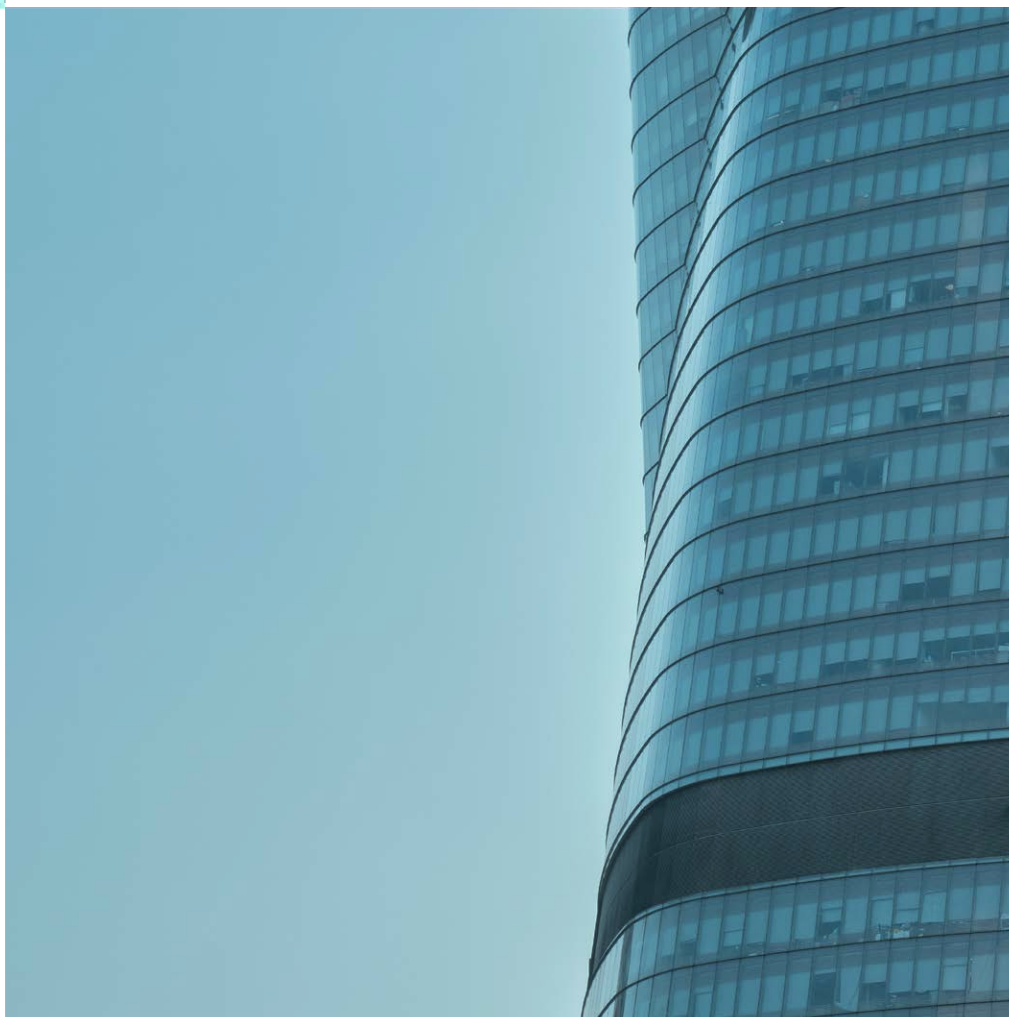


# VIETNAM INNOVATION & TECH INVESTMENT REPORT 2024





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# FOREWORD

In recent years, Vietnam has risen as a regional beacon of opportunity for tech investment. Our digital economy witnessed the highest growth in Southeast Asia for two consecutive years in 2022 and 2023<sup>(1)</sup>. Amidst global economic uncertainties, technological innovation has become a crucial driver of Vietnam’s sustainable economic development.

These developments are underpinned by the steadfast commitment of the Vietnamese government. Prioritizing innovation and entrepreneurship, the government has implemented a range of initiatives to create a favorable environment for tech companies. Central to this effort is the Vietnam Innovation Center (NIC), a dynamic support hub for startups. Through NIC, startups receive crucial guidance from industry experts, access to potential investors, and partnership opportunities to fuel their growth.



The Vietnam Innovation & Tech Report 2024 provides a detailed look at investment trends in the Vietnamese startup ecosystem while shedding light on exit opportunities available for stakeholders within Vietnam’s burgeoning tech scene. As we navigate this ever-evolving landscape, we envision this report sparking further collaboration and innovation within our ecosystem. We celebrate the spirit of innovation, the resilience of our entrepreneurs, and the forward-thinking vision of our government. Together, these elements have propelled Vietnam onto the global stage of technology and innovation.

**Vu Quoc Huy**

Director, Vietnam National Innovation Center

*(1) e-Economy SEA 2023 by Google, Temasek, Bain & Company*

WITH CONTRIBUTIONS FROM



# EXECUTIVE SUMMARY

## 01

In 2023, Vietnamese tech startups received a total investment of \$529M, which represents a 17% drop from the previous year. This statistic points to a sustained trend impacted by challenging worldwide economic conditions.

## 02

Despite its own 17% decrease, Vietnam's VC funding exhibited impressive resilience, standing out amidst a global environment where total VC funding dropped by 35%.

## 03

In Southeast Asia, Vietnam maintained its third position in deal count and reclaimed the third spot in deal value, with Singapore leading in both aspects, closely followed by Indonesia.

## 04

Healthcare and Education saw record-high investments, with impressive jumps of 391% and 107% respectively.

## 05

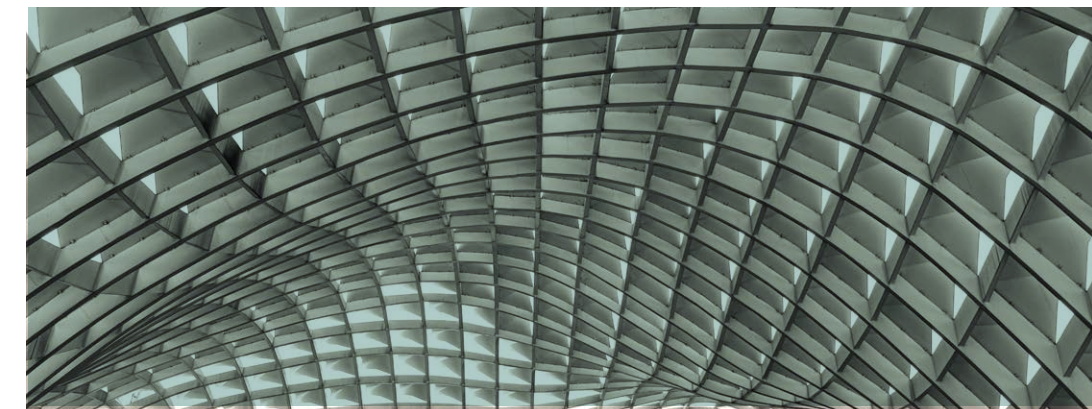
In 2023, nearly 100 investors backed Vietnamese startups, with Singapore leading as the most active investor in Vietnam's tech sector, followed closely by Vietnam in second place.

## 06

The exit landscape in Vietnam is demonstrating promising developments, marked by notable growth in the public market, strengthened governance mechanisms in the stock market, and the increasing influence of local conglomerates on the M&A market.



# EXECUTIVE SUMMARY



## 07

Several policies have been proposed to create an environment where innovative companies can thrive and attract investment, including:

- Resolution 98/2023/QH15 of the National Assembly on piloting a number of specific mechanisms and policies to develop Ho Chi Minh City
- Mechanisms on innovation and startups in the Draft Amended Law on the Capital City
- Resolution No. 119/2020/QH14 of the National Assembly on piloting the organization of the urban government model and a number of specific mechanisms and policies for the development of Da Nang city

## 08

In September 2023, US President Joe Biden visited Vietnam and elevated the bilateral relationship to a Comprehensive Strategic Partnership. One of the key areas of cooperation identified was innovation, including the development of the semiconductor industry.

## 09

The Ministry of Planning and Investment is working on a proposal to develop human resources in Vietnam's semiconductor industry by 2030, aiming to train 50,000 engineers for all stages of the value chain. In the mean time, NIC has been actively engaging in developing the semiconductor ecosystem in Vietnam by partnering with global top-tier corporates including Cadence Group, Synopsys, and Siemens.

## 10

NIC has played a significant role in advancing green hydrogen energy planning in Vietnam, aligning with the ambitious target of achieving Net-Zero emissions by 2050 through cooperations with leading institutions such as GIZ, SK, and Masan.

## 11

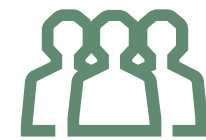
In October 2023, NIC Hoa Lac was inaugurated with the participation of Prime Minister Pham Minh Chinh and leaders from global and local tech giants. The new facility of NIC boasts almost 20,000-m<sup>2</sup> floor area in two office buildings and one international conference center. NIC Hoa Lac aims to serve as a hub for innovation, connecting and enhancing the national innovation and startup ecosystem.



# VIETNAM DIGITAL ECONOMY LANDSCAPE

Vietnam posted the highest growth in its digital economy in Southeast Asia for two consecutive years in 2022 and 2023. According to Google's report, Vietnam's digital economy is expected to grow 20% per year in the period 2023 - 2025 and is on track to reach \$43B in 2025.

# VIETNAM INTERNET INDEX



TOTAL POPULATION  
**99.19** MILLION  
URBANIZATION  
**39.8%**



CELLULAR MOBILE CONNECTIONS  
**168.5** MILLION  
TOTAL VS. POPULATION  
**169.8%**



INDIVIDUALS USING THE INTERNET  
**78.44** MILLION  
TOTAL VS. POPULATION  
**79.1%**



SOCIAL MEDIA USER IDENTITIES  
**72.70** MILLION  
TOTAL VS. POPULATION  
**73.3%**

With a growing number of young people adept at using technology, combined with efforts to broaden digital participation, Vietnam is on track to unlock its full digital potential.

DAILY TIME SPENT USING THE INTERNET ACROSS ALL DEVICES

**06** HOURS  
**18** MINUTES

TIME SPENT USING THE INTERNET ON MOBILE PHONES

**03** HOURS  
**30** MINUTES

TIME SPENT USING THE INTERNET ON COMPUTERS AND TABLETS

**02** HOURS  
**47** MINUTES

TOTAL TIME SPENT USING SMARTPHONES EACH DAY

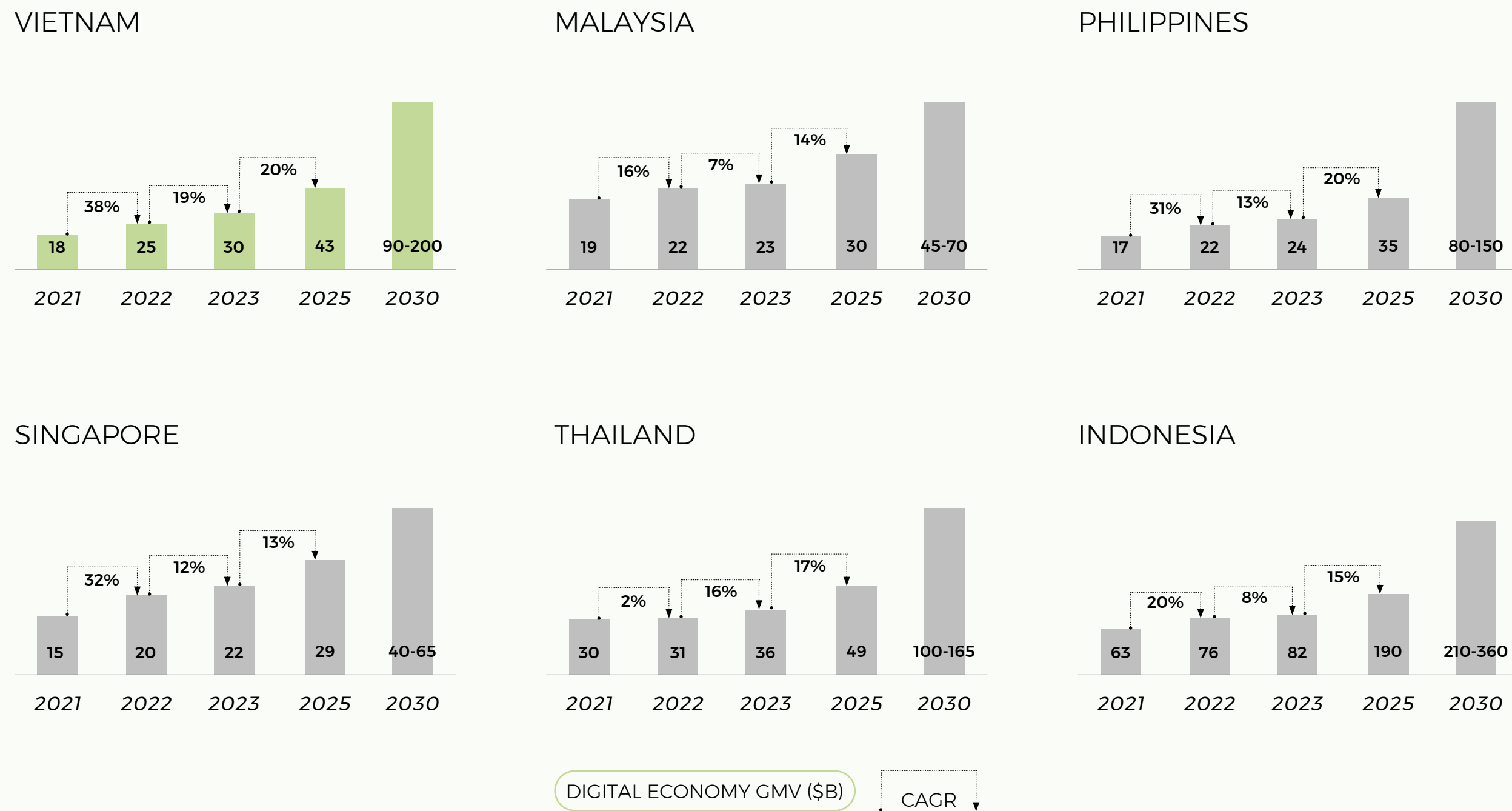
**05** HOURS  
**15** MINUTES



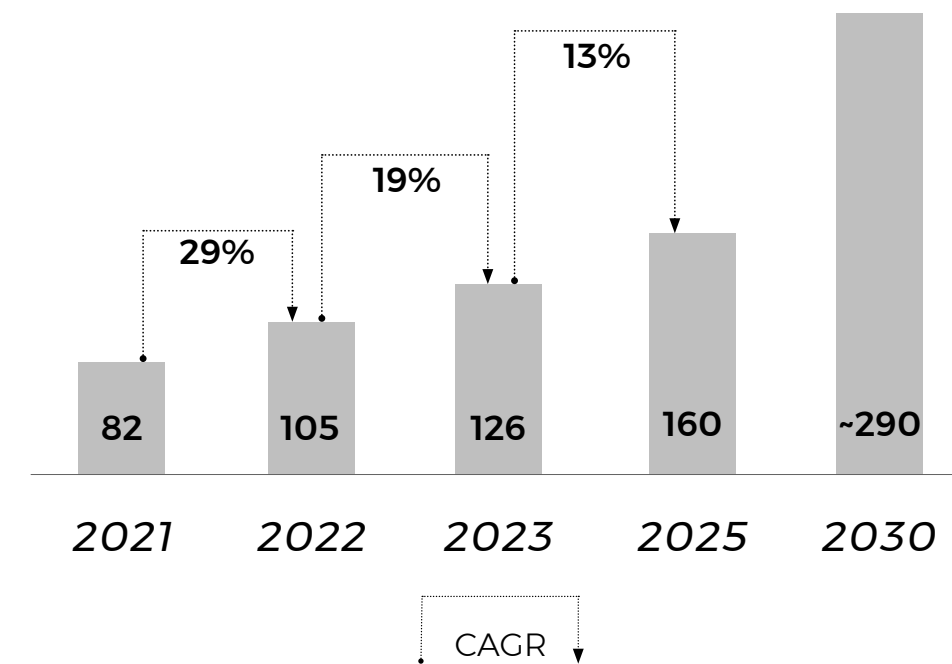
# VIETNAM DIGITAL ECONOMY

Vietnam's digital economy, the fastest-growing in Southeast Asia, is propelled by factors like high Internet penetration in sea in 2023, favorable government initiatives, and a thriving startup ecosystem.

VIETNAM'S DIGITAL ECONOMIC GROWTH RATE IS THE FASTEST IN SOUTHEAST ASIA FOR 2 CONSECUTIVE YEARS



VIETNAM HAS THE HIGHEST DIGITAL PAYMENT GTV GROWTH (19% Y-O-Y) IN SEA IN 2023



MADE A DIGITAL PAYMENT (PAST YEAR)

**42.0%**

FEMALE **40.3%** MALE **43.8%**



MADE A PURCHASE USING A MOBILE PHONE OR THE INTERNET (PAST YEAR)

**40.4%**

FEMALE **42.1%** MALE **38.5%**

Source: Google, Temasek, and Bain& Company; We Are Social

# VIETNAM INNOVATION INDEX

In the GII 2023 rankings, Vietnam advanced two spots to 46th among the 132 listed countries and economies. This progress highlights Vietnam's potential as a rising center for innovation and technology, drawing attention and investment from across the globe.

**46<sup>th</sup>** ↑+2

in the Global Innovation Index 2023

**TOP 3**

Record holders by being innovation overperformers for a 13<sup>th</sup> consecutive year

**TOP 7**

Middle-income innovation frontrunners in the past decade

**TOP 10**

Countries lead in new mobile app downloads for 2 consecutive years

**46%**

Y-o-Y growth in digital platform users



# VIETNAM TECH INVESTMENT LANDSCAPE 2023

Despite the challenges that have beset the venture capital world on a global scale, Vietnam has managed to navigate these rough waters with remarkable fortitude, showcasing new advancements in its startup ecosystem.

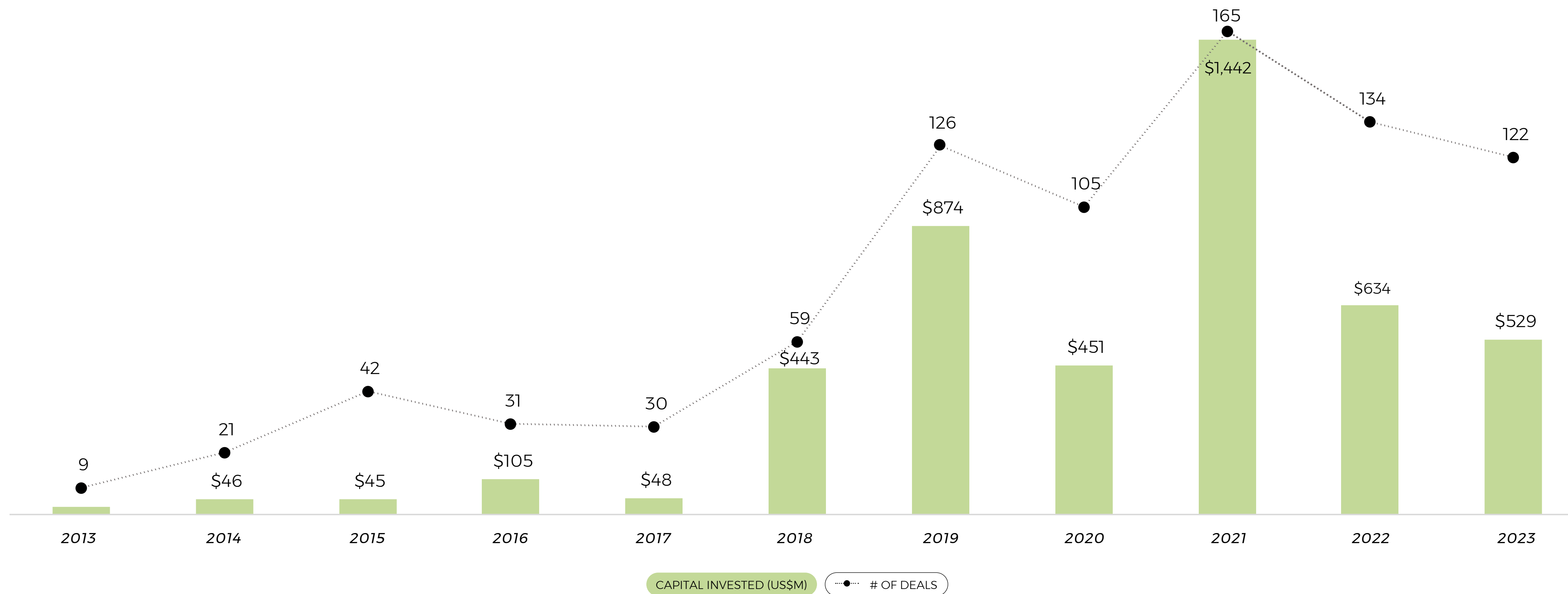
DATA PARTNER



# \$529M WAS FUNNELED INTO VIETNAM'S STARTUP ECOSYSTEM IN 2023

In 2023, the total capital invested in Vietnamese tech startups amounted to \$529M, marking a 17% decrease from the preceding year. Meanwhile, the deal count stayed relatively stable, experiencing only a slight 9% decrease, resulting in a total of 122 deals closed during the year. These figures highlight a continuing trend affected by challenging global economic conditions which tends to heavily affected later-stage deals value since the highs in 2021.

