



Sep 30, 2020 11:00 +08

## Singapore's tech startup funding ecosystem remains healthy despite global pandemic

- The first half of 2020 saw relatively steady funding considering the pandemic, with funding for 2020 expected to reach 2019 levels.
- Health and BioTech sub-sectors saw more funding in H1 2020 than the whole of 2019, from S\$230 million in 2019 to S\$342 million in H1 2020
- The tech startup ecosystem is showing signs of maturing with Series A funding in the first half of 2020 already reaching 70

percent of 2019.

Singapore, 30 September 2020– Technology startups have long been hailed as a rapidly growing segment across the world. But after strong growth in funding for technology startups in 2017 and 2018, Singapore saw a dip in 2019. Figures for 2020 also seem to indicate that funding figures for 2020 may remain at the same level as 2019.

These results are from [PwC's latest report](#), which looks at funding trends and outlook of technology start-ups. The report found that start-up funding shot up in 2018 with a record S\$10.1 billion raised, but came in more muted in 2019 at S\$6.5 billion. Despite the pandemic, the first half of 2020 (H1 2020) saw tech start-ups garnering S\$3.3 billion.

Patrick Yeo, PwC Singapore's Venture Hub Leader comments:

“The COVID-19 pandemic has had an impact on the fundraising ecosystem, but we will continue to see investments in good startups. We believe there are significant opportunities in Singapore, with solid and innovative startups for investors to consider.”

Edwin Chow, Assistant Chief Executive Officer, Enterprise Singapore said:

“We are encouraged by the resilience of our tech startup funding ecosystem, particularly in

sectors like health & biotech, fintech, agri-food tech and artificial intelligence. While COVID-19's long-term impact on startups remains uncertain, Enterprise Singapore will continue to work with our partners to build a supportive environment for innovative startups to grow and thrive.”

Interest in Health and BioTech, FinTech grows

The pandemic is likely to have accelerated or increased interest in the Health and BioTech sectors, which have seen exceptional performance in H1 2020 coming in at S\$342 million, already surpassing 2019 figures at S\$230 million and about seven times what it was in 2017 (S\$49 million). This trend is expected to continue with solutions such as telemedicine, home-care and biodegradable plastics being brought to the fore.

With Singapore's status as a financial hub, FinTech continues to be a stronghold for the startup ecosystem, with investments in the sector almost doubling between 2017 and 2019 (S\$ 377 million in 2017, S\$ 686 million in 2019). The growth is largely driven by FinTech firms in payments, insurtech and credit which is closely aligned to trends in consumer demand.

### Singapore's start-up ecosystem maturing

Back in 2017, while the ecosystem was still rather nascent, the bulk of tech startup funding was invested during the seed stage. Fast forward to 2020, we have seen growth in funding across later stages and in the first half of 2020, Series A funding has already reached S\$586 million, close to 70 percent of 2019.

Funding stages beyond Series A also saw tremendous growth, with over 45 percent to 55 percent per year in Series B and C between 2017 and 2019, signifying a strong foundation and a clear indicator that the ecosystem is developing steadily. However, Series B and C funding for H1 2020 stood at S\$634 million indicating reduced focus across these stages of funding amid COVID-19.

While investors may be more hesitant in the short-term, tech startups can look to the strong foundation of the ecosystem, remaining hopeful and adjusting their funding strategy for the new normal.

Patrick Yeo, PwC Singapore's Venture Hub Leader concludes:

"The acceleration driven by the pandemic will bring about favourable opportunities for both investors and tech startups as business shifts online and new business models emerge.

"COVID-19 has added many new dimensions to the game. It's now important for investors to lay greater emphasis on the fundamentals and resilience of the start-ups' business models. On the flip side, outstanding startups should be able to clearly show how they have emerged much stronger and more relevant in the new post COVID-19 world."

**-ENDS-**

## Notes to editors

- Read ‘Tech start-up funding trends and outlook: Singapore’ at <https://www.pwc.com/sg/techstartuptrends2020>
- Tech Start-ups are defined as Singapore-incorporated businesses, less than 10 years old and leveraging technology for their business operations. The data is disaggregated by the number of deals and their announced date, rather than the cumulative amount for a single series round.
- All currencies are in Singapore dollars unless otherwise stated.
- Current valuations of start-ups are translated into Singapore dollars at the month end rate of 31st May 2020.

## About the research

This paper focuses on investment in Singapore-based start-ups (with less than 10 years of existence). It does not include exits (e.g. full buy-outs or IPO). When a round of funding took place over several calendar years, with a number of different investments, we have not consolidated the whole amount at the date of the investment round closing, but have allocated each investment to the year when it was announced.

## Methodology

We have focused this paper on Equity financings into Tech enabled start-ups. It includes fundings of private companies only. Funding rounds raised by public companies of any kind on any exchange are excluded from our numbers, even if they received investment from a venture firm. Only verifiable fundings are included. Fundings are verified via (1) various databases i.e. Pitchbook, Crunchbase, Prequin, Mergermarket and PwC Singapore’s data (duplicates across sources were removed); (2) press release; or (3) credible media sources.

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