

Driving Impact in Southeast Asia:

Sustainability and Healthcare Venture
Investments in Southeast Asia

February 2025

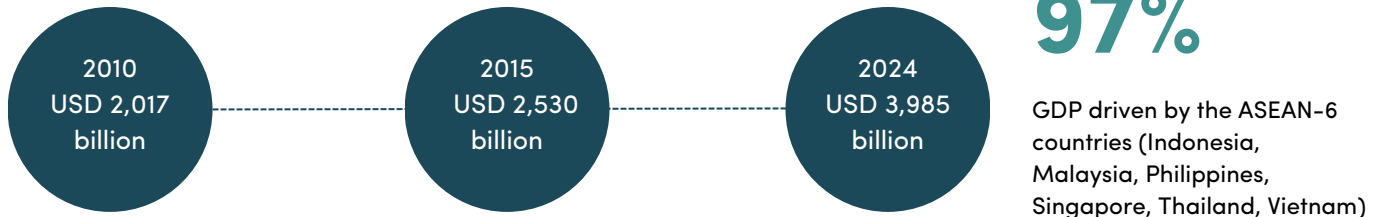
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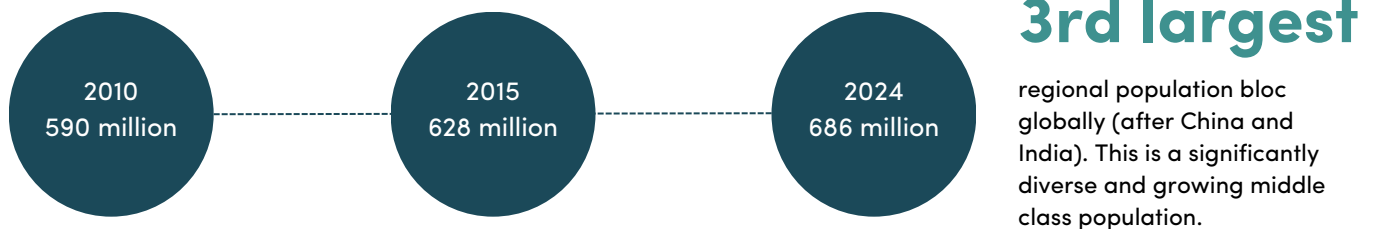
Eyes on the rising SEA

Southeast Asia represents a growing diverse population, with remarkable economic growth potential. ASEAN's combined GDP makes it the 5th largest economy in the world (after US, China, EU and Japan). The region's annual GDP has grown by an average of 4.5% since 2010, compared to 3.4% for the world economy; and is expected to continue to outperform the world's economy through 2029.