CAPITAL INVESTED AND DEALS DONE

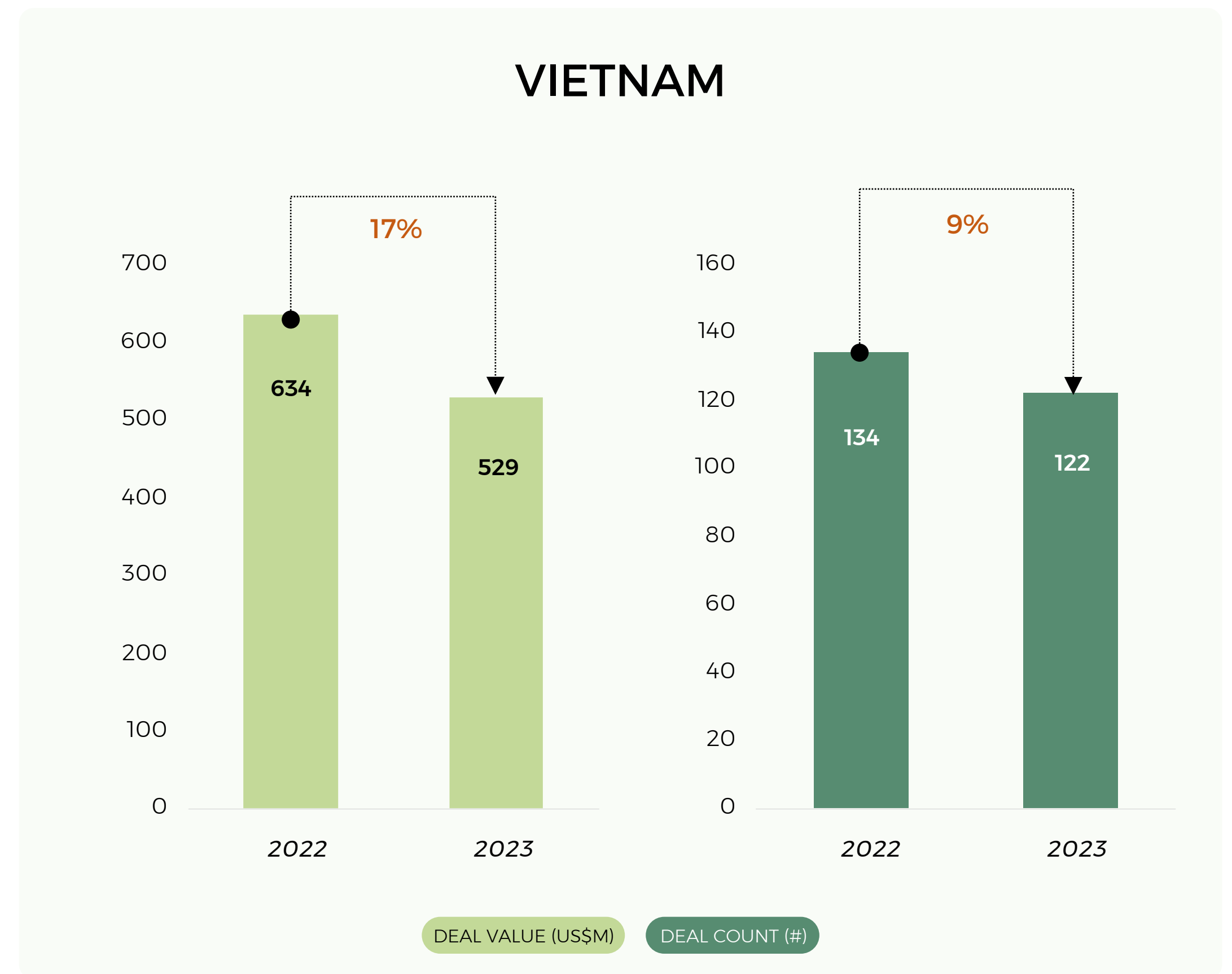
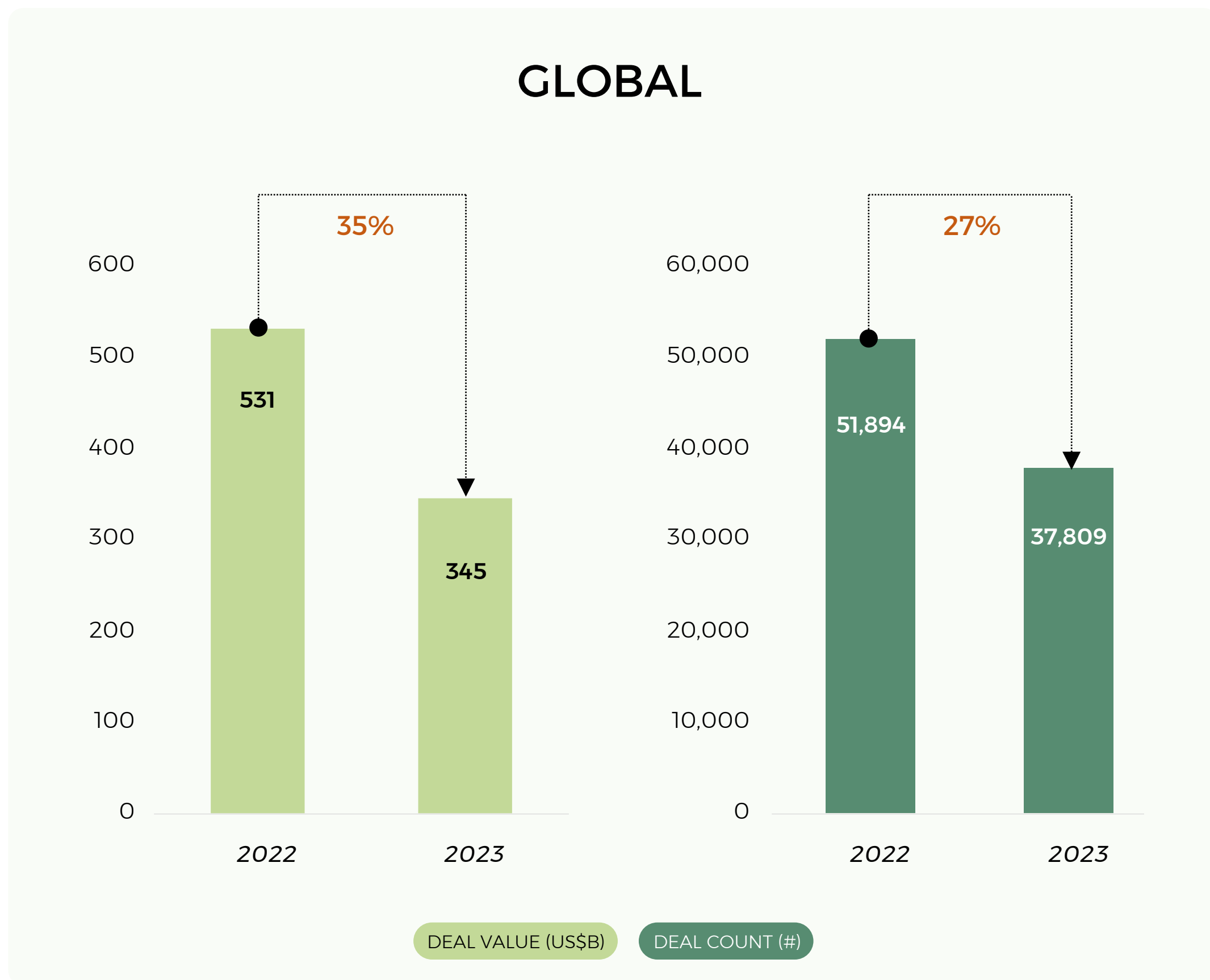


Source - Do Ventures, NIC, and Cento Ventures Research

Note: The numbers include various events that, while counting as investments in technology companies, are considered non-VC, e.g. project financing and corporate spin-off. Funds raised in digital tokens are not included

# VIETNAM'S VC FUNDING SHOWED RESILIENCE WHEN CONTRASTED WITH THE GLOBAL ENVIRONMENT

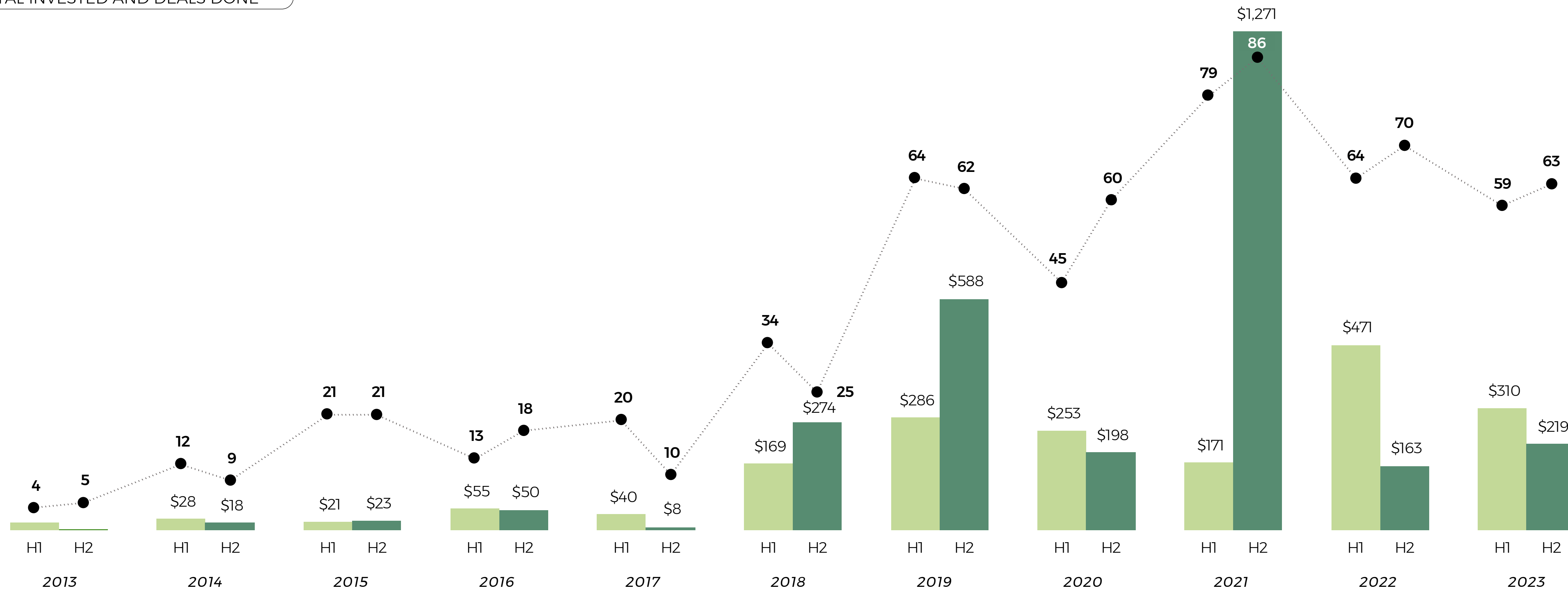
In 2023, despite experiencing a 17% decline in VC funding, Vietnam's investment landscape appeared relatively optimistic when contrasted with the global scenario. While global VC funding plummeted to around \$345B, marking a significant 35% decrease from the preceding year, Vietnam's VC funding demonstrated a notable level of resilience.



# DEAL VALUE SHOWED SIGNS OF IMPROVEMENT IN H2 2023

In the latter half of 2023, there was an increase in deal count compared to the first half. However, due to smaller deal sizes, the total deal value for the second half was lower than that of the first half. Yet, the deal value in H2 2023 surged by 34% compared to the previous year, surpassing the levels seen in both 2022 and 2020. Following a steep decline in deal value during the second half of 2022 compared to the peak of H2 2021, signs of a rebound began to emerge in H2 2023.

CAPITAL INVESTED AND DEALS DONE



CAPITAL INVESTED (US\$M) # OF DEALS

Source - Do Ventures, NIC, and Cento Ventures Research

# CONSISTENT DISTRIBUTION OF LATE-STAGE AND MID-TO-EARLY DEALS

The distribution of late-stage deals and mid-to-early deals remained relatively consistent compared to the trends observed in 2022. In comparison to 2022, deals valued at \$10M+ comprised a slightly larger portion, accounting for 69% of the total investment landscape.

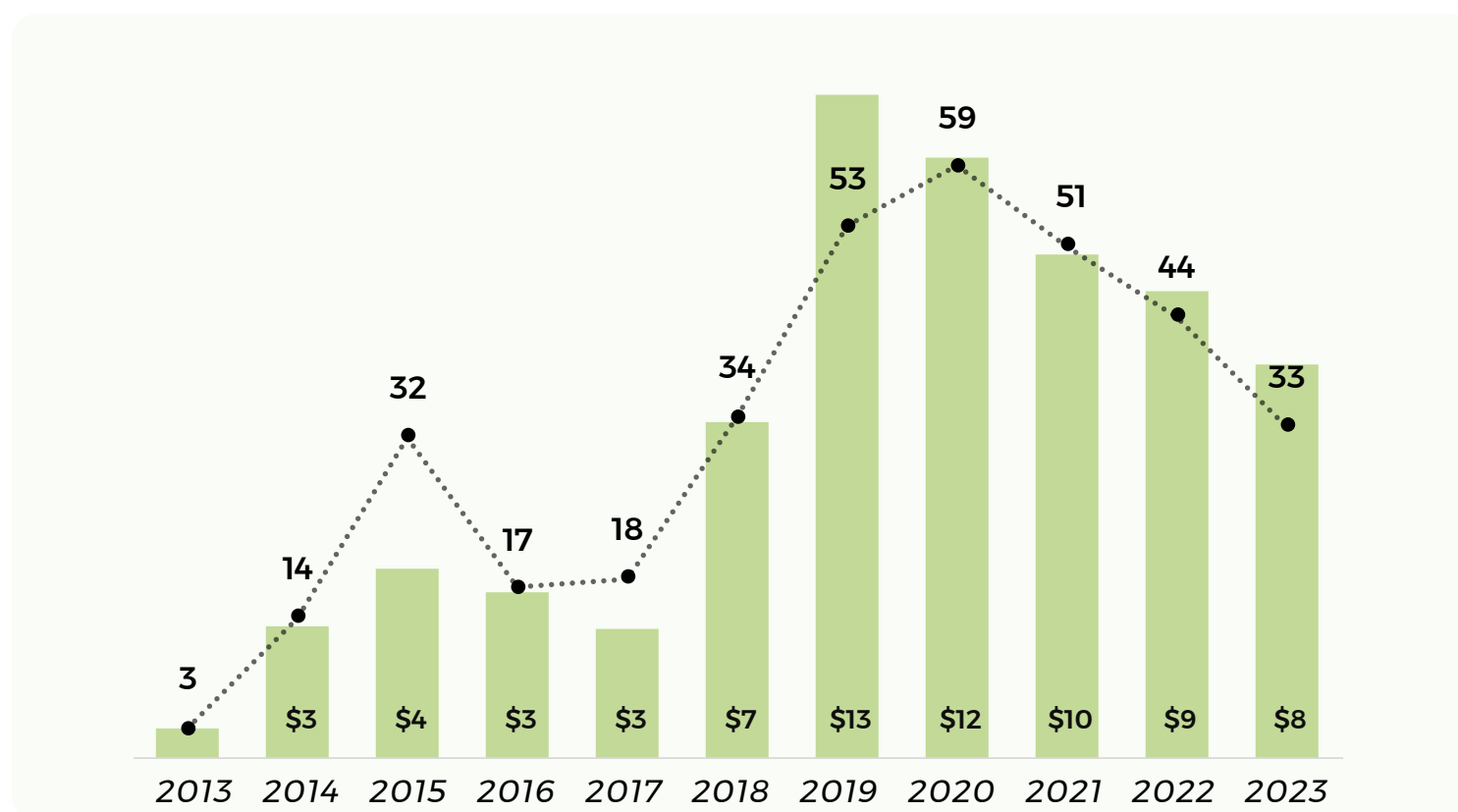
CAPITAL INVESTED AND DEALS DONE IN \$10M OR SMALLER ROUNDS & \$10M+ ROUNDS



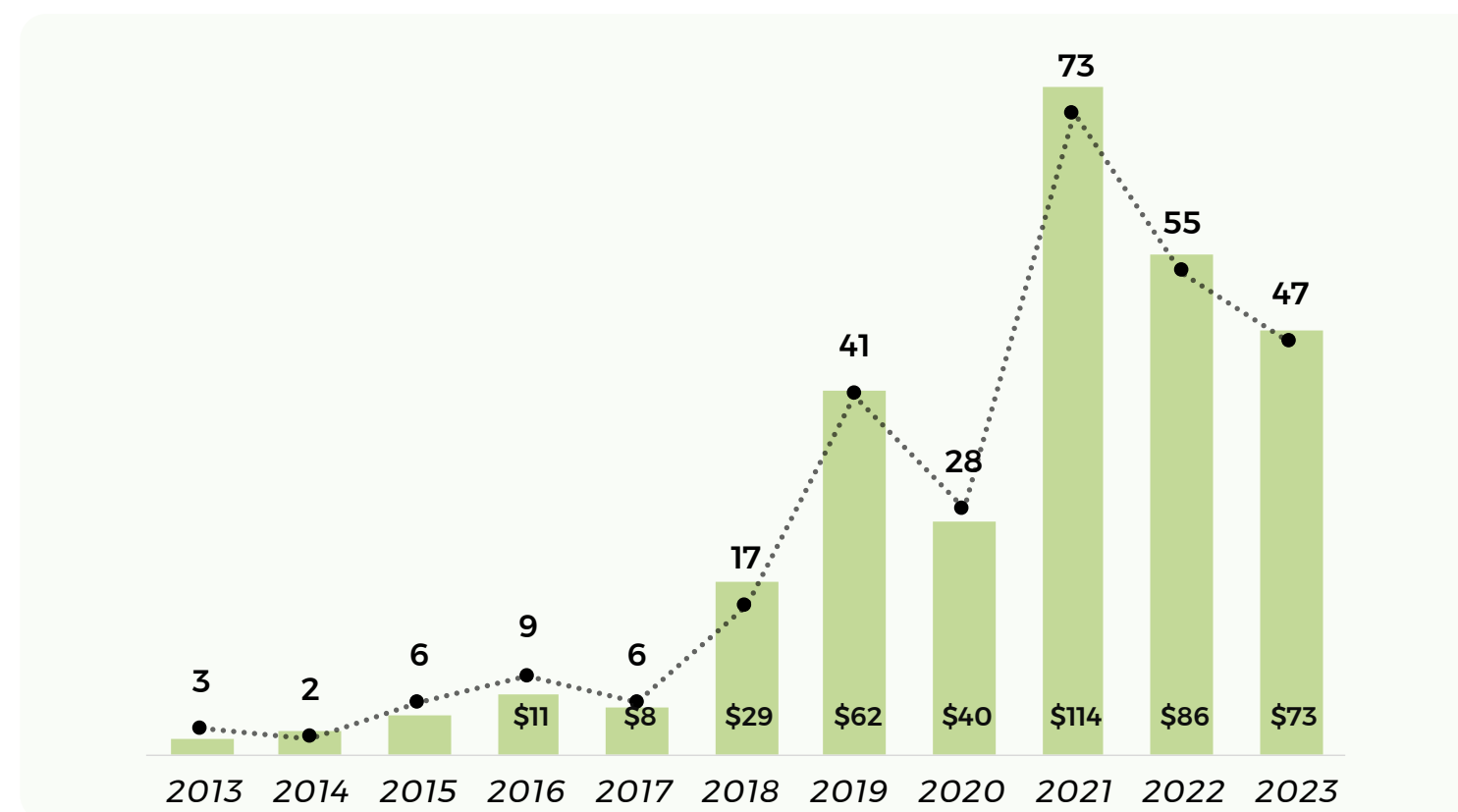
Source - Do Ventures, NIC, and Cento Ventures Research

# INVESTORS HOLD AN OPTIMISTIC VIEW TOWARDS EARLY-STAGE DEALS

\$0.5M OR SMALLER DEALS

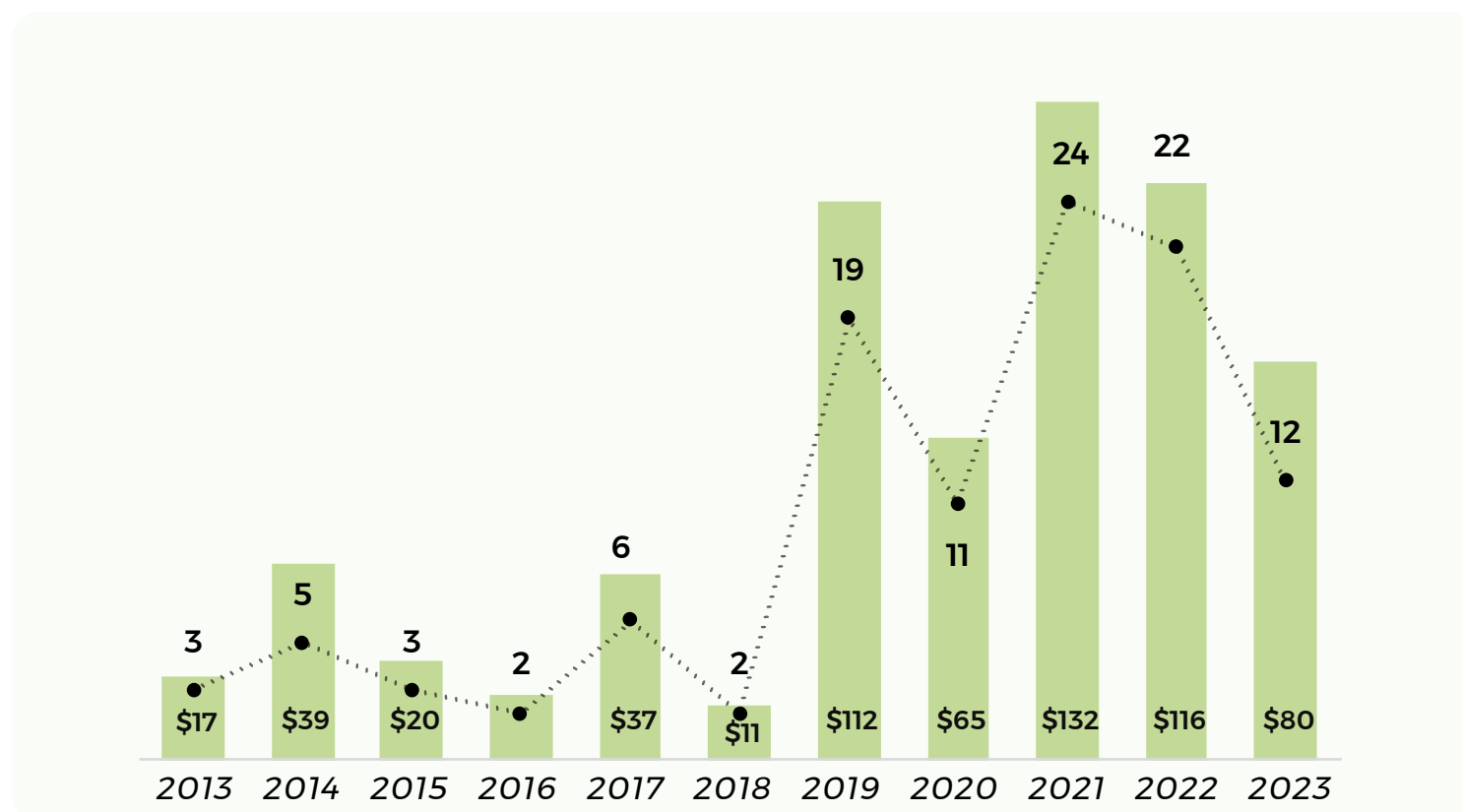


\$0.5M+ TO \$3M DEALS

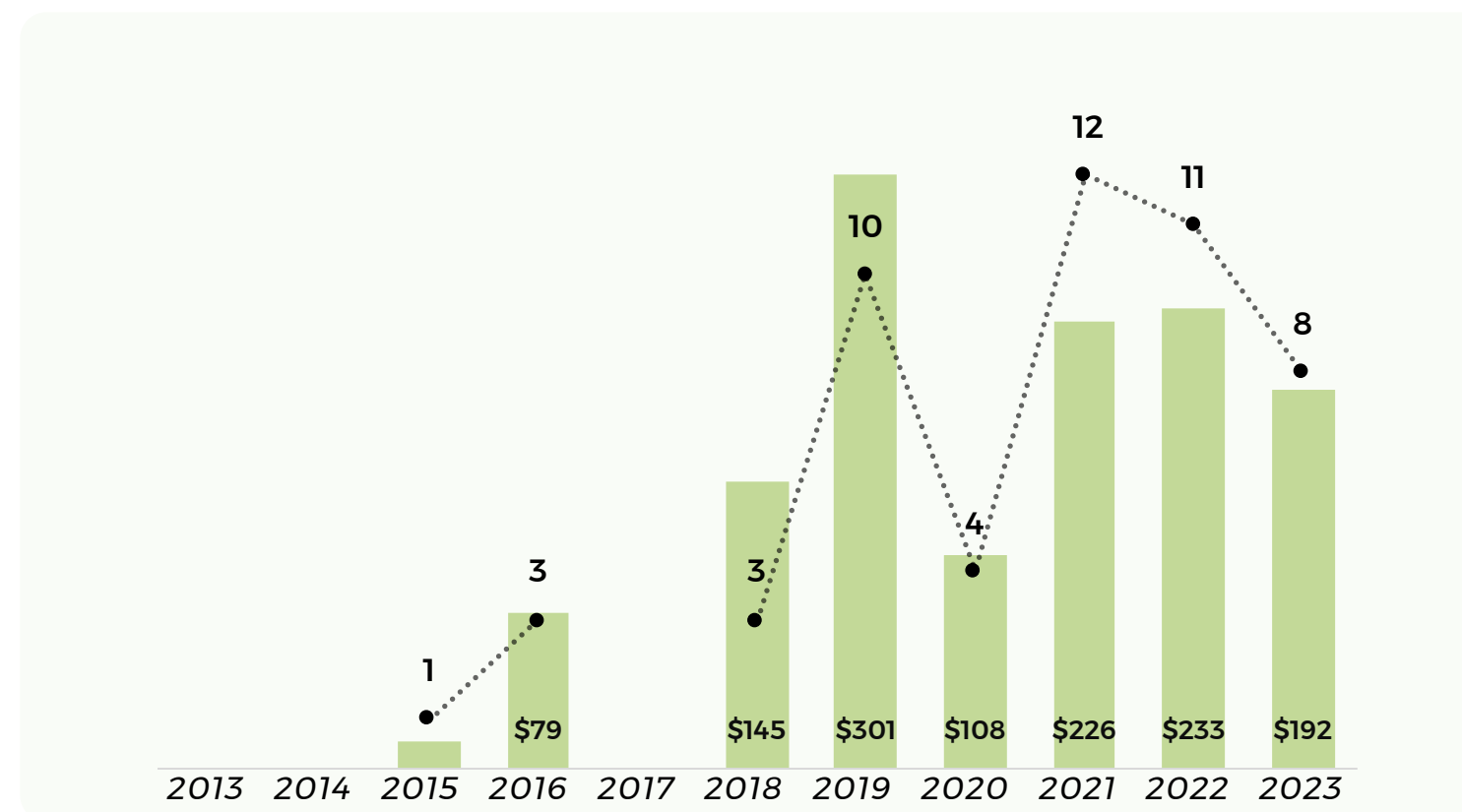


Excluding \$50M+ deals, the number of deals in the \$0.5M - \$3M range saw the smallest decline among other check sizes, indicating a healthy state of the core venture capital segment and offering positive signs for the ecosystem. This trend suggests that investors maintain an optimistic outlook for early-stage deals, likely due to their confidence in the higher caliber of founders launching businesses during challenging times.

