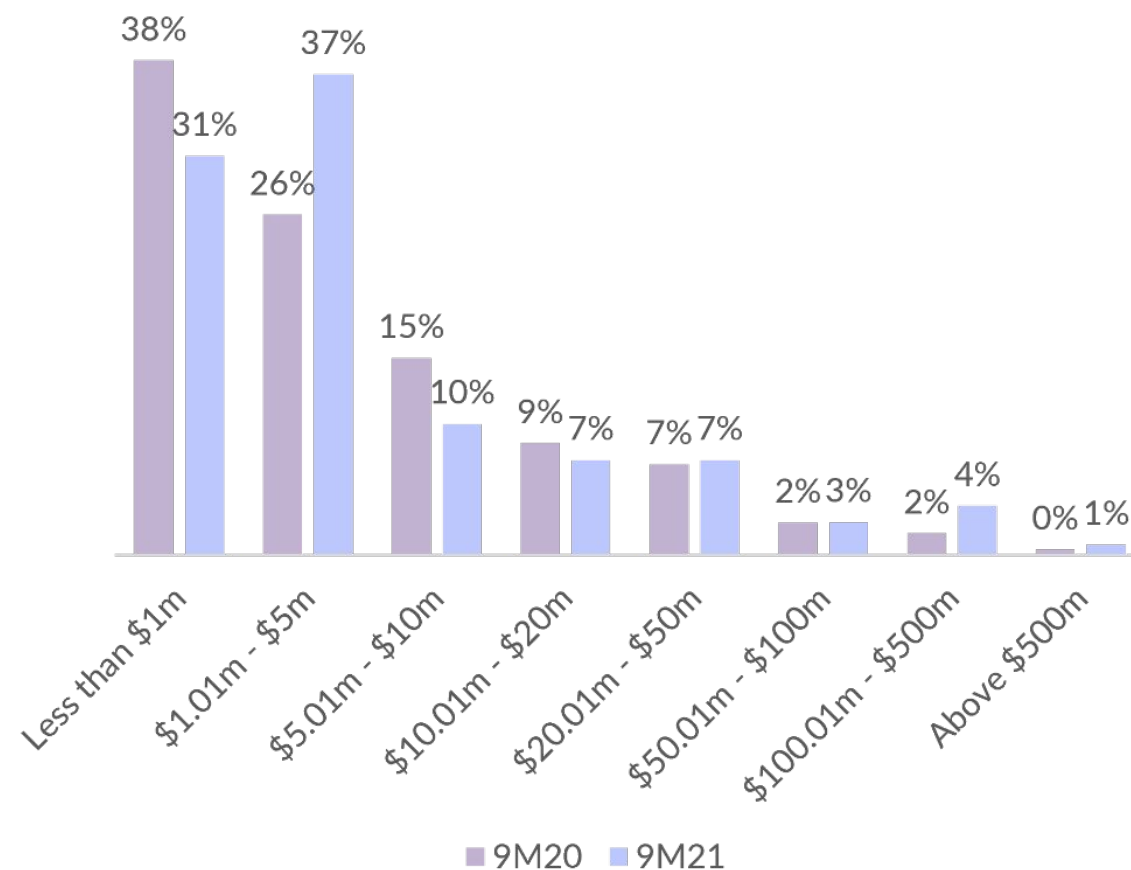
# Share of big-ticket investments picks up in 9M21

Deal count per size of equity funding\*



\*All monetary figures are in USD

Share of deal count per size of equity funding



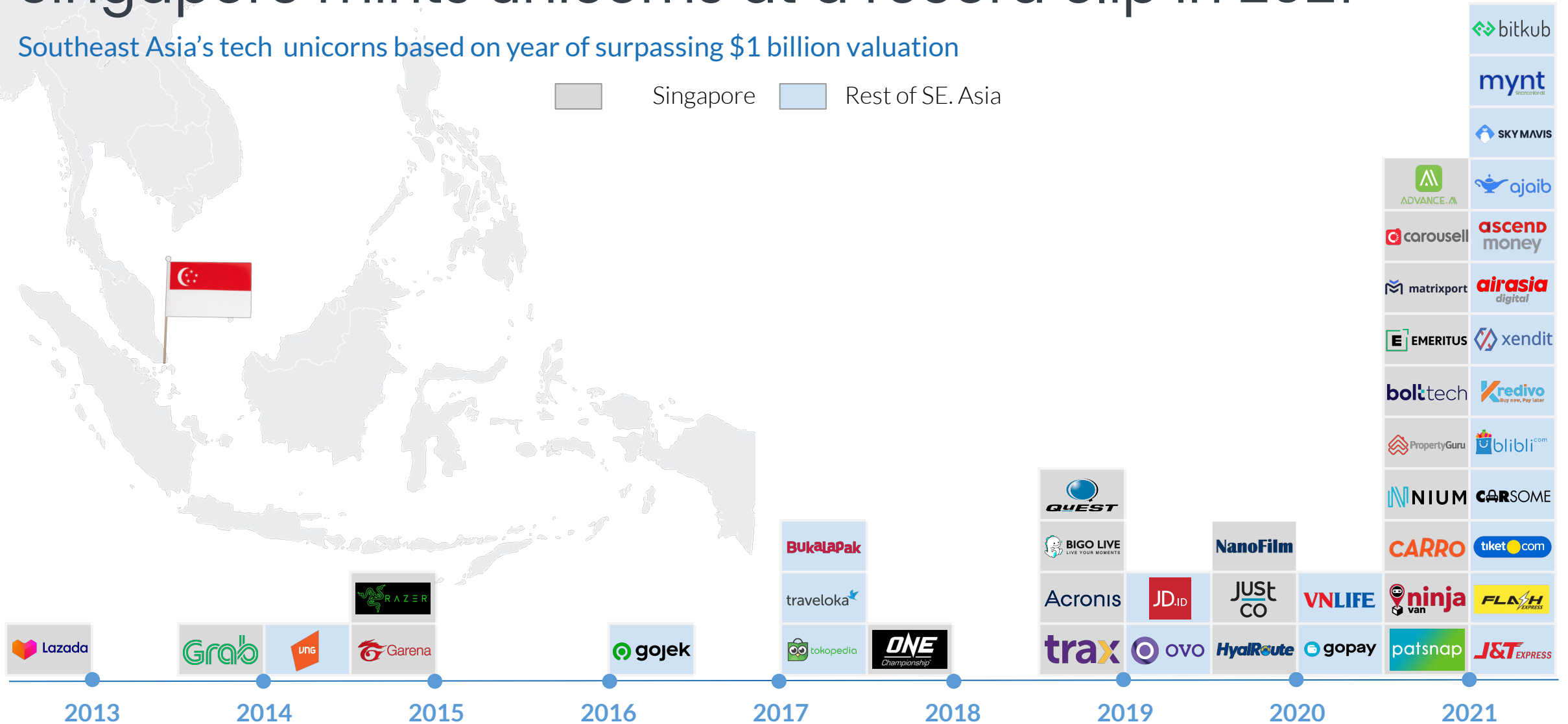
\*Excluding deals with unverified funding value

## Private Capital Market Activity

# Singapore mints unicorns at a record clip in 2021

Southeast Asia's tech unicorns based on year of surpassing \$1 billion valuation

■ Singapore ■ Rest of SE. Asia



\*All monetary figures are in USD

## Top 20 Equity Investments in 9M 2021 in Southeast Asia

HQ	Investee	Type	Value	Vertical	Investors (not exhaustive)
Singapore	Emeritus	Series E	\$650m	Edtech	Accel, SoftBank Vision Fund 2
Singapore	Ninja Van	Series E	\$579m	Logistics	Alibaba, Geopost, B Capital
Singapore	Advance Intelligence Group	Series D	\$400m	Fintech, AI	SoftBank Vision Fund 2, Warburg Pincus, Northstar
Singapore	Grab	Corporate Round	\$375m	Multi-vertical	Emtek Group
Vietnam	VNLIFE	Series B	\$250m	Multi-vertical	Dragoneer Investment Group, General Atlantic
Singapore	bolttech	Series A	\$210m	Insurtech	Alma Mundi Ventures, EDBI, Activant Capital
Singapore	Nium	Series D	\$200m	B2B e-payment	Riverwood Capital
Malaysia	Carsome	Series D	\$170m	E-commerce	500 Global, Asia Partners, Catcha Group
Singapore	Aspire	Series B	\$158m	Digital bank	AFG Partners, B Capital Group, DST Global
Singapore	QuEST Global Services	Private Equity	\$150m	Engineering	ChrysCapital, True North
Indonesia	Xendit	Series C	\$150m	E-payment	Accel, Amasia, Goat Capital, Tiger Global Management
Thailand	Ascend Money	Series C	\$150m	E-payment	Ant Group, Charoen Pokphand Group
Singapore	M-DAQ	Series D	\$148m	Fintech	Affinity Equity Partners
Indonesia	GudangAda	Series B	\$100m	E-commerce	Asia Partners, Falcon Edge Capital
Singapore	Matrixport	Series C	\$100m	Crypto exchange	C Ventures, DST Global, K3 Ventures
Malaysia	BigPay	Corporate Round	\$100m	E-payments	SK Group
Singapore	Carousell	Private Equity	\$100m	E-commerce	STIC Investment
Indonesia	Ula	Series B	\$87m	E-commerce	AC Ventures, Alter Global, B Capital Group
Singapore	MiRXES	Series C	\$77m	Healtech	CR-CP Life Science Fund
Singapore	JustCo	Corporate Round	\$74m	Co-working space	Goodwater Capital, Valar Ventures

\*All monetary figures are in USD

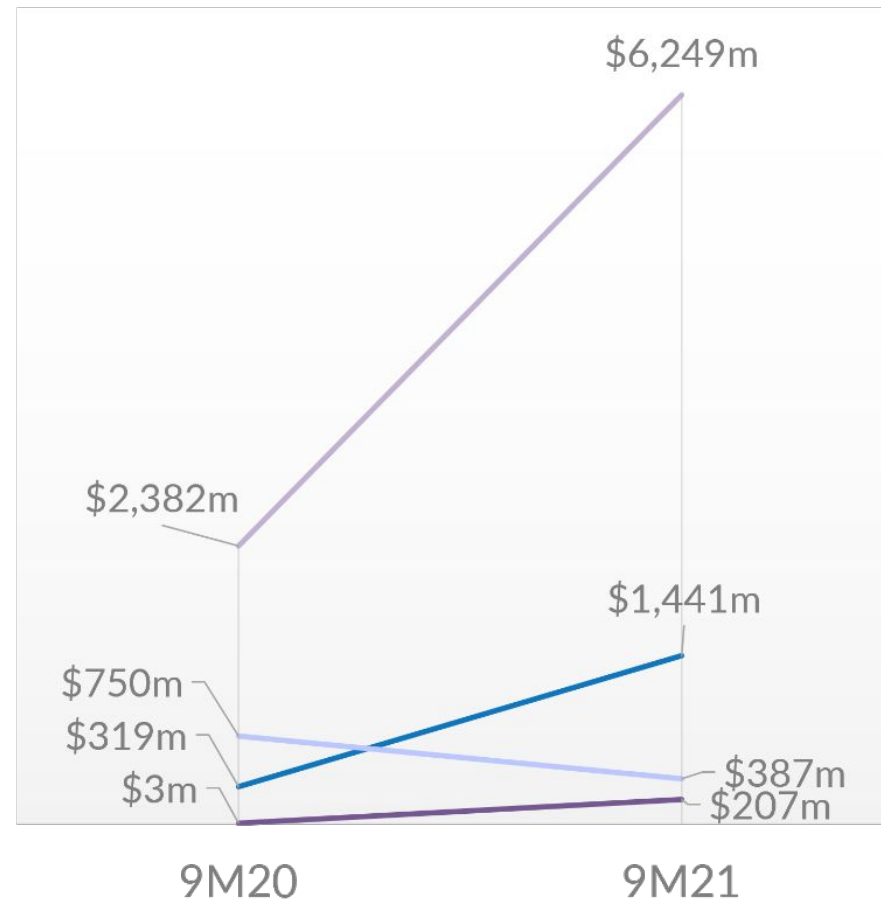
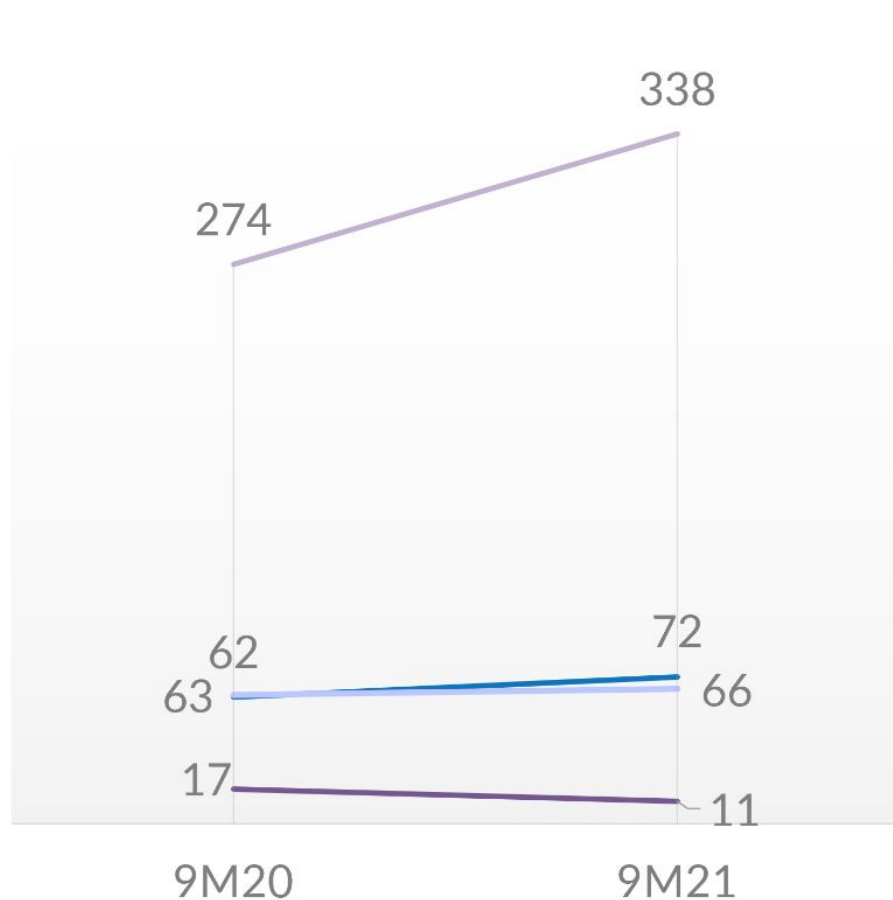


