

Southeast Asia Tech Investment

2023 - 2024





ABOUT

CENTO VENTURES

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

Based in Singapore, the firm is led by a team of founders, venture capitalists, and operators committed to serving as a trusted partner to founders, enabling them to build their ambitious vision to full potential.

Our current approach to supporting startups we partner with is focused on opportunities arising from the confluence of digital business models and embedded financial services in newly digitising industries across Southeast Asia and Korea. To date, Cento Ventures' investments led to over a quarter-billion dollars of proceeds earned by portfolio founders.

Learn more about us at <u>cento.vc</u> and our social media pages: <u>LinkedIn</u>, <u>Facebook</u>, or <u>Twitter</u>.





Our investment thesis is guided by these three principles

Founders with great ambition:



We are here to support visionary Founders aspiring to establish large digital companies with the potential for regional market dominance. Navigating Southeast Asia's fragmented market is essential, and we are best at backing Founders who are developing agile business models with minimal physical assets and a strong ambition to scale regionally.

Early-stage tech startups with proven traction:



Our investments are usually at Series A, where we lead the round. We invest once a company can show that a market exists for its product and that it is ready to use extra capital to scale.

Sectors ready for digital transformation:



There is an excellent opportunity for technology to solve some of the inefficiencies present in emerging markets. Most of our investments apply innovative business models to large industry sectors that are set in their ways, leveraging technology and digital financial services to enable transformation at scale





The Steepest and Longest Correction

By mid-2023, it was clear that Southeast Asia hadn't simply cooled to pre-COVID levels — it had reset all the way back to the pre-"unicorn era." Investment volumes fell first, but valuations and deal sizes held somewhat steady into late 2024.

The region was the first emerging market to dip below its 2017–2020 baseline in H2 2022, and it's still stuck there more than 2.5 years later. What looked like an early adjustment turned into the deepest and longest slump of any emerging market. The message is stark: 2017–2020 was a one-off funding frenzy, not a new normal.

Meanwhile, India and Latin America have left Southeast Asia in the dust. By H2 2024, both were raising more than double their historic averages, with India pulling in four times and LatAm twice as much capital as Southeast Asia.

Signs of life are reappearing — mainly in digital financial services (DFS) — but the rebound is badly lagging peers. Even in the best case, Southeast Asia will be at least a year behind the recovery curves of India and LatAm.





Deal Activity Across Stages

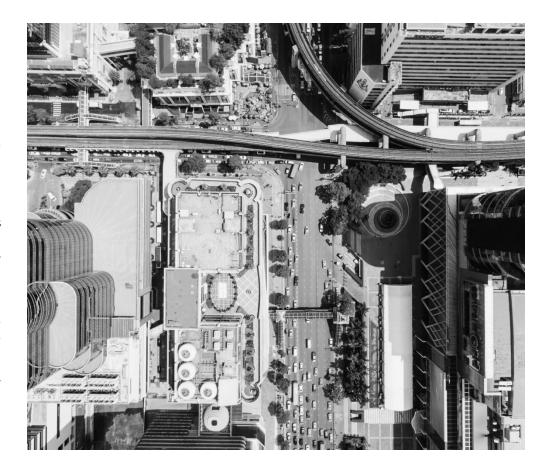
The capital cycle played out unevenly across stages:

- Series C+ slowed sharply as early as H2 2022, as the supply of mega-deal capital contracted.
- **Seed and Pre-A** surged initially, buoyed by later-stage funds moving downstream, but slowed dramatically by H1 2024.
- Series A and B held up the longest, only showing steep decline toward H2 2024.

Surprisingly, **median valuations and deal sizes held up across stages** into H2 2024. This was less a reflection of market strength than of a distortion: the rising use of private debt and convertible notes (not visible in standard datasets) kept the number of priced equity rounds unusually low, even as startup closures spiked and founders scrambled for profitability.

This mismatch explains why headlines point to "over-correction," while valuations on record still appear sticky. The market is not clearing — founders have not reset valuation expectations, while investors are reluctant to meet them. Debt instruments are cushioning the gap, but obscuring the true pace of correction.

Mega-deals never disappeared; they concentrated in "flight to quality" bets, often anchored by local conglomerates or major digital groups (e.g., LineMan GXS, ANext, Bolttech, Mynt, Ascend). At the same time, internal capital injections from Sea Ltd, ByteDance, and Alibaba sustained operations. North Asian financial institutions such as Mizuho and MUFG also continued to provide late-stage capital, underscoring that even amid correction, Southeast Asia remains on the radar for strategic investors.





Growth Narratives: Tested and Revised

Since Indonesia's valuations peaked in early 2022, investors have cycled through competing narratives in search of the next regional growth story:

- Vietnam as the "Next China" lost momentum as political shifts in 2023–2024 dampened confidence.
- The Philippines as the "Next Indonesia" came under scrutiny as closer analysis of Indonesian middle-class economics cast doubt on the sustainability of consumer-led theses, especially after failed IPOs of consumer companies.

Both narratives leaned heavily on consumer spend, which proved less robust than expected.

What has emerged instead is the **dominant story of digital financial services**, particularly in the Philippines. The country's unique combination of light-touch regulation and financial disparities has propelled its financial sector forward. Meanwhile, Indonesia continues to provide scale for digital lenders experimenting both with and without bank charters.





Digital Financial Services: The Bright Spot

Digital financial services now account for three-quarters of all capital deployed in Southeast Asia (up from 35–40% historically), making it the only sector with growing investment volumes as of H2 2024.

The sector's resilience is underpinned by:

- Rapid modernisation of payment infrastructure and regulatory frameworks.
- A cohort of payments players that have reached sufficient maturity and scale to fundraise even in downturns.
- Early evidence that digital lenders can operate profitably at scale, especially in the Philippines and Indonesia.

The shift is strategic: most digital platforms have abandoned the "super-app" thesis in favour of originating and distributing financial services. Digital finance has become the key driver of profitability announcements across leading platforms in 2024.