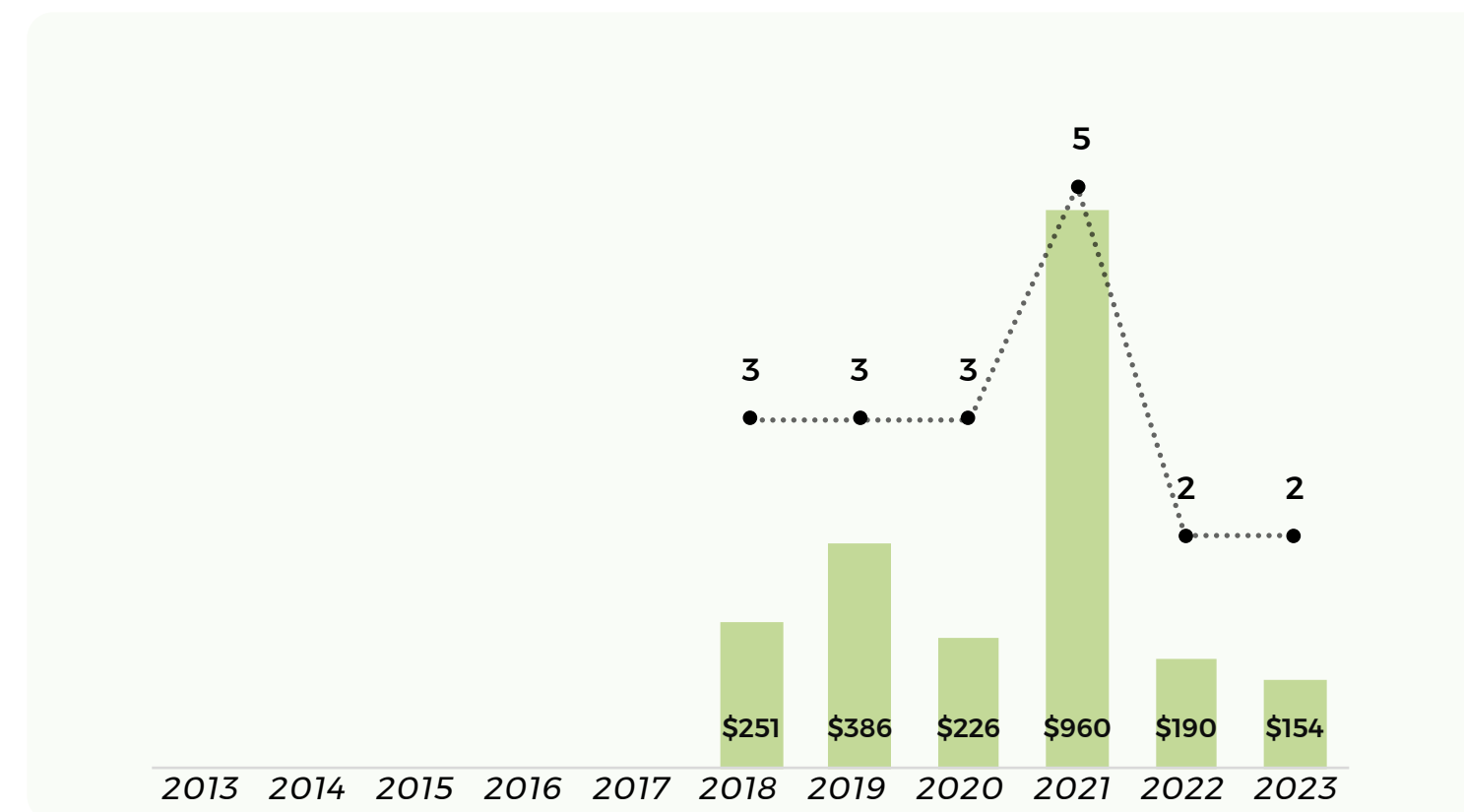
\$3M+ TO \$10M DEALS



\$10M+ TO \$50M DEALS



\$50M+ DEALS



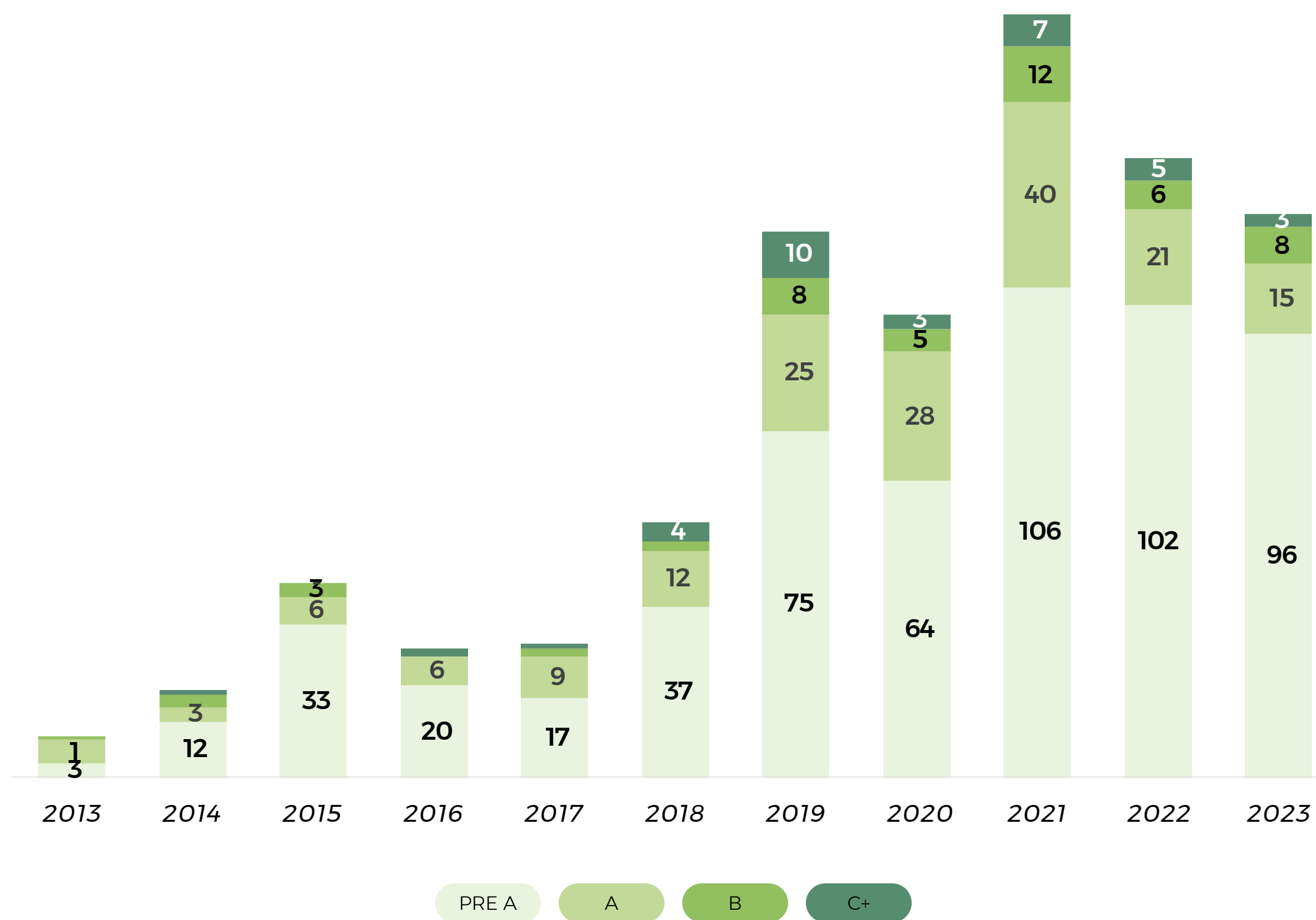
CAPITAL INVESTED (US\$M) ●●●● # OF DEALS



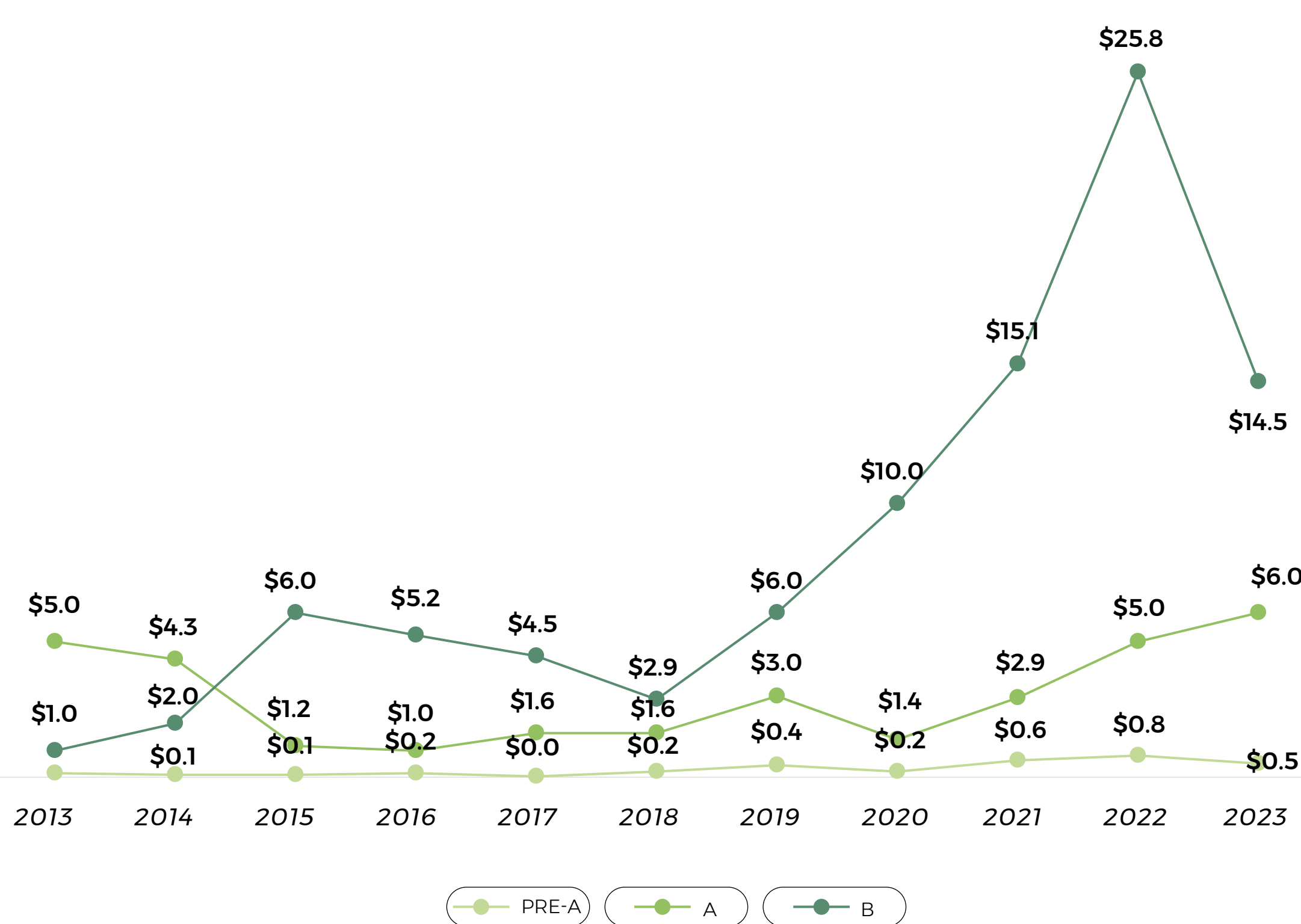
# SERIES B'S AVERAGE TICKET SIZE SAW A SIGNIFICANT DROP

- The Pre-Series A deal count remained healthy, experiencing only a slight decrease from the peak in 2021.
- There was an increase in the number of Series B deals compared to the previous year. In contrast, there was a significant decline in the median deal size for Series B investments, which can be attributed to startups seeking to raise smaller amounts or opting for fundraising in tranches to minimize dilution during a period of contracted valuations.

DEALS DONE BY SERIES, #

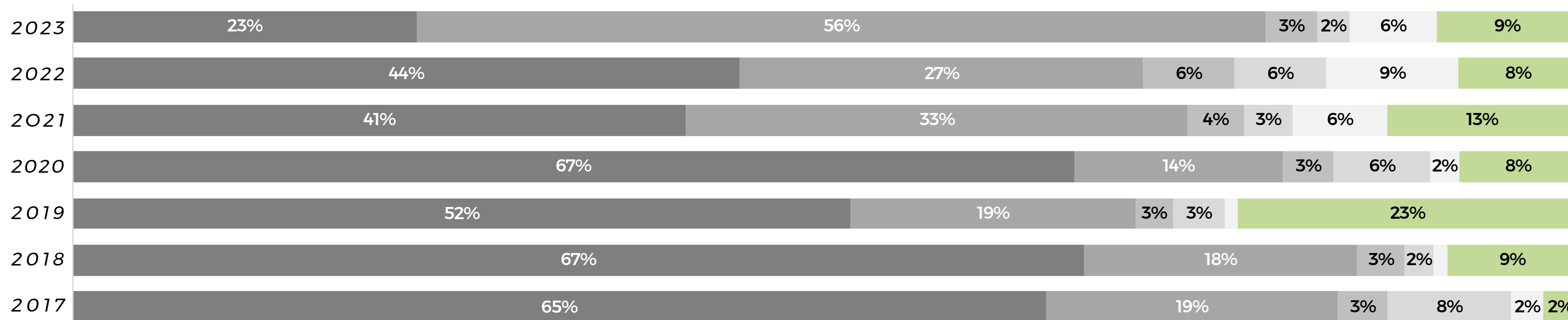


MEDIAN DEAL SIZE BY SERIES, US\$M



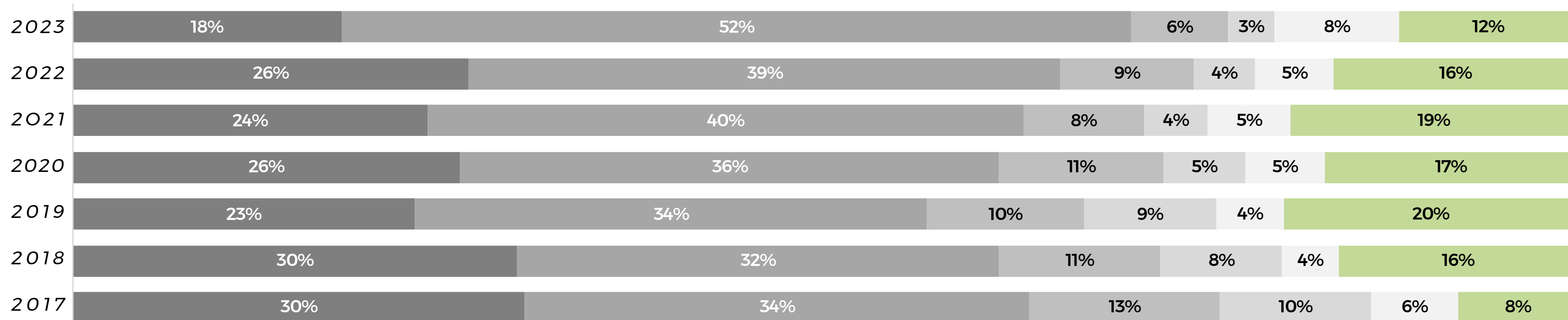
# VIETNAM SECURED THE THIRD POSITION IN SOUTHEAST ASIA FOR BOTH DEAL VALUE AND DEAL COUNT

SHARE OF DEAL VALUE BY COUNTRY



Vietnam retained its third place ranking in terms of deal count and climbed back to the third place in terms of deal value. Singapore took the lead in both deal value and deal count, with Indonesia following closely behind.

SHARE OF DEAL COUNT BY COUNTRY



INDONESIA SINGAPORE MALAYSIA THAILAND PHILIPPINES VIETNAM

Source - Do Ventures, NIC, and Cento Ventures Research

# FUNDING IN HEALTHCARE AND EDUCATION HIT HISTORIC HIGHS

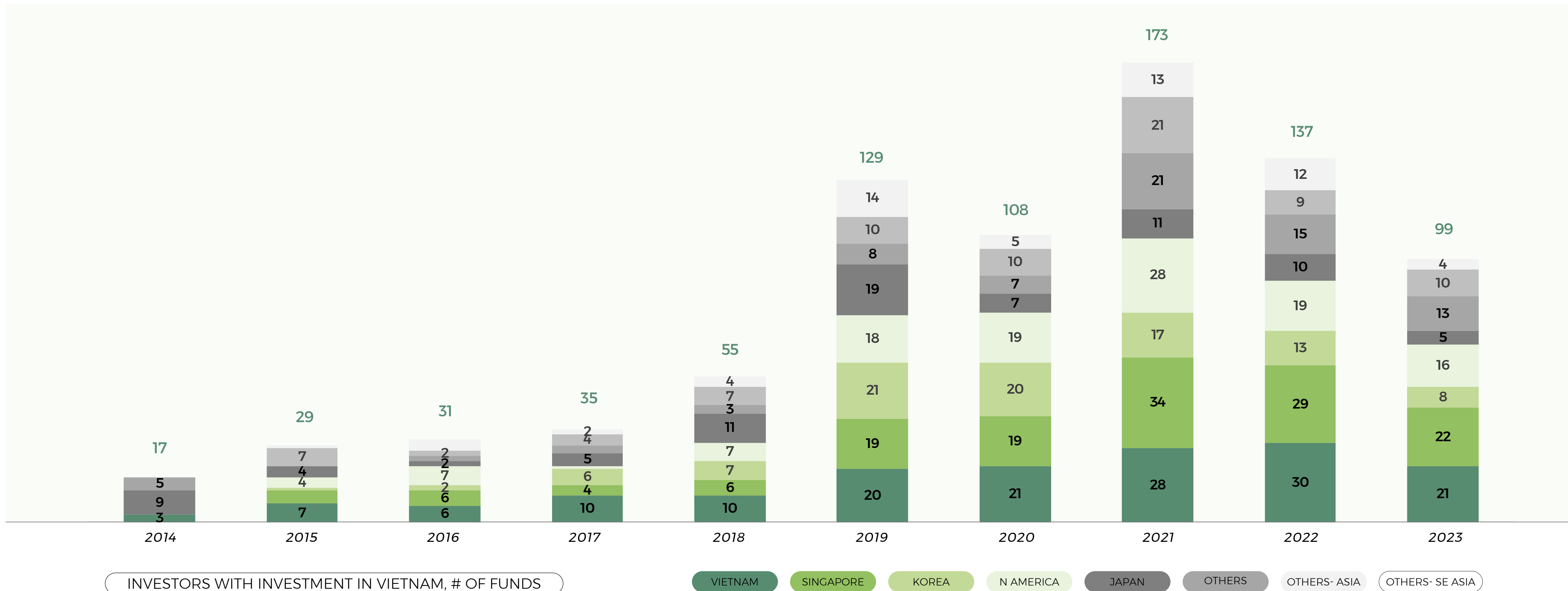
CAPITAL INVESTED BY SECTOR

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2022-2023 Change
<b>Payments</b>	12	10	1	29	10	100	300	101	450	30	-	-100%
<b>Retail</b>	1	15	1	18	15	105	195	83	469	204	33	-84%
<b>Employment</b>	-	0.0	0.2	0.1	0	1	3	36	4	3	10	305%
<b>Real estate and infrastructure</b>	1	-	0.1	-	7	6	16	26	29	10	1	-89%
<b>Financial Services</b>	-	0.0	1	2	0.0	3	40	25	61	214	149	-30%
<b>Business Automation</b>	-	-	0.1	-	0.0	1	60	18	55	15	9	-39%
<b>Local Services</b>	0.2	0.1	4	2	0.2	4	5	10	4	4	-	-100%
<b>Travel and hospitality</b>	-	1	0.4	4	1	5	23	9	4	0.2	3	1320%
<b>Education</b>	0.2	3	6	1	5	53	32	8	55	32	67	107%
<b>Entertainment / Gaming</b>	-	-	-	-	-	0.3	9	6	175	10	13	31%
<b>Logistics</b>	-	-	0.3	1	-	5	58	4	8	10	0	-98%
<b>Healthcare</b>	-	-	0.1	-	0.2	0.2	12	3	37	37	184	391%
<b>Entertainment / Non-Gaming</b>	-	-	0.1	-	-	-	1	2	10	5	9	73%
<b>Advertising and Marketing Technology</b>	6	7	30	1	6	3	15	2	-	1	1	-53%
<b>Comms &amp; Communities</b>	-	0.2	-	-	-	0.0	-	1	7	1	-	-100%
<b>Multi-vertical</b>	-	-	-	-	-	-	29	-	42	-	-	-
<b>Others</b>	-	-	0.2	-	-	-	-	-	33	59	51	-13%

In 2023, the Healthcare sector witnessed record-high investment amounts, soaring by a remarkable y-o-y growth of 391%, making it the most funded sector. Education also experienced a record-breaking investment level, boasting a 107% y-o-y increase. Employment and Travel/Hospitality also saw a significant surge in capital invested during this period.

# SINGAPORE LED AS THE MOST ACTIVE INVESTOR

In 2023, Singapore took the lead as the most active investor in Vietnam’s tech sector, with Vietnam coming in second in terms of investment activities. Notably, there was a decline in the total number of funds investing in Vietnam, falling below the level seen in 2020. This reflected investors’ growing cautious approach during this period.































Source - Do Ventures, NIC, and Cento Ventures Research

# 2023 ACTIVE INVESTORS | BY # OF INVESTMENTS

In the past year, nearly 100 investors showed a keen interest in Vietnam, making substantial investments in the country's thriving tech sector. These investments have been instrumental in fueling the growth of Vietnam's tech ecosystem, supporting startups, and fostering innovation.

TOP ACTIVE INVESTORS IN 2023, BY # OF DEALS

	LOCAL FUNDS	FOREIGN FUNDS
5+ Deals	   	 
2+ Deals	       	               

Note: Data on deal volume is sourced from funds that contribute information for this report. This dataset may not encompass all investment funds active in the market during 2023, as some may have chosen not to disclose their data.  
 Source - Do Ventures, NIC, and Cento Ventures Research

# VIETNAM EXIT LANDSCAPE

DATA PARTNER



Navigating the exit landscape in Vietnam is a crucial aspect for foreign investors looking to establish a presence in the country's rapidly growing economy. This journey entails a deep understanding of the market dynamics, legal frameworks, and diverse exit strategies available. By leveraging this knowledge, investors can make informed decisions tailored to the nuances of Vietnam's business environment.