The title "FUNDING BY SINGAPORE THEMES" is written in a large, white, all-caps, sans-serif font, centered within the dark blue horizontal bar.

# FUNDING BY SINGAPORE THEMES

# Innovation drives investment into four sector themes

Deal volume and value across four Singapore themes in the first nine months of 2020 and 2021

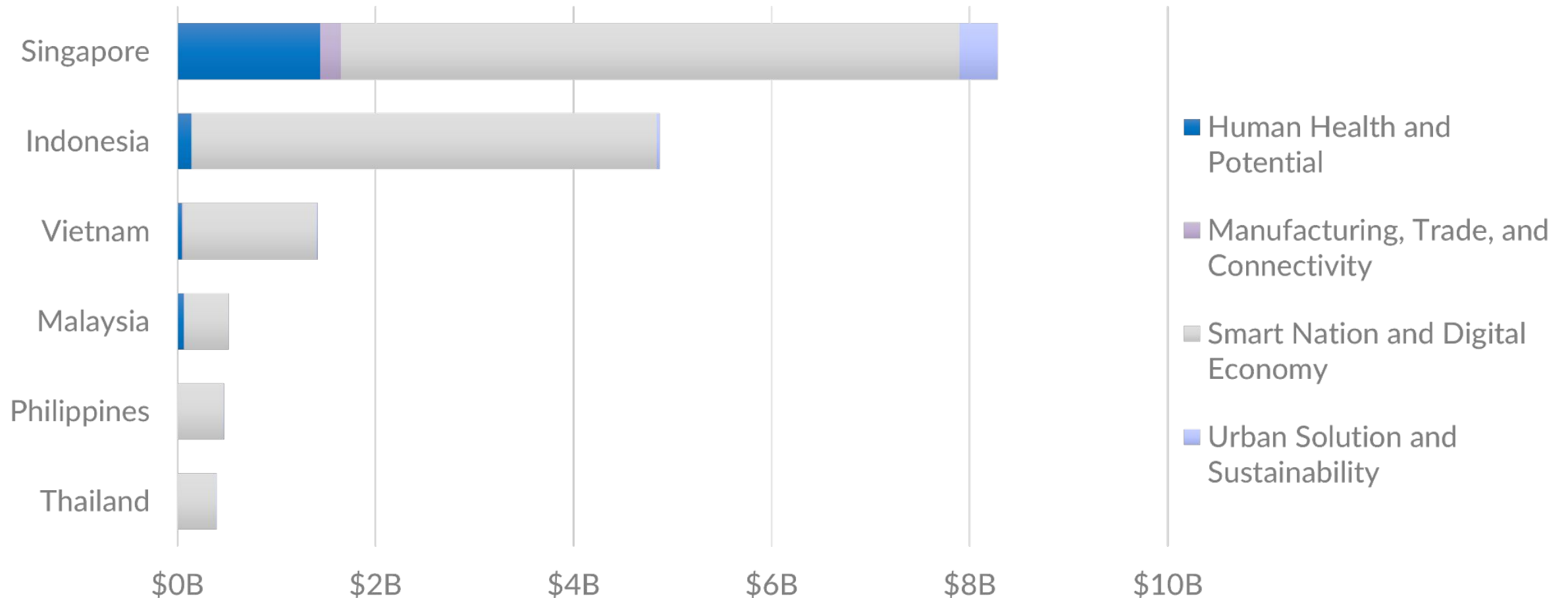


- Smart Nation and Digital Economy
- Human Health and Potential
- Urban Solution and Sustainability
- Manufacturing, Trade, and Connectivity

\*All monetary figures are in USD

# Smart nation and digital economy tops SE Asia activities

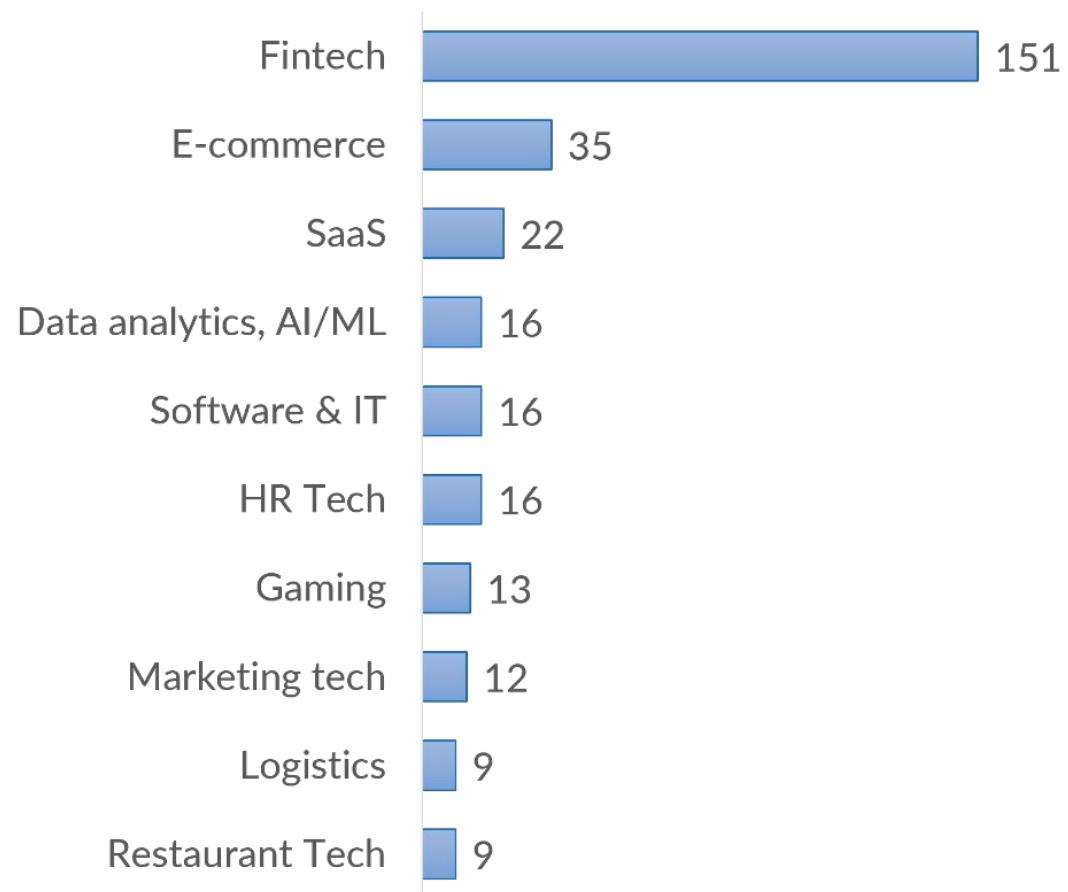
Deal value across four Singapore themes in Asean 6 economies the first nine months of 2021



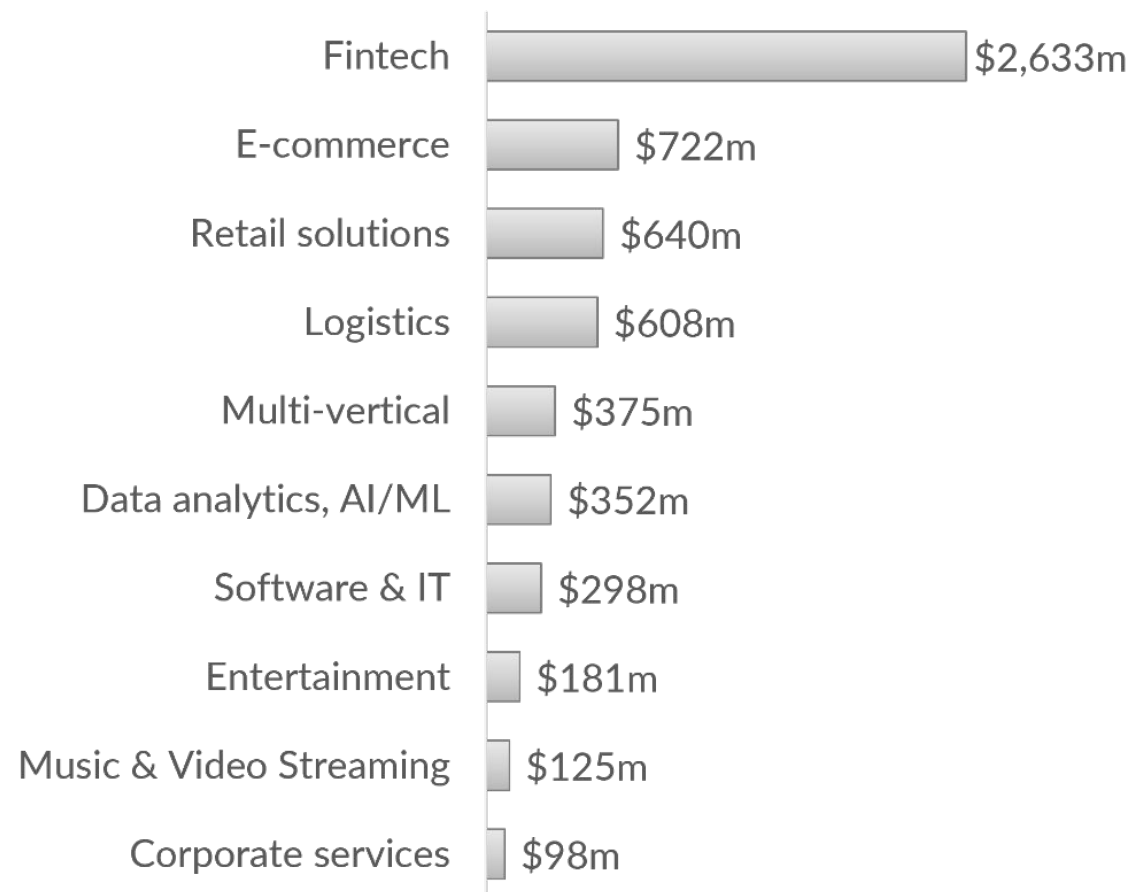
\*All monetary figures are in USD

# Fintech shines within Smart Nation and Digital Economy

Top verticals under “smart nation and digital economy” themes in Singapore by volume in 9M21