Investment Landscape Overview

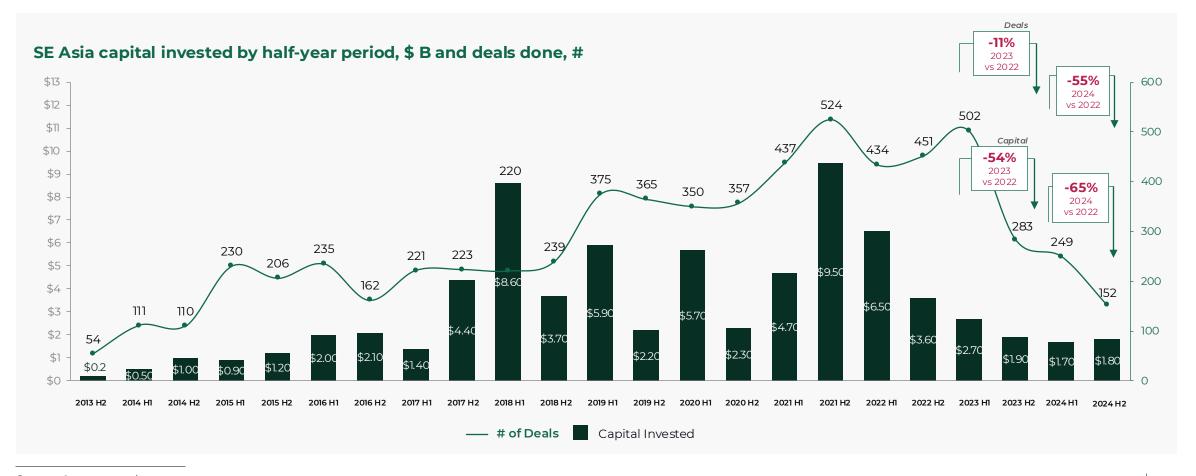
The numbers presented in this report incorporate all events customarily reported as technology investments into Southeast Asia, including non-fiat investments, project financing, corporate subsidiary investments, and such. The further analysis only includes financing and liquidity events we consider venture investments into digital companies according to our methodology laid out at the end of the report. The total value of investment events falling outside our framework amounted to \$ 2.88B in 2023 and 2024.

\$8.1B INVESTED ACROSS 1186 DEALS IN 2023 - 2024



INVESTMENT ACTIVITY RESET TO 2016 LEVELS - ECOSYSTEM SET BACK EIGHT YEARS

- Investment inflows slowed in early 2023, accompanied by a shift toward early-stage investments, resulting in the second highest number of deals ever recorded in H1 2023.
- Full-fledged ecosystem reset arrived in mid 2023, with the number of deals nose-diving and investment volumes stabilising at ~2016 levels for the rest of 2023 and 2024.

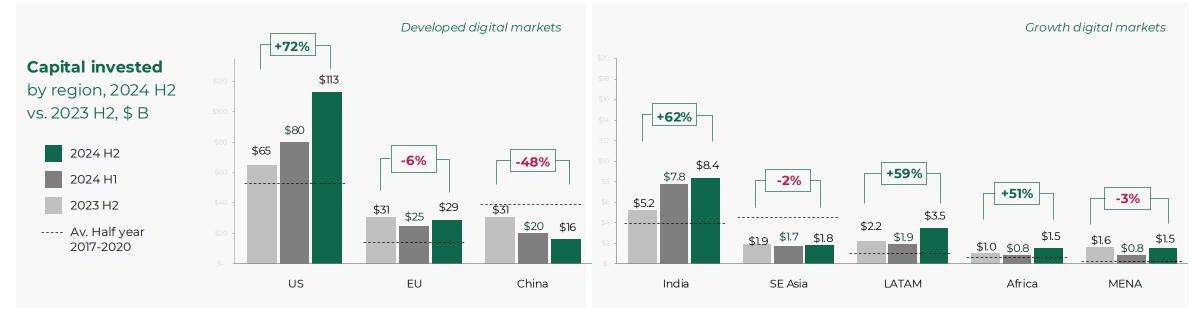


EMERGING DIGITAL MARKETS RECOVERED BY MID 2024



SOUTHEAST ASIA THE ONLY ONE BELOW THE BASELINE

- By the second half of 2024, all emerging regions except Southeast Asia have rebounded significantly, with investment activity consistently staying above 2017-2020 baselines. Both India and LatAm have even exceeded these baselines by a factor of 2X.
- In contrast, Southeast Asia has remained below the baseline since H2 2022, a baseline that was set exceptionally high due to the region's excessive capital intake during 2017-2020.
- Southeast Asia took more capital in an average half year period in 2017-2020 than either India or Latin America but now is lagging significantly behind both rival regions.



Capital Invested 2024 H2 vs Av. Half year 2017-2020, X [Av. 2017-2020 US\$ B]

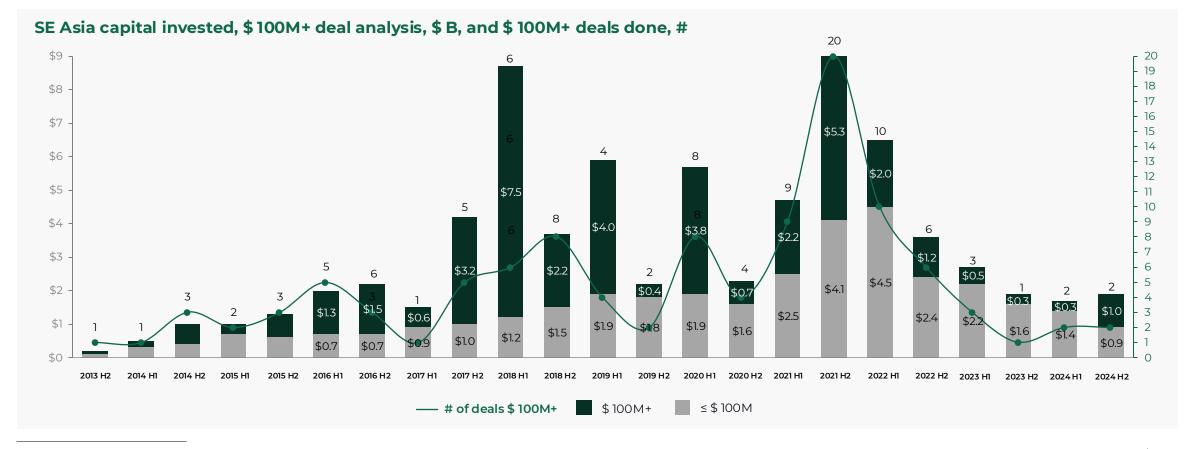
2X	1.8X	0.4X	2.1X	0.4X	2.3X	1.2X	3.3X
[\$55]	[\$16]	[\$40]	[\$4]	[\$4.5]	[\$1.5]	[\$1.2]	[\$0.45]