1.  
CURRENT  
STAGE

2.  
POSITIVE  
MOVEMENTS

3.  
GROWTH  
DRIVERS



# VIETNAM EXIT LANDSCAPE

1

## CURRENT STAGE

- SLOWDOWN IN THE MOMENTUM OF THE IPO MARKET
- STRINGENT LISTING REQUIREMENTS
- M&A SCENE ON A DOWNWARD TREND

2

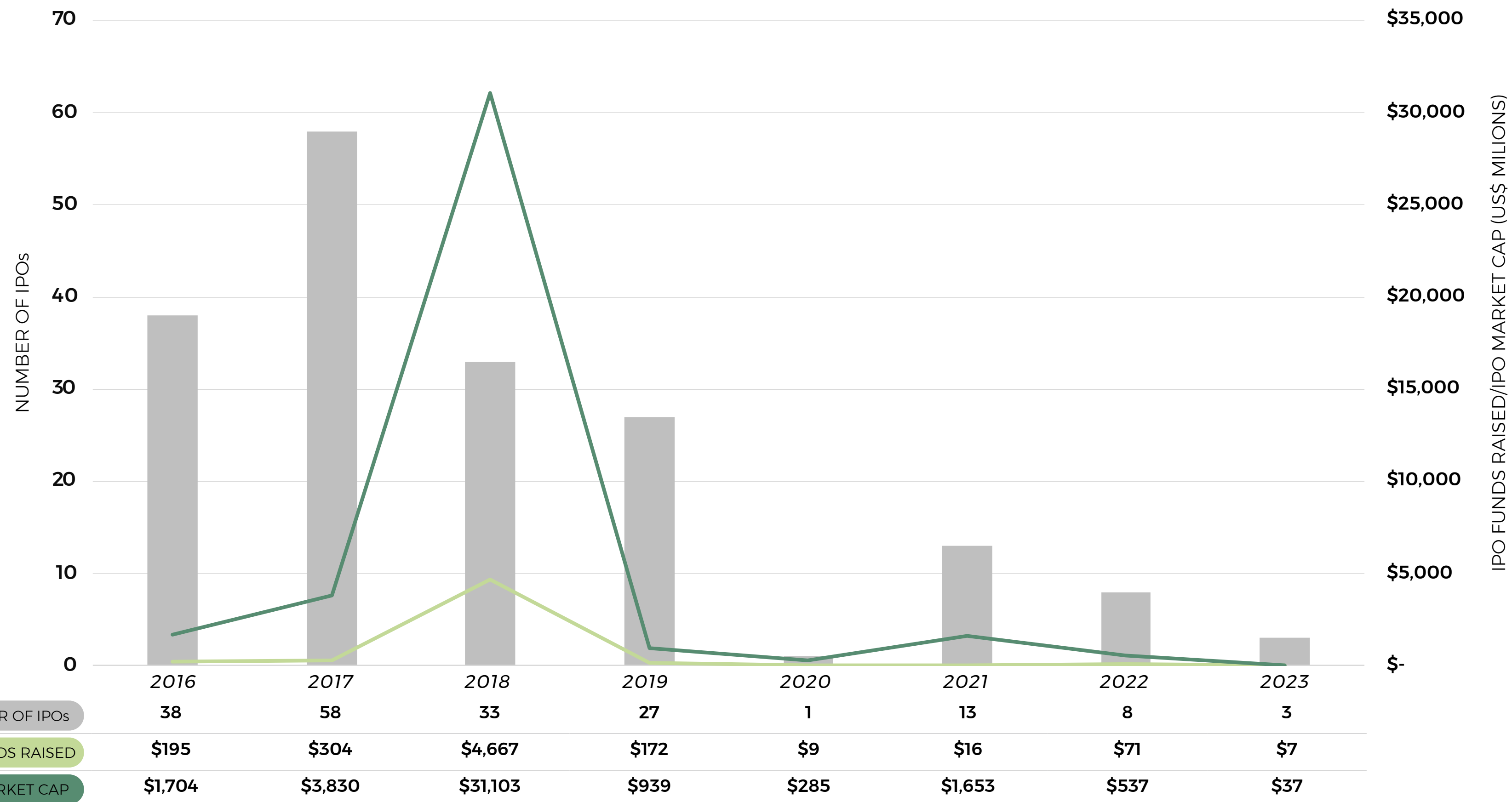
## POSITIVE MOVEMENTS

3

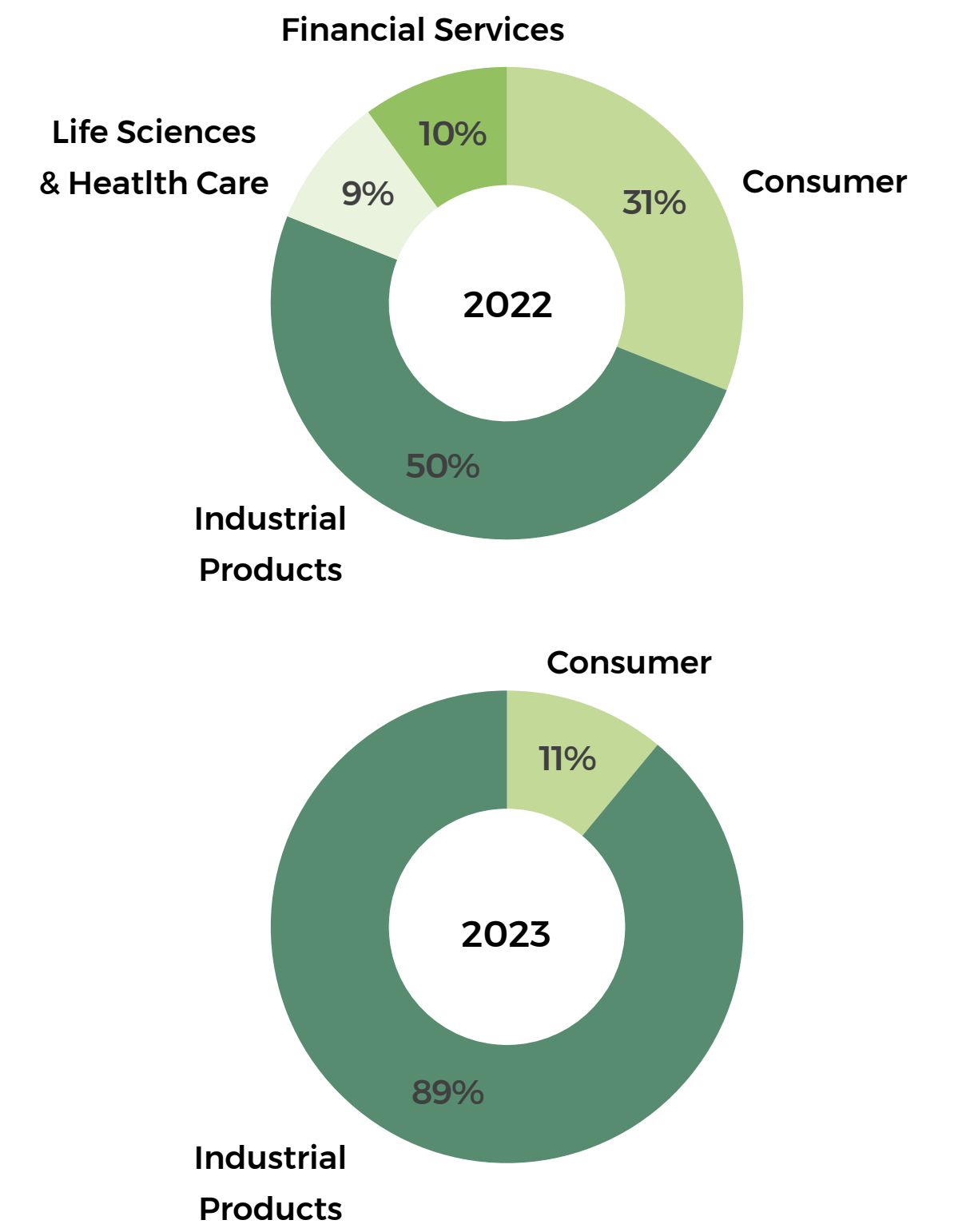
## GROWTH DRIVERS

# SLOWDOWN IN THE MOMENTUM OF THE IPO MARKET

- From 2016 to 2023, Vietnam’s IPO market showed varied trends with noticeable peaks and troughs in activity and capital raised. The period began with a robust IPO market in 2016, where 38 IPOs occurred, raising \$195 million. This momentum continued with a peak in 2018, where a record \$4,667 million was raised through 33 IPOs, marking the most lucrative year for the Vietnamese market.
- Since 2018, there has been a significant decrease in both the number of IPOs and the capital raised. By 2023, the market had notably shrunk to just 3 IPOs, resulting in a modest \$7M raised and a combined market capitalization of \$37M.



2022 & 2023 IPO AMOUNT RAISED, BY INDUSTRY



Source: Deloitte’s 2022 & 2023 South East Asia IPO Capital market report

Disclaimer: Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more. This communication contains general information only, and none of DTTL, its global network of member firms or their related entities is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.



# STRINGENT LISTING REQUIREMENTS

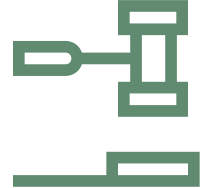


Navigating the IPO process in Vietnam’s startup scene continues to present a significant challenge, mainly attributable to the stringent criteria set for listing. The conventional financial metrics may not adequately capture the value and potential of tech startups, making the IPO path an uphill climb for these companies.

CRITERIA	HOSE AND HNX LISTING REQUIREMENTS	UPCOM LISTING REQUIREMENTS	IPO REQUIREMENTS
Charter capital/Corporate structure	Joint stock companies with $\geq$ VND 30B (~\$1.2M)	<ul style="list-style-type: none"> <li>Public-interest entities (PIEs) with contributed charter capital of VND 30B (~\$1.2M) or more (except for SOEs, one member limited liability companies 100%-owned by SOE, public non-business units subject to equitization requirements)</li> </ul>	Joint stock companies with $\geq$ VND 30B (~\$1.2M)
Duration of operation	Have already been trading on UPCOM for at least 2 years, except for companies that have completed public offering or equitization	N/A	
Business result	<ul style="list-style-type: none"> <li>Market cap of at least VND 30B (~\$1.21M)</li> <li>ROE of 2 year preceding the year of registration for listing <math>\geq</math> 5%</li> <li>Not having debts payable which are overdue for more than one year</li> <li>Not having accumulated loss in most recent financial year</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Profitable for 2 consecutive years</li> <li>Not having accumulated loss as of the year of registration for listing</li> </ul>
Publicity (except for equitized SOE)	At least 15% of voting shares in the company must be held by at least 100 shareholders who are not major shareholders (10% for companies with the charter capital of more than VND 1,000B (~\$40.8M))	At least 10% of voting shares in the company must be held by at least 100 shareholders who are not major shareholders	At least 15% of voting shares in the company must be sold to at least 100 shareholders who are not major shareholders (10% for companies with the charter capital of more than VND 1,000B (~\$40.8M))
Commitment to hold shares from members of the BoD, Director, Supervisory board, Chief accountant and major shareholders who are affiliated with the aforementioned people	Undertaking to hold 100% of the shares they own for 6 months from the date of listing and 50% of this number of shares for the following 6 months	N/A	Large shareholders must commit to hold 20% of the charter capital at least 1 year from the day the IPO was completed

# STRINGENT LISTING REQUIREMENTS | IPO BY INTRODUCTION

## – AN ALTERNATIVE PATH TO LISTING

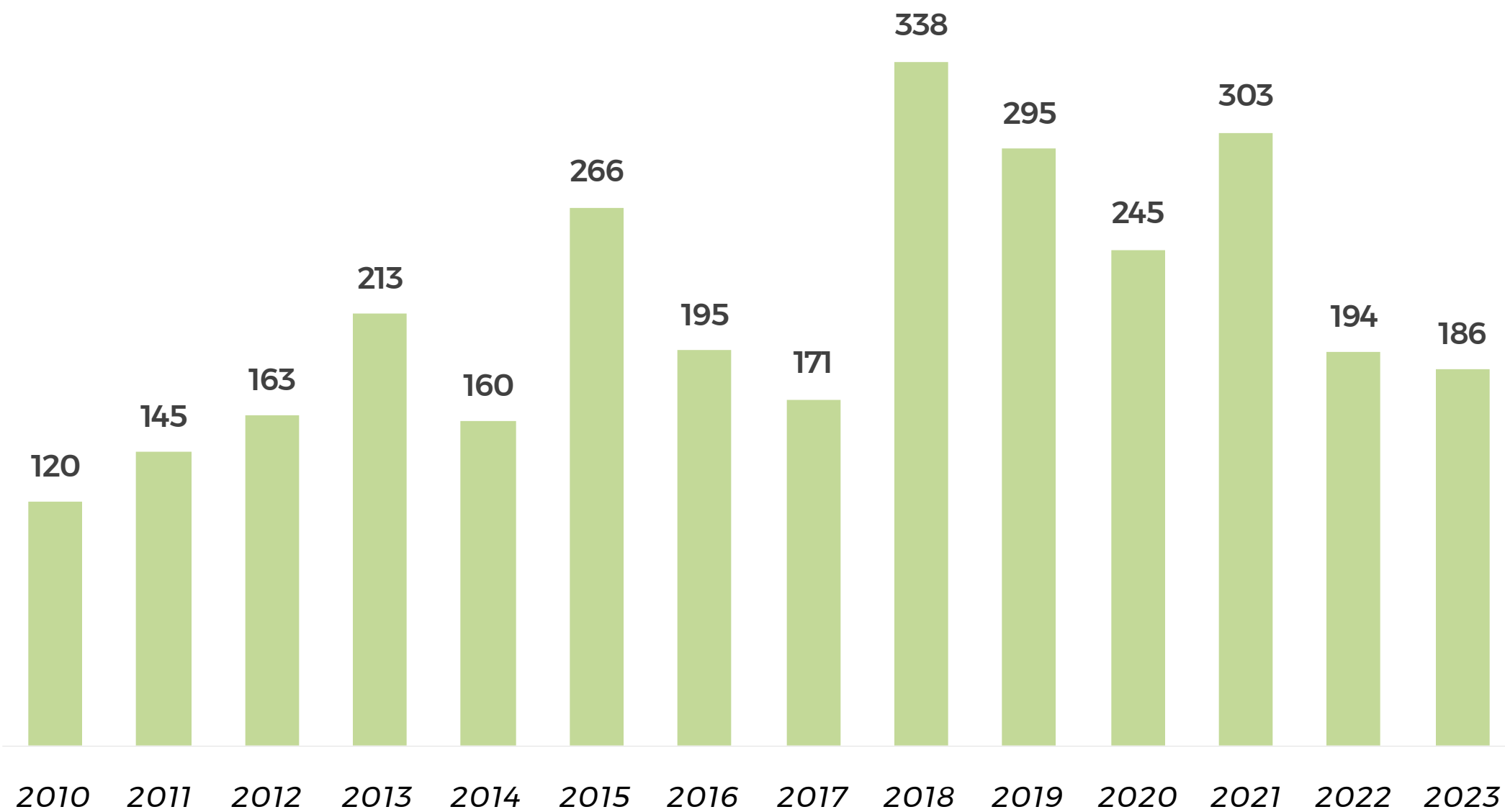
- In Vietnam, besides the traditional IPO route, companies can opt for IPO by introduction. For this option, companies must first have their Public Interest Entities (PIEs) application approved, then proceed to register for trading on UPCOM. After two years of trading on this platform, these PIEs can choose to list on HOSE and HNX.

	TRADITIONAL IPO	IPO BY INTRODUCTION
 <p><b>KEY LEGAL REQUIREMENTS</b></p>	<p>For joint-stock companies:</p> <ul style="list-style-type: none"> <li>Minimum amount of charter capital: VND 30B (~\$1.2M) or more</li> <li>Be profitable for 2 consecutive year prior to IPO, without accumulated losses by the year of IPO registration</li> <li>Minimum 15% voting shares sold to at least 100 investors who are not major shareholders (10% for companies with the charter capital of VND 1,000B (~\$40.8M) or more)</li> <li>Have a plan for issuance and a plan for using capital obtained from the offering of shares approved in the General Meeting of Shareholders</li> <li>Commit to and have to proceed with listing or trading registration after initial offering</li> </ul>	<p>Requirements to become a Public-interest entity: A joint-stock companies that has:</p> <ul style="list-style-type: none"> <li>Minimum amount of charter capital: VND 30B (~\$1.2M) or more</li> <li>At least 10% of the voting shares held by at least 100 investors who are not major shareholders</li> </ul>
 <p><b>PROS</b></p>	<ul style="list-style-type: none"> <li>Raising additional funds through IPO to finance operational and investment needs</li> <li>Eligible to file for listing on HOSE/HNX or trading on UPCOM upon completion of IPO (mandatory)</li> </ul>	<ul style="list-style-type: none"> <li>Listing on UPCOM after PIE status is approved</li> <li>Options to list on HOSE/HNX (some companies prefers to stay on UPCOM)</li> <li>Less costs as opposed to IPO</li> <li>More relaxed profit requirements as opposed to IPO (Criteria for PIE does not concern profitability, so neither does UPCOM listing requirement)</li> <li>Publicity requirements are lessened (10% voting shares by 100 shareholders)</li> </ul>
 <p><b>CONS</b></p>	<ul style="list-style-type: none"> <li>Associated considerable IPOs costs</li> <li>Profit requirements: 2 consecutive years of profits prior to IPO (IPO requirements), and accumulated profit status in the year of listing on HNX and HOSE</li> <li>Higher publicity requirements minimum 15% of voting shares in the company must be held by sold to at least 100 shareholders who are not major shareholders (10% for companies with the charter capital of more than VND 1,000B (~\$40.8M))</li> </ul>	<ul style="list-style-type: none"> <li>Not raising additional funds</li> <li>Only eligible to list on mainboards (HOSE and HNX) after 2 years of listing on UPCOM</li> </ul>

# M&A SCENE ON A DOWNWARD TREND

- From 2010 to 2018, there was a general upward trajectory in M&A deal numbers, characterized by occasional fluctuations. Significantly, 2018 stood out as the pinnacle, recording 338 deals.
- However, since the peak in 2018, the M&A market in Vietnam has experienced periods of fluctuation and volatility. Various factors have contributed to these swings, such as global economic uncertainties, trade tensions, and the impact of the COVID-19 pandemic.

DEAL COUNT



DEAL COUNT BY SECTORS

Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Industrials</b>	33	30	50	72	36	65	33	23	112	94	99	106	50	55
<b>Consumer Discretionary</b>	14	23	24	40	23	37	19	27	70	64	51	53	33	31
<b>Real Estate</b>	19	21	25	39	35	48	30	21	57	36	38	34	17	12
<b>Materials</b>	19	19	21	25	24	33	16	8	53	49	46	66	26	25
<b>Consumer Staples</b>	18	16	23	23	18	31	17	13	42	27	27	37	15	16
<b>Financials</b>	13	19	13	25	12	29	11	8	29	14	10	15	11	11
<b>Utilities</b>	7	7	7	14	7	10	6	6	24	25	24	28	22	12
<b>Information Technology</b>	3	8	8	8	8	8	7	9	13	19	9	17	7	5
<b>Communication Services</b>	6	11	7	13	5	13	7	5	15	15	11	17	5	7
<b>Energy</b>	8	6	13	12	5	12	6	7	18	7	5	12	8	5
<b>Healthcare</b>	4	6	6	4	5	9	7	3	10	12	10	9	9	4

MAJOR DEALS 2023

ASSET	BUYER	TRANSACTION VALUE
<b>VPBank</b>	Sumitomo Mitsui Banking Corporation	\$1.45B
<b>BW Industrial Development JSC</b>	ESR Group Limited	\$208M
<b>Viet Phap Hospital</b>	Thomson Medical Group	\$381.4M

## KEY OBSERVATIONS

- Most active sector: Industrials, with a peak of 112 deals in 2018.
- Least active sector: Information Technology and Healthcare, showing minimal fluctuations.
- General trend: The M&A landscape from 2010 to 2023 shows significant variations across sectors. Deals mostly happened in Industrials, Consumer Discretionary, and Real Estate with a significant gap in Information Technology.

# VIETNAM EXIT LANDSCAPE

1

CURRENT STAGE

2

**POSITIVE MOVEMENTS**

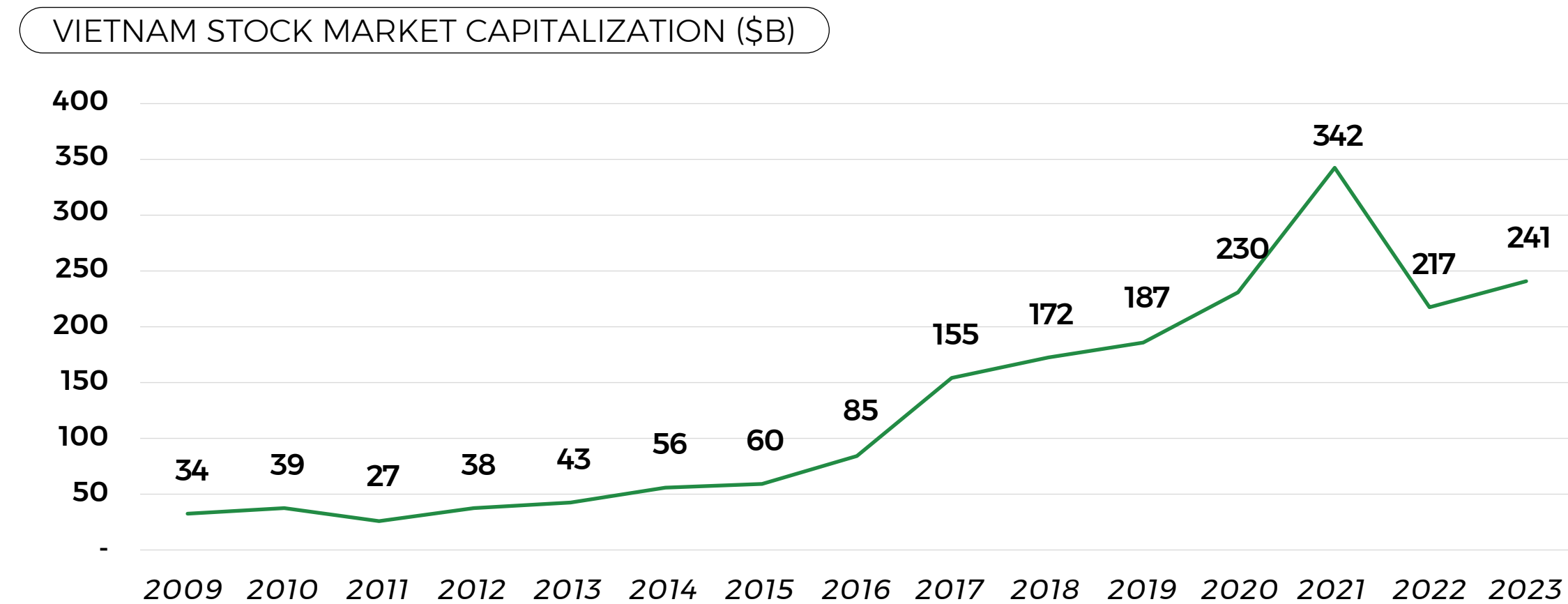
- SIGNIFICANT GROWTH OF THE PUBLIC MARKET
- REINFORCED STOCK MARKET GOVERNANCE MECHANISMS
- INCREASING INTEREST OF FOREIGN INVESTORS LOOKING TO TRANSFORM KEY SECTORS
- GROWING ROLE OF LOCAL CONGLOMERATES IN SHAPING THE M&A MARKET

3

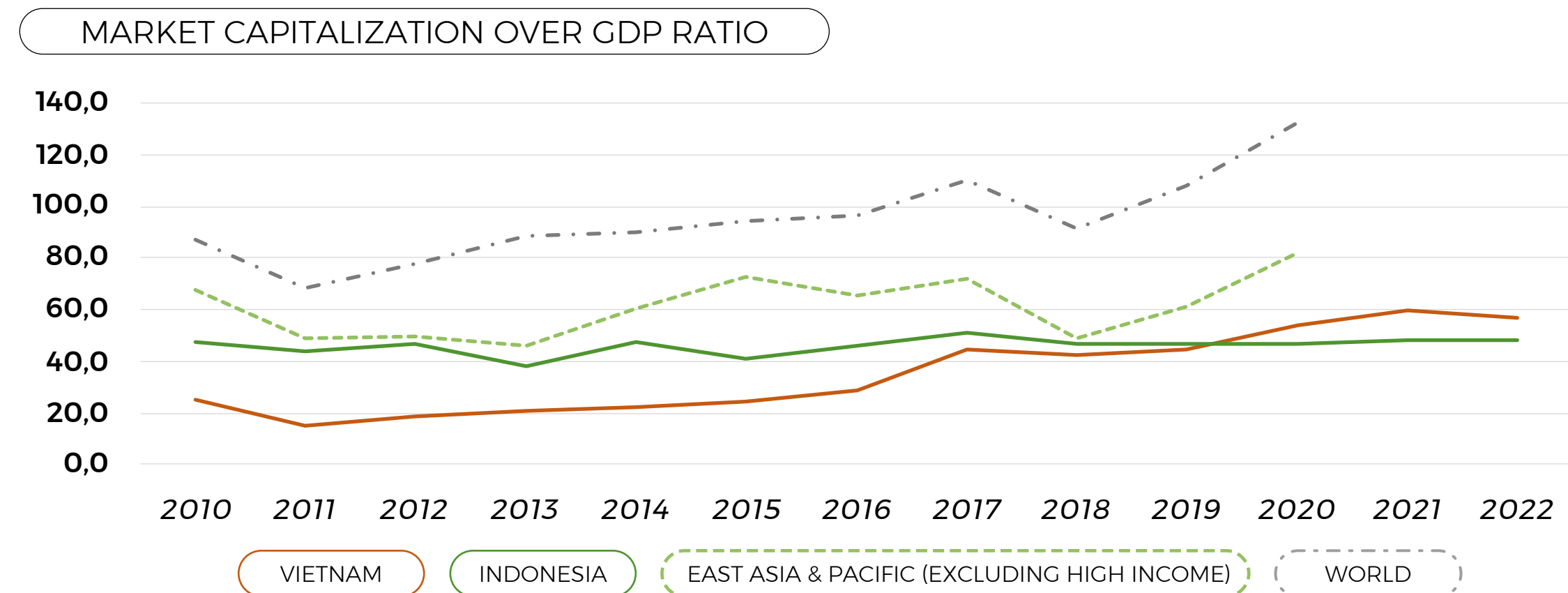
GROWTH DRIVERS

# SIGNIFICANT GROWTH OF THE PUBLIC MARKET | SUBSTANTIAL RISE IN MARKET CAPITALIZATION SINCE LAUNCHING

The market capitalization of Vietnam’s stock market has experienced significant growth over the past two decades. It has steadily climbed from a very low base since launching in 2000 to reach approximately \$241B as of December 2023.



Source: Finhay



Source: World Bank, CEIC

**Early Years (2000 - 2015):** During this period, the Vietnam stock market was in its early stages of development, with low capitalization and significant volatility. Starting at around \$850 million in 2000, the market capitalization experienced notable fluctuations in the early years, largely influenced by global market trends and limited domestic investment.

**Growth and Expansion (2015 - 2021):** Since 2015, the market has experienced tremendous growth, thanks to numerous factors including the strong growth of the economy, the listing of major state-owned companies, and the increasing interest of foreign investors in the market. The market capitalization increased from \$60B in 2015 to \$342B in 2021, representing a CAGR of 28.2%.