Total GDP in Southeast Asia



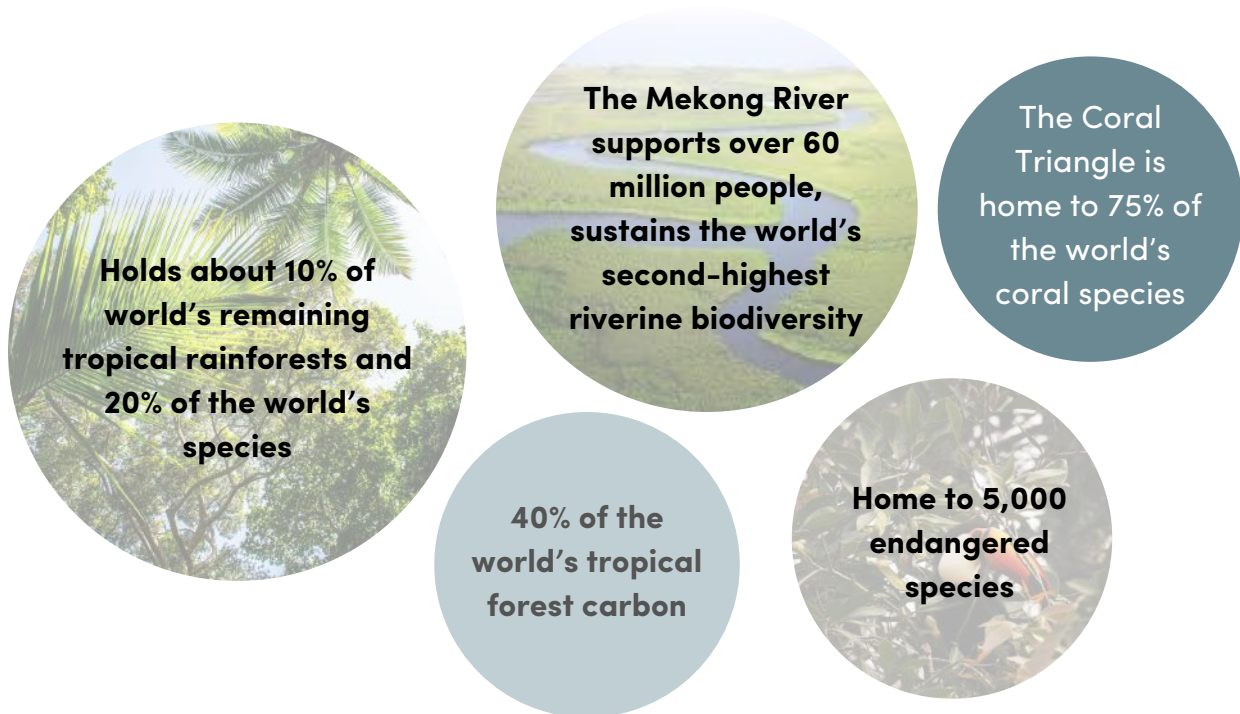
Total population in Southeast Asia



SEA boasts a diversified industrial base, including textiles in Vietnam, Thailand's manufacturing, Indonesia's vast natural resources and dominance in commodities, Singapore's financial services, high-tech electronics in Singapore and Malaysia. This dynamic amongst the bloc positions the region for sustained long-term growth.

An Ecological Powerhouse

Southeast Asia is one of the most ecologically significant regions in the world, continuing to reveal its incredible biodiversity through recent discoveries. In 2023, scientists identified 234 new species in the Greater Mekong region, including a "vampire" hedgehog with fang-like teeth, a rock-dwelling dragon, and an eyelash viper.

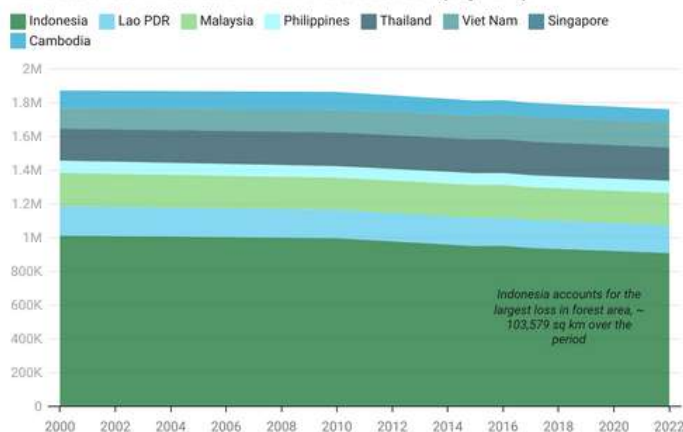


Despite its natural wealth, the region faces severe ecological challenges. Rapid urbanization, agricultural expansion, and deforestation have led to the loss of millions of hectares of forest over the last decade. Climate change is exacerbating threats, with rising sea levels endangering critical areas like Vietnam's Mekong Delta, responsible for 50% of the country's rice production. The balance between economic development and environmental sustainability is crucial, as the region's ecosystems underpin food security, water resources, and the livelihoods of millions.

Balancing growth with sustainability issues

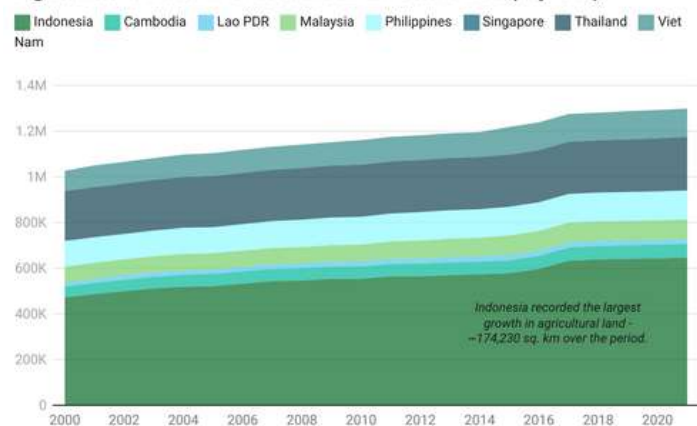
Southeast Asia is a highly diverse region, and its environmental challenges also vary widely. Singapore, for instance, imports 90% of its food, making it highly susceptible to disruptions in global food supply chains. In contrast, Malaysia and Indonesia grapple with high rates of deforestation driven by urbanization and agricultural expansion.