MEGA DEAL CATEGORY AT HISTORIC LOWS IN 2023 – 2024



2023-2024 MEGA DEALS AMOUNT TO \$ 2.1B, LESS THAN HALF OF PEAK VALUE OF \$ 5.3B REACHED IN H2 2021 ALONE

- Deep pocketed investors from North Asia remain active in Southeast Asia with funds from Tokyo Marine, PCCW, Ant Group, Mizuho and MUFG concentrated mostly in digital banking bets.
- eFishery alone absorbed 10% of mega deal funding in 2023-2024, and the entirety of Middle Eastern funds late-stage digital investment in the region*.
- With notable exception of Kredivo, most of the mega-deal rounds went to affiliates of larger groups (LineMan, GXS, ANext, Bolttech, Mynt, Ascend).



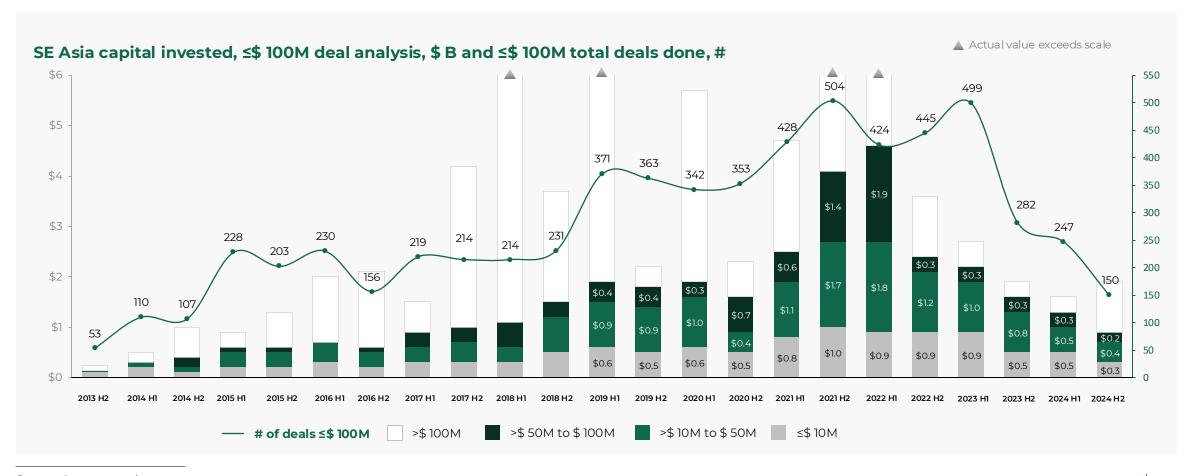
Source: Cento research

CORE VENTURE STACK HELD UP UNTIL MID 2024



H2 2024 MARKED FULL RESET OF CORE INVESTMENT ACTIVITY TO 2016 LEVEL

- Series B and C gradually declined all through 2022-2024 as newly raised SEA-centric funds slowed down deployment.
- The previously admirably stable seed to early Series B part of the core stack collapsed mid 2024 to one-third of its 2021-2022 volume as the overcorrection set in.

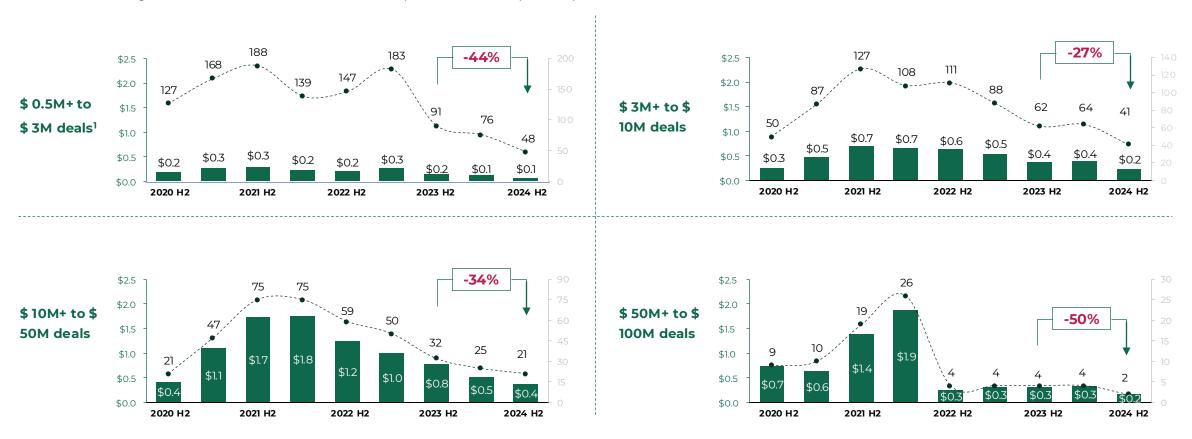


BREAK DOWN IN CORE VENTURE STACK



EARLY-STAGE INVESTMENT SAW ABRUPT PULLBACK IN MID 2024

- Sharpest decline in seed and pre-Series A (\$ 0.5M \$ 3M per deal), a new low for the region from the all time high of H1 2023.
- Series A to early B (>\$ 3M to \$ 10M per deal) down by 50% year-on-year.
- Series B and C gradual slowdown continues, Series C+ (\$ 50M to \$ 100M per deal) stabilised.