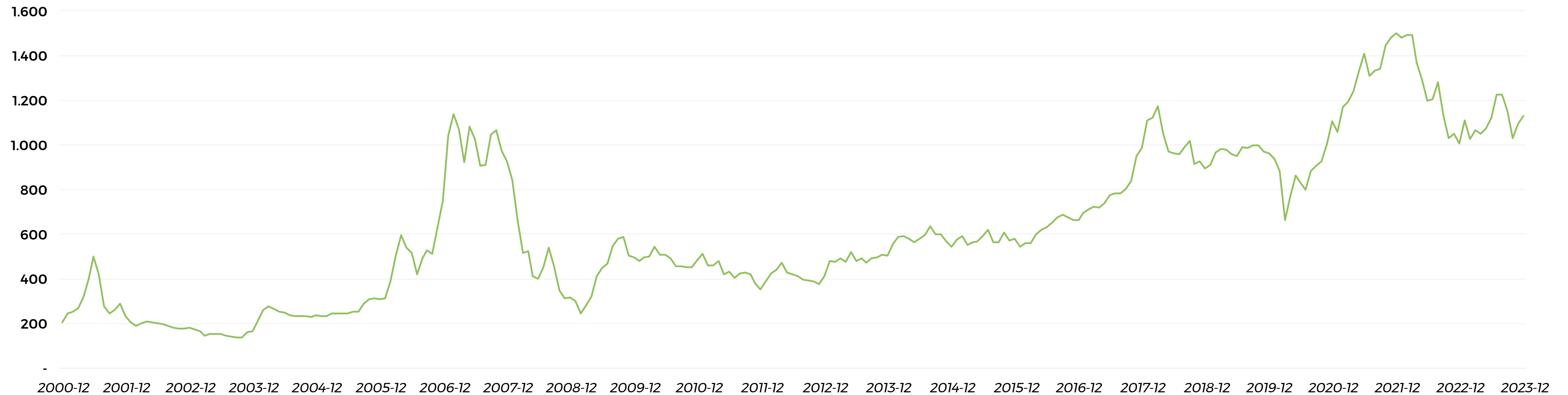
**Recent Developments (2022 - 2023):** The market capitalization experienced an adjustment, dropping to \$217B in 2022, mainly driven by the global economic slowdown and geopolitical tensions. Despite the setback, the market started to recover gradually since the beginning of 2023, with the market capitalization increasing by 11% and ending at \$241B as of December 31, 2023.

Vietnam’s stock market has demonstrated a remarkable growth in capitalization relative to its GDP, surpassing other Southeast Asian countries. From 2010 to 2023, the market capitalization over the GDP ratio surged from 25.0% to 57.8%, indicating an outstanding CAGR of 6.2%. Since 2020, the market capitalization over the ratio of Vietnam’s GDP has exceeded that of Indonesia, the largest economy in Southeast Asia. This trend highlights the increasing significance of the Vietnamese stock market to the national economy.

Nevertheless, Vietnam’s market capitalization over GDP ratio lags behind those of East Asia & Pacific and the global average. This suggests that there is significant potential for growth and advancement in the Vietnamese stock market.

# SIGNIFICANT GROWTH OF THE PUBLIC MARKET | VN-INDEX GREW FROM 100 POINTS TO 1,130 POINTS BY THE END OF 2023

The VN Index demonstrated significant growth, rising from 100 points in 2000 to an impressive 1,130 points by 2023. Throughout this period, it experienced three notable peaks in 2006, 2017, and 2021, followed by substantial adjustments. Altogether, the VN Index surged over 11-fold over the span of 23 years, underscoring its enduring upward trajectory.



Source: Vietstock

## EARLY YEARS (2000 - 2009)

- The VN-Index started at a base level of 100 points in July 2000.
- It experienced a period of steady growth, reaching a high of 1,071 points in March 2007.
- The global financial crisis in 2008 caused the VN-Index to plummet, dropping to a low of 245 points in February 2009.

## RECOVERY AND GROWTH (2010 - 2019)

- From 2010 to 2016, the VN-Index began to recover, and then experienced a period of consolidation, with fluctuations between 400 and 600 points.
- In 2017, the VN-Index broke through the 700-point barrier for the first time since 2008 and reached a new high of 1,174 points in 2018.

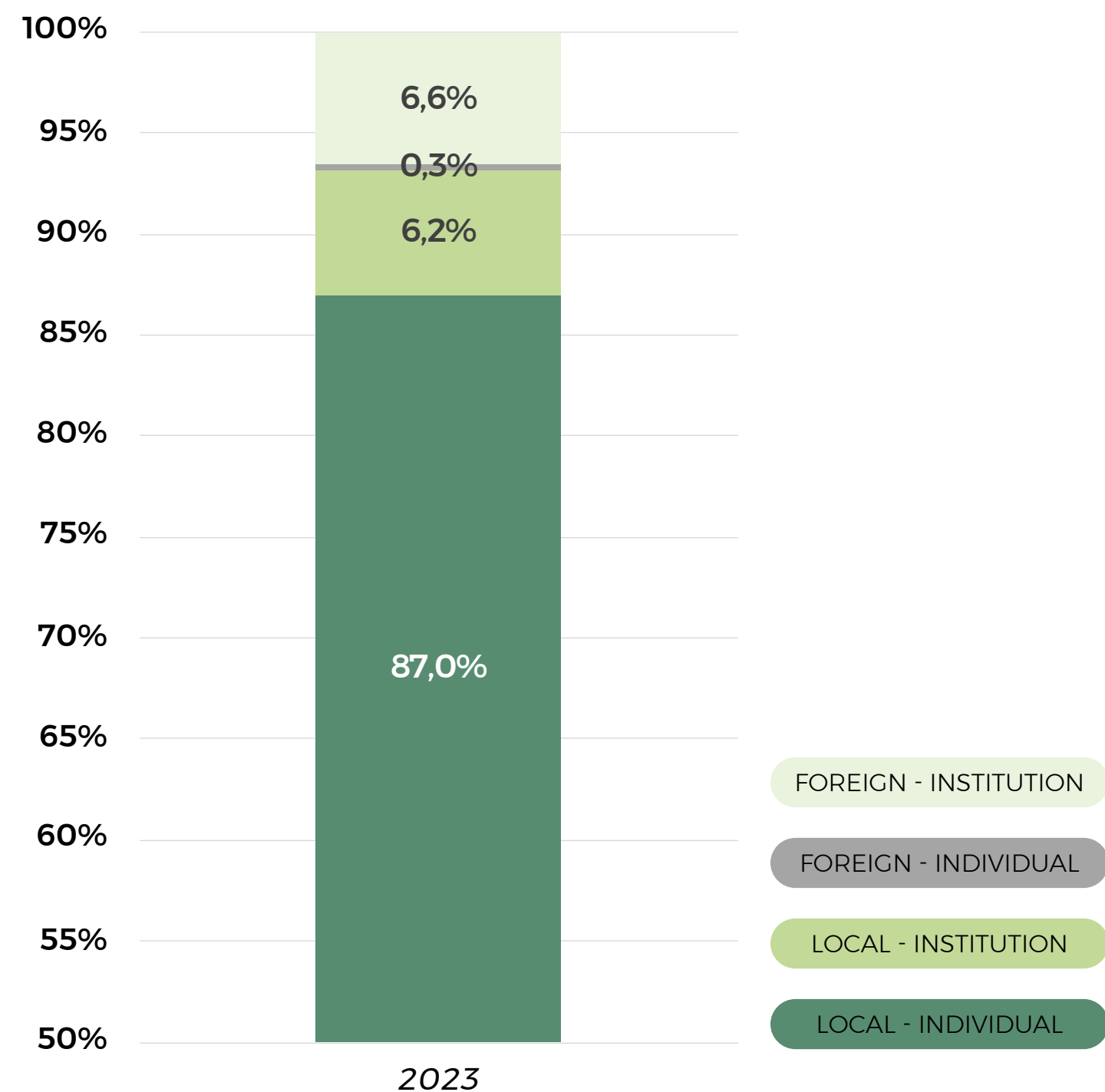
## RECENT YEARS (2020 - 2023)

- Despite the COVID-19 pandemic, the VN-Index continued to grow in 2020, reaching a high of 1,223 points. In 2021, the VN-Index achieved a new high of roughly 1,500 points.
- As of December 29, 2023, the VN-Index is at 1,130 points, up 12.30% from the end of 2022.

# SIGNIFICANT GROWTH OF THE PUBLIC MARKET | 2023 STOCK MARKET AT A GLANCE

- The local market is dominated by individual traders who control the majority of the trading volume, accounting for a remarkable 87.0% (2023). This figure surpasses other stock exchanges in the region (e.g. the Tokyo Stock Exchange where TSE Prime has 18% and TSE Standard has 44%). In general, it is widely recognized that retail investors have a shorter-term investment strategy than institutional investors.
- The primary stock exchange in Vietnam, known as HOSE, has an average P/E ratio of 12.4, which is relatively low compared to other stock markets in the region. This means that the Vietnam market is still reasonably priced and alluring for investors.

% TRADING VOLUME BY TYPES OF INVESTORS IN 2023



Source: Finhay

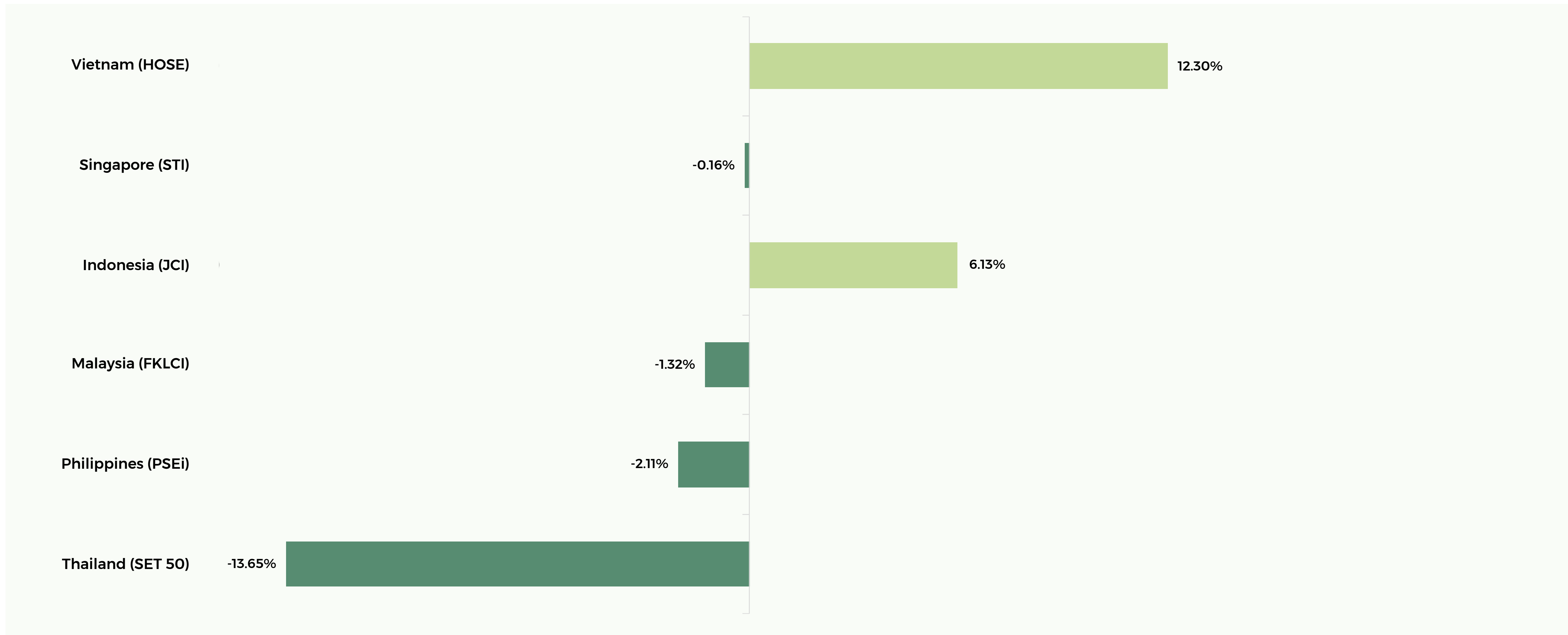
KEY STATISTICS IN 2023

- Total number of listing companies: 1,665
- Total market capitalization: \$241B
- Average monthly trading volume: \$11.8B

UNIT: USD	AVERAGE REVENUE	AVERAGE NET INCOME	AVERAGE MARKET CAP	AVERAGE PE RATIO	AVERAGE PS RATIO
<b>HOSE</b>	304,068,791	37,733,438	466,794,579	12.4	1.5
<b>HNX</b>	57,566,354	2,313,419	40,185,687	17.4	0.7
<b>UPCOM</b>	78,977,820	5,179,380	50,382,697	9.7	0.6

# SIGNIFICANT GROWTH OF THE PUBLIC MARKET | VIETNAM OUTPACED IN GROWTH COMPARED TO REGIONAL PEERS

In 2023, Vietnam’s public market outperformed its peers in Southeast Asia, taking the lead in terms of VN-Index growth performance, with Indonesia following suit.



Source: Do Ventures analysis



# M&A: INCREASING INTEREST OF FOREIGN INVESTORS LOOKING TO TRANSFORM KEY SECTORS

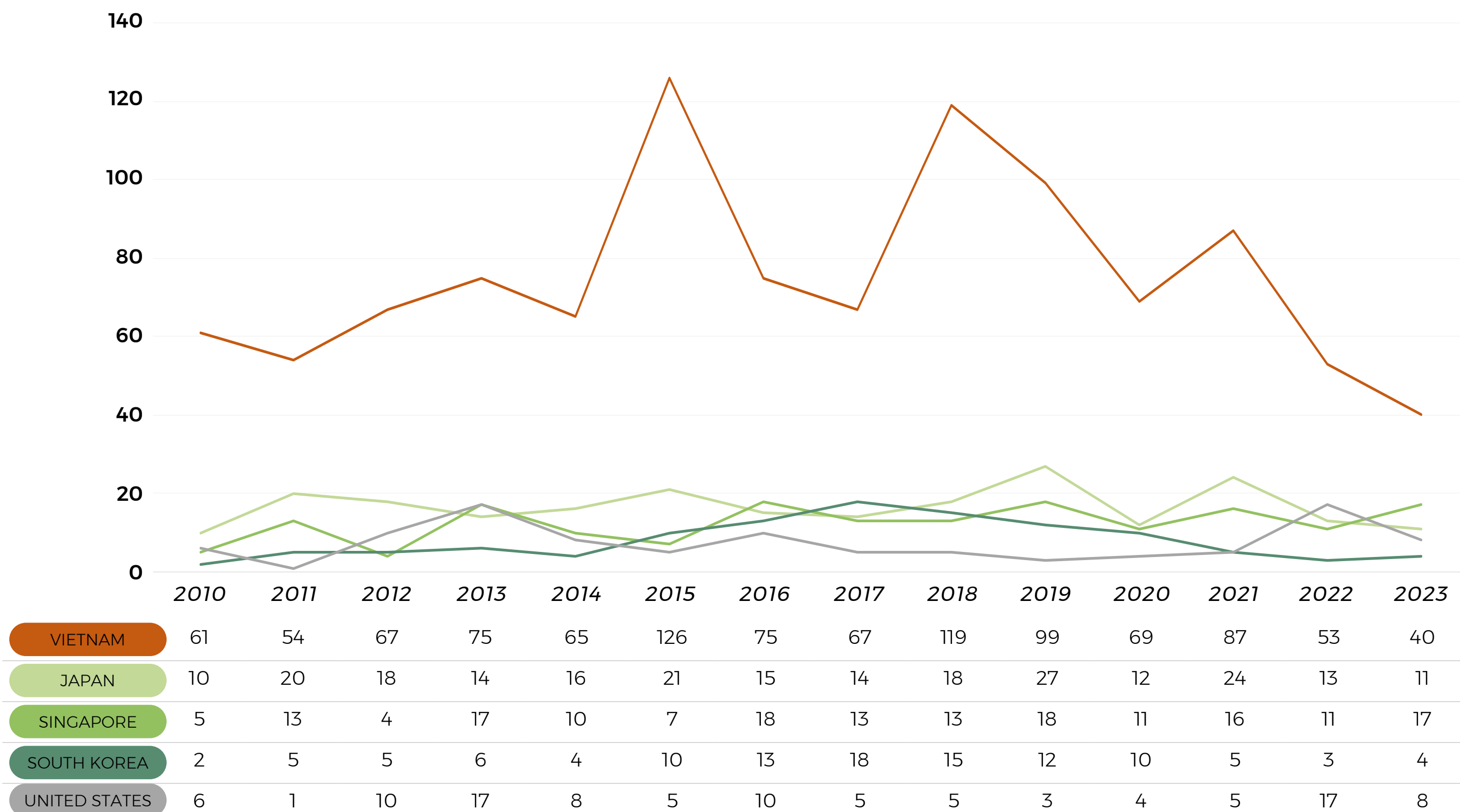
The interest of foreign investors, prominently from Japan, Korea, and Thailand, in M&A opportunities across key sectors in Vietnam underscores the country's status as an attractive and dynamic investment destination in Southeast Asia. Their presence not only enhances market competitiveness but also benefits customers with diverse choices and improved services.

COUNTRY	KEY SECTOR OF INTEREST	OUTSTANDING DEALS		
		BUYER	TARGET	DEAL VALUE
JAPAN	<b>BANKING SERVICES</b> <ul style="list-style-type: none"> <li>Japan has emerged as the largest investor in Vietnam's banking sector, with 3 major Japanese banks – SMBC, MUFG, and Mizuho – becoming strategic shareholders in 3 of Vietnam's key banks: VPBank, VietinBank, and Vietcombank.</li> <li>Vietnam's banking sector offers significant growth potential due to its large unbanked population compared to neighboring countries. This makes Vietnam an appealing and continuing investment destination for Japanese financial institutions.</li> </ul>			\$1.5B
		 <small>Bank of Tokyo-Mitsubishi UFJ</small>		\$743M
				\$567.4M
KOREA	<b>SECURITIES</b> <ul style="list-style-type: none"> <li>Korean securities companies have significantly penetrated the Vietnamese stock market through strategic M&amp;As, with about 8 Korean-backed firms now operating in Vietnam, representing over half of all foreign securities entities.</li> <li>Post-transaction, these companies promptly increased capital, expanded branches, refined operations, and introduced new tech-driven products, contributing to the restructuring of Vietnam's securities industry.</li> </ul>			\$117M
				\$33M
			<b>Gia Quyen Securities</b>	\$7M
THAILAND	<b>RETAIL &amp; CONSUMER</b> <ul style="list-style-type: none"> <li>In recent years, Thai corporations have become prominent investors in Vietnam's retail and consumer goods sectors.</li> <li>Thai investors see Vietnam's burgeoning middle class and youthful demographic as key growth opportunities, using the country as a gateway to tap into Vietnam's 100+ million population and the broader ASEAN market of 680 million people.</li> </ul>			\$4.8B
				\$1.1B
				\$1.1B

# M&A: GROWING ROLE OF LOCAL INVESTORS IN SHAPING THE MARKET

Domestic investors played a major role in Vietnam’s M&A market, followed by investors from Japan and Singapore.

DEAL COUNT BY TOP BUYER COUNTRIES



OUTSTANDING M&AS FROM LOCAL BUYERS (2021-2023)

NO	ASSET	SECTOR	BUYERS	YEAR
1	Parkson Hung Vuong	Retail	KIDO Group Corporation	2023
2	Phuc Long	F&B	Masan	2022
3	FWD Assurance Vietnam Company Limited	Insurance	Tan Viet Securities Incorporation	2022
4	E-Mart Vietnam CO., Ltd	Retail	Truong Hai Group Corporation	2021
5	City International Hospital/ International Healthcare Park	Healthcare	Hoa Lam Group	2021

Source: Capital IQ, Mergermarket

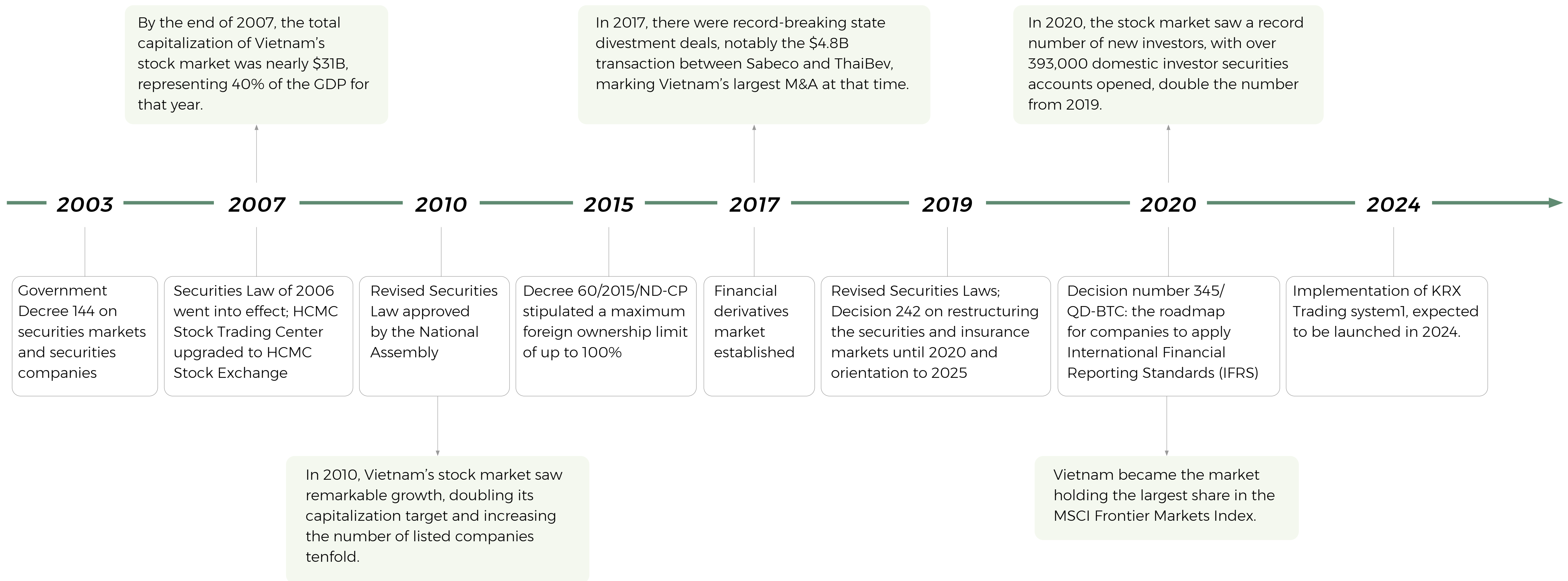
# M&A: TECH M&A IS PICKING UP PACE WITH INCREASED ENGAGEMENT FROM LOCAL PLAYERS

- Vietnam’s tech industry has seen a revival in mergers and acquisitions in recent years, highlighting a dynamic shift toward consolidation and strategic expansion. The M&A landscape is dominated by three principal actors: Regional Companies, Major Local Tech Companies, and Local Conglomerates, each with distinct strategic imperatives driving their acquisition targets.
- As the market matures, local players have shifted from passive participants to pivotal architects of the M&A landscape, actively enhancing tech capabilities and market presence through strategic deals.

TYPE OF ACQUIRER	REASON TO M&A	NOTABLE DEALS	YEAR
<b>Regional Companies</b>	Regional super apps acquiring vertical winners to cement their dominance in the market	SEA Group acquired Foody	2018
		SEA Group bought majority stake in GHTK	2017
	Regional vertical winners acquiring local winners to consolidate the market	PropertyGuru acquired Batdongsan	2016
		Mynavi acquired IT Viec	2020
		Woowa Brothers acquired Vietnammm	2019
		Traveloka acquired Mytour	2018
	Big tech companies acquiring local licensed startups in highly-regulated sectors instead of going through the process of obtaining new licenses	Grab acquired Moca	2018
		Ant Financial acquired eMonkey	2019
		Gojek acquired Wepay	2016
		Truemoney acquired 1Pay	2017
<b>Major Local Tech Companies</b>	Major local tech companies acquiring early-stage startups to enhance and broaden their business ecosystem	FPT acquired Base	2021
		Momo acquired Nhanh.vn	2022
		Momo acquired PiqueAI	2021
		Tiki acquired Ticketbox	2019
<b>Local Conglomerates</b>	Local conglomerates acquiring tech companies to fast-track their digital transformation	Vinmec (a subsidiary of Vingroup) acquired Vicare	2018
		Masan acquired Mobicast	2021
		Galaxy Media & Entertainment acquired Hocmai	2020

# REINFORCED STOCK MARKET GOVERNANCE MECHANISMS

Vietnam’s stock market has evolved significantly since the establishment of the State Securities Commission in 1996. Over the course of over 25 years of development, legal documents have undergone gradual extensions and amendments, resulting in enhancements in both quality and quantity. There have been upgrades to the policies and initiatives governing the securities market to effectively adapt to the changing market environment.



(1) The KRX information technology project, worth \$36.6 million, is a collaboration between HOSE and the Korea Exchange since 2012. The KRX system is expected to introduce new products, trading, and payment solutions to the Vietnamese stock market, including T+0 settlement, short selling, and option contracts. These innovations will help address market bottlenecks and move towards upgrading the market from frontier to emerging.

# VIETNAM EXIT LANDSCAPE

1

CURRENT STAGE

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POSITIVE MOVEMENTS

3

**GROWTH DRIVERS**

- ENCOURAGING MACROECONOMIC PROSPECTS
- PROACTIVE GOVERNMENT INITIATIVES
- PROMISING FTSE UPGRADE
- IMPACT OF THE VIETNAM-US RELATIONSHIP UPGRADE

# ENCOURAGING MACROECONOMIC PROSPECTS | VIETNAM - A PRIME INVESTMENT DESTINATION

Vietnam's appeal to investors is multifaceted, driven by its substantial infrastructure investment, conducive economic policies, and strategic geographical location.

