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# Singapore Venture Funding Landscape 2025

Full Year Report

IN PARTNERSHIP WITH

STARTUP SG | BY Enterprise Singapore

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# PROTRACTED FUNDING WINTER: 2025 VENTURE FUNDING UPDATE

Despite rising geopolitical tensions and persistent macroeconomic uncertainty, global economic growth remained resilient in 2025, with the UN DESA reporting growth at 2.8%. While headline inflation eased to 4.1%, interest rates remained elevated for most of the year, well above the accommodative levels observed between 2020 and 2022. This sustained higher cost of capital reshaped global investment behaviour across asset classes.

These conditions have materially reshaped investor behaviour. Higher borrowing costs and tighter financial conditions have driven greater discipline across the venture capital market, with investors placing increased emphasis on due diligence, fundamentals, and clear pathways to returns. This shift has reduced speculative capital deployment and investments driven primarily by growth narratives, leading to the contraction of deal value across many ecosystems, such as Singapore, London, and Shanghai.

Despite broader market headwinds, capital reallocation towards more mature jurisdictions drove signs of recovery in leading global startup ecosystems such as New York and Silicon Valley.

Major artificial intelligence (AI) related funding, most notably OpenAI's US$40B raise in March 2025 and Anthropic's US$15B round in November 2025, contributed to a near doubling of 2024 deal value in Silicon Valley to US$160B in 2025.

In contrast, Southeast Asia remained in a protracted downturn, with both deal value and deal volume across the ASEAN-6 falling to a four-year low. Nevertheless, the region's long-term fundamentals remain intact. A growing middle class, rising digital adoption, and expanding consumer markets continue to support the formation of high-quality startups and sustain medium-term investor interest.

While Singapore continues to maintain its leadership in Southeast Asia's startup ecosystem, it was not immune to global headwinds. In 2025, the city-state recorded 472 deals, a 35% fall from 2024, with the total capital raised declining 34% year-on-year to US$4.6B.

Sustained public-sector support continued to play a stabilising role. Commitments such as the S$37B Research, Innovation and Enterprise (RIE) 2030 investment, the S$440M top-up to Startup SG Equity and S$1B investment under National AI Strategy (NAIS) 2.0 anchored capital into capital-intensive and longer cycle priority areas. Moving into 2026, this support deepens, with an additional S$1B committed to Startup SG Equity to support growth stage firms and a S$1.5B anchor fund to strengthen startup exits.

Fintech remained Singapore's largest industry by deal value, underpinned by strong regulatory clarity, well-established digital payments infrastructure, and sustained ecosystem initiatives. Investor confidence translated into a 34% year-on-year increase in fintech deal value to US$1.7B, with Singapore accounting for 74% of fintech funding across the ASEAN-6 in 2025, reinforcing its role as the region's primary hub for financial innovation.

As global investors recalibrate portfolios and selectively re-engage with international markets, Singapore continues to stand out as a strategic gateway to Southeast Asia. Consistent policy support, ecosystem maturity, and a demonstrated long-term commitment to both general and deep tech development position the city-state as a durable platform for venture capital deployment in the years ahead.

# SHIFT TOWARDS LATE STAGE DEALS AND SAFER MARKETS AMID ECONOMIC UNCERTAINTY

As global risk appetite remained constrained through 2025, Singapore's venture capital market underwent a clear recalibration in capital allocation behaviour, characterised by heightened selectivity, slower capital recycling, and a pronounced shift toward later stage investments.

Investors increasingly prioritised startups with clearer revenue visibility, defensible market positions, and nearer-term paths to scale and liquidity. This reflected both global pressures on fund performance and local dynamics, as longer holding periods from prior vintages reduced flexibility for new risk deployment across the market.

Capital deployment also became more concentrated among venture firms able to demonstrate distribution on paid-in capital (DPI), reinforcing investor preference for realised outcomes over mark-to-market performance. As a result, new fund formation slowed over the year, and available capital clustered around a narrower set of companies and stages.

Muted IPO and M&A activity in Singapore further amplified this effect. Longer exit cycles constrained capital recycling, reinforcing investor caution and slowing the pace of new deal formation across the year, particularly at the early stage. Venture firms faced growing challenges in demonstrating recent DPI, reinforcing investor selectivity in capital deployment.

Globally, capital concentration became increasingly evident in developed markets, particularly within artificial intelligence (AI). Large-scale financings into companies such as Anthropic and OpenAI, primarily in the United States, reflected investor preference for markets with deep domestic capital pools, strong talent density, and infrastructure capable of supporting highly capital-intensive frontier technology development.

Within Singapore's venture ecosystem, similar dynamics drove a growing preference for later stage startups with clearer commercial trajectories. In 2025, late-stage deals accounted for 33.3% of total deal volume, up from 26.9% in 2024, reflecting a shift toward lower-risk deployment amid sustained economic uncertainty.

Conversely, investment into early-stage startups contracted. This reflected ongoing investor caution through the year, driven by diminished risk appetite, subdued consumer confidence, and challenges among early-stage firms in articulating credible paths to profitability in a higher-cost capital environment.