Source: Cento research

---- # of deals

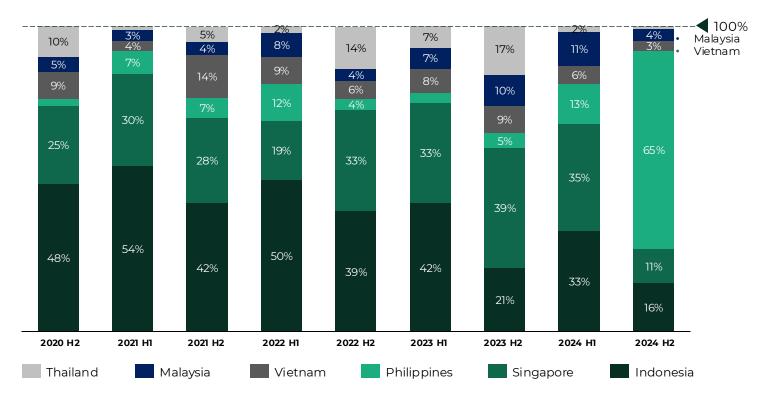
GROWTH NARRATIVE SHIFTED BY DIGITAL FINANCIAL SERVICES



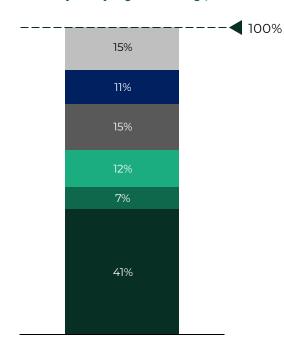
PHILIPPINES RE-EMERGES AS THE KEY INVESTMENT DESTINATION

- The digital banking competition has shifted from Indonesia and Singapore to the Philippines, with companies like Salmon, UNO Digital Bank, Mynt, and PayMaya securing substantial capital in 2024.
- Since H2 2023, Indonesia has received less than its "fair share" of investment in the regional digital economy, as funds previously raised for "consumer story" ventures shift away from tech toward mid-cap private equity style investments (such as F&B chains).

New VC capital invested by country, %



GDP (PPP) by country, %



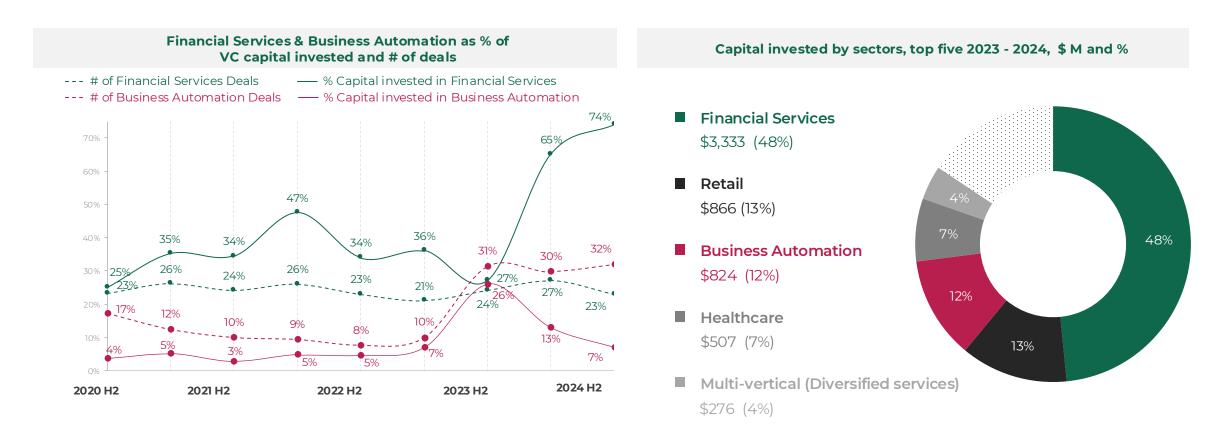
GDP (PPP) 2024e

DIGITAL FINANCIAL SERVICES ARE THE NEW GROWTH DRIVER



DFS ABSORBING 74% OF ALL CAPITAL IN 2024 H2

- The mature payments sector's ability to attract growth capital even in a down market, combined with the proven profitability of digital lending at scale in the Philippines and Indonesia, has enabled DFS to outshine all other digital sectors.
- Spike in investment into business automation reflects a surge of experimentation with hybrid B2B marketplace + SaaS business models across multiple industries.

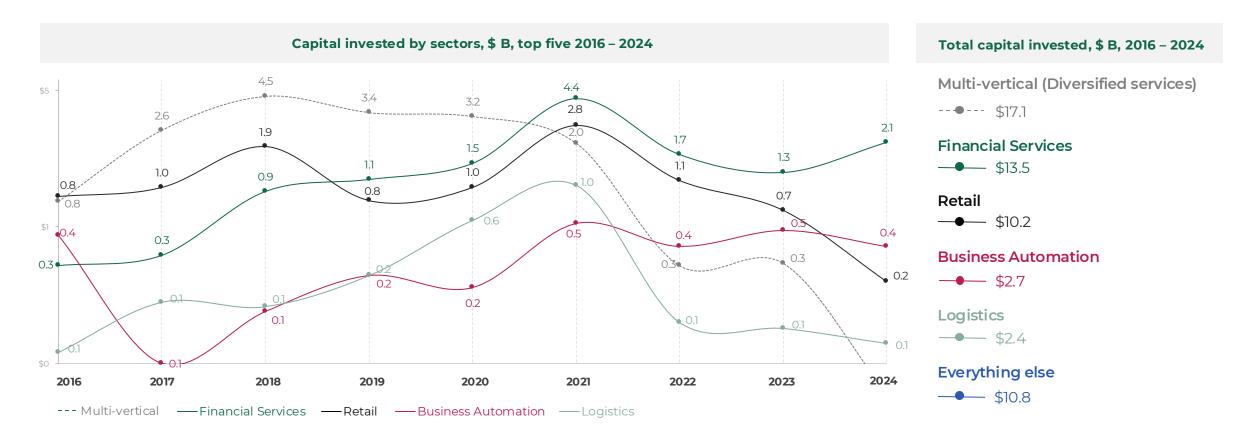


DFS ABSORBS \$ 2.1B IN 2024



DIGITAL FINANCIAL SERVICES FIRST TO EXIT DOWNTURN

- Digital banking (primarily consumer lending) and payments are the primary drivers behind growth of DFS.
- Business automation back to baseline after B2B marketplace driven spike.
- The era of non-DFS super-apps was officially over by 2022.