Top verticals under “smart nation and digital economy” themes in Singapore by value in 9M21

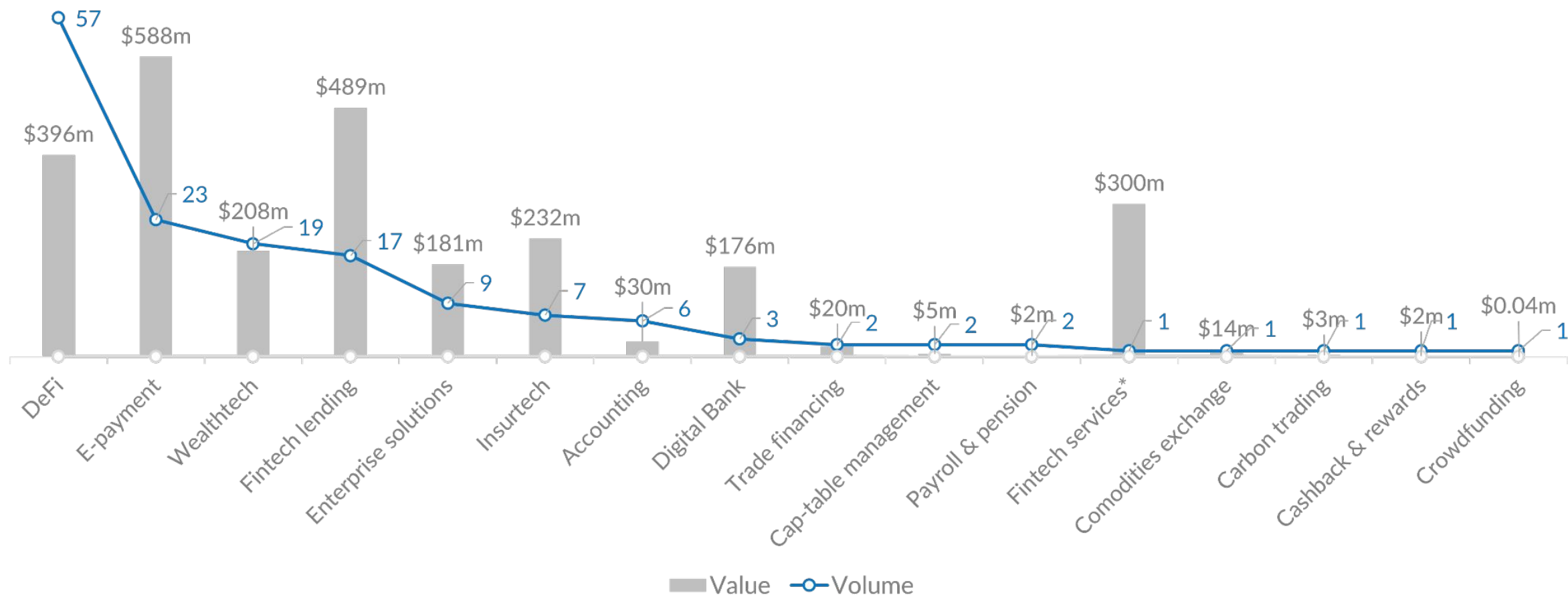


\*All monetary figures are in USD



# Decentralised finance (DeFi) soars as crypto goes mainstream

All fintech categories based on deals by Singapore companies in 9M21



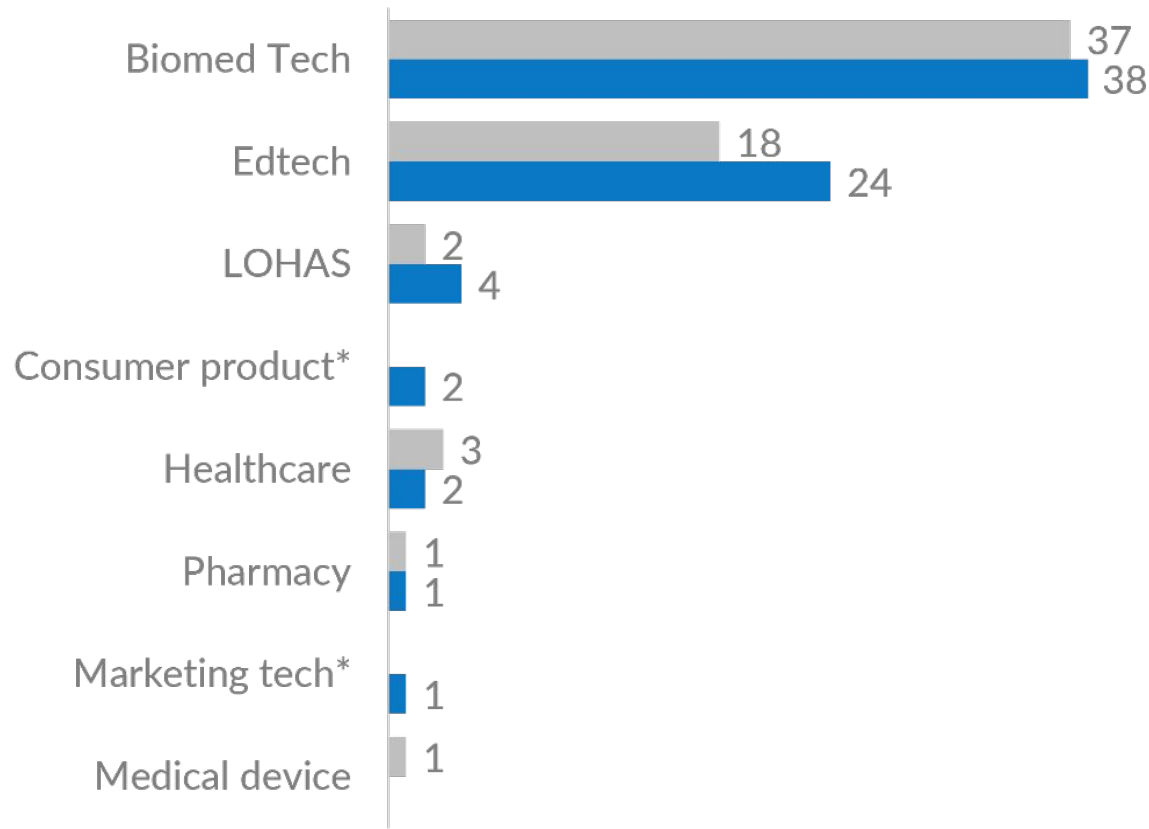
\*All monetary figures are in USD

\*Grab Financial Group

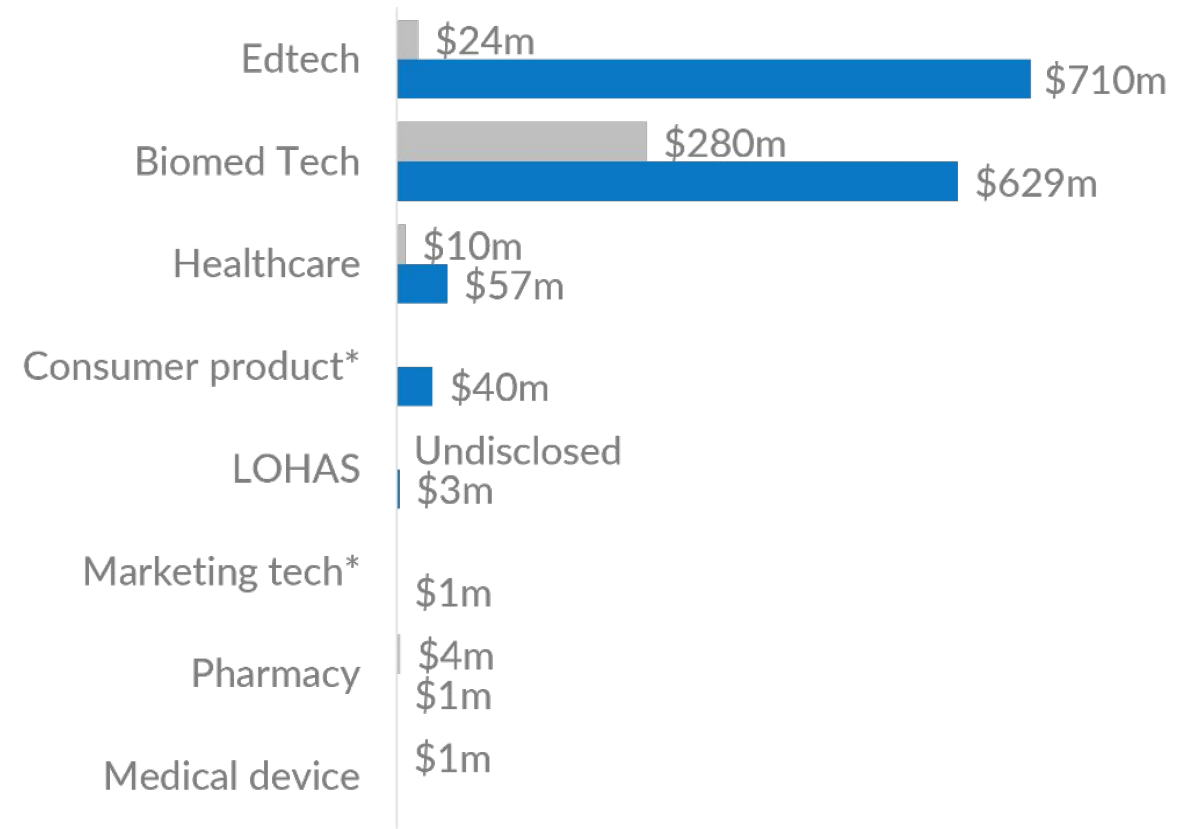
## Funding by Singapore Themes

# Biomed Tech and Edtech emerge as top verticals during pandemic

Top verticals under “human health and potential” theme by volume



Top verticals under “human health and potential” theme by value



\*All monetary figures are in USD

■ 9M20 ■ 9M21

■ 9M20 ■ 9M21

\*Health focused

## Funding by Singapore Themes

# Singapore sees strong investments into health-focused startups

### Biomed Tech categories based on deals secured in 9M21

Category	Volume	Value
Diagnostic technology	12	\$103m
Curative technology	11	\$240m
Telemedicine	11	\$83.7m
Medical devices	2	\$0.6m
Booking app	1	\$1.3m
Enterprise solutions	1	\$1.2m

