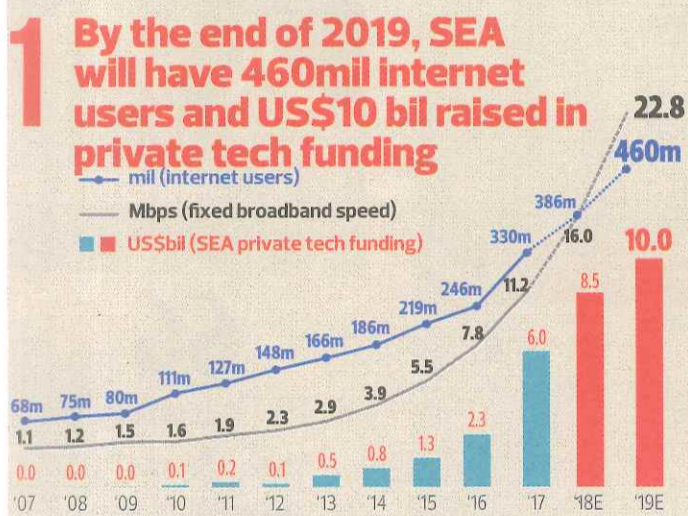
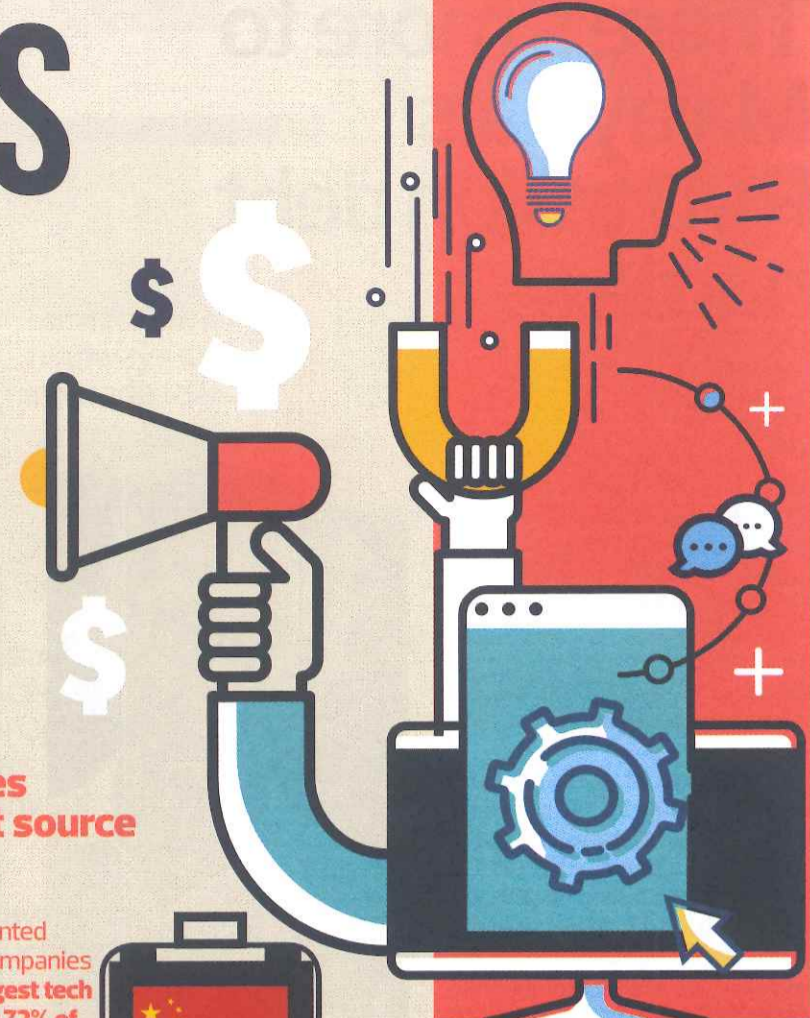


INFOGRAPHIC

SOURCE: CATCHA GROUP | COMPILED BY ADELINE PAUL RAJI | INFOGRAPHIC BY NURUL AIDA MOHD NOOR / THE EDGE

8 PREDICTIONS FOR THE SOUTHEAST ASIAN TECH SCENE

Last year, Catcha Group correctly predicted, among other things, that the SEA region would become a bigger internet market than the US by the year-end. In its latest report in February, it makes fresh predictions on the direction of the region's tech scene over the next 24 months.