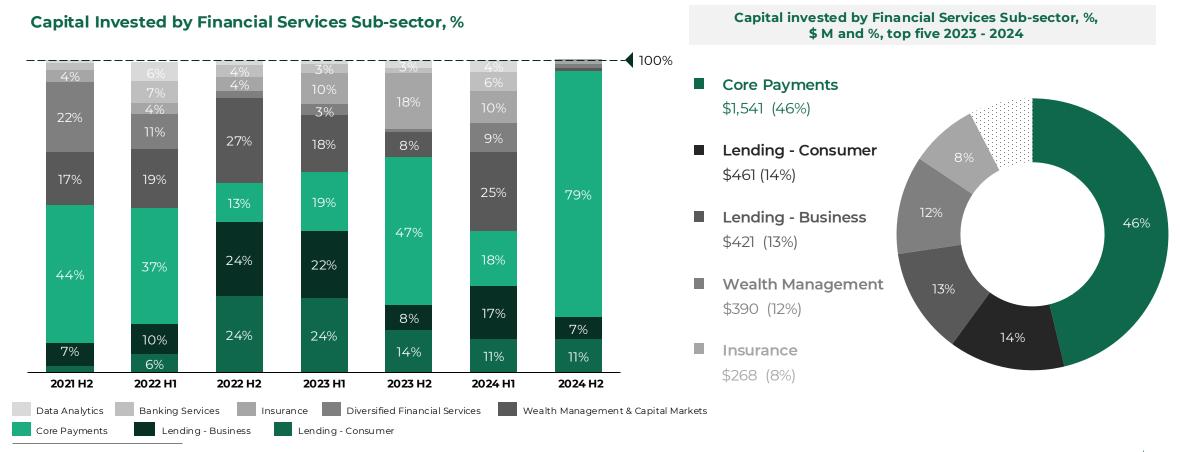


DIVERSIFIED SECTOR FIRING ON ALL CYLINDERS



PAYMENTS REMAIN A MAINSTAY ACROSS THE YEARS, REACHING MATURITY

- Consumer lending funding has not subsided despite higher interest rates, with digital banks coming into their own.
- Business lending investment share down by end of 2024 due to highly visible failures of SME lending platforms (especially in Indonesia) throughout the year.
- Wealth management maintained surprising resilience until the late 2024 digital asset bear run.
- Investment into region-specific data infrastructure remains (dangerously) low.



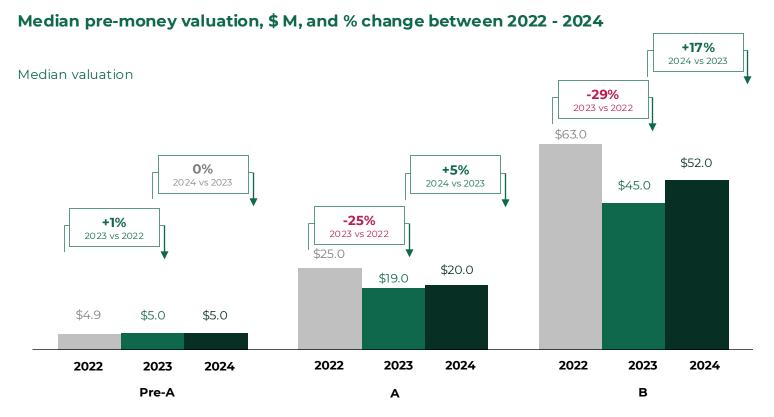
Source: Cento research

VALUATIONS STILL HOLD UP AFTER 2022 CORRECTION



SLIGHT UPTICK IN SERIES A & B VALUATIONS AS FEWER COMPANIES RAISE

- Series B valuations in H2 2024 were largely driven by pricier deals in the health-tech and digital financial services.
- Valuations of Series A increased towards the end of H2 2024 thanks partially to the liquidity made available by Malaysian government's fund-of-funds initiatives.
- Both supply and demand for early-stage venture deals have declined at similar rates, keeping valuations stable after the significant 2022 adjustment (when median Series B valuation dropped from \$ 90M to \$ 55M).





DEAL SIZES REMAIN STABLE ACROSS STAGES

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WITH AN EXCEPTION IN SERIES B

- The median deal size of Pre-A has doubled in 2024 as deal volume dwindled.
- Series B deal size continued its gradual slide as capital from later stage funds no longer "spills over" into earlier stages.
- With median valuations not yet showing significant correction, market activity has slowed considerably. The number of pricedrounds across stages is kept low by debt, company closures and "flight to profitability".

Median deal size, \$ M, and % change between 2022 - 2024

Median deal size -11% 2024 vs 2023 **-17**% 2023 vs 2022 0% 2024 vs 2023 \$12.0 -20% +100% 2024 vs 2023 2023 vs 2022 \$9.0 \$8.0 **-37**% \$5.0 2023 vs 2022 \$4.0 \$4.0 \$1.0 \$0.8 \$0.5 2022 2024 2022 2022 2023 2024 2023 2023 2024 В Pre-A

Α

2023 & 2024 Median Deal Size vs 2022

	2023	2024	
Pre-A	~0.7X	~1.1X	
Series A	~0.9X	~0.8X	
Series B	~0.7X	~0.6X	
2022	2023	2024	

SERIES A VALUATIONS ARE CONVERGING TOWARD THE \$ 20M - \$ 25M RANGE : cento



THE VALUATION GAP BETWEEN THE LOWEST (THAILAND) AND HIGHEST (PHILIPPINES) MEDIAN VALUATION IS NOW 2.9x

- Despite the market slowdown, Indonesia's valuations have remained stable due to increased bridge financing and venture debt rounds that helped companies avoid downrounds.
- The Philippines has benefited from capital flowing out of Indonesia and the boom in digital financial services.
- Malaysia stands out as one of only two markets with rising Series A valuations, thanks to its government fund-of-funds program.