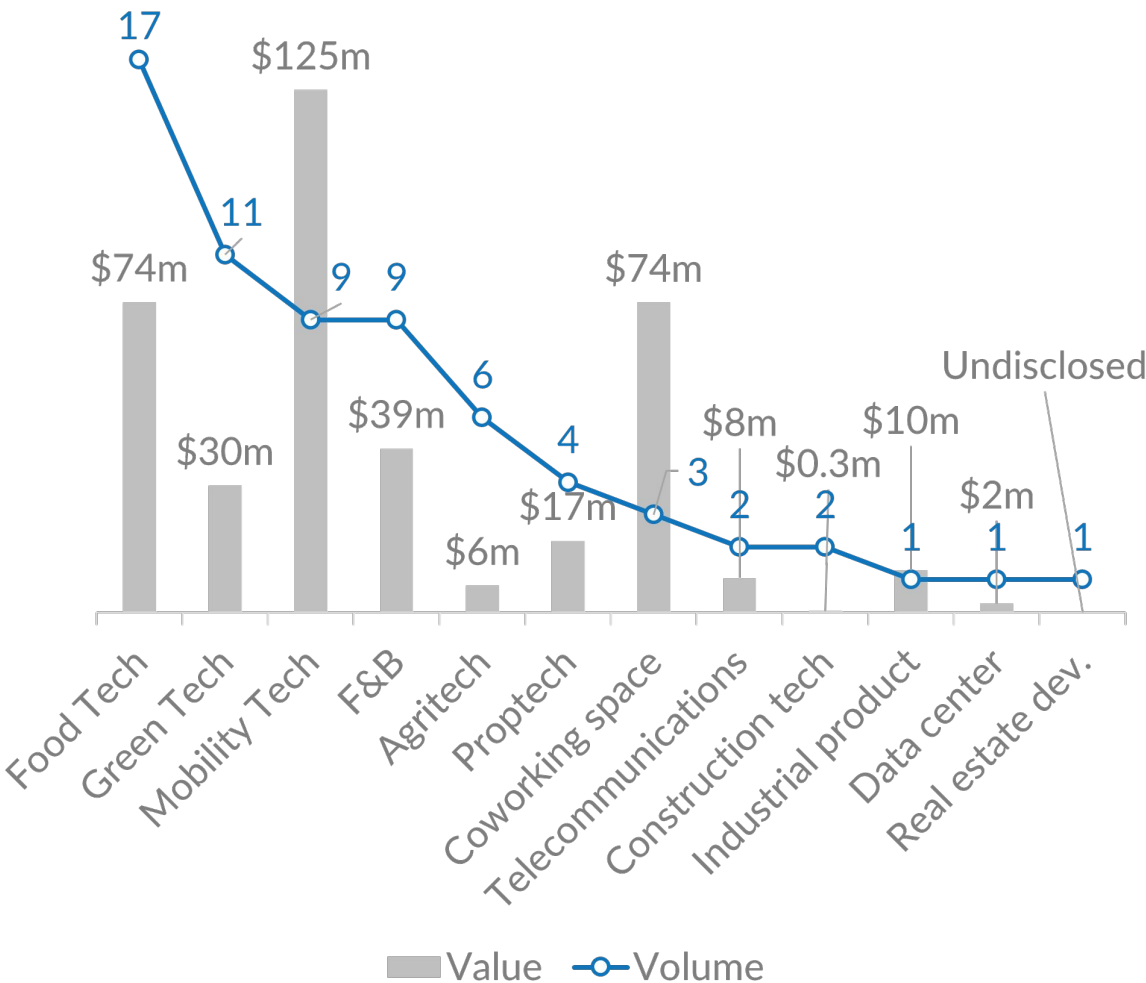
### Edtech categories based on deals secured in 9M21

Category	Volume	Value
University & professional learning	8	\$658.1m
Online courses & tutoring	7	\$20.2m
Learning management system	5	\$16.6m
High education agency	3	\$15m
Childhood learning	1	\$0.2m

\*All monetary figures are in USD

# Food Tech tops urban solution and sustainability theme

9M21 deals under urban solution and sustainability theme



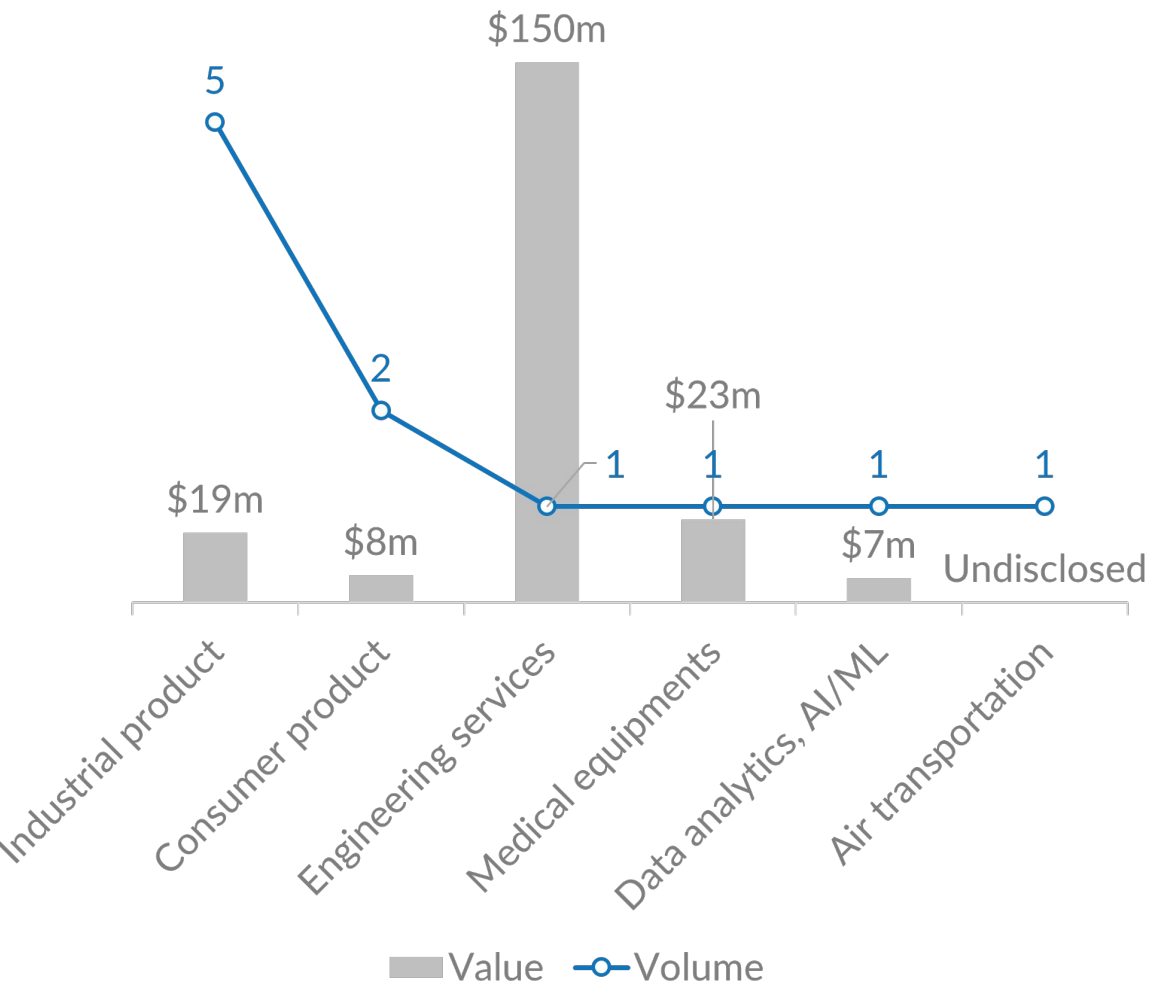
\*All monetary figures are in USD

Top 10 Food Tech deals in 9M21

Company	Funding type	Value
Next Gen Foods	Seed	\$31m
Growthwell Group	Series A	\$22m
Nutrition Technologies	Venture round	\$5m
Ai Palette	Series A	\$4.4m
How Foods	Seed	\$2.2m
Alchemy Foodtech	Series A	\$2m
Float Foods	Seed	\$1.7m
INSEACT	Seed	\$1.3m
Akronym	Seed	\$1.3m
Morning	Pre-Series A	\$1.3m

# Industrial products lead deals in manufacturing theme

9M21 deals under manufacturing, trade & connectivity theme



\*All monetary figures are in USD

All deals in manufacturing, trade & connectivity theme 9M21

Category	Funding type	Value
QuEST Global Services	Private equity round	\$150m
Genesis Medtech	Series B	\$23.1m
Grand Venture Technology	Private equity round	\$17.8m
ZM Labs	Series B	\$7.5m
Xjera Labs	Series A	\$6.7m
Wavescan Technologies	Seed	\$1.4m
Nanofy	Pre-Seed	\$0.1m
Atomionics	Seed	Undisclosed
Nitex	Seed	Undisclosed
SoundEye	Venture round	Undisclosed
Yugo	Pre-Seed	Undisclosed

A light gray map of Southeast Asia, showing the outlines of Myanmar, Thailand, Laos, Cambodia, Vietnam, Malaysia, Singapore, and the Philippines. It is positioned in the upper right background of the slide.

# SINGAPORE AS DEEP TECH & FINTECH HUB

A light gray map of Indonesia and surrounding regions, including parts of Malaysia, the Philippines, and Papua New Guinea. It is positioned in the lower right background of the slide.



# Singapore leads in SE Asia as hub for deep tech innovations

Funding into startups which we consider as Deep Tech from at least \$324 million in 9M20, to at least \$861 million in 9M21. This is mainly driven by the Fintech vertical (DeFi firms) where deal value rose by 13.5 times to \$395.7 million over this period. Biomed Tech deal value grew strongly too, rising 42% YoY to touch \$335 million in 9M21. The space has grown faster than the 166% YoY growth seen in overall funding for Singapore-based startups in the same period.

Deep tech covers a broad range of firms, which can cover quantum computing, biotechnology, medtech, cell-based protein, blockchain, and autonomous mobility just to name a few. Hence, there is no one vertical for deep tech per se. The following charts will showcase deals in a variety of verticals that broadly match those in SEEDS Capital and SGInnovate's portfolio of companies.

The composition of funding in deep tech companies remains fairly stable over the two same periods. They make up 10.4% of total funding and 9.4% of total funding into Singapore-based companies for 9M20 and 9M21 periods respectively. This is bearing in mind that the total funding in the 9M21 period is about two-and-half times the amount for the same period in 2020.

Fintech aside, the Biomed Tech vertical bagged the most funding (\$335 million), followed by Food Tech (\$71m) in 9M21. Amongst the 131 deep tech deals, most deals were in Fintech (57), Biomed Tech (23) and Food Tech (14) verticals, in that order. Within the Biomed Tech vertical, firms classified as Diagnostic Technology and Curative Technology occupy the bulk of funding.

At the end of 2020, Singapore announced a commitment of \$18.1 billion (S\$25 billion) for research, innovation and enterprise over the next five years (2021- 2025) to tap science and technology to build a more sustainable and resilient future in a Covid world. The new plan (RIE 2025) and sustained investment budget, takes up about 1 percent of the GDP.

# Singapore leads in SE Asia as hub (continued)

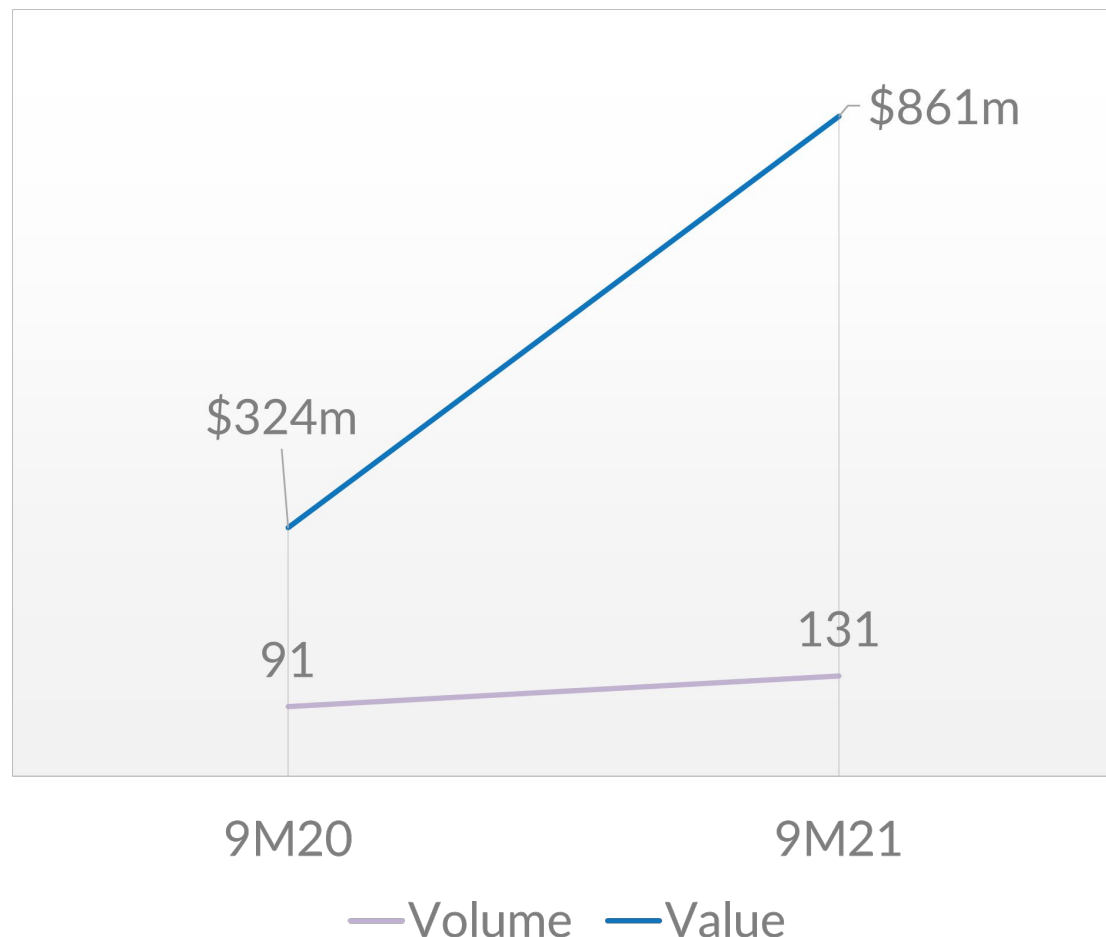
Towards this end, Singapore investment firm Temasek said it will pump \$740 million (S\$1 billion) per year into deep-tech investments across a range of domains. These include advanced manufacturing, disruptive materials, net-zero tech, life sciences and food tech.