Forest area in select ASEAN countries (sq. km)



Source: Food and Agriculture Organization, UN • Created with Datawrapper

Agricultural land in select ASEAN countries (sq. km)



Agricultural land refers to the share of land area that is arable, under permanent crops, and under permanent pastures.

Source: Food and Agriculture Organization, UN • Created with Datawrapper

1 in 10

People across the region are affected by food insecurity.

Despite Southeast Asia's significant cultural output, systemic vulnerabilities – such as heavy reliance on rice and other staple imports – expose millions to risks stemming from climate change, economic shocks and inefficient food systems

Prevalence of moderate to severe food insecurity in the population %



A household is classified as moderately or severely food insecure when at least one adult in the household has reported to have been exposed, at times during the year, to low quality diets and might have been forced to also reduce the quantity of food they would normally eat because of a lack of money or other resources.

Source: Food and Agriculture Organization of the UN • Created with Datawrapper

Urgent need for health infrastructure and innovation

100 million

individuals across the region lack access to basic healthcare services, leaving significant gaps in health equity. This varies across the different countries within the region, with some countries recording below-average indicators in terms of physician and hospital bed densities.

60%

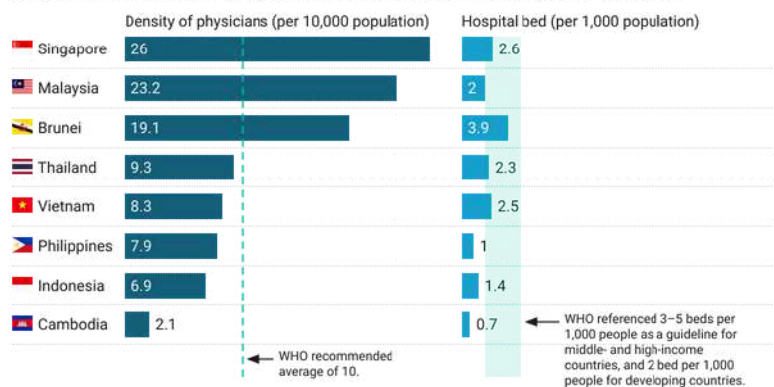
of all deaths in the region is due to NCDs such as diabetes, cardiovascular diseases and cancer – reflecting a shift from communicable diseases to lifestyle related conditions.

4.1% of GDP

Healthcare spending lags behind the global average of **9.8%**, leaving it underprepared to address emerging health challenges.

Physicians and hospital bed ratios

Data for some countries may be from different years due to varying reporting periods.



Source: World Health Organization • Created with Datawrapper

Healthcare expenditure per GDP in SEA (%)

% of healthcare expenditure per GDP

< 3.2 3.2–4.4 4.4–5.6 5.6–6.8 ≥ 6.8



Source: World Health Organization • Created with Datawrapper

Venture Capital's role - investing in solutions for SEA



Southeast Asia's startup ecosystem has been maturing rapidly over the past few years, driven by increasing venture capital investments. The landscape is quite diverse, spanning more than 30 distinct verticals including edtech, green tech, and proptech—a clear sign of the breadth of industries that are being disrupted by Southeast Asia's innovation ecosystem.

Against the backdrop of rising sustainability and healthcare issues in Southeast Asia, our analysis will focus on the venture funding landscape within these sectors in this region. If VC investments in the region are still in their early stages, specialist VCs, particularly within sustainability and healthcare, are akin to stem cells—undifferentiated but holding immense potential to develop into transformative forces within the ecosystem.