Series A median pre-money valuation by country, \$ M, between 2022 - 2024



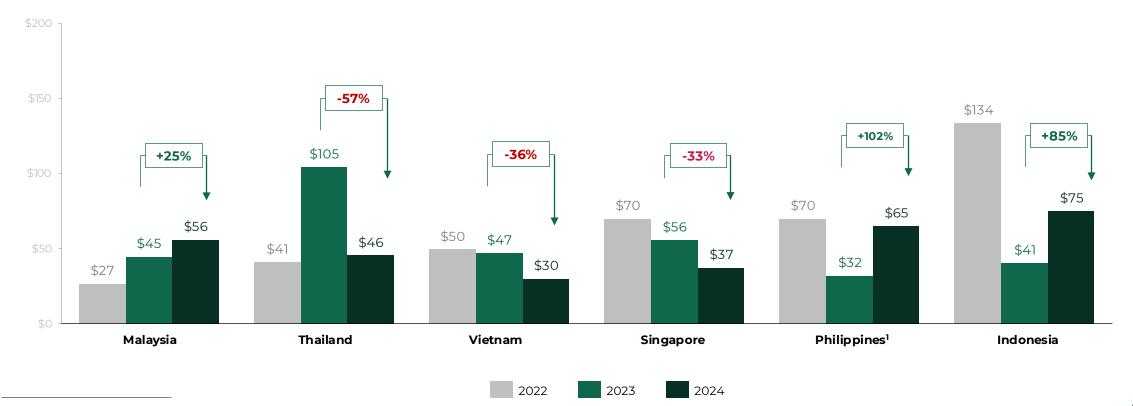
SERIES B VALUATION GAPS ACROSS MARKETS HOLD STEADY AT 2.5X



VALUATIONS GROW ACROSS THE PHILIPPINES, INDONESIA AND MALAYSIA

- Market survivors prevail only the strongest companies secured priced Series B rounds in 2024, creating an upward shift in market averages across the Philippines, Malaysia and Indonesia.
- Venture debt and bridge financing rounds cause continuous drop in Series B deal volume throughout 2023-2024, reducing valuation signal clarity.

Series B median pre-money valuation by country, \$ M, between 2022 – 2024

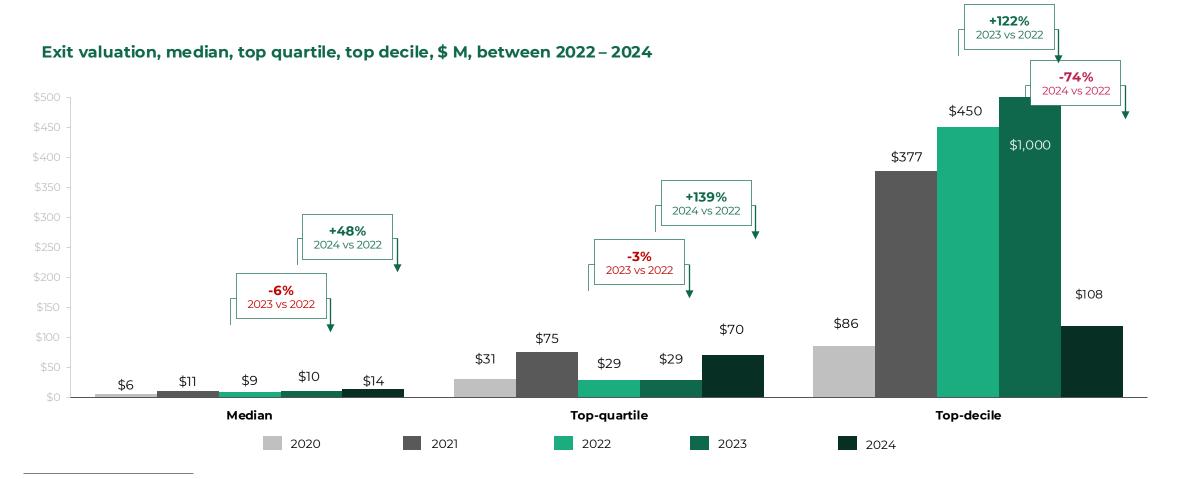


EXIT RECOVERY IS STILL WORK IN PROGRESS

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SMALLER M&As ARE STILL TAKING PLACE

- The ecosystem is still reeling in from fraud and financial mismanagements exposed in various companies across the region.
- Market is still not clearing for acquisitions until desperation sets in, hence the slow recovery in the top quartile.