Enterprise Singapore is also jointly investing into Singapore-based deep tech startups under the Startup SG Equity Scheme. In May 2021, SEEDS Capital, the investment arm of Enterprise Singapore, has appointed 13 new co-investment partners to jointly invest into Singapore-based deep tech startups under this scheme, bringing total active partners to 46.

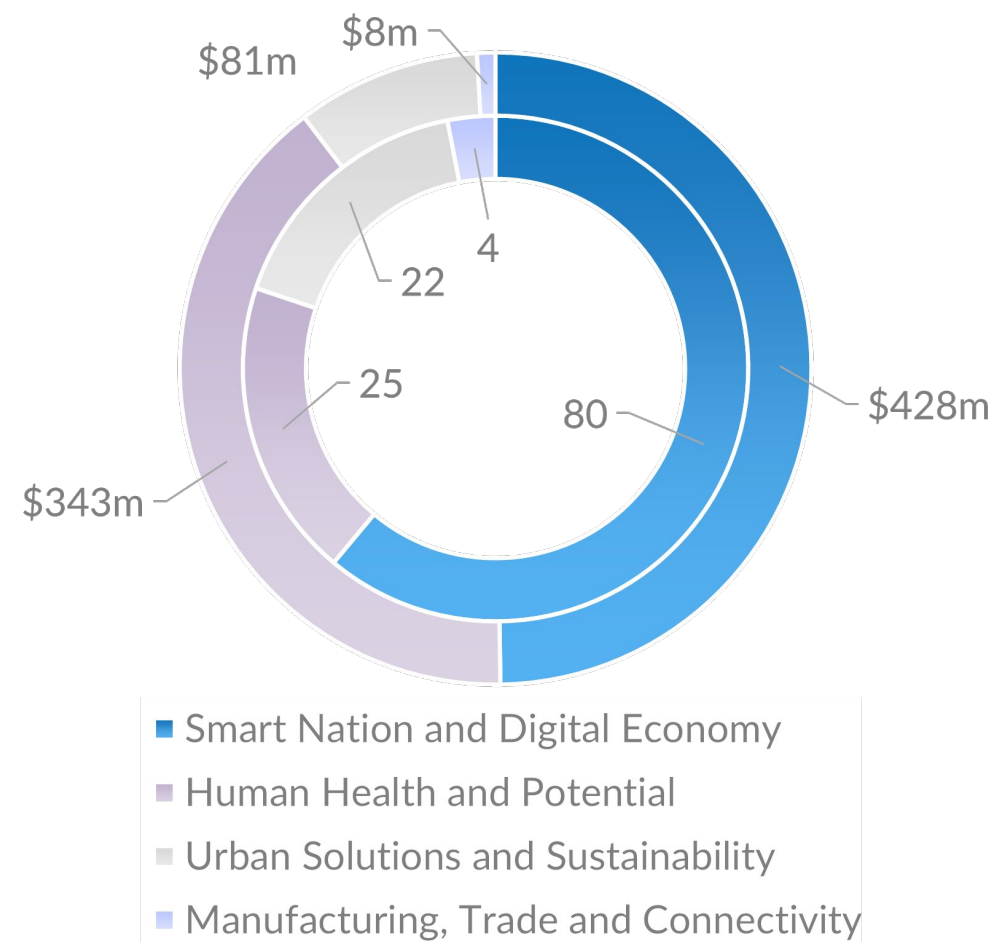
The appointment of these new partners is expected to catalyse more than S\$150 million worth of investments into deep tech startups across Advanced Manufacturing & Engineering, Health & Biomedical Sciences, and Urban Solutions & Sustainability, in line with the technology themes under Singapore's Research, Innovation and Enterprise Plan.

# Deep tech deals rose on Smart Nation & Human Health

Deal volume and value by startups classified as Deep tech



Deep tech deal volume and value per SG theme in 9M21

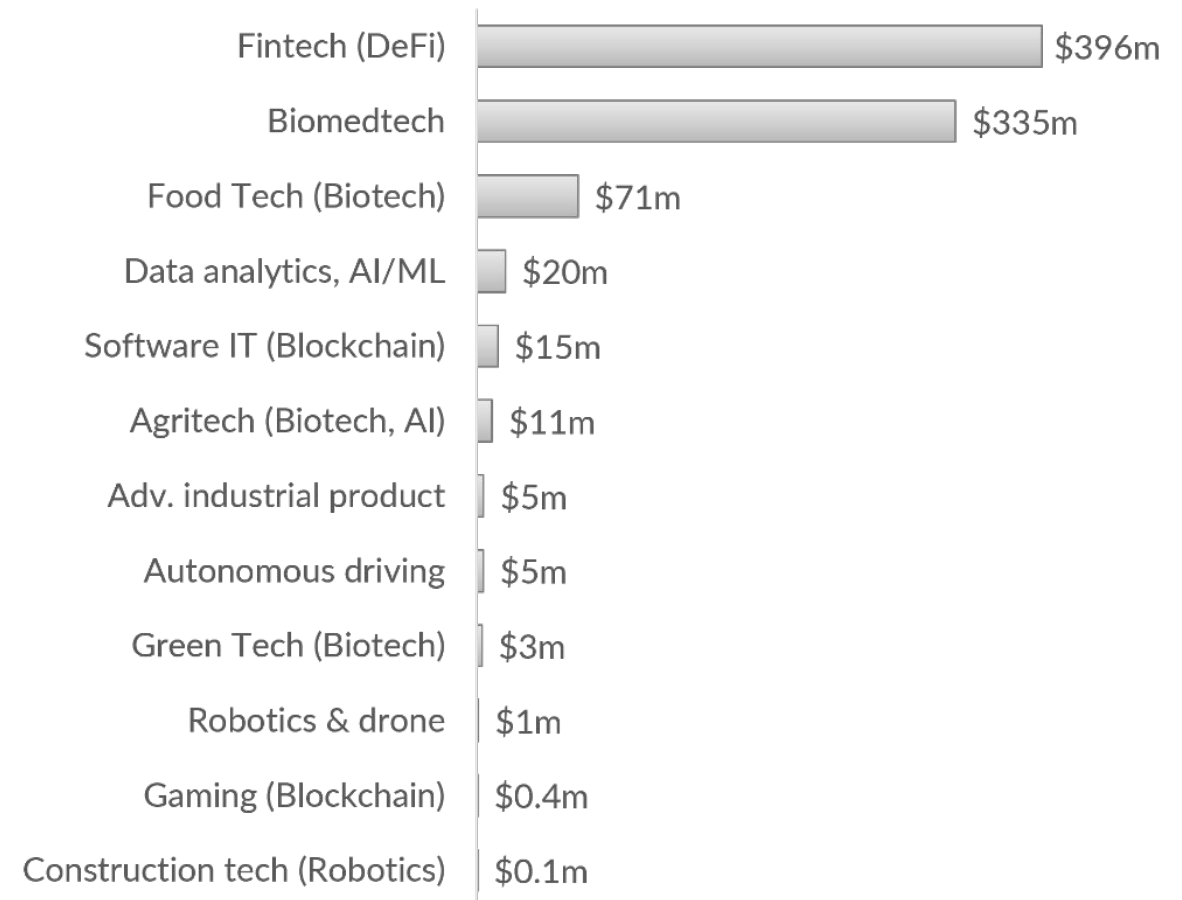
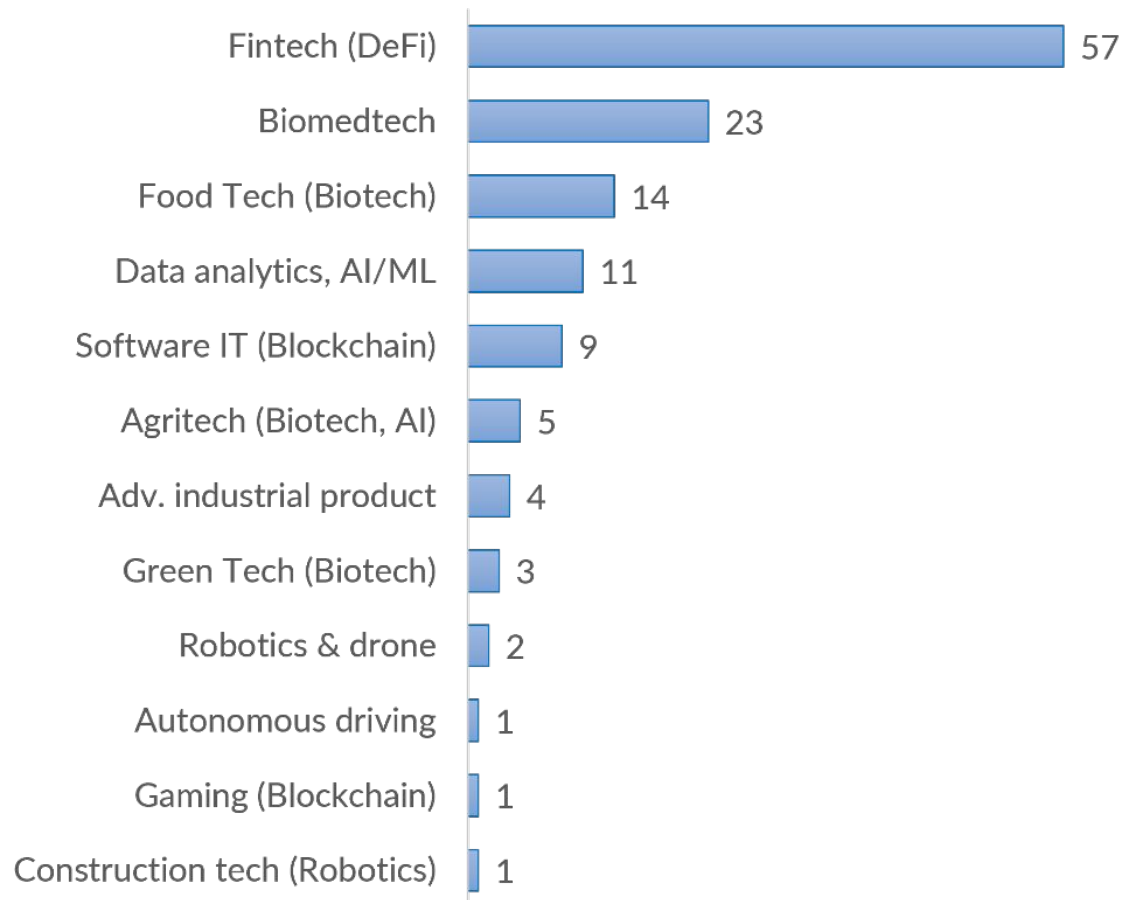


\*All monetary figures are in USD

# Biotech, Blockchain and AI drive Deep Tech investments

Deep tech categories by volume in Singapore in 9M21

Deep tech categories by value in Singapore in 9M21



Note: Under Food Tech (Biotech), it includes plant-based proteins and meat.