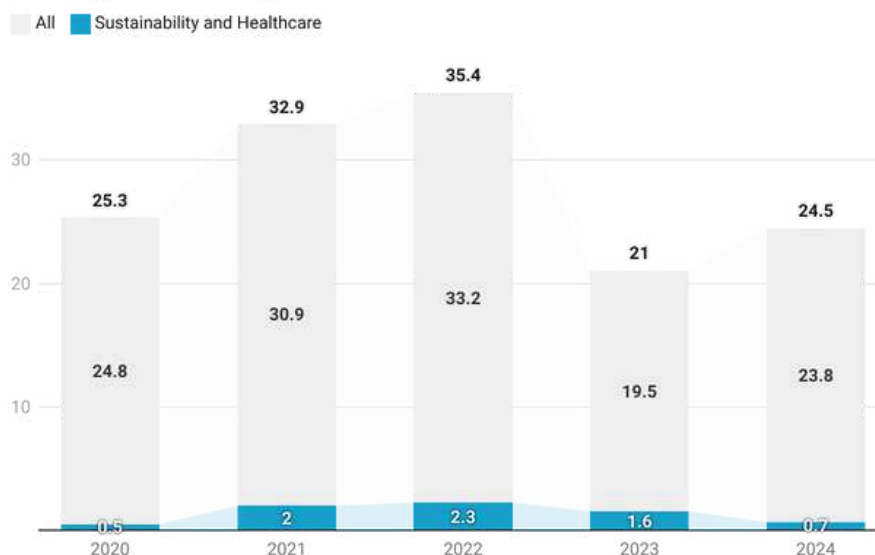
Just as stem cells rapidly differentiate to become the foundation of vital biological systems, these specialized investment sectors are poised for steadily advancing, shaping industries that will have a lasting impact on our economies and livelihoods.

Venture capital markets activity in SEA

2021 saw a bull market for venture financings across all sectors in Southeast Asia, driving annual funding to a peak. Sustainability and healthcare sectors inclusive, were beneficiaries of the increased government allocations towards start-up investments and the increased attention and familiarity to these “new” sectors due to the pandemic.

Following this peak, the region saw significant corrections in investment flows as higher interest rates led investors to hold onto funds and become cautious about new ventures, resulting in the decline in overall VC funding in 2022-2024. Sustainability and healthcare sectors followed suit, despite staying above pre-pandemic levels.

Equity funding deal values in Southeast Asia from 2020 to 2024 (USD billion)



Source: Pitchbook • Created with Datawrapper

2%–7%

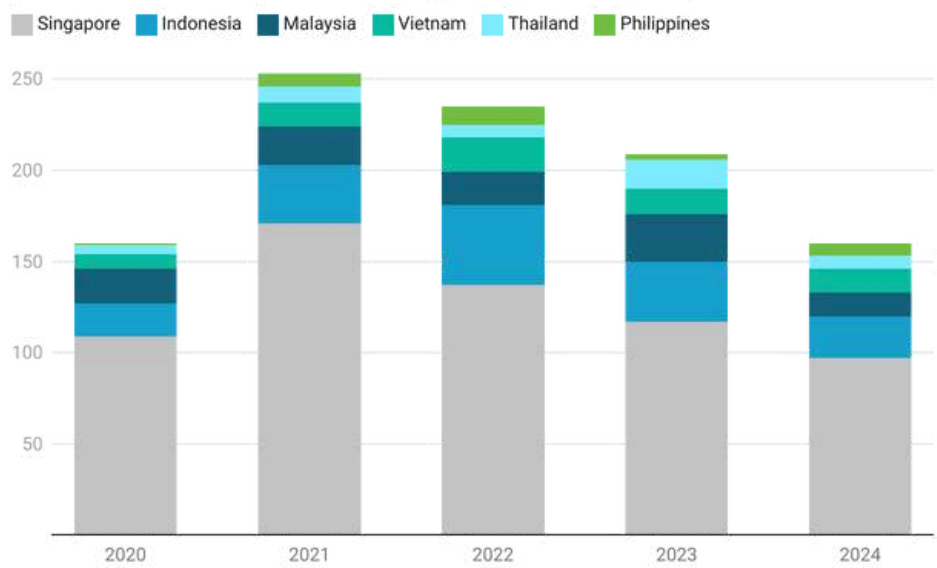
Percentage of investments made in healthcare and sustainability sectors.

Venture funding in SEA has mainly flowed towards fin-tech/digital/consumer products, driven by a more mature ecosystem and faster growth profile (towards profitability).