Source: Cento research

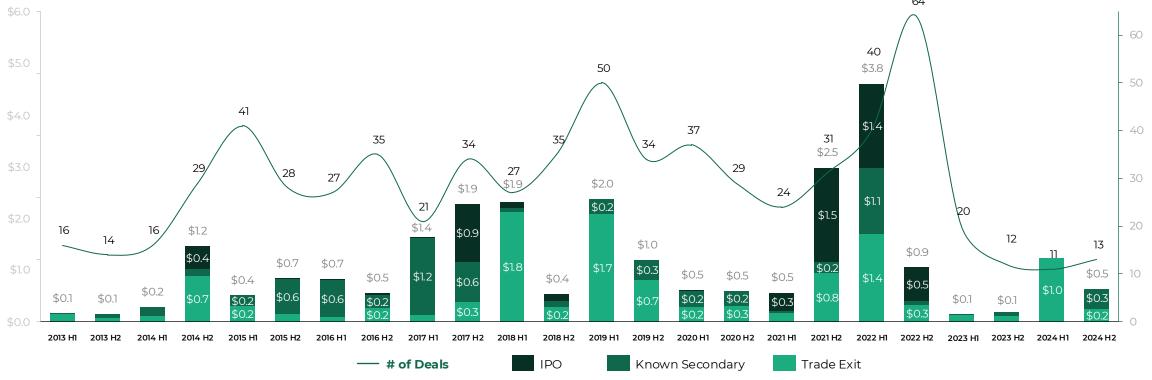
MINIMAL ORGANIC LIQUIDITY IN THE REGION



IPOS ARE A THING OF THE PAST - AND FUTURE

- Several IPOs are currently in preparation across the region, with early pre-IPO transactions becoming visible (such as the MUFG-Ayala realignment in Mynt, which contributed to 2024 liquidity event statistics).
- The trade exit market remains largely stalled due to misaligned expectations between potential acquirers and founders/late-stage investors. A notable exception was the Tokopedia-ByteDance sale in early 2024, which occurred under significant regulatory pressure.
- The 2023-2024 liquidity figures do not capture several significant take-private events and block trades involving PropertyGuru, Silverlake Axis, GHL Systems and others (representing \$ 2B+ of liquidity in 2024 alone).

Exit proceeds by year, \$ B and deals done,

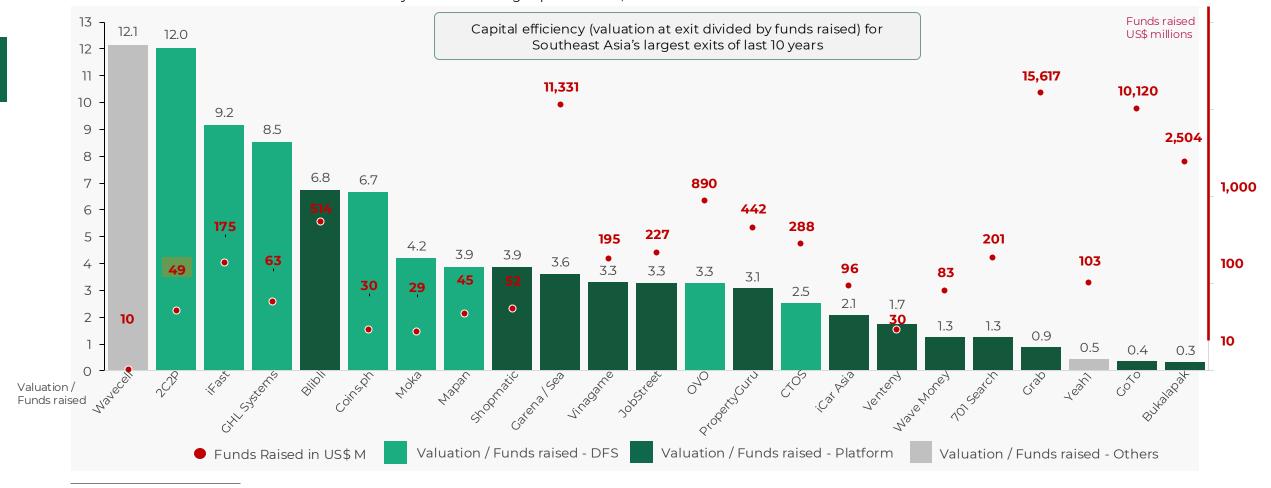


EXITS IN SOUTHEAST ASIA: NARRATIVE VS CAPITAL EFFICIENCY



DIGITAL FINANCIAL SERVICES DRIVEN COMPANIES HAVE THE HIGHEST CAPITAL EFFICIENCY RATIO

- Six out of ten most capital efficient companies from the last decade operate digital financial services, further three operate platforms with significant DFS component
- The most visible exit events haven't consistently delivered strong capital returns, let alone demonstrated efficient use of invested funds.

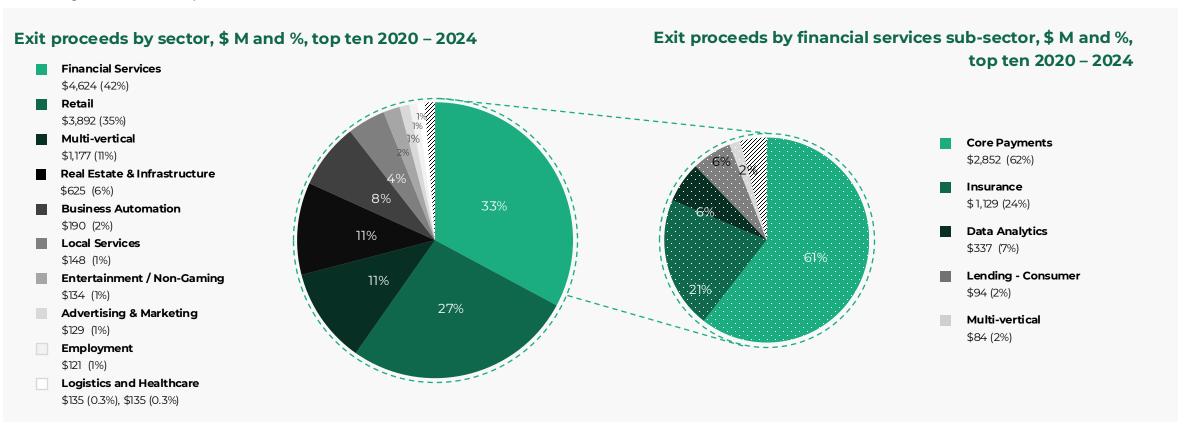


KEY DRIVER OF LIQUIDITY OVER LAST 5 YEARS – DIGITAL FINANCIAL SERVICES



CORE PAYMENTS CONTRIBUTED 61% OF DFS EXIT PROCEEDS

- Over the past 5+ years, digital financial services have taken center stage in generating exit proceeds. This trend has been driven by major acquisitions of core payments companies such as 2C2P, OVO, and Coins.ph, alongside significant secondary sales of Coda Payments, Dana, and Mynt.
- Beyond the "unicorn era" exit liquidity found in retail and multi-vertical sectors, both business automation and real estate have emerged as significant contributors to the region's exit landscape.