SOURCE: WORLD BANK, GOOGLE-TEMASEK REPORT, INTERNET LIVE STATS, AKAMAT, CRUNCHBASE, PITCHBOOK

4 Chinese companies remain the largest source of tech funding



In 2017, there was unprecedented participation from Chinese companies in late-stage funding – 3 biggest tech deals at US\$4.3bil in total, i.e 72% of total deal value

5 At least 2 more IPOs in excess of US\$500mil

Total SEA private tech funding



* Alibaba acquired a 51% stake in the deal, and later in June 2017 acquired another 32% stake at a valuation of US\$3.13bil

As funding levels increased over the last few years, the size of exits increased as well. There were more IPO than M&A as huge exit option in recent years. The successful IPOs of Sea and Razer have boosted investor confidence in SEA's future tech IPO prospects

SOURCE: PITCHBOOK, CRUNCHBASE

2 The first Decacorn (US\$10 bil+ valuation) will emerge from SEA



SOURCE: WORLD BANK, INTERNET LIVE STATS, CRUNCHBASE, COMPANY ANNUAL REPORT, PRESS RELEASES

3 A new Unicorn will be built in less than 3 years from launch

COMPANIES	YEAR FOUNDED	YEAR ACHIEVING UNICORN (OR US\$500MIL+ VALUATION*)	YEARS TAKEN
Jobstreet.com	1995	2014*	19
IProperty Group	2007	2015*	8
SEA	2009	2015	6
Tokopedia	2009	2014	5
Go-Jek	2010	2016	6
Lazada	2011	2014	3
Traveloka	2012	2017	5
Grab	2012	2015	3
Company X	2018/2019	2021	<3



It is becoming faster than ever to become a Unicorn – it took **4.7 years** on average for the Unicorns above to attain US\$1 bil+ valuation

SOURCE: CRUNCHBASE, PRESS RELEASE, COMPANY WEBSITE

A review of Catcha's 2017 predictions

- SEA will become a bigger internet market than the US By the end of 2017, the region attained 330mil active internet users, overtaking the US
- Funding will be harder to get Number of deals fell 34% from 2016-2017
- At least three companies will raise US\$100mil+ rounds Grab, Go-Jek, Tokopedia, Traveloka, iflix and ONE Championship all raised US\$100mil+ rounds
- There will be another exit (IPO/M&A) in excess of US\$500mil Sea Group IPO-ed on the NYSE at US\$4.9bil and Razer IPO-ed on the SEHK at US\$4.4bil
- The year of China Alibaba, Tencent and Didi led three investments into Tokopedia, Go-Jek and Grab respectively – representing the three biggest tech deals, worth US\$4.3 bil in total, i.e 72% of total deal value in 2017
- There will be a widespread embrace of fintech Total fintech funding increased 40%. There are more payment apps than ever before in SEA
- A different start-up will run out of money every week ... this is a tricky one – we have yet to find any evidence to prove or disprove this

SOURCE: GOOGLE-TEMASEK E-ECONOMY SEA SPOTLIGHT 2017, PITCHBOOK, CRUNCHBASE, UOB STATE OF FINTECH IN ASEAN, TRACKXN

6 Consolidation of the tech landscape – there will be 2 acquisitions in excess of US\$500mil

We have seen startup valuations increase dramatically over years. As valuation expectations normalise going forward, we expect to see more corporates and unicorns using M&A to grow

7 Corporates + governments in SEA will invest at least US\$1 bil in the start-up ecosystem

Bigger capital pool → More opportunities → More participations – the ecosystem has evolved beyond start-up entrepreneurs and investors

8 At least one country will accept/ issue a virtual currency as legal tender

While most governments do not recognise virtual currencies as legal tender now, they are becoming more open to virtual currencies' role in society due to massive public interest