Singapore continues to outperform major markets in SEA

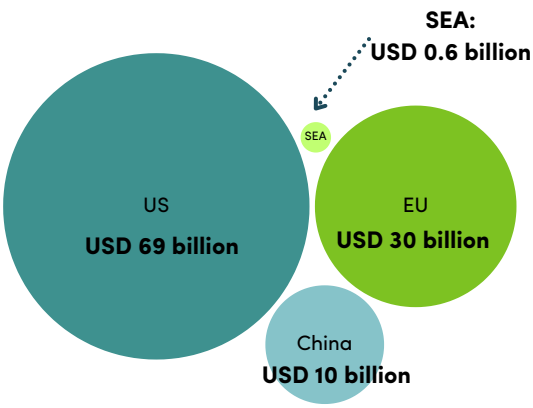
Singapore outperforms major markets in ASEAN-6 for sustainability and healthcare venture activity, accounting for more than half of deal equity and volume in 2024. This is an on-going trend over the years, a testament to Singapore’s commitment to an innovation-driven and knowledge-base economy.

Deal volume in sustainability and healthcare per market



Source: Pitchbook • Created with Datawrapper

For additional context, venture financings in the sustainability and healthcare sector in SEA lags far behind the more mature ecosystems such as US/EU/China.

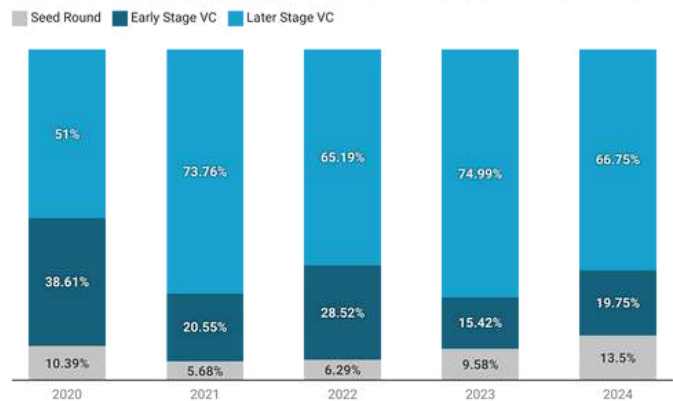


*Numbers for US, EU and China are estimates. Based on various sources which may have different categorization of sectors.

Late stage deals outpace early stage and seed rounds

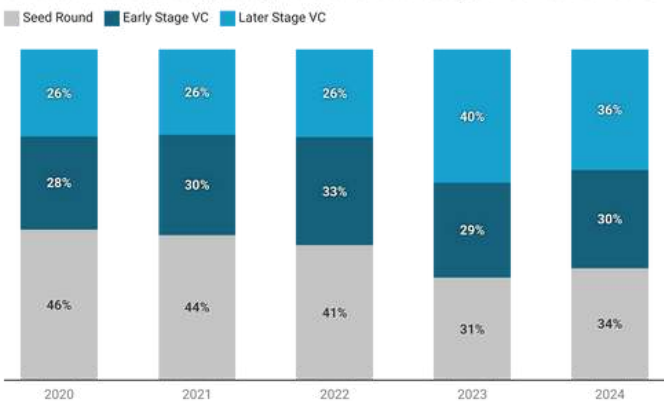
Late-stage VC deals pull in more funding because scaling a business takes serious capital—whether it's expanding into new markets, ramping up operations, or gearing up for an exit. However, volume-wise, lower funding rounds are more the norm in the region.

Share of seed, early stage VC and late stage VC deal value



Source: Pitchbook • Created with Datawrapper

Share of seed, early stage VC and late stage VC deal volume



Source: Pitchbook • Created with Datawrapper

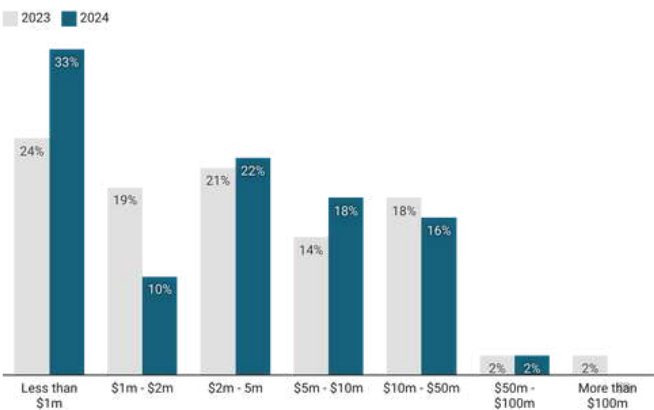
67%

share of deal value contributed by Later Stage VCs in 2024, despite contributing only 36% of total deal volume

65%

Sub-\$5m deals account for 65% of the total deal count in 2024.