Source: Cento research

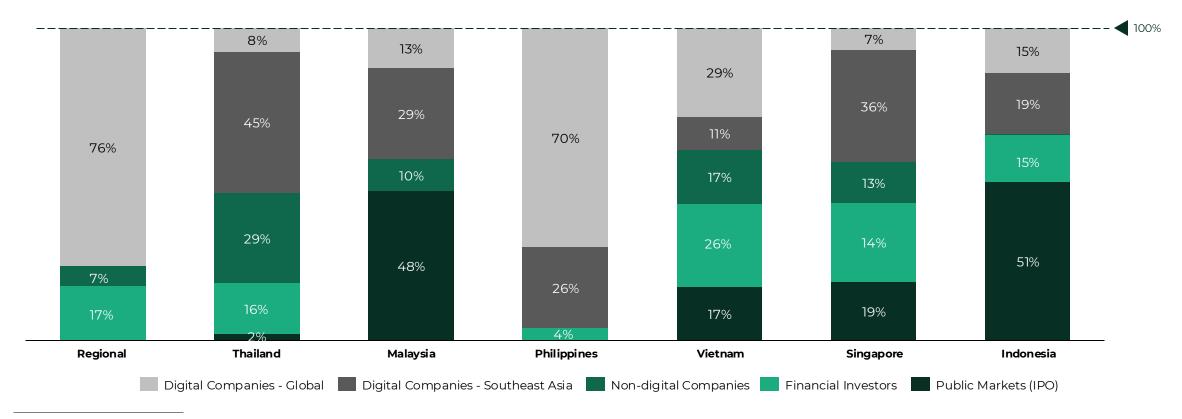
SOURCES OF LIQUIDITY VARY ACROSS MARKETS



EARLY SIGNS OF A SPLIT INTO "IPO" VS "TRADE SALE" MARKETS

- · Public market liquidity a strong contributor in Indonesia and Malaysia.
- Thailand, despite advanced domestic capital market infrastructure, missed the IPO window of 2020-2022.
- Local digital strategics are a constant presence across the region.

Exit Proceeds by exit channel and market, %, 2020 - 2024





METHODOLOGY



Key premises

Numbers and conclusions in this study rely upon a company's reported last round valuation. At best this is a partial reflection of a company's true value. To all in our audience who appreciate the importance of financing terms over headline valuations, and who recognise that a more complete understanding of any underlying business is helpful, we apologise. To atone for this oversimplification, we'd like to take this opportunity to give a commendation to the great work being done by a few in academia who probe deeply into the contradictory nature of how tech valuations are reported, and produce splendid research that will one day help us as an industry upgrade our reporting systems and, perhaps, change how tech company narratives are formed. In this report, our recognition goes to Will Gornall and Ilya A. Strebulaev (professors at the Sauder School of Business at the University of British Columbia and the Stanford Graduate School of Business, respectively) for their comprehensive work on "Squaring Venture Capital Valuations with Reality", available here: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2955455 and with media coverage https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2955455 and with media coverage https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2955455 and with media coverage https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2955455 and with

Geographies covered

This iteration of our report does not make an attempt at covering some of the newer digital ecosystems within ASEAN beyond the customary six countries, or the developments in countries starting to gravitate towards SE Asia venture scene such as Pakistan, Bangladesh, Sri Lanka, Hong Kong, and Taiwan.

Data sources and completeness

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

In this report, we analysed and verified close to 6,700 financing and liquidity events. Inevitably, a few large deals would avoid detection on occasion of exceptionally secretive nature of the transaction or due to the methodology we apply. It is also our impression that 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 our "number of deal" assessments for pre-Series A with a large handful of salt. Finally, as new facts come to light and as erstwhile announcements are verified, we adjust our databases retroactively, leading to mild inconsistencies between various versions at the same period.

Category definitions and company profiles include

This report aims to describe the state of financing and liquidity generated by companies focused on digital technology-driven opportunities in Southeast Asia. The exact definition of what a digital technology-driven opportunity constitutes is a subject of much debate.

While leaving biotech, new materials and space tech out is relatively straightforward (but including software and digital services enabling these industries), telling an offline company with digital elements apart from a business where value creation is primarily tied to either its technology core or its digital distribution is anything but simple. We have generally taken a view that if something is valued as a technology company, we can trust its investors that it probably is.

At the same time, we also endeavour to exclude categories that, while adjacent to digital economy, tend to attract non-VC capital to a degree where their financing / liquidation events interfere with the signal from the rest of the ecosystem (notably, excluding the companies with valuations determined by token economics).

Furthermore, we currently do not include traditional TV stations, content producers, sports and entertainment brand, non tech-enabled consumer brands, telcos, IT infrastructures and system integration companies as well as holding level entities that buy or develop technologies in addition to their core business into our reporting.



Company classification

Country of origin:

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

Sector classification:

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

- > Advertising & Marketing Technology: companies that facilitate the acquisition of customers including coupons and rebates, price comparisons and affiliate marketing
- > Business Automation: tools that automates non industry-specific business activities such as CRM, ERP, workplace communication tools, etc.
- > Climate Technology: includes recycling, carbon credit settlements, and carbon capture. Companies from other sectors contributing to climate improvements, such as real estate energy management or agriculture value chain, are categorised under their respective sectors.
- > 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. payment, 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 name for diverse digital businesses such as Grab & Goto, often called 'super-apps'
- 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



Sector classification - financial services:

- > Banking as a Service: companies that digitise 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 utilisation 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.
- > Diversified Financial Services: companies that generate businesses from multiple financial products. This includes wallets that provide other financial services and multi-product financial comparison platforms.

Currency

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

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 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, mezzanine.

We have also estimated a particular company's valuation through a recent substantial financing or liquidity event and known business developments

Deal type:

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

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

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