## VIETNAM'S COMPETITIVE EDGE

### STRATEGIC LOCATION

- Gateway to ASEAN
- Proximity to China
- Access to key shipping route

### STABLE ECONOMIC GROWTH

- Sustainable GDP growth rate
- Stable inflation rate

### RAPID INFRASTRUCTURE DEVELOPMENT

- Transportation Network
- Energy Projects
- Industrial Zones
- Data Centers
- Smart Cities

### SUSTAINABLE KEY GROWTH DRIVERS

- Foreign Direct Investment
- China+1 Strategy
- Free Trade Agreements
- Export Orientation
- Public Investment

## VIETNAM'S ECONOMY SNAPSHOT BY 2030

Population

**105 Million**

GDP Per Capita

**USD 7,500**

GDP Growth

**7.0%**

Digital Economy

**30% GDP**

Digital Economy GMV

**USD 200 Billion**

GDP

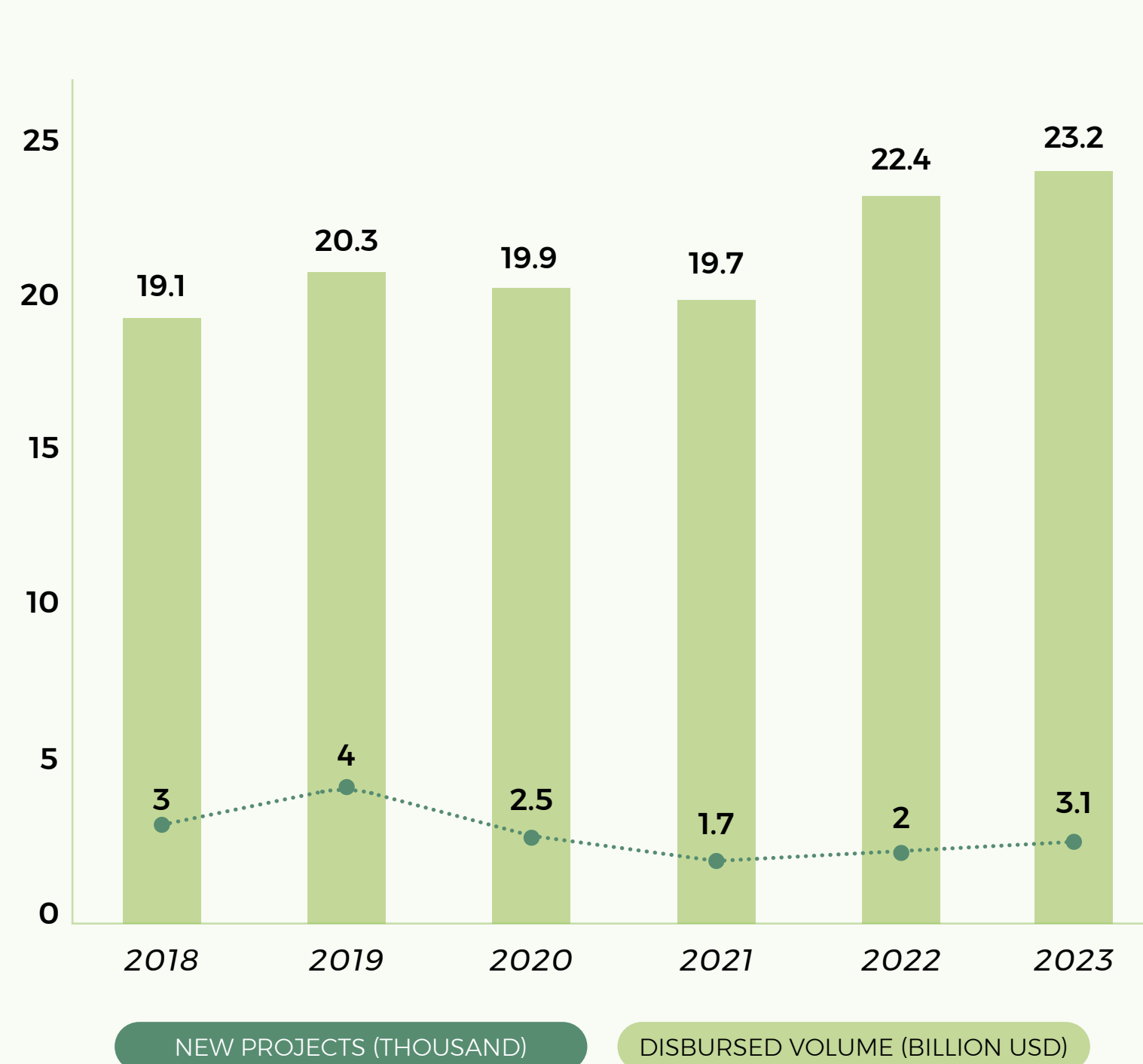
**USD 760 Billion**

# ENCOURAGING MACROECONOMIC PROSPECTS | SUSTAINABLE KEY GROWTH DRIVERS FOR IPO AND M&A

A robust inflow of FDI, supported by favorable trade agreements, creates an environment conducive to IPOs and M&A activities in Vietnam. It enhances market attractiveness, access to capital, and fosters an environment of innovation and strategic collaboration, driving sustainable growth in the IPO and M&A landscape.

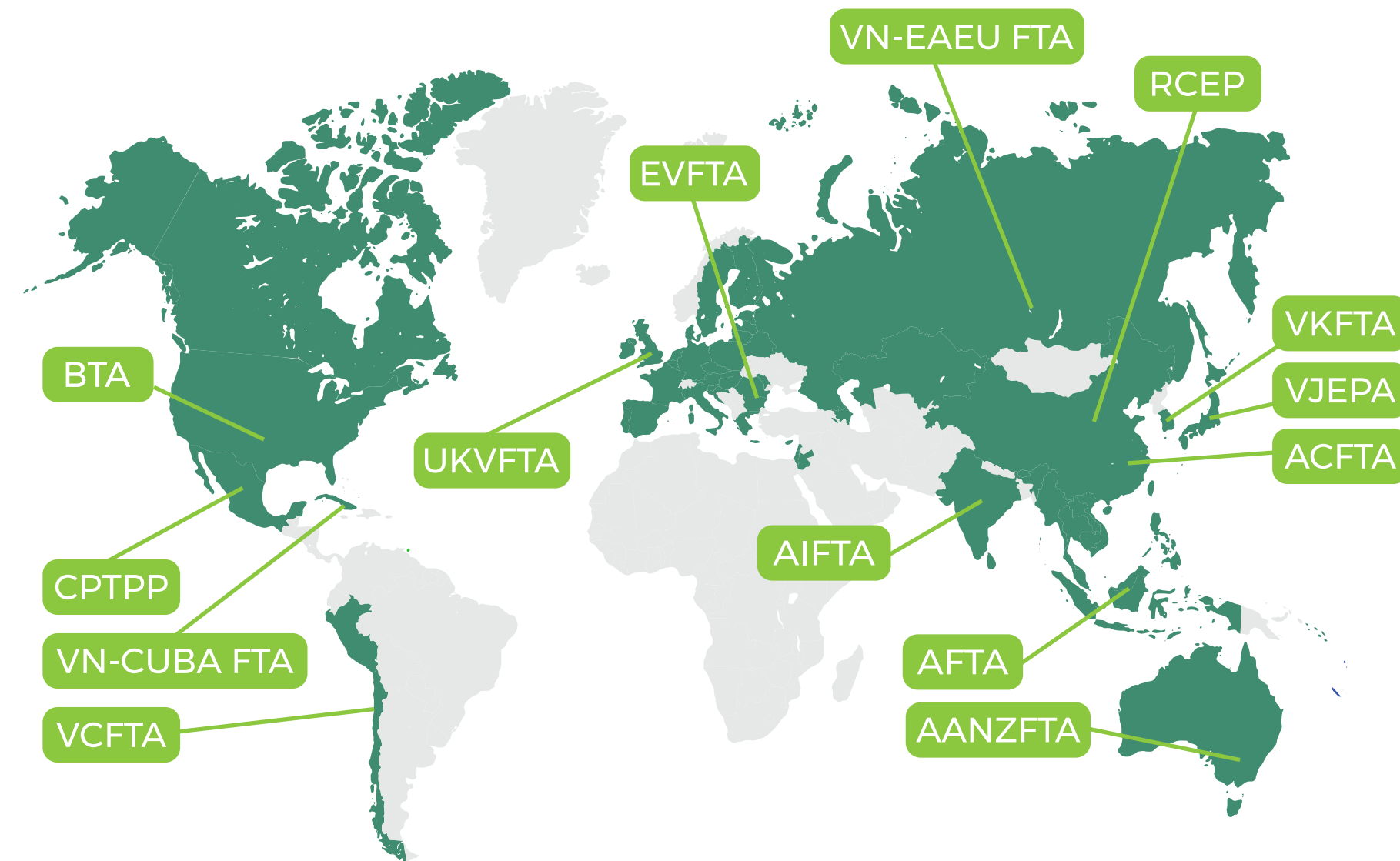
From 2018 to 2023, the disbursement of FDI capital increased by 3.3% CARG to reach \$23.2B. During 2023 alone, there was a 55% Y-o-Y increase in newly registered projects, indicating continued interest in Vietnam.

FDI DISBURSEMENT VOLUME AND PROJECTS (2018-2023)



Source: WorldBank, IFM, MPI

15 bilateral, multilateral, and next-generation free trade agreements with 60+ partners allow Vietnam to gain access to major markets such as US, UK, Europe, China, India, ASEAN, etc.

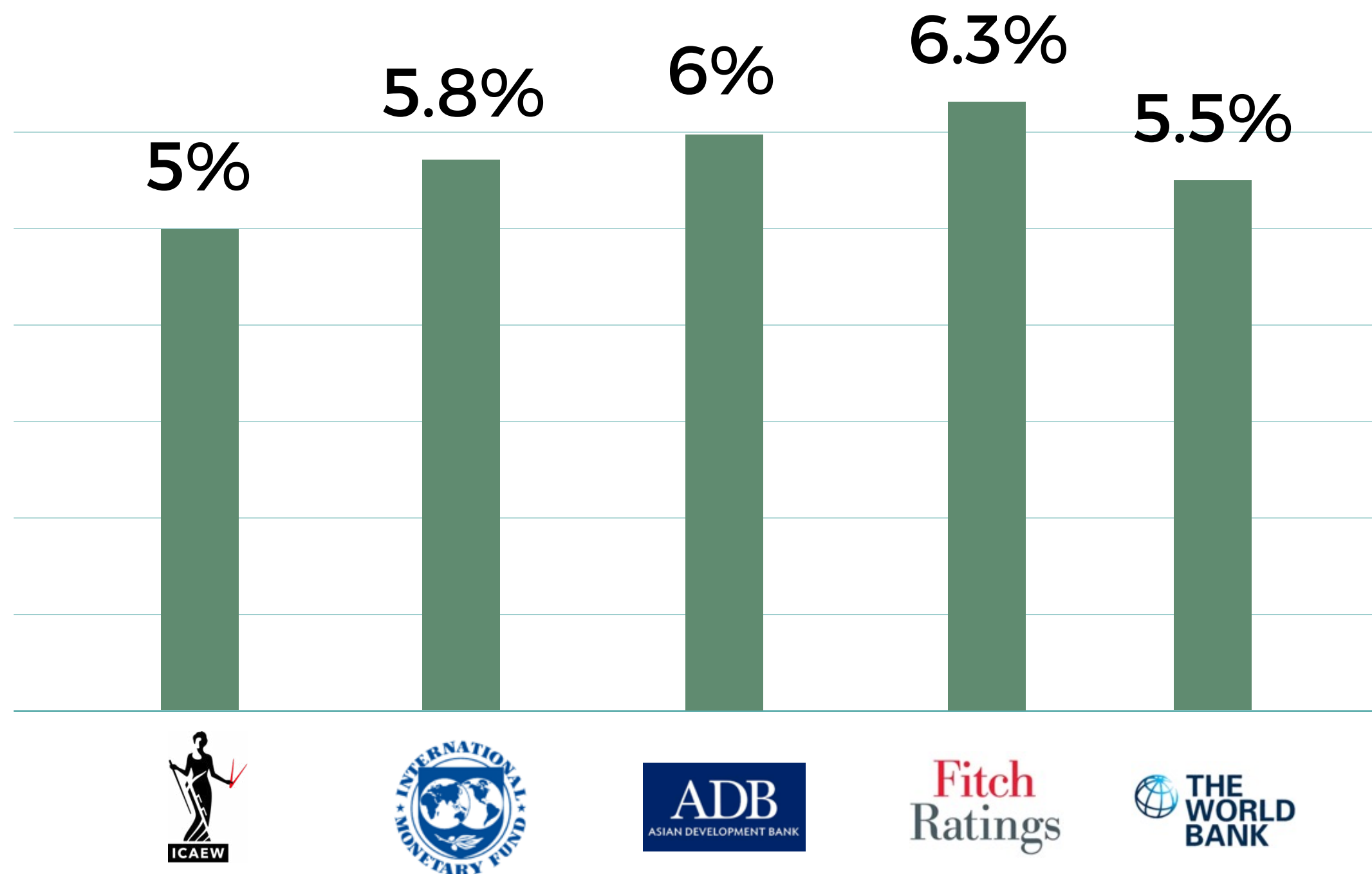


- Vietnam-UK Free Trade Agreement (**UKVFTA**)
- Regional Comprehensive Economic Partnership (**RCEP**)
- European Union-Vietnam Free Trade Agreement (**EVFTA**)
- Asean-Hong Kong, China Free Trade Agreement (**AHKFTA**)
- The Comprehensive And Progressive Agreement For Trans-Pacific Partnership (**CPTPP**)
- Vietnam-Eurasian Economic Union (**EAEU**)
- Asean-India Free Trade Area (**AIFTA**)
- Vietnam-Japan Economic Partnership Agreement (**VJEP**)
- Asean-Australia-New Zealand Free Trade Area (**ANZFTA**)
- Asean-Japan Comprehensive Economic Partnership (**AJCEP**)
- Asean-Korea Free Trade Agreement (**AKFTA**)
- Asean-China Free Trade Area (**ACFTA**)
- Vietnam-Israel Free Trade Agreement (**VN-ISRAEL**)
- Vietnam-Korea Free Trade Agreement (**VKFTA**)
- Vietnam-Chile Free Trade Agreement (**VCFTA**)

# ENCOURAGING MACROECONOMIC PROSPECTS | 2024 AS A PIVOTAL YEAR FOR VIETNAM'S ECONOMIC RECOVERY

The National Assembly adopted a Resolution on socio-economic development plan for 2024, setting the GDP growth target of 6-6.5 percent for 2024. According to experts, the main drivers for growth are investment, export, and consumption. Additionally, there is a reduced pressure on inflation, interest rates, and exchange rates, thereby fostering a more favorable environment for addressing financial and monetary challenges.

VIETNAM 2024 GDP GROWTH FORECAST BY INTERNATIONAL ORGANIZATIONS



## GOVERNMENT'S KEY TARGETS FOR 2024

- Raising the GDP per capita to \$4,700 - \$4,730
- Increasing the manufacturing share to GDP to 24.1 - 24.2%
- Keeping the growth rate of consumer price index by 4 - 4.5%
- Raising the average growth rate of social labor productivity by 4.8 - 5.3%
- Reducing manpower in the agriculture sector to 26.5% of the country's total workforce
- Keeping the unemployment rate in urban areas below 4%
- Increasing the rate of trained workers to 69% of the workforce with those having degrees and certificates making up 28 - 28.5%



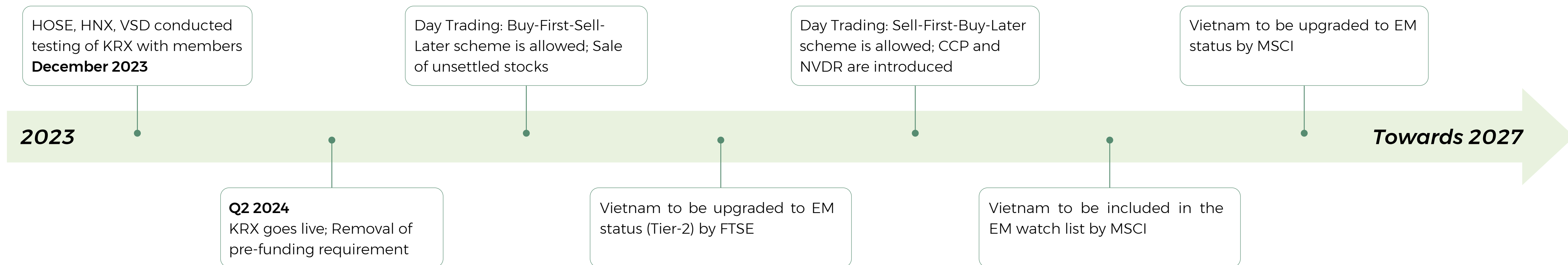
# PROACTIVE GOVERNMENT INITIATIVES

The Vietnamese government has proactively advanced initiatives to strengthen the stock market, aiming to cultivate an attractive and supportive environment for investors, both domestically and internationally.

- **Decision No. 1726/QD-TTg approving the stock market development strategy until 2030**

TARGET	2025	2030
STOCK MARKET CAPITALIZATION	100% GDP	120% GDP
OUTSTANDING BONDS	47% GDP	58% GDP
NO OF STOCK TRADERS	9 million	11 million

- **The launch of new KRX trading system, positioning Vietnam closer to the emerging market status**



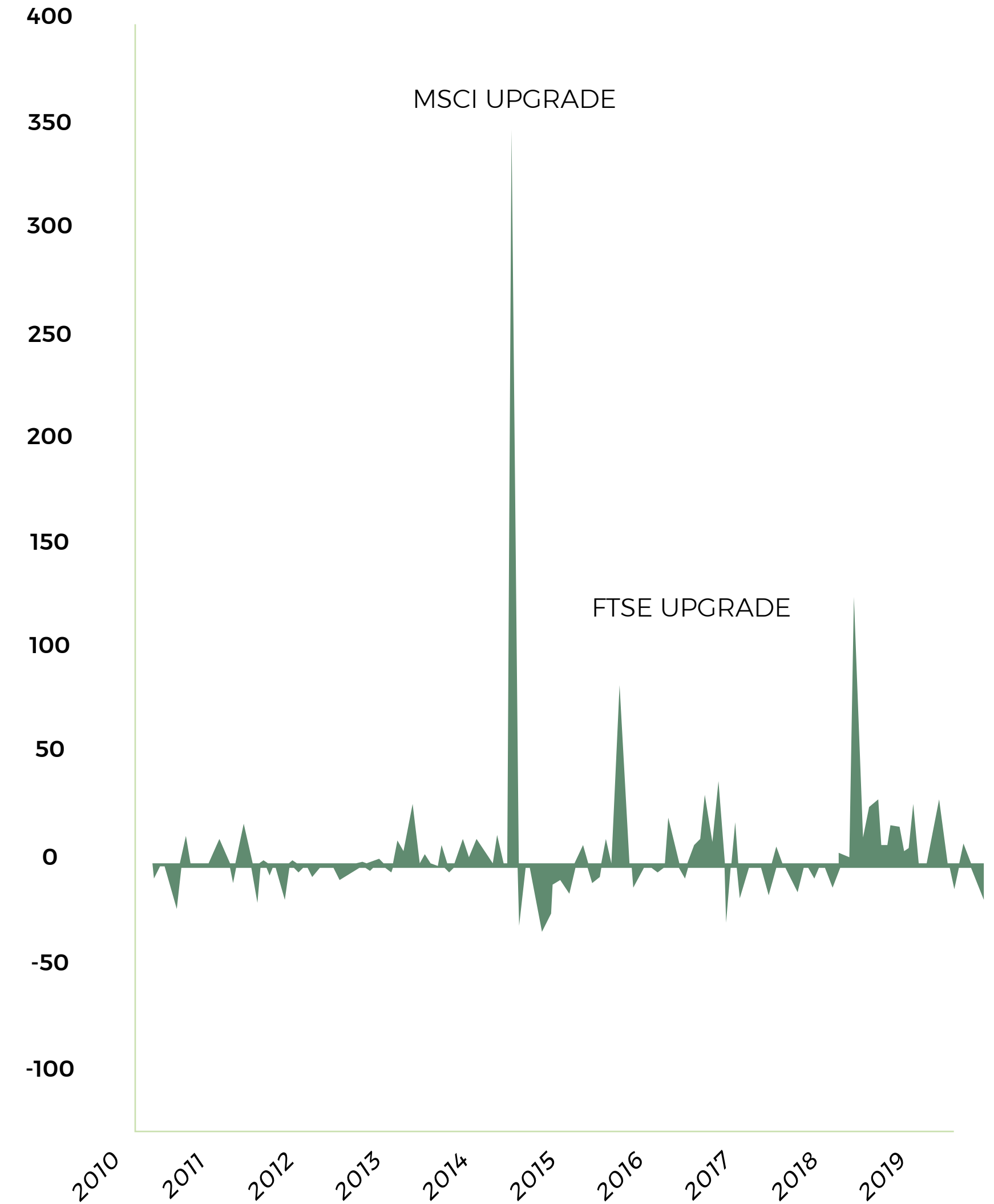
Source: Estimates from SSI Securities Corporation, KBSV

# PROMISING FTSE UPGRADE

Currently classified as a “frontier market” by FTSE Russell, Vietnam stock market is expected to upgrade to the emerging market status in the near future. This upgrade is seen as crucial for the growth of the Vietnamese stock market and the overall economy.

## DISBURSED CASH FLOW OF FOREIGN INVESTORS GAINS SHARPLY AFTER THE FTSE UPGRADE

- The market upgrade would improve market liquidity and enable Vietnam to have better absorption rates for large investment capitals.
- The upgrade enhances regulatory consistency between Vietnam's stock market and international markets, boosting confidence for increased foreign investor participation. Similar cases, like Qatar, have seen significant foreign investment growth post-upgrade.
- In addition, the FTSE upgrade may enhance regulatory agencies to keep promoting market reform and upgrading.



SURGE IN FOREIGN CAPITAL INFLOWS IN QATAR STOCK MARKET (USD MIL.)

Source: Bloomberg, KB Securities Vietnam

# IMPACT OF THE VIETNAM-US RELATIONSHIP UPGRADE ON M&A PROSPECTS

As Vietnam and the United States upgraded their relationship to a comprehensive strategic partnership in 2023, this historic milestone is expected to prompt an enormous inflow of new investment from the US to Vietnam and encourage continued investments from other countries, given that this move cements Vietnam’s status as a “friendshoring” country in the US orbit.

## STRENGTHENING TRADE AND INVESTMENT COOPERATION

Vietnam and the United States are strengthening trade ties, focusing on opening markets for key Vietnamese products like electronics, textiles, footwear, agricultural goods, and fresh fruits. This is anticipated to boost M&A deals, attract investors to Vietnam’s import-export market, and stimulate investment in crucial industries. The elevated relations also offer opportunities for SMEs to go international and attract foreign investment, contributing to the growth of the domestic M&A market.

## COOPERATION IN DIGITAL COOPERATION, SCIENCE, TECHNOLOGY, AND INNOVATION

Vietnam and the United States decided to promote cooperation in science, technology, and innovation in the digital field, considering this a new breakthrough in the Comprehensive Strategic Partnership. This is a positive signal for the increase in technology M&A deals. At the same time, the United States is committed to increasing support for Vietnam in training and developing a high-tech workforce, which is also an important point in attracting investment in Vietnam with a highly specialized workforce.

## COOPERATION IN THE SEMICONDUCTOR INDUSTRY

Vietnam and the United States announced the launch of human resource development initiatives in the semiconductor field, in which the US Government will provide an initial seeding grant worth \$2M, along with other future support to the Government of Vietnam and the private sector. This is an important mark for the development of Vietnam’s semiconductor industry, a positive signal for M&A deals in semiconductor industry production.

CHANGE IN SHARE OF US IMPORTS FROM ASIA, 2018-22



Source: VinaCapital, US Commerce Dept.

The relationship upgrade is expected to have a significant impact on Vietnam’s economic growth trajectory, just as US support has played a significant role in the economic success of various East Asian nations, including Japan, Korea, and Taiwan.

# VIETNAM EXIT LANDSCAPE

An aerial photograph of a city skyline at sunset. The sky is a mix of light blue and orange. In the foreground, a wide river flows through the city. The middle ground is dominated by several tall, modern skyscrapers, with the tallest one being a slender tower with a pointed top. The background shows a dense urban area with many smaller buildings. The overall atmosphere is serene and modern.