Share of deal volume per equity funding range in Southeast Asia



Source: Pitchbook • Created with Datawrapper

The deal value on the x-axis is not indicative of the funding stage.
All monetary figures are in USD.

Funding trends in Sustainability

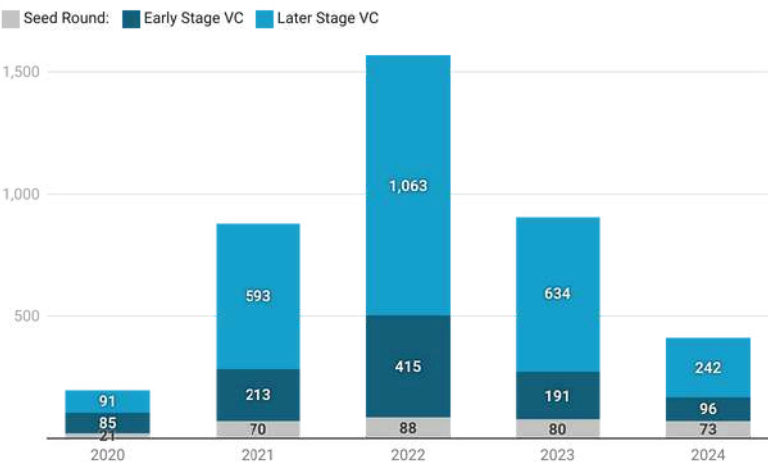
We define sustainability as companies with technologies related to food security, agricultural tech, renewable energy and climate change. Funding peaked in 2022, and is showing a downward trend in 2023 and 2024. Funding volume is mainly contributed by later stage deals.

-74%

decline from the 2022 peak to 2024.

Most significant drops were recorded by early stage VC and later stage VC funding.

Deal value in sustainability sector per funding stage (USD million)



Source: Pitchbook • Created with Datawrapper

Food Products and Environmental Services top deal volume -

out of the 39 verticals within sustainability sector over the past 5 years. This underscores the strong regional commitment to food security and enhancing local mobility.

Top 10 sustainability verticals with the largest deal volume over the 2020 to 2024 period

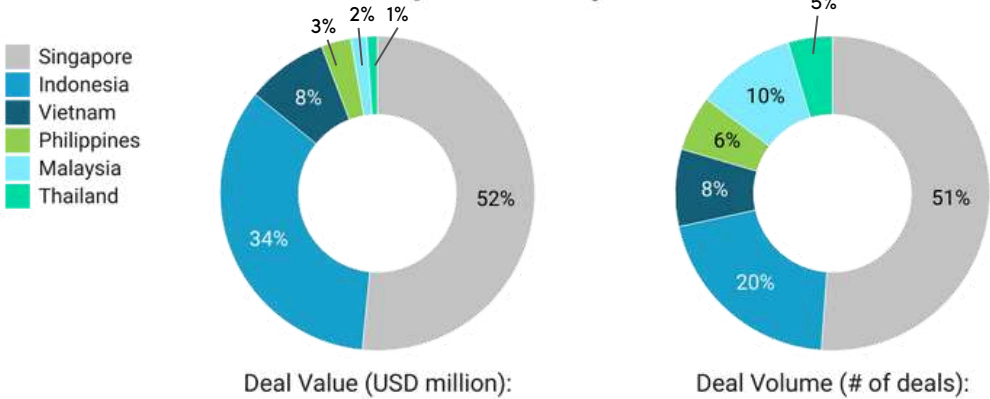
Food Products	86
Environmental Services (B2B)	57
Automotive	42
Other Agriculture	28
Logistics	25
Aquaculture	25
Alternative Energy Equipment	23
Other Commercial Products	22
Other Energy Services	20
Cultivation	16

Source: Pitchbook, Xeraya analysis • Created with Datawrapper

Funding trends in Sustainability

In 2024, Singapore leads its regional counterparts, accounting for slightly more than half of deal value and volumes in the Sustainability sector. Looking at specific verticals, we see funding flowing towards sustainable energies including liquid fuel (Aether Fuels), solar energy (Xurya, Skye Renewables) and solid waste management (Ideation3x).