\*All monetary figures are in USD

# Health Tech and DeFi lure big-ticket funding in 9M21

Top largest deals in Singapore's deep tech space in 9M21

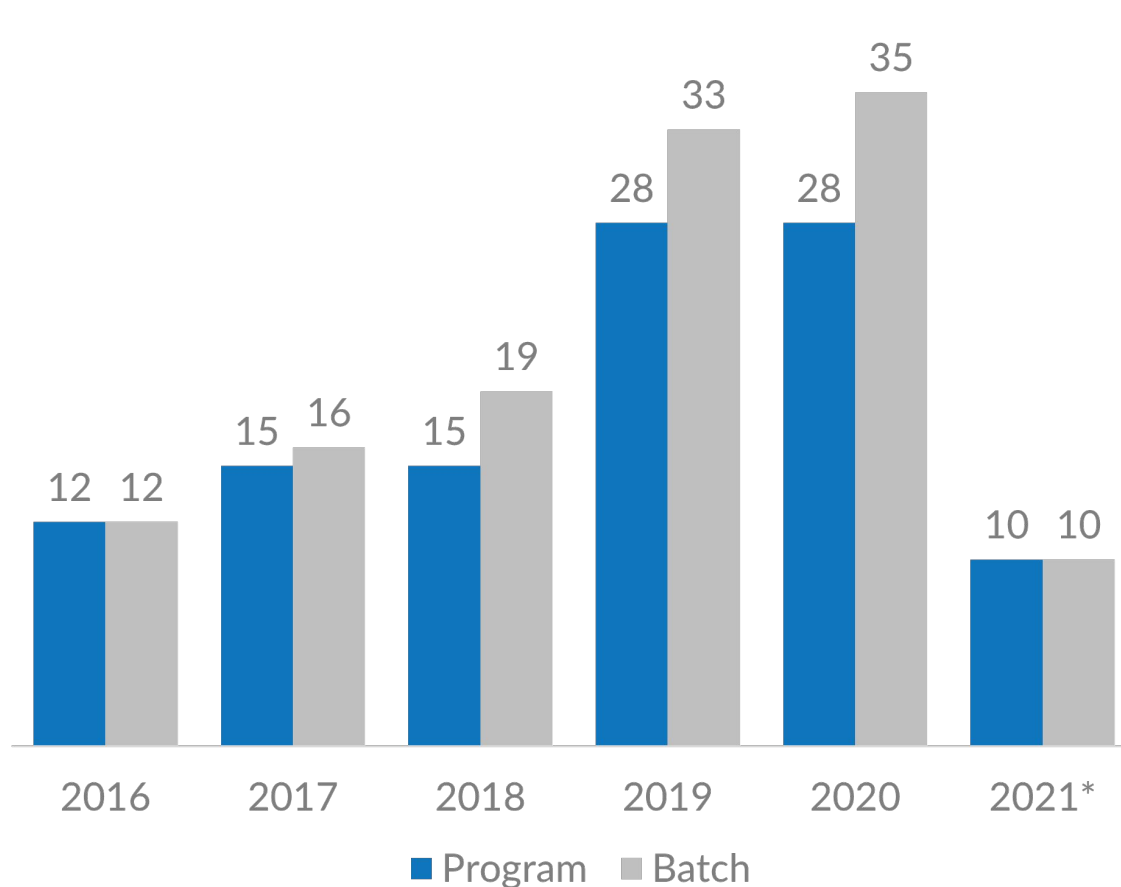
Firm	Focus	Stage	Value	Investors (not exhaustive)
Hummingbird Bioscience	Health Tech, biotech	Series C	\$125m	Novo Holdings, Frazier Healthcare Partners, Octagon Capital, EDBI, AMGEN Ventures
Matrixport	DeFi, crypto exchange	Series C	\$100m	DST Global, C Ventures, K3 Ventures, Qiming Venture Partner
MiRXES Pte Ltd	Health Tech, biotech	Series C	\$77m	CR-CP Life Science Fund, Rock Spring Capital, EDBI
Engine Biosciences	Health Tech, biotech	Unspecified	\$43m	Polaris Partners, Invus, 6 Dimensions Capital, EDBI
Zipmex	DeFi, crypto exchange	Series B	\$41m	Jump Capital, Krungsri Finnovate, Plan B Media, Master Ad, MindWorks Capital
Cobo	DeFi, crypto wallet	Series B	\$40m	DST Global, A&T Capital, IMO Ventures
Next Gen Foods	Plant-based meat	Seed	\$31m	GGV Capital, Bits X Bites, Yeo Hiap Seng, Temasek Holdings, K3 Ventures
imToken	DeFi, crypto wallet	Series B	\$30m	Qiming Venture Partners, IDG Capital, Beyer Capital
Vauld	DeFi, crypto exchange	Series A	\$25m	Valar Ventures, Pantera Capital, Coinbase Ventures, CMT Digital
Nuevoco	Health Tech, biotech	Series A	\$24m	EDBI, Xora Innovation, SEEDS Capital

\*All monetary figures are in USD

# Government Catalyzes Deep Tech Investments

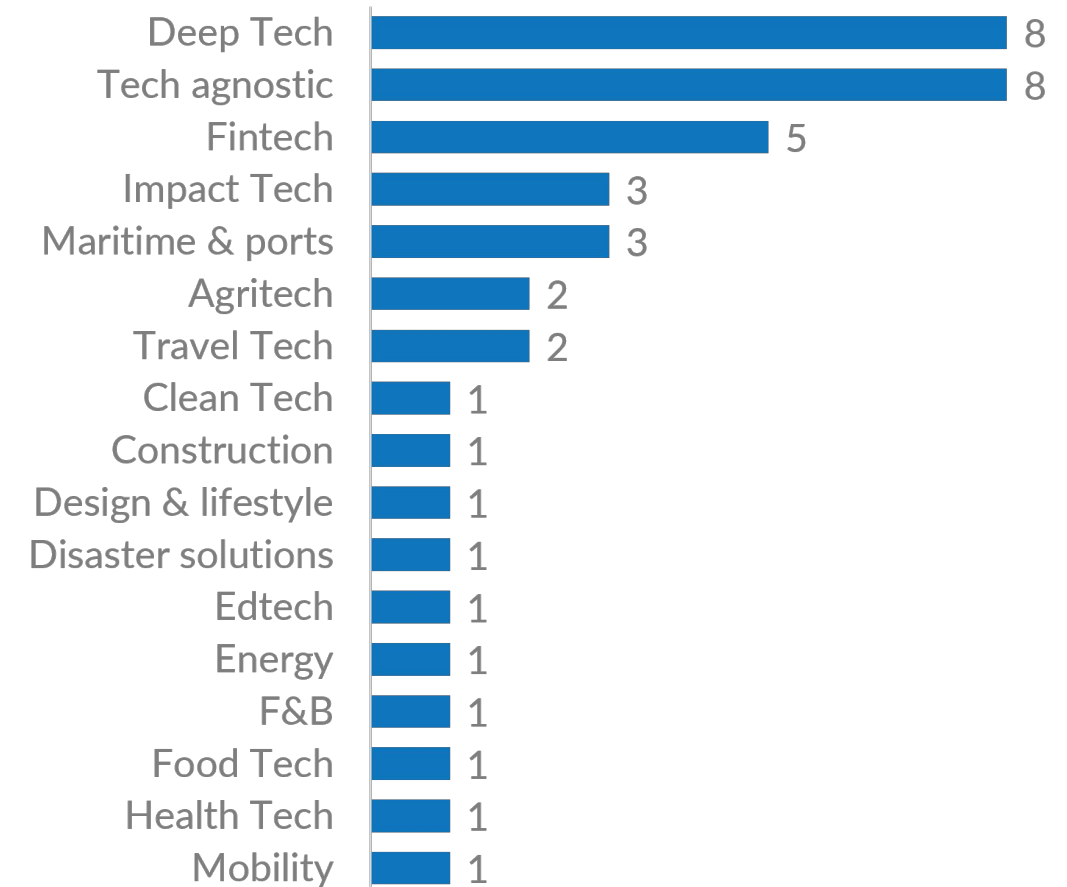
Working With Private Sector Accelerators To Support Deep Tech Companies in Singapore

Number of startup accelerator programs in Singapore



\*As of March 2021

Focus of accelerator programs from Jan. 19 to Mar. 2021



\*All monetary figures are in USD



Two light gray maps of Southeast Asia are positioned on the slide. One map is in the upper right corner, showing the region from a high angle. The other map is in the lower right corner, showing the region from a lower angle, highlighting the Indonesian archipelago and the Malay Peninsula.

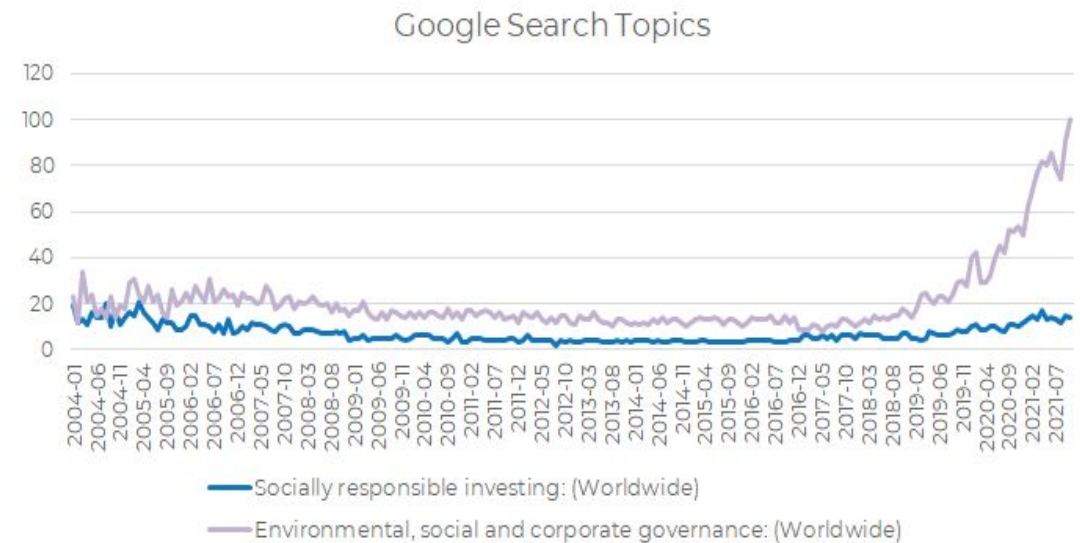
# OUTLOOK FOR SINGAPORE & SE ASIA

# Singapore to strengthen position as Deep Tech hub

Investor interest in the nascent deep-tech space is slowly picking up in the region, SE Asia's VCs noted. Singapore has created a favourable regulatory environment and ecosystem to seed deep-tech firms, enabling startups to figure out their product and then scale globally, observes Kiran Mysore, principal at UTEC.

Singapore's investment into the space over the last 30 years means that the country has reached a stage where these companies help the country create a natural competitive advantage, said Dr. Finian Tan, chairman of Vickers Venture Partners.

Some deep tech startups have focused on sustainability solutions, and the timing is ripe for them, investors noted. While the sustainability theme has been around for years amongst the investment community, it is only in recent years that serious steps have been taken in aligning their capital allocation decisions and portfolio changes to meet global sustainability goals. In fact, sustainability for investment managers is at an *inflection point*, according to members of the CFA Institute Future of Finance Advisory Council in a December 2020 [discussion](#). Google Trends show that interest in the topic has spiked too.



Source: Google Trends

# Singapore to strengthen position (Continued)

As the startup ecosystem in SE Asia matures, deep tech startups will be able to leverage on the region's large, technology-savvy population and talent base as sources for growth, notes Chua Kee Lock, CEO of Vertex Ventures.

Leveraging on its success as a finance hub, Singapore is making preparations to stay relevant with the dawn of Decentralised Finance (DeFi). The city state has positioned itself as a leading cryptocurrency jurisdiction globally and is often referred to as "crypto haven" due to its supportive regulatory framework.

Over the past year, numerous crackdowns especially from the Chinese government, have strengthened Singapore's position as an investment destination for DeFi projects further. Globally, DeFi continues its rapid growth, with more than 3 million users globally.