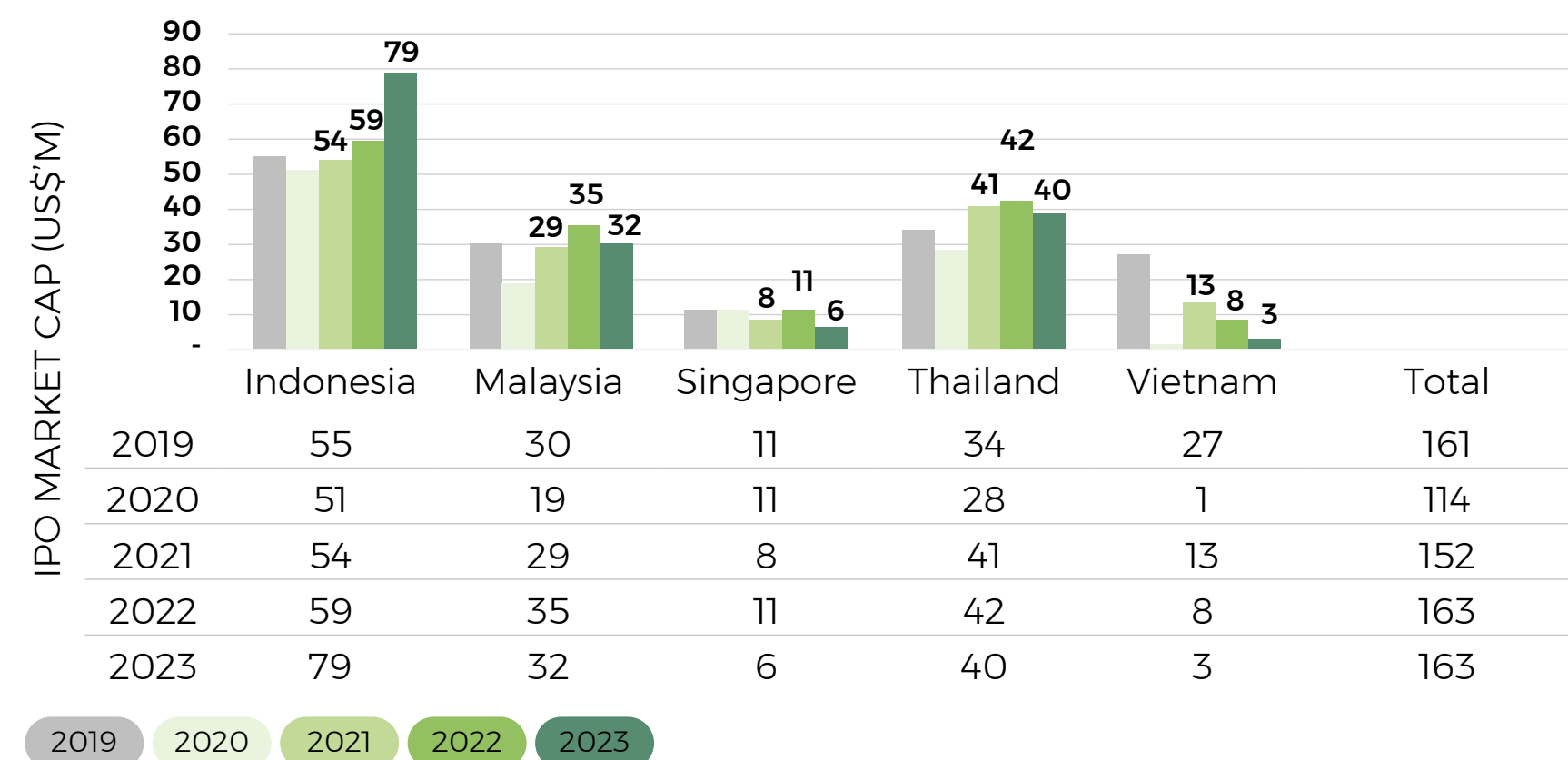
APPROACHES FROM OTHER  
SOUTHEAST ASIAN COUNTRIES  
TO SUPPORT STARTUP IPOs

- INDONESIA
- THAILAND
- SINGAPORE
- MALAYSIA

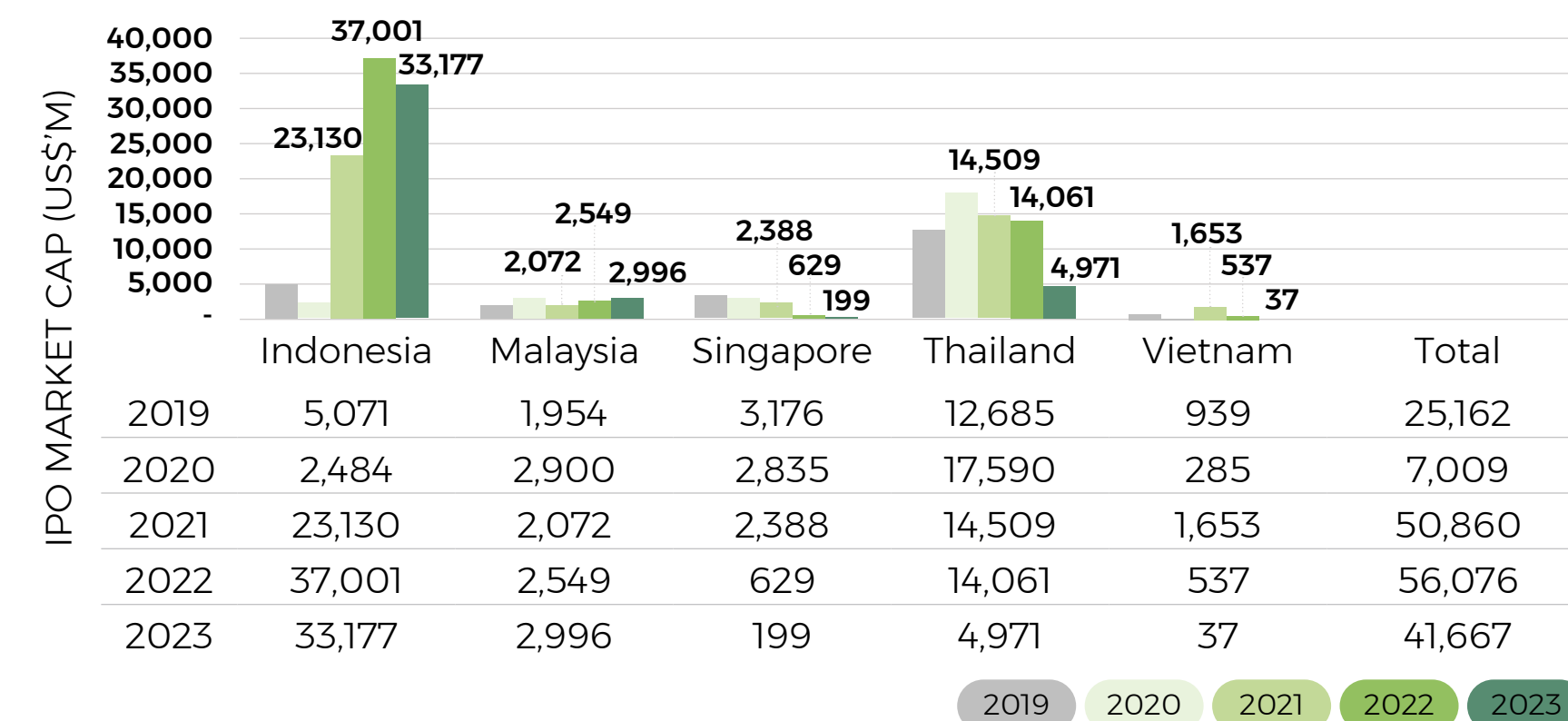
# SEA IPO MARKET OVERVIEW

- Indonesia (62%), Thailand (22%), and Malaysia (14%) were the leading countries in Southeast Asia for 2023, collectively contributing to 98% of the total IPO amount raised across the region. Indonesia saw a significant increase of 53% in IPO proceeds raised, while the other 4 bourses experienced a decline in IPO proceeds.
- Indonesia, Thailand, Singapore, and Malaysia all offer favorable policies for startup IPOs through their specialized bourses for high-growth companies. These bourses aim to attract innovative startups by offering opportunities to raise capital from public investors while maintaining reasonable listing standards.

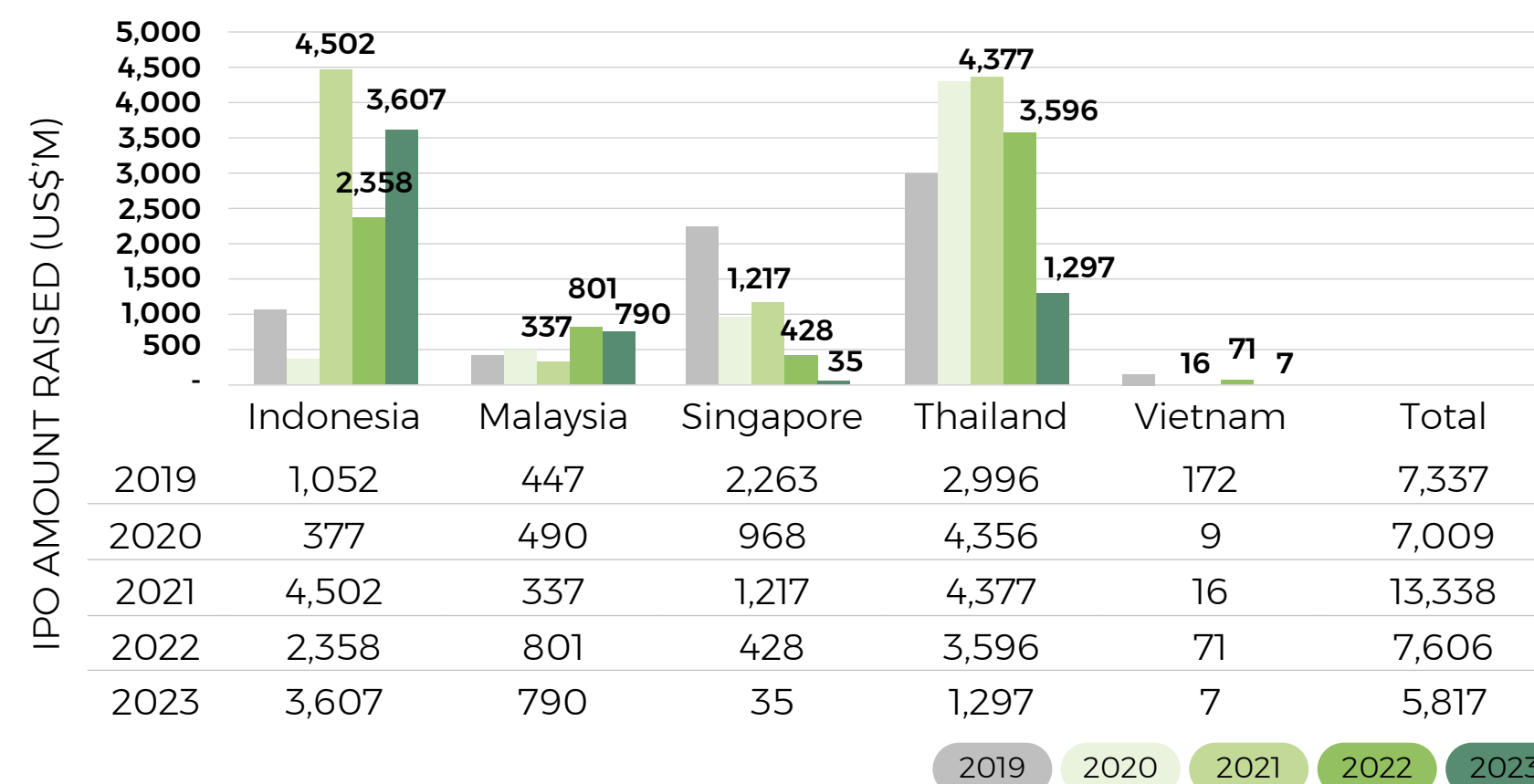
NUMBER OF IPOs BY COUNTRIES



IPO MARKET CAP BY COUNTRIES



IPO AMOUNT RAISED BY COUNTRIES



Source: Deloitte's 2022 & 2023 South East Asia IPO Capital market report.

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# LISTING REQUIREMENTS FOR BOURSES FOR HIGH-GROWTH COMPANIES IN SEA | INDONESIA & THAILAND

The Acceleration Board in Indonesia and the Live Exchange in Thailand cater specifically to SMEs and high-growth companies, offering streamlined pathways to IPOs. These platforms facilitate access to public markets, enabling startups to raise capital and expand.

COUNTRY	INDONESIA	THAILAND
<b>LISTING BOARD NAME</b>	<ul style="list-style-type: none"> <li>Acceleration Board (Launchpad to Development board &amp; Main board)</li> </ul>	<ul style="list-style-type: none"> <li>Live Exchange (LiveX)</li> </ul>
<b>BACKGROUND</b>	<ul style="list-style-type: none"> <li>Established in July 2019, to provide potential growing small to medium scale asset companies/ startups an opportunity to raise funds via IPOs</li> <li>A launchpad to the Development Board or Main Board, providing more access to a wider group of investors to fund larger growth plans</li> </ul>	<ul style="list-style-type: none"> <li>Launched in 2022</li> <li>Marketed by SET as a stock board for “Thai SMEs and startups that are ready to expand their business through the capital market”</li> </ul>
<b>KEY LISTING REQUIREMENTS</b>	<ul style="list-style-type: none"> <li>Asset size of more than \$4M and less than \$20M</li> <li>Audited financial statements: minimum 1 year or since establishment (unqualified opinion)</li> <li>Audited SAK UMUM financial report (medium scale company) and SAK ETAP financial report (small scale company)</li> <li>Minimum of 20% public or free float</li> <li>May experience financial loss, but must record net profits by the end of the 6th year</li> </ul>	<ul style="list-style-type: none"> <li>Total shareholder equity: ≥ \$560K</li> <li>Minimum paid up capital: No minimum requirement</li> <li>Operating results: No net profit requirements</li> <li>SMEs – Be a medium or larger-sized enterprise as defined by the OSMEP (The Office of SMEs Promotion)</li> <li>Startups – Have VC/PE funding</li> <li>Financial statements: 1 year According to the standard for PAEs</li> <li>No free float requirements</li> </ul>
<b>STATS &amp; KEY SNAPSHOTS</b>	<ul style="list-style-type: none"> <li>In 2023, 17 IPOs with \$54M of funds raised</li> <li>Companies comprising of a diverse range of industries for investors to invest</li> <li>Investor base comprises of angel investors, venture capitalists, and retail investors</li> </ul>	<ul style="list-style-type: none"> <li>As of December 2023, there were 4 companies listed on LiveX</li> </ul>

Source: Deloitte’s 2022 & 2023 South East Asia IPO Capital market report, SET, Nikkei Asia.

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# LISTING REQUIREMENTS FOR BOURSES FOR HIGH-GROWTH COMPANIES IN SEA | SINGAPORE & MALAYSIA

Catalist in Singapore is tailored for fast-growing companies seeking primary listings, while Malaysia’s ACE Market targets firms with promising growth potential. Such initiatives showcase both countries’ commitment to fostering dynamic startup ecosystems and driving economic growth.

COUNTRY	SINGAPORE	MALAYSIA
<b>LISTING BOARD NAME</b>	<ul style="list-style-type: none"> <li>• Catalist</li> </ul>	<ul style="list-style-type: none"> <li>• ACE Market</li> </ul>
<b>BACKGROUND</b>	<ul style="list-style-type: none"> <li>• Marketed as: “The ideal platform for fast-growing enterprises seeking a primary listing”</li> </ul>	<ul style="list-style-type: none"> <li>• A sponsor-driven market designed for companies with growth prospects. It was formerly known as the MESDAQ Market prior to 3 August 2009. Sponsors must assess suitability of the potential issuers, taking into consideration attributes such as business prospects, corporate conduct, and adequacy of internal control.</li> </ul>
<b>KEY LISTING REQUIREMENTS</b>	<ul style="list-style-type: none"> <li>• No minimum quantitative criteria required by SGX (except Mineral, Oil &amp; Gas companies) – Sponsors will use their own house deal selection criteria</li> <li>• Shareholder Spread: 15% of post-invitation share capital in public hands; Minimum 200 shareholders</li> <li>• 2 independent directors (minimum of 1 Singapore resident independent director for Foreign Companies)</li> </ul>	<ul style="list-style-type: none"> <li>• No minimum operating track record or profit requirement</li> <li>• Public spread: At least 25% of the company’s total number of shares</li> <li>• Minimum of 200 public shareholders holding not less than 100 shares each</li> <li>• Sponsorship is required for at least 3 full FY post listing, and the Sponsor who submitted the listing application must act as the Sponsor for at least 1 full FY following upon admission</li> <li>• Sufficient level of working capital for at least 12 months from the date of prospectus</li> <li>• Type of investor: Public</li> </ul>
<b>STATS &amp; KEY SNAPSHOTS</b>	<ul style="list-style-type: none"> <li>• 2023: 6 IPOs, \$35M raised, \$199M in market cap</li> <li>• 2022: 8 IPOs, \$39M raised, \$240M in market cap</li> <li>• 2021: 5 IPOs, \$45M raised, \$268M in market cap</li> </ul>	<ul style="list-style-type: none"> <li>• 2023: 23 IPOs</li> <li>• 2022: 25 IPOs</li> <li>• 2021: 11 IPOs</li> </ul>

Source: Deloitte’s 2022 & 2023 South East Asia IPO Capital market report, SGX, Bursa Malaysia

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*At the Vietnam National Innovation Center, our goal is to nurture a vibrant and supportive ecosystem for Vietnamese startups. We are resolutely dedicated to advocating for an investment and divestment environment that fosters growth, acknowledging the importance of adaptability for our startup landscape.*

*In light of the lessons learned from neighboring countries, it is evident that the paramount focus for Vietnam's thriving startup landscape is the creation of a conducive exit environment. With this insight, we are diligently refining our approaches to build a more favorable framework, particularly for startups aiming for IPOs and other lucrative exit routes. This involves tailoring regulations to meet the evolving needs of startups and investors, paving the way for successful case studies in Vietnam.*

”



**VU QUOC HUY - DIRECTOR AT NIC**



# LATEST LEGAL DEVELOPMENTS TO EMPOWER STARTUPS AND DRIVE INNOVATION

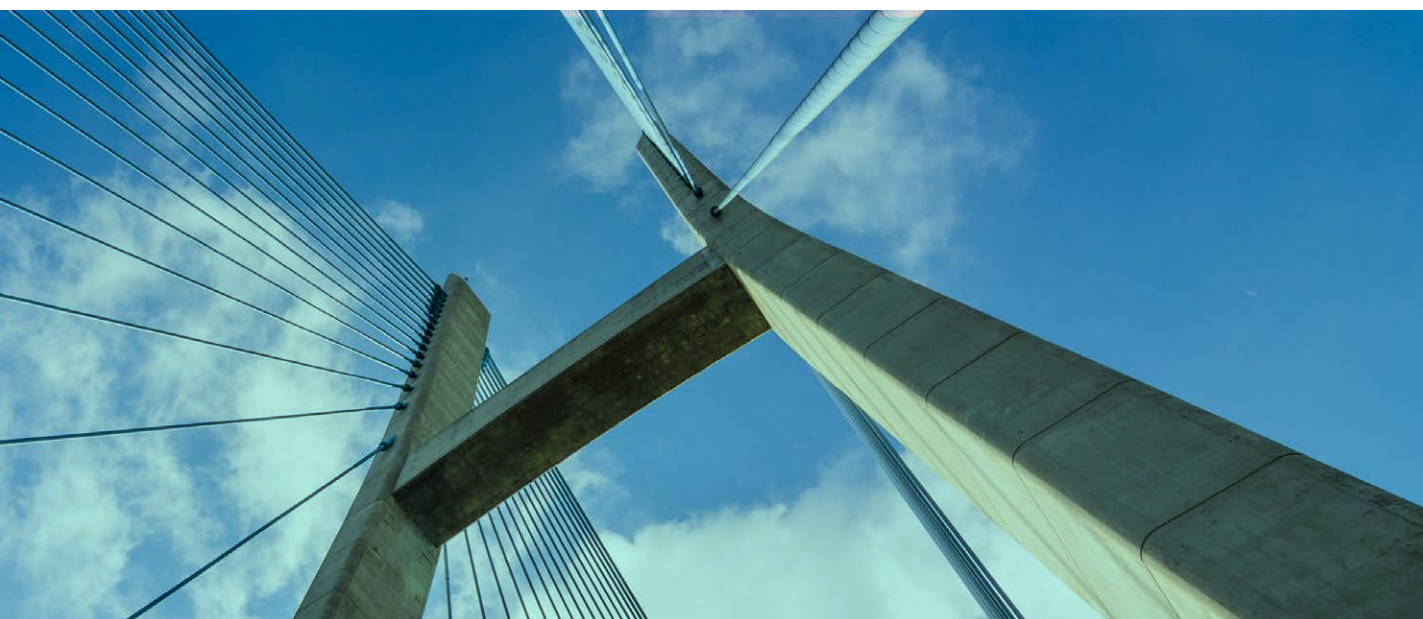
In recent years, the Vietnamese government has made significant strides in creating a more conducive legal environment for startups and fostering innovation across various sectors.



# ENHANCE REGULATORY ENVIRONMENT TO DRIVE INNOVATION

In recent years, numerous policies have been proposed to create an environment where innovative companies can thrive and attract investment.

<p><b>Resolution 98/2023/QH15 of the National Assembly on piloting a number of specific mechanisms and policies to develop Ho Chi Minh City</b></p>	<p>The Resolution pilots a number of specific mechanisms and policies to promote science and technology in Ho Chi Minh City:</p> <ul style="list-style-type: none"> <li>• 5-year exemption from CIT generated by innovative enterprises, science and technology organizations, innovation centers</li> <li>• Exemption from PIT and CIT from transferring capital contributions and capital contribution rights to enterprises in the city</li> <li>• 5-year exemption from PIT for experts, scientists, and founders working in innovative enterprises, science and technology organizations, innovation centers</li> <li>• High-tech parks, concentrated information technology parks, innovation centers in the city are allowed to conduct controlled experiments of new technology solutions within their geographical boundaries</li> <li>• Non-repayable support from the city budget for incubation of innovative projects, covering expenses such as project selection, expert hiring, direct employment compensation, innovation and startup support services, technical facilities, incubators, and co-working spaces</li> </ul>
<p><b>Mechanisms on innovation and startups in the Draft Law on the Capital City (amended)</b></p>	<p>With the goal of building Hanoi to become the leading innovation center of the country, moving forward to become the science, technology and innovation center of Southeast Asia, Article 25 of the draft Law regulates a number of mechanisms to develop science and technology in the capital, specifically as follows:</p> <ul style="list-style-type: none"> <li>• Incentives for experts and scientists leading key scientific and technological tasks in Hanoi, such as block funding based on results and products, and exemption from PIT on related incomes</li> <li>• Mechanisms to encourage businesses and science and technology organizations in Hanoi to receive support from the city budget for procurement and operational costs of key scientific and technological tasks, including the establishment of R&amp;D centers and laboratories in priority fields</li> <li>• Additional preferential policies for Hoa Lac High-Tech Park, along with the establishment of the High-Tech Park Management Board in Hanoi to oversee the city's High-Tech Parks</li> </ul>
<p><b>Decree amending and supplementing Decree No. 94/2020/ND-CP</b></p>	<p>The amended decree aims to create more favorable conditions for NIC to accelerate the process of completing its facilities and operating effectively:</p> <ul style="list-style-type: none"> <li>• Supplement support policies for individuals, organizations, and businesses operating at NIC to facilitate administrative procedures concerning market entry, intellectual property intelligence, and tax procedures</li> <li>• Supplement regulations for visas with multiple entries and appropriate stay duration for individuals employed at NIC</li> <li>• Supplement regulations on work permit exemptions for foreign individuals working at NIC</li> <li>• Suggestions to simplify and streamline various investment and business procedures for organizations and individuals establishing businesses at NIC facilities</li> </ul>
<p><b>Other policies supporting the innovation ecosystem</b></p>	<ul style="list-style-type: none"> <li>• Resolution No. 119/2020/QH14 of the National Assembly on piloting the organization of the urban government model and a number of specific mechanisms and policies for the development of Da Nang city</li> <li>• Draft Strategy for semiconductor industry development</li> <li>• Draft Strategy for developing the hydrogen energy industry</li> <li>• Vietnam - United States Joint Declaration and the MOU on cooperation on promoting the semiconductor industry between the two Governments</li> </ul>



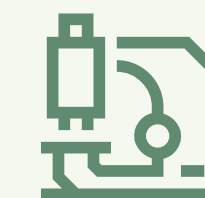
# ENHANCE REGULATORY ENVIRONMENT TO DRIVE INNOVATION

## RESOLUTION 98/2023/QH15 OF THE NATIONAL ASSEMBLY ON PILOTING A NUMBER OF SPECIFIC MECHANISMS AND POLICIES TO DEVELOP HO CHI MINH CITY

In 2023, the NIC and the City submitted and received the approval of the National Assembly for Resolution No. 98/2023/QH15 dated June 24, 2023 on piloting a number of special mechanisms and policies for the development of Ho Chi Minh City. This includes four groups of policies:



A group of policies exempting PIT and CIT for key stakeholders in the ecosystem (startups, startup support organizations, individual with innovation activities), exempting transfer tax for organizations and individuals investing in startups.



A group of policies to attract experts and scientists.



A group of policies to test new technology products and solutions.



A group of policies on non-refundable funding (grant) for innovative startup projects.