Deal Value and Volume per country in 2024



Source: Pitchbook, Xeraya analysis • Created with Datawrapper
The deal volume includes deals with undisclosed funding amounts.

Notable deals in Sustainability in 2024

Company	Country	Vertical	Funding Stage	Amount (USD million)	Investors (non-exhaustive)
Xurya	Indonesia	Other Energy Services	Later Stage VC	75	AC Ventures, Baltimore Investments, British International Investment, Clime Capital Management, East Ventures, Norfund, SEACEF, Swedfund International
Aether Fuels	Singapore	Environmental Services (B2B)	Early Stage VC	37	AP Ventures, CDP Venture Capital, Chevron Technology Ventures, Doral Energy Tech Ventures, Foothill Ventures, JetBlue Ventures, TechEnergy Ventures, Twin Towers Ventures, Xora Innovation, Zeon Ventures
Chickin	Indonesia	Other Agriculture	Later Stage VC	20	ADB Ventures, East Ventures, Granite Asia, Integra Partners
ecoSPIRITS	Singapore	Other Commercial Products	Later Stage VC	18	Closed Loop Partners, Convivialité Ventures, Donald Skinner, Innox, Jesselton Capital, JPJ Invest, Lapp Holding, Pavilion Capital, Penjuru Capital, , Proterra Investment Partners, Wavemaker Partners
Skye Renewables	Singapore	Environmental Services (B2B)	Early Stage VC	17	British International Investment, Idemitsu Kosan
Ideation3x	Singapore	Environmental Services (B2B)	Later Stage VC	15	Mizuho Bank, Yokogawa Electric
Qarbotech	Malaysia	Horticulture	Later Stage VC	2	500 Global, 500 Southeast Asia, Better Bite Ventures, Epic Angels Network, EQT Foundation, ID Capital, Temasek Foundation Ecosperity

Funding trends in Healthcare

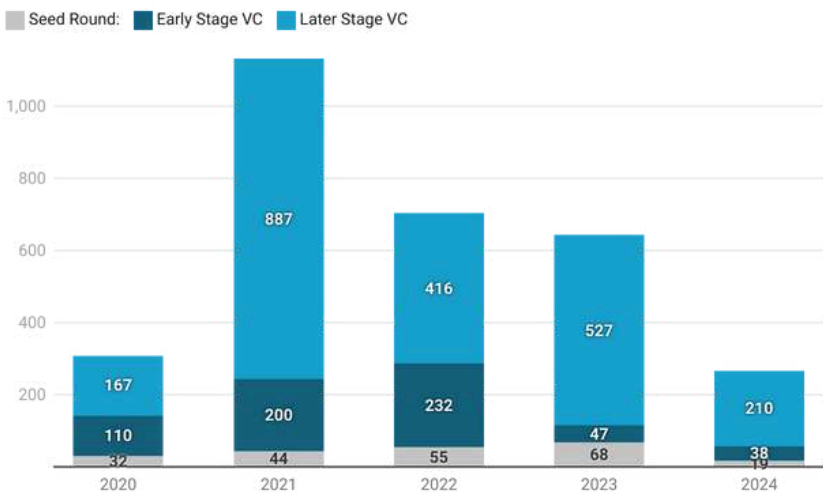
Venture funding in healthcare peaked in 2021, driven by the increased attention to the sector due to the pandemic. However, funding has been declining post-2021. To note that we exclude healthcare servicing (such as physical clinics and hospitals) as part of our categorization to focus more on technology-driven innovations.

-76%

decline from the 2021 peak to 2024.

The majority of funding has gone to later stage deals, highlighting the increased capital requirements for growth.