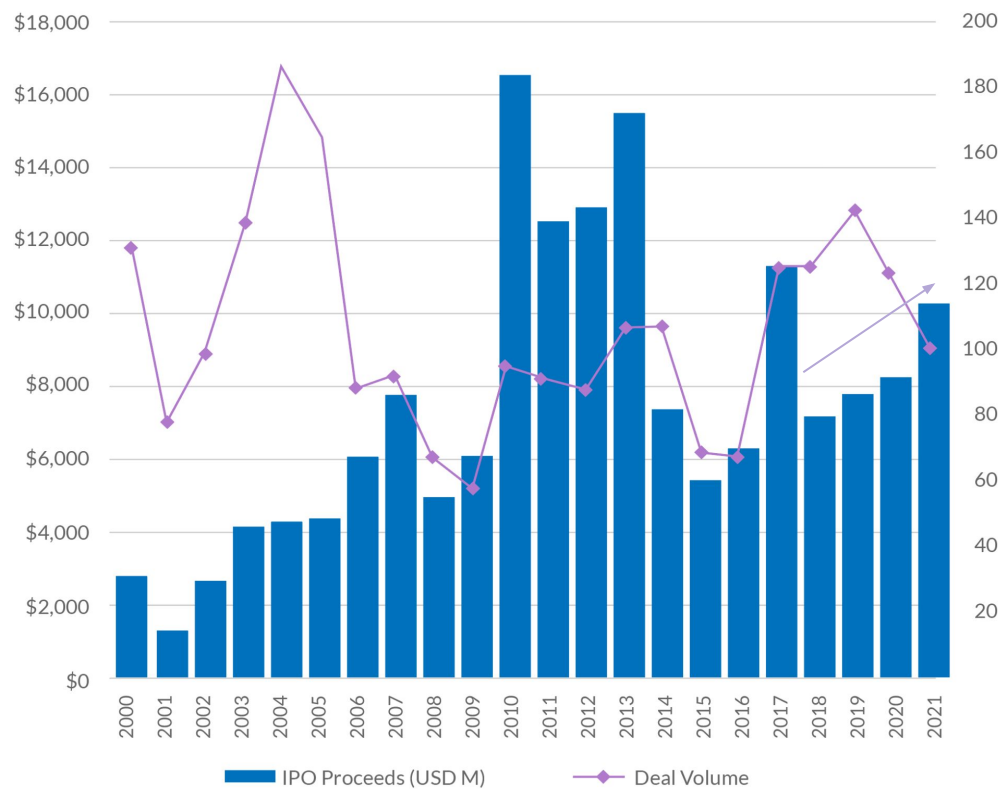
In 2020 alone, Singapore saw 38 deals in the space, with at least \$100 M raised, based on disclosed deals. Kingswap as one of the most notable deals. For 9M21, we saw at least 56 deals in the space, with \$377 million raised so far.

Various new projects in DeFi space have been exploring the use cases of blockchain and smart contract beyond lending-borrowing, exchange, or stable coins, tapping into derivatives, insurance, and other financial instruments. Security and Fraud remains one of the greatest concerns in space. From January to April 2021, crypto criminals stole \$432 million globally, with 56% of this amount being related to DeFi.

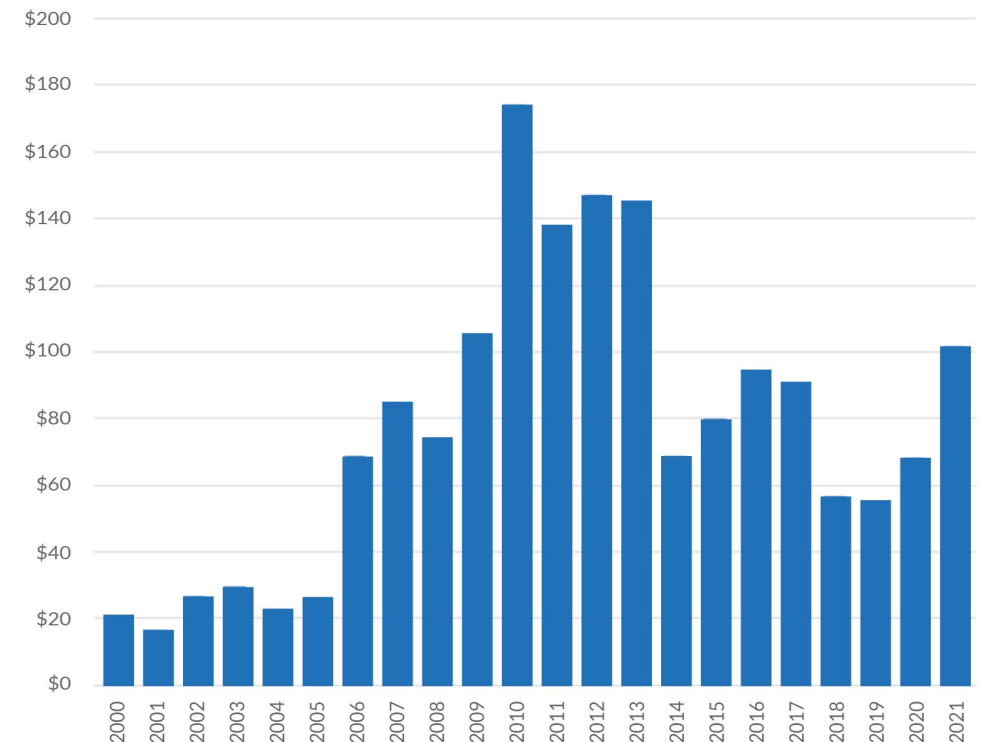
Secondly, the city state introduced the VCC regime in January 2020, making it more conducive for investors. This in turn facilitates technology startups having headquarters in Singapore as they look to scale across to the rest of Southeast Asia or Asia and Southeast Asia, further growing the ecosystem in this region.

# Southeast Asia IPO activity looks to continue strongly

SE Asia : IPO Proceeds (USD Million) and Volume



Average Deal Size Asia IPO (USD Million)

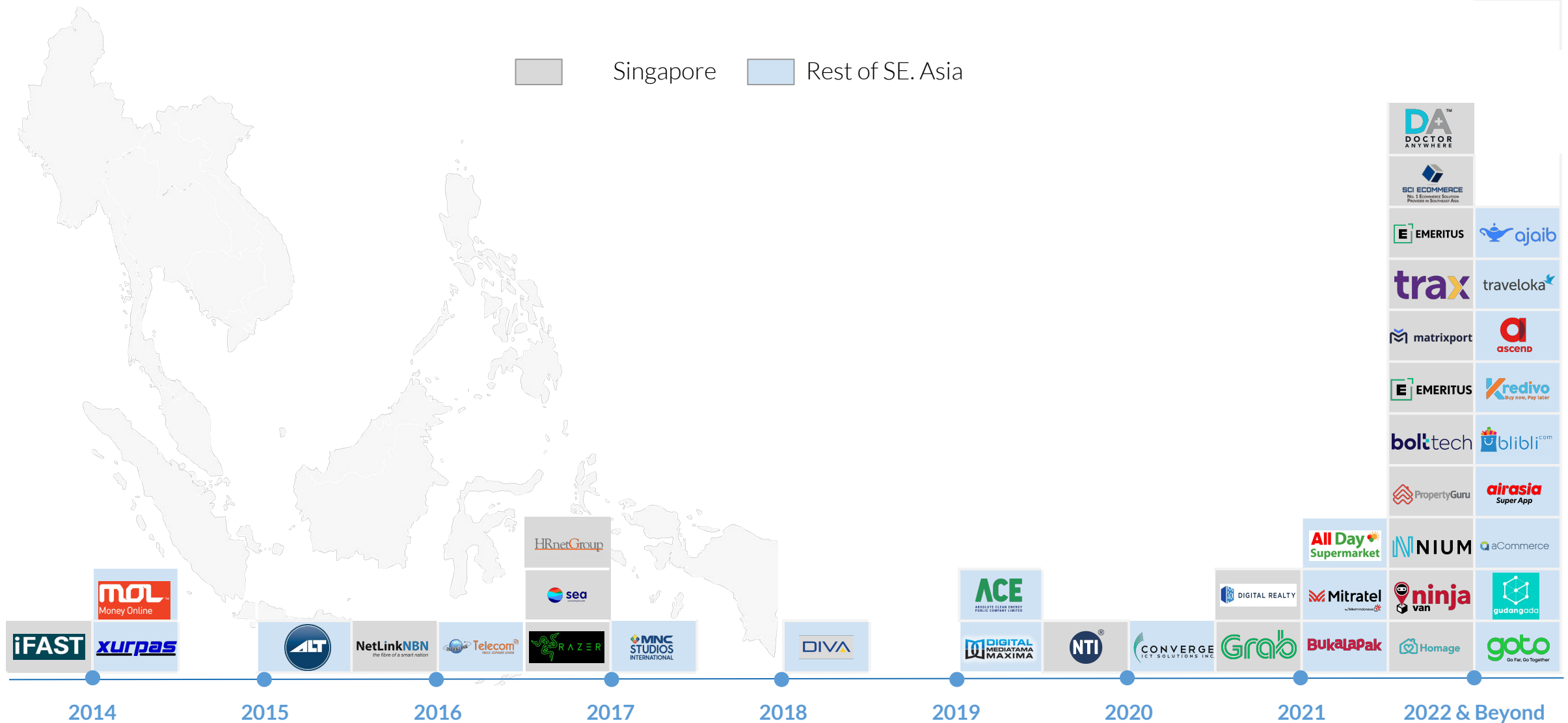


Source: Refinitiv

Note: The data include all IPO issuance by Southeast Asia-based companies in all exchanges

\*All monetary figures are in USD

# Southeast Asia to witness an explosion of Tech IPOs



# Unicorn CEO On Exits



**Hari V. Krishnan**  
CEO  
PropertyGuru

“

“US investors are highly sophisticated when they understand the emerging market. They don’t really care whether you’re Southeast Asia or India, or Latin America, they look at us as an emerging market... they’re trying to assess what is the opportunity. We are less dependent on just pure-play retail investors in this context.”



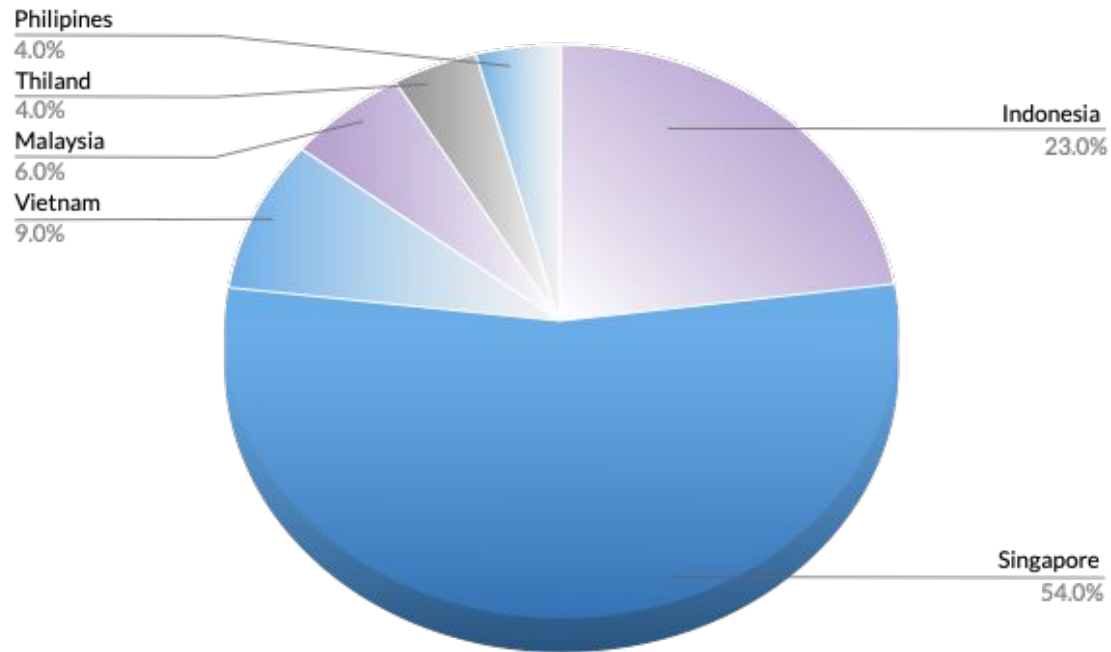
**Aaron Tan**  
CEO  
Carro

“We’re not in a rush to do that (dual-listing), because the company’s well capitalised. We just do not need to do that at this point in time. I think that it is more sensible and more responsible to our shareholders to do it when the company is ready.”