# ENHANCE REGULATORY ENVIRONMENT TO DRIVE INNOVATION

## DECISION NO. 29/2021/QĐ-TTĐ (DECISION NO. 29) ON SPECIAL INVESTMENT INCENTIVES

Decision No. 29 provides the details for levels, durations and conditions of special investment incentives applicable for investment projects provided in Article 20.2 of Investment Law No. 61/2020/QĐ14 and the government's Decree No. 31/2021/ND-CP.



### Eligible projects entitled to Special Investment Incentives

According to Article 20.2 of the Investment Law, the following new projects/expanded projects will be entitled to Special Investment Incentives:

- Innovation centers and research and development (R&D) centers with total investment capital of VND 3,000B (~\$130.4M) or more, of which at least VND 1,000B (~\$43.5M) is disbursed within 03 years
- National innovation centers established under the Prime Minister's decision
- Investment projects in investment-incentivized industries as prescribed in Appendix 2 of Decree 31 with investment capital of VND 30,000B (~\$1.3B) or more, of which at least VND 10,000B (~\$434.8M) is disbursed within 03 years



### Details on certain criteria for eligibility of Special Investment Incentive

- Decision No. 29 clarifies the following criteria provided in Decree No. 31:
- High technology
- Vietnamese enterprises participating in the value chain
- Technology transfer
- Added values



### Special Incentive Package

Eligible taxpayers will be entitled to one of the following Special Incentive Packages:

- **Package 1:** Preferential CIT rate of 9% over a period of 30 years, five-year CIT exemption and 50% CIT reduction for subsequent 10 years; land and water surface lease exemption for 18 years and 55% reduction for the remaining years
- **Package 2:** Preferential CIT rate of 7% over a period of 33 years, six-year CIT exemption and 50% CIT reduction for subsequent 12 years; land and water surface lease exemption for 20 years and 65% reduction for the remaining years
- **Package 3:** Preferential CIT rate of 5% over a period of 37 years, six-year CIT exemption and 50% CIT reduction for subsequent 13 years; land and water surface lease exemption for 22 years and 75% reduction for the remaining years

# NIC'S CONTRIBUTION TO THE DEVELOPMENT OF VIETNAM'S INNOVATION LANDSCAPE IN 2023

NIC plays a pivotal role in catalyzing innovation and driving the growth of Vietnam's digital economy, which is imperative for the sustained prosperity of the country's tech sector.





# NIC'S CONTRIBUTION TO THE DEVELOPMENT OF VIETNAM'S INNOVATION LANDSCAPE IN 2023

NIC was established with the objective of fostering an innovation-centric culture and facilitating the development of novel technologies and business models. The center has been instrumental in providing a suite of services and resources to tech companies, as well as shaping government policies pertaining to innovation and entrepreneurship.



EMPOWER INNOVATIVE COMPANIES & STARTUPS



PROMOTE A ROBUST INNOVATION ECOSYSTEM



NURTURE HUMAN CAPITAL FOR THE TECH INDUSTRY











CULTIVATE THE VIETNAM INNOVATION NETWORK



ATTRACT INVESTMENT FOR INNOVATION

# EMPOWER INNOVATIVE COMPANIES & STARTUPS

NIC has actively supported startups and innovative companies, particularly focusing on emerging sectors such as Semiconductor, Greentech, AI, and Digitalization. These efforts, carried out in collaboration with state agencies, global corporations, and local enterprises, aim to drive growth and development in these vital industries.

KEY INDUSTRIES	INITIATIVES	PARTNERS
 <p><b>SEMICONDUCTOR</b></p>	<ul style="list-style-type: none"> <li>Facilitated connections between international semiconductor organizations and local companies, research institutes, and universities</li> <li>Organized the 2023 Semiconductor Industry Summit with the participation of global industry leaders</li> <li>Established the Vietnam Semiconductor Industry Innovation Network and Semiconductor Industry Expert Network</li> </ul>	
 <p><b>GREENTECH</b></p>	<ul style="list-style-type: none"> <li>Organized the High-Level Forum on Energy Transition and Green Hydrogen Energy Industry Development in Vietnam</li> <li>Launched The Hydrogen Energy and Environmental Technology Center Initiative (EHI) to strengthen the innovation space for businesses to research, cooperate, and develop green Hydrogen energy in Vietnam, towards the goal of Net - Zero by 2050</li> </ul>	
 <p><b>ARTIFICIAL INTELLIGENCE</b></p>	<ul style="list-style-type: none"> <li>Organized AI Day 2023 with the participation of world's leading experts in AI</li> </ul>	
 <p><b>DIGITALIZATION</b></p>	<ul style="list-style-type: none"> <li>Organized the seminar "Innovation trends in digital transformation for the Vietnamese advertising industry"</li> <li>Organized the workshop "Promoting innovation through digital transformation applications for manufacturing enterprises"</li> <li>Organized the workshop "Innovation in production quality management - Preparation for participating in the global supply chain"</li> <li>Organized a series of digital transformation training workshops for businesses on Cyber Security and Marketing</li> </ul>	

# PROMOTE A ROBUST INNOVATION ECOSYSTEM | THE SEMICONDUCTOR INDUSTRY

NIC plays a proactive, pioneering role in developing the innovation ecosystem in a number of emerging industries, bringing much potential to Vietnam. In 2023, NIC prioritized promoting the semiconductor industry, significantly contributing to positioning Vietnam as a competitive player in the global semiconductor landscape, fostering innovation, driving economic growth, and creating employment opportunities.



**SIEMENS TO SPONSOR THE PROVISION OF SOFTWARE FOR SEMICONDUCTOR HUMAN RESOURCES TRAINING AT NIC**

**SYNOPSYS TO PROVIDE TRAINING LICENSES TO HELP NIC SET UP ITS CHIP DESIGN INCUBATION CENTER**

**CADENCE GROUP TO OPEN AN IN-DEPTH TRAINING COURSE ON IC DESIGN WITH LECTURERS FROM ARIZONA STATE UNIVERSITY**



# NURTURE HUMAN CAPITAL FOR THE TECH INDUSTRY

In its efforts to nurture an innovative culture, NIC has implemented a diverse array of human resource development programs, comprising scholarships, training programs, and networking events with the engagement of numerous local and international partners.

## INITIATIVES

- The Google Digital Talent Development Program provided training on digital skills to increase job opportunities in the technology industry. Training courses included Data Analytics, IT Supports, Project Management, UX Design, Digital Marketing, and E-commerce.
- The Human Resources for Innovation - Startup Ecosystem Program, launched in partnership with USAID and WISE, targeted strengthening basic digital skills as well as developing the market for digital skills training and innovative financial solutions for education. Key areas of training included AI, cloud computing, product development, and smart factories.
- Continued to develop the Network of Innovation and Entrepreneurship Centers at Universities and Colleges (VNEI).
- Promoted high-quality human resources in semiconductors by cooperating with local and international semiconductor corporations, as well as universities such as Ho Chi Minh City National University and Hanoi National University.
- Deployed the project to develop human resources in the semiconductor industry until 2030.

## PARTNERS



20,000

digital talent scholarships for 83 universities and organizations

40,000

digital talent scholarships committed for 2024

1,400

teachers and students trained on advanced digital skills

50,000

experts to be trained for the semiconductor industry.

32

member centers in the VNEI

01

Center For Research and Training on Semiconductors & AI

MOUs

on establishing a Semiconductor Chip Design Training Center

# CULTIVATE THE VIETNAM INNOVATION NETWORK

NIC has been proactive in constructing a strong and interconnected innovation network that operates at both the local and global levels.



## ENHANCE GLOBAL INNOVATION NETWORK

- Workshop “Strengthening cooperation within the JETP framework towards the net zero emissions target for Vietnam by 2050”
- Vietnamese Startups Exchange Program to Belgium (Vietnam-Brussel Startups Exchange 2023)
- Vietnam - Korea startups exchange program (VKSE)
- The Singapore Innovation Network set to be established in 2024
- Conference “The Future of Generative Artificial Intelligence 2023” providing opportunities to connect Vietnamese startups with leading tech companies in the US

## ENHANCE LOCAL INNOVATION NETWORK

- Collaborated with local agencies to arrange various initiatives tailored to promote startups and innovation, leveraging the unique characteristics and strengths of each locality
- Signed a MOU on the development cooperation program between Hau Giang Provincial People’s Committee and NIC for the period 2023 - 2028;
- Coordinated with the Center for Startup and Innovation of Thua Thien Hue province to execute a series of innovation activities within the province.

# ATTRACT INVESTMENT FOR INNOVATION

In October 2023, the inauguration of NIC's second facility at Hoa Lac Hi-Tech Park in Hanoi marked a significant step in creating a conducive environment for Vietnam's innovation ecosystem. NIC Hoa Lac is now the largest innovation center in the country, offering numerous incentives to local startups, and attracting global tech groups and investors. The opening was celebrated with the Vietnam International Innovation Expo (VIIE 2023) and Vietnam Venture Summit 2023, providing platforms for startups to showcase their innovations, connect with potential investors, and explore collaborations.



**+1,000**  
INVESTORS AND  
BUSINESS LEADERS

**234K**  
LIVE VIEWS

**50K**  
OFFLINE VISITS

**72M**  
TIKTOK VIEWS

**20**  
SIDE EVENTS

**+300**  
TECH CORPORATIONS

**60M**  
ONLINE VISITS

**785**  
ARTICLES

# ATTRACT INVESTMENT FOR INNOVATION

Through its various programs, events, and partnerships with venture capital firms, NIC helps startups forge connections with a diverse network of investors, spanning both local and global spheres.

## The Inno Vietnam - Japan Fast Track Pitch



The Inno Vietnam - Japan Fast Track Pitch is a new platform for startups and companies from ASEAN, Japan, and around the world to co-create and innovate. Project proposals by finalist startups of the Fast Track Pitch will be given additional points in the selection process of the Asia Digital Transformation (ADX) Promotion Program. The ADX Promotion Program provides grants of up to \$300,000.

### PARTNER



## Vietnam Innovation Challenge Programme 2023 (VIC 2023)



Driven by the vision of the Vietnam Innovation Initiative (InnovateVN), the Vietnam Innovation Challenge Programme 2023 (VIC 2023) seeks innovative solutions from entities worldwide to address crucial national challenges, driving Vietnam toward prosperity and sustainability. VIC 2023 attracted 758 solution applications from individuals and businesses in Vietnam and abroad across eight diverse fields.

### PARTNER



## Vietnam Innovation & Tech Investment Report



Vietnam Innovation & Tech Investment Report, co-authored by NIC and Do Ventures, continues to serve as a reliable source of information on Vietnam venture capital. The report provides valuable insights for startups, investors, policymakers, and other ecosystem players, as they seek to understand the dynamics of the digital economy in Vietnam and opportunities for partnership.

### PARTNER



## The Vietnam Innovation Forum



The Vietnam Innovation Forum was a joint effort by NIC, Forbes Vietnam, and Do Ventures to encourage and promote innovation, bringing together leading investors, tech conglomerates and startups from Southeast Asia. Participants put forward important suggestions to the Government to address challenges and obstacles, and to create a favorable investment and business environment.

### PARTNER



# ABOUT NIC





## ABOUT NIC

Vietnam National Innovation Center (NIC) is a unit under the Ministry of Planning and Investment, with the function of supporting Vietnam startups and the innovation ecosystem, contributing to the innovation of the growth model based on science and technology.

### NIC SERVES AS A LEADING INNOVATION HUB UNDER THE FOLLOWING KEY PILLARS:



Create an outstanding business environment that attracts top global and local firms.



Foster the creation of an open ecosystem with a focus on startups and innovative businesses.



Act as a regulation pilot to create conditions that can be replicated in other locations throughout the country.



Research and propose advanced policies and sandboxes to encourage innovative activities on a national scale, ensuring competitiveness regionally and internationally.



Attract resources, investment firms, and tech talents to support innovative businesses and startups in attracting funding, transferring technology, and commercializing products.



Develop high-quality human resources and expand the Vietnam Innovation Network globally to promote innovation and digital transformation in public and private sectors.



ABOUT  
DO VENTURES

## FUND INTRODUCTION

Do Ventures is a \$50M early-stage venture capital fund that serves as a strategic partner for both startups and investors. The fund seeks investment opportunities in technology startups that can develop meaningful products and services to improve the lives of consumers in Vietnam and Southeast Asia.

YEAR OF ESTABLISHMENT

**2020**

ASSETS UNDER MANAGEMENT

**\$50M**

NO. OF PORTFOLIO COMPANIES

**25**



## FUND HIGHLIGHTS

### Data-driven Supporting Approach

We help to build data proficiency for our portfolio companies by taking the initiative to set up an automatic reporting system that empowers founders to make data-driven decisions. From the data collected, we can offer in-depth operations support in various key areas, including product development, supply chain optimization, organizational design, sales and marketing enhancement, and overseas expansion strategy, to make sure portfolio companies could meet their predetermined milestones.

### Unique Venture Building Capability

One of the most significant deal sourcing approaches is to proactively venture build new businesses with potential founders. In new sectors, rather than looking for good companies to invest in, we would look for highly capable founders and support them to initiate new business models that tackle the current market pain points.

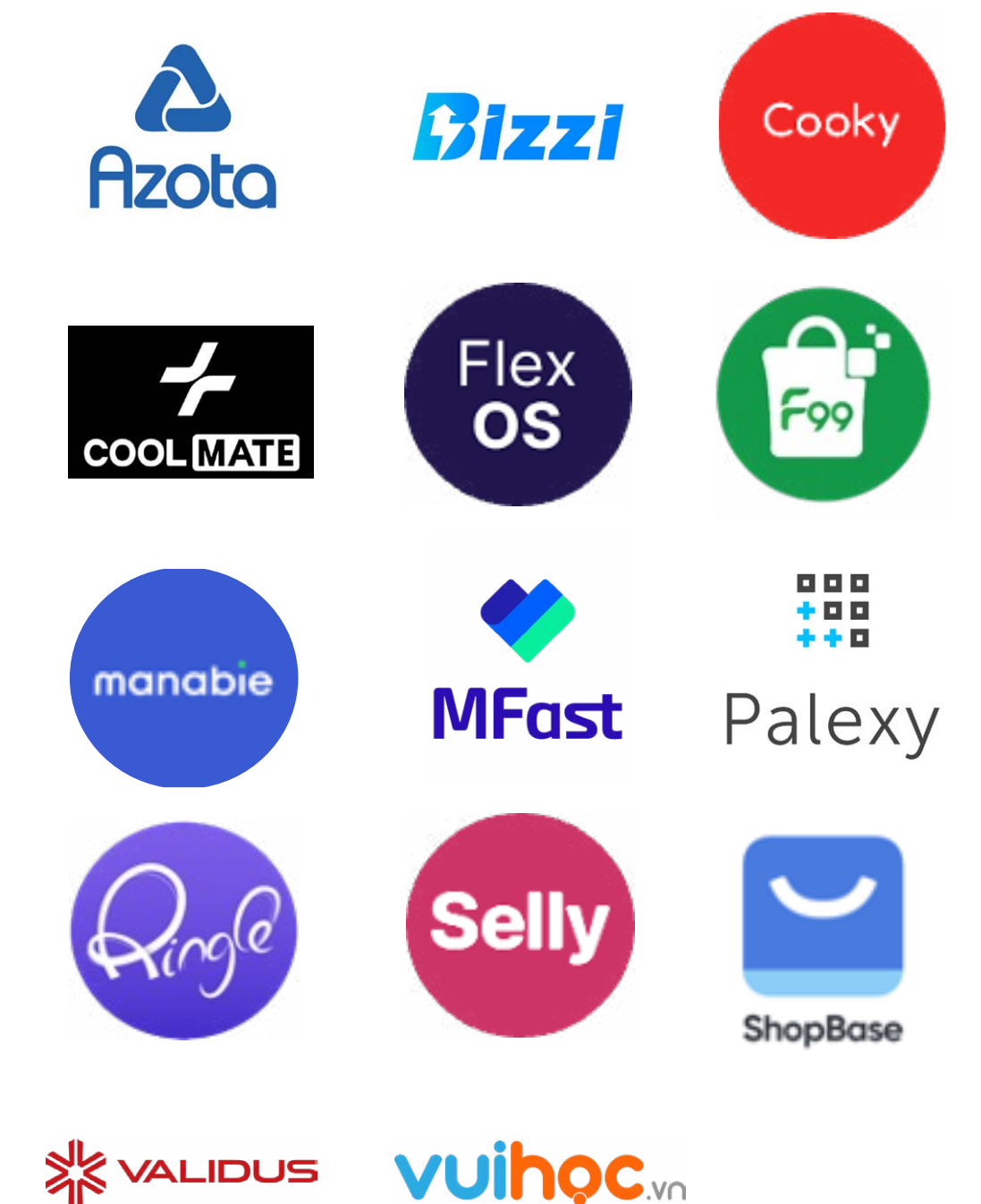
### Comprehensive Investment Approach

We believe that the ability to invest early and make follow-on investments is critical to the portfolio companies' success. We develop a comprehensive investment approach by investing in startups throughout various stages from Seed to Series B, and at the same time invite other reputable investors to co-invest in order to add additional value for companies.

## KEY BACKERS



## NOTABLE INVESTMENTS





# METHODOLOGY

## EXCLUSIVE PARTNER:

The National Innovation Center (NIC) is a unit under the Ministry of Planning and Investment with the function of supporting and developing Vietnam's startup and innovation ecosystem. NIC focuses on promoting technological transfer, R&D, and commercialization in a favorable regulatory experimenting environment to ensure competitiveness on regional and international levels. Learn more about NIC at [nic.gov.vn](http://nic.gov.vn).

## DATA PARTNER:

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. Cento Ventures is based in Singapore and backed by a team well experienced in internet business. Cento Ventures operates three funds that invest across industries through a disciplined and well-researched approach to locate technology investment opportunities originating from the Southeast Asia.

## 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 atone for this oversimplification, we would 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 the industry upgrade the reporting systems and, perhaps, change how tech company narratives are formed. In this report, our recognition goes to Will Cornall 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](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 ecosystem, with a few reference to Southeast Asia, particularly ASEAN 6 largest economies. More information on the references can be found in Cento Southeast Asia Tech Investment Report is available here:

<https://www.cento.vc/southeast-asia-tech-investment-report-2022-h1/>

## DATA SOURCES AND COMPLETENESS:

Do Ventures' data is compiled from a source of information provided by 70+ venture capital funds in Southeast Asia. Cento Ventures' data is compiled from a number of sources, although Cento primarily relies 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. Over 670 financing and liquidity events in Vietnam were analysed and verified in this report. Inevitably, a few large deals would avoid detection on occasion of exceptionally secretive nature of the transaction or due to the methodology was applied. It is also our impression that our pre-Series A deals data in the region is far from exhaustive 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 the "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, The databases were adjusted 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 by its investors as a technology company, it is categorised accordingly. 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, traditional TV stations, content producers, telcos, IT infrastructures, system integration companies, and holding companies are not include into the 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:

Our 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. 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 automates 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 i.e. 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
- Multi-vertical: Our categorization for diverse digital businesses such as Grab & Gojek, often called 'super-apps'
- Payments: companies that facilitate movement of capital
- Real Estate and infrastructure: 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

## SECTOR CLASSIFICATION – FINANCIAL SERVICES:

- BaaS (Banking as a Service): companies that digitize basic banking functions. This includes digital banks that is licensed to provide financial services directly to clients, software layers that help banks communicate to external software, and companies that supplement banks' process such as debt collection.
- Core Payments: companies that enable a transfer of cash/cash equivalent between two or more parties, including wallets and remittances.
- Data Analytics & Scoring: the utilization of data to predict the credibility of consumers or businesses.
- Insurance: companies operate or assist in the distribution, product design, and underwriting of insurance products.
- Wealth Management & Capital Markets: companies engage in asset allocation to generate higher returns, including platform that enable clients to manage their assets and those that do so on the clients' behalf.
- Lending – Consumer/Business: companies that facilitate individuals' or businesses' exchange of cash/cash equivalent for a secured and unsecured repayment contract.
- Multi-vertical: companies that generate businesses from multiple financial products. This includes wallets that provide other financial services and multi-product financial comparison platforms.

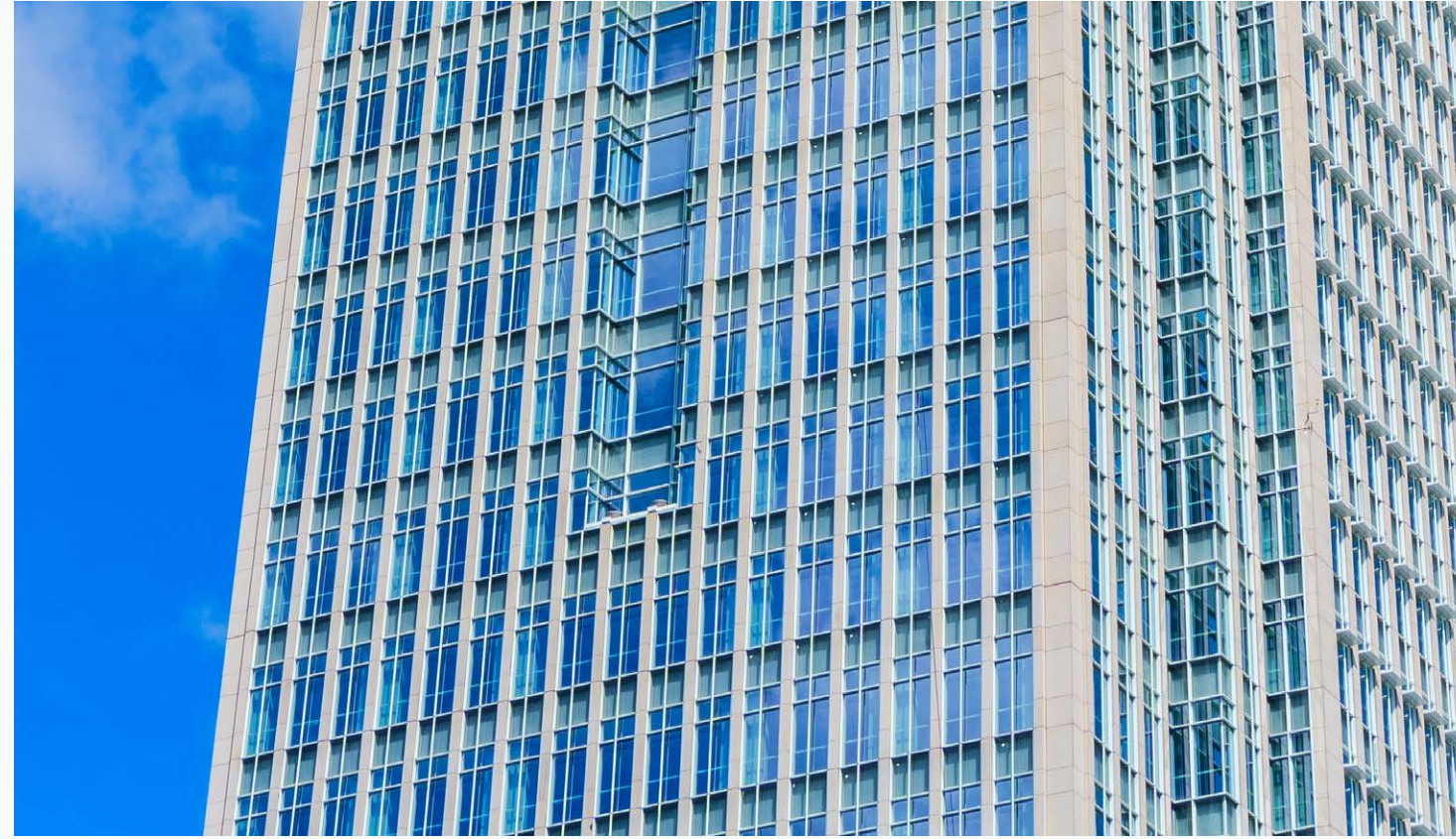
## SECTOR CLASSIFICATION – RETAIL:

- General Marketplace: companies that facilitate the need for a wide range of customers across different sectors of the economy.
- Vertical Commerce: companies that aim at a single market sector to serve some specific product categories to the targeted audience.
- B2B/Distribution: network-centric B2B trade platforms, where the marketing, selling, and distribution of products from one business to another happen through an online or digital portal.
- E-commerce Backend & Infrastructure: companies that provide the software, hardware, or infrastructure to enable merchants or brands to operate their e-commerce businesses
- Social Commerce: a subset of e-commerce that involves social media and online media that supports social interaction, and user contributions to assist online buying and selling of products and services.
- Gifting/Voucher/Loyalty: a digital gifting, voucher, and loyalty platform that helps brands connect with customers or businesses.
- D2C Commerce: a business model in which a brand manufactures, markets, and distributes its own products.
- Recommerce: a business of buying and selling used or overstocked products through a digital storefront.

## DEAL DEFINITIONS:

### DEAL STAGE

- Each series definition is determined as follows:
- Pre-Series A: Purpose of investment tends to be building the idea/team; in some cases, the company generates revenue.
- Series A: The product has been built and proven via initial but repeatable revenue. Investment purpose tends to be establishing a domestic position, and sometimes scaling regionally.
- Series B: 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, and mezzanine.
- Cento has also estimated a particular company's valuation through a recent substantial financing or liquidity event and known business developments.



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