Deal value in healthcare sector per funding stage (USD million)

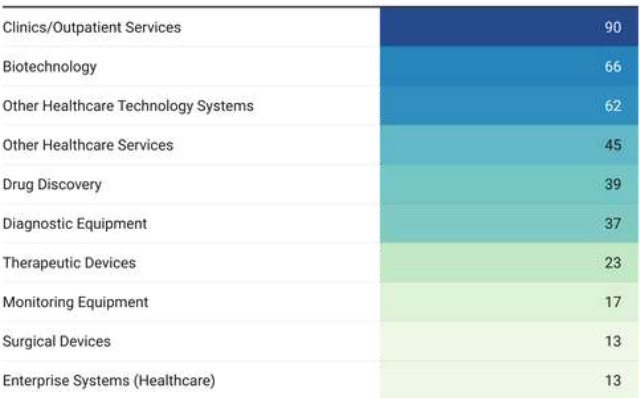


Source: Pitchbook, Xeraya analysis • Created with Datawrapper

Digital health services are the highest funding recipients -

out of the 27 verticals within healthcare sector over the past 5 years. This includes telemedicine, online pharmacies and the like, bridging access from providers to the community.

Top 10 healthcare verticals with the largest deal volume over the 2020 to 2024 period

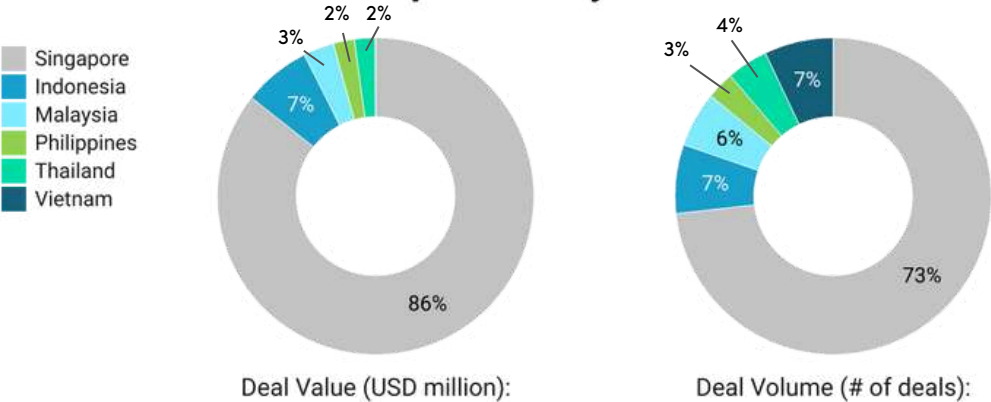


Source: Pitchbook, Xeraya analysis • Created with Datawrapper

Funding trends in Healthcare

For Healthcare venture funding, Singapore recorded an even higher lead in comparison to its regional peers. The larger funding amounts are typical of later stage VC deals in Healthcare, such as Eywa’s (generic drug developer) USD 50m fundraise in 2024.

Deal Value and Volume per country in 2024



Source: Pitchbook, Xeraya analysis • Created with Datawrapper

The deal volume includes deals with undisclosed funding amounts.

Notable deals in Healthcare in 2024

Company	Country	Vertical	Funding Stage	Amount (USD million)	Investors (non-exhaustive)
Eywa Pharma	Singapore	Pharmaceuticals	Later Stage VC	50	Eight Roads, Envestor Ventures
SwipeRx	Singapore	Other Healthcare Technology Systems	Later Stage VC	19	ARKRAY & PARTNERS, Cercano Management, Johnson & Johnson Impact Ventures, Patamar Capital, Sanofi, SIG Venture Capital, UBS Optimus Foundation
Alodokter	Indonesia	Other Healthcare Technology Systems	Later Stage VC	18	Beacon Venture Capital, HL Mando, MDI Ventures, Optima Health
Biobot	Singapore	Diagnostic Equipment	Later Stage VC	18	Andreas Handayanto, Astrid Hill Investment, Jia Yu Capital, ZIG Ventures
Genetic Design and Manufacturing	Singapore	Biotechnology	Early Stage VC	16	Celadon Partners, Enterprise Singapore, NSG Ventures, SEEDS Capital, WI Harper Group
Allozymes	Singapore	Biotechnology	Later Stage VC	15	Ambrosia Investments, Entrepreneur First, HAX, NUS Technology Holdings, Seventure Partners, SOSV, Thia Ventures, Xora Innovation
HealthMetrics	Malaysia	Managed Care	Later Stage VC	8	ACA Investments, Gobi Partners, Tim Ventures Sdn Bhd

Source: Pitchbook, Xeraya analysis • Created with Datawrapper

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