”

# Singapore & Indonesia likely to remain key markets for startups to scale regionally

Headquarter breakdown of the \$1-\$20M Investments in Technology Companies in Southeast Asia from 2019 - Sep 2021



Investors see that companies are pursuing two paths to scaling. The first is to focus on Indonesia, and the second is to have headquarters in Singapore and have closely knitted leadership team across SE Asia to scale across the region.

To enable local firms to kickstart their regional growth, Singapore's [Economic Development Board \(EDB\)](#) has allocated part of its \$17.8 million three-year business transformation budget for [Nongsa Digital Park \(NDP\)](#), a Batam-based community for Singapore and Indonesia's tech and creative talent. If the venue gains traction, collaboration opportunities arising from the close physical proximity of the two countries can further cement the position of Singapore and Indonesia as key markets to scale from.

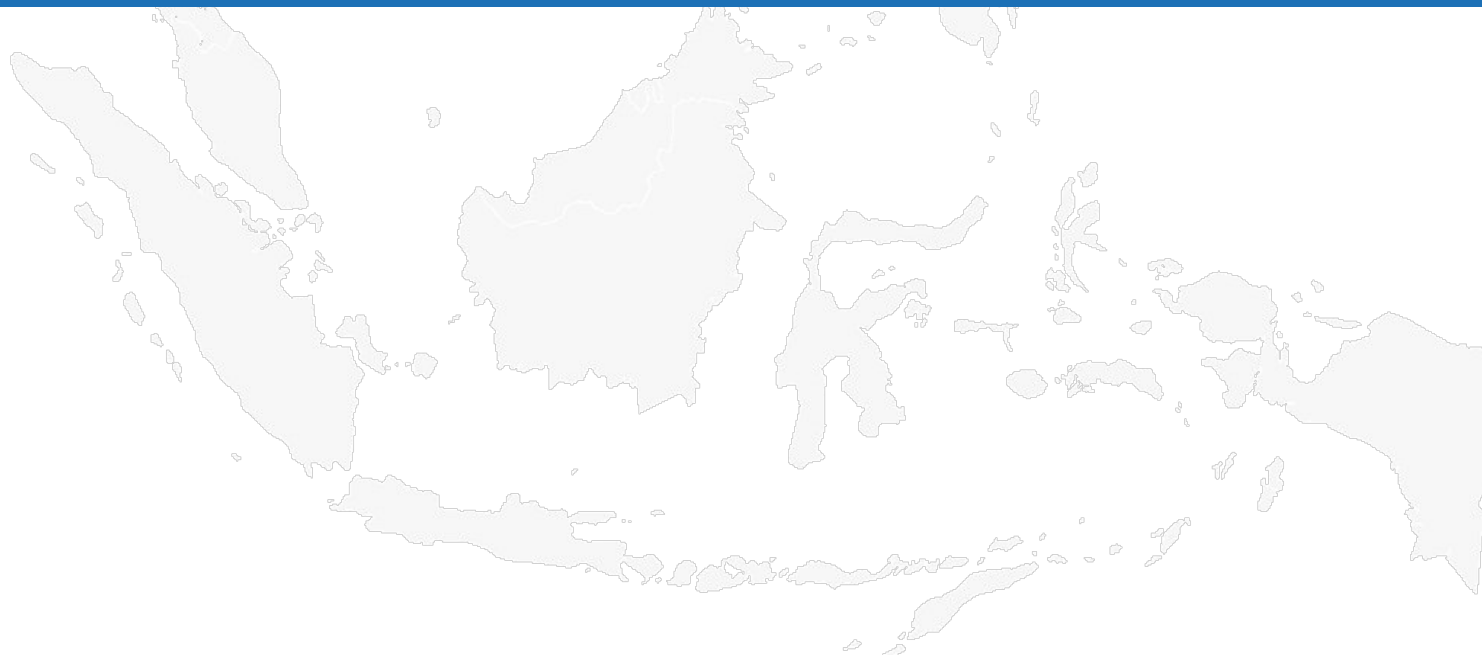
\*All monetary figures are in USD





**Deal**  
*street*  
**Asia**

# INSIDER INSIGHTS



# Insider Insights

2021 was a pivotal year for Singapore's startup ecosystem. The record levels of funding raised by startups despite the challenges demonstrates their resilience and the collective efforts from investors, founders and ecosystem partners. The pandemic has also brought about opportunities for growth in new areas such as sustainability, agri-food and supply chain resilience. Startups that want to pull ahead will have to demonstrate strong R&D focus to continuously differentiate their products, agility in adapting to change, as well as the ability to execute and scale.

SEEDS Capital is excited to be part of the growing deep tech scene here and will continue supporting more quality startups and catalysing investments into focus sectors such as Advanced Manufacturing & Engineering, Health & Biomedical Sciences and Urban Solutions & Sustainability, to further anchor Singapore as a deep tech hub in the region.



**Tan Kaixin**

General Manager  
SEEDS Capital

# Insider Insights

Maturing ecosystems attract more capital, which results in a larger number of bids for deals and rising valuations. Ultimately, exits/returns will determine whether valuations are sustainable.

There were several moments between 1997 and 2021 when investors probably asked if Amazon's valuation was sustainable. You can expect the same question today about Southeast Asian tech companies. But if your company solves an important problem 10x better than current options with an attractive business model, you will find investors. Nobody thought we could use AI for anti-money laundering resolution, but Silent8 is proving we can. Nobody thought a big business could be built, starting with an automated fish feeder in Indonesia, but eFishery is closing in on \$100 million in revenues.

Crises trigger a flight to quality. The best companies attract investors, customers, and employees once normalcy returns. We hope investors are rewarded for their support. If Singapore wants to truly become an innovation hub, we will need to be bold when others are afraid. That's how the US and China created their ecosystems.



**Paul Santos**  
Managing Partner  
Wavemaker Partners

Within the deep tech space there are a number of opportunities in SEA. Anything that revolves around improving the infrastructure in SEA could be an opportunity. The first opportunities are in mobility and logistics such as smart warehousing, battery technology for mobility devices. Other opportunities remain in preventive healthcare. Doing deeper analysis on patient data will be impactful on overall healthcare spend and the efficiency.

On government-backed funds to invest in pre-IPO and SPAC opportunities, I am positive about these initiatives. If I go back 10 or 11 years, the venture industry in Singapore has been supported by government initiatives which helped spur the overall industry. Doing something similar for late stage investments will help generate more institutional interest over the long term.

The funding landscape is maturing at a very fast pace and especially at the Series A - B stage. If we can create more momentum at the growth stage and further institutionalize seed investments, SEA will have the right package.



**Michael Lints**  
Partner  
Golden Gate Ventures

# Insider Insights

The Southeast Asia region is a healthy, vibrant, and attractive market for the next generation of entrepreneurs and global champions. In fact, it is poised to be the next focal point of growth and innovation in the next few decades notwithstanding the COVID-19 pandemic. The pandemic has amplified the need for food supply resilience and fueled rapid innovation in areas of sustainability, agrifood and medtech. Interest in these sectors is also attributed to the accelerated adoption of digitalization trends that have emerged because of the pandemic.

Startups are typically more agile and have an intimate understanding of the marketplace, allowing them to evolve, experiment and duplicate new ideas. Improvements in internet connectivity, productivity, affordability and access across the region will encourage widespread technology adoption. Deep tech startups will be able to leverage on Southeast Asia's large, technology-savvy population and talent base as sources for growth.



**Chua Kee Lock**  
CEO  
Vertex Holdings

While acceptance of high valuations may be a function of a lot of liquidity, it is also a recognition of the quality of a particular vintage of company. This comes after a black swan event – the pandemic. It provided clarity on companies that showed greater success and resilience. Every country in Southeast Asia is at a different stage of development. Pain points that need near term solutions vary. Some general deep tech opportunities across the region are alternative proteins – for human (plant-based) and animal consumption (i.e. algae & insect), and controlled environment farming.

When it comes to listing on SGX, low volumes and a market dominated by blue chip and yield play companies signal a lack of excitement. There are exciting companies in Singapore and the rest of SEA, yet they don't consider SGX as a viable path. It is a chicken and egg problem. Unless you have a new breed of companies on the exchange, volumes will not change. Incentivizing companies to list is not a blanket solution, but a step in the right direction. With SPACs, and some of the region's top tech companies deciding to go public, global investors are interested. The exits as well as the increased liquidity pool creates new entrepreneurs which makes the ecosystem more vibrant and diverse.



**Paul Ong**  
Partner  
Innoven Capital

# Insider Insights

We have been lucky enough to get involved in medtech research and microbiome research startup. We agree that those companies help transform and save life. With our local expertise we do hope that we can help them into commercialization phase, navigate the regulation and accelerating the go-to market strategy.

Our portfolios that leverage deep technology have robust growth and create tremendous impacts to societies. For example, Indonesia's biotech company Nusantics repurposes their core capability in microbiome research and technology to produce the first local COVID-19 test kits for Indonesia. Second, a medtech company Nalagenetics has collaborated with doctors and research hospitals in Jakarta and Singapore to fight against ancient disease in the region

In terms of pivot during the pandemic, the classic story would be Traveloka. The management team manage to turn around the company from a crisis into a strength and sustainable company. With pent-up demand for travel, we strongly believe that the number will be back to pre-Covid very soon.



**Wilson Cuaca**  
Managing Partner  
East Ventures

“For nearly every country in Asia, the CPI basket has food as the largest portion. Our general view is that unless you have direct exposure to the food sector, you’re not directly exposed to the growth of the Asian consumer. We invest across the whole value chain of food but we’ve specifically targeted the sectors that are experiencing hyper-growth. Alternative proteins for example, is a very interesting secular trend in our view, especially for Asia. That’s the reason why over the last several years we have engaged in several projects across Asia.

Lab grown meat (clean meat) is one of the very few potential game changer for the history of the sector. Micro-innovation occurs everyday, but the really big game changers only come every couple hundred of years. When people started to modify seeds, that was a game changer. It’s not just changing the production and the product, it’s changing the whole supply chain...from land to seeds, to pesticides to the workers, the communities – it will change all of that.”



**Tai Lin**  
Managing Partner  
Proterra Investment Partners

# Insider Insights (Deep Tech Focused VCs)

“There is a gap between lab to market especially in deep tech. We launched a new program internally called UFP or UTEC Founder’s Program... to get from lab to pre-market.

In the super early stage, we do invest in academic spin-offs, so one of the challenges we face in this region as well as in US (and others), is how do we take the IP cleanly out of the University and then spin it out into the company. India and Singapore is getting better, but however it’s not standardised. IP commercialisation is something we would like to see. Singapore has done it well and India has done it well for life sciences.

Third is commercialisation itself. One of the challenges for Singaporean companies - they have to be global from day one. Is their product robust enough? For Indian startups it’s the other way.

Fourth thing we’d like to see is the emergence of more IPOs in the region, to support deep tech IPOs. Can the startup find the path to commercialization even before regulation (sets in)? Revenue is important but especially customer validation even before regulatory approvals come in, are some of the important things.”



**Kiran Mysore**  
Principal  
UTEC Japan

“In my view, Singapore should focus on something that it has natural strengths in, and one of them is deep tech. We’ve invested billions of dollars in the last 30 years, and have reached a stage where we’re leading the region in terms of R&D capabilities at our research institutions and universities.

If we try to focus on the Grabs and e-commerce players, there’s a little less barrier-to-entry. Many countries can do that, and with a larger domestic market they would have an advantage over us. But if we focus on deep tech, there is a chance. We could leverage our natural strengths in R&D and our hub status to increase the barriers to entry.”



**Dr. Finian Tan**  
Founder and Chairman  
Vickers Venture Partners

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