Despite near-term pressures, the prevailing funding environment is reinforcing market discipline across the ecosystem. Heightened selectivity is favouring strong operators, sound unit economics, and defensible business models. Over time, this recalibration is expected to support the emergence of stronger companies and a more resilient, sustainable venture ecosystem shaped by market-tested fundamentals.

# SINGAPORE DEEP TECH GAINS DEAL SHARE AMID STRONG INVESTOR INTEREST AND SUPPORTIVE POLICIES

Singapore's competitive position as a technology and innovation hub is underpinned by long-term, coordinated public investment in research, talent, and commercialisation infrastructure over more than three decades. Consistent and counter-cyclical policy execution has created a stable operating environment for capital-intensive and longer-cycle technologies, particularly during periods of global volatility.

Deep tech remains a strategic national priority, given its relevance to structurally important domains such as advanced manufacturing, healthcare, climate technologies, and frontier computing. While overall venture activity moderated in line with global conditions, deep tech investment has demonstrated relative resilience, supported by investor willingness to underwrite longer development timelines where technologies exhibit defensible intellectual property (IP) and global applicability.

In 2025, deep tech accounted for approximately 19% of venture deal volume and 25% of venture deal value in Singapore, underscoring its significance within the broader funding landscape. Notable transactions included Allay Therapeutics, which raised over US$50M in a Series D round to advance its research-intensive pharmaceuticals platform, and Aiper, a robotics company focused on autonomous home solutions, which raised over US$100M and launched its global strategic hub in Singapore. These deals highlight sustained capital support for companies operating at the intersection of proprietary technology, global markets, and scalable commercial pathways.

In parallel, Singapore continues to invest selectively in frontier capabilities to strengthen long-term option value for the ecosystem. Strategic initiatives such as the National Quantum Strategy, including partnerships with global technology leaders to anchor advanced quantum infrastructure locally, reinforce Singapore's role as a base for deep research, translation, and downstream venture formation.

Additionally, founder quality continues to improve. Deep tech startups are increasingly being led by serial entrepreneurs and experienced engineers. For example, SynaXG, founded in 2023 by an engineer with more than 20 years of experience at ArrayComm and Cisco Systems, raised over US$20M in 2025. In parallel, talent anchoring through companies facilitates knowledge transfer, strengthening Singapore's ability to develop globally competitive frontier technologies.

Collectively, these dynamics position Singapore as a durable deep tech platform for investors seeking exposure to differentiated technologies, strong institutional support, and a predictable policy environment – while recognising that exit pathways, particularly for deep tech, remain an area for continued development.

1. National Quantum Strategy, National Quantum Office. (n.d.). https://nqo.sg/nqs/

# SUSTAINABILITY AND CLIMATE TECHNOLOGIES EMERGE AS KEY THEMES IN SINGAPORE DEAL ACTIVITY ACROSS INDUSTRIES

Singapore's green economy is anchored by the Singapore Green Plan 2030, which positions sustainability not only as an environmental imperative but as a long-term economic growth engine. The Plan sets out a coordinated national approach across carbon pricing, green finance, clean energy, and circular economy development, providing investors with clarity, policy certainty, and long-term commitment. Collectively, these measures signal Singapore's intent to be a regional hub where capital, technology, and innovation converge to build scalable solutions for the green transition.

A key pillar of this framework is Singapore's leadership in green finance. As ASEAN's largest issuer of green and sustainability-linked bonds, backed by the Government's commitment to issue up to S$35B of green bonds by 2030, Singapore provides strong co-investment confidence for private capital. Complemented by a robust carbon pricing regime, set to rise to S$50–80 per tonne by 2030 with revenues recycled into decarbonisation efforts, this creates a virtuous cycle where policy incentives, funding mechanisms, and market demand reinforce one another. Together, these instruments lower investment risk and attract global investors seeking credible, rules-based green growth opportunities.

RIE 2030, Singapore's S$37B national research and innovation plan, underpins the pipeline for climate solutions, with Urban Solutions and Sustainability at its core. A key example is the Budget 2026 S$800M Decarbonisation RIE Grand Challenge, which aims to accelerate the development and deployment of low-carbon solutions across energy and industrial sectors, including hydrogen, carbon capture, energy efficiency, and grid modernisation.

Complementing this, Singapore continues to scale up translational testbeds such as the Jurong Innovation District, where companies can trial advanced manufacturing and sustainability solutions in a live industrial environment, and Jurong Island, which is being positioned as a key sandbox for industrial decarbonisation.

In parallel, Singapore is also strengthening its climate finance ecosystem through initiatives such as the Green Investments Partnership (GIP), which mobilises blended public-private capital to de-risk and scale sustainable infrastructure investments across Asia. Together, these initiatives reflect a deliberate shift from early stage research towards deployment focused innovation and financing, reinforcing Singapore's ambition to be a global hub for climate and sustainability solutions.

1. Green Bonds, MOF. (2025). https://www.mof.gov.sg/policies/fiscal/green-bonds/
2. Carbon Pricing Act, MSE. (2024). https://www.mse.gov.sg/policies/climate-change/carbon-pricing-act/
3. $800M Decarbonisation RIE Grand Challenge, MTI. (2026). https://www.a-star.edu.sg/docs/librariesprovider1/default-document-library/news-events/factsheet-on-800m-decarbonisation-rie-grand-challenge.pdf?sfvrsn=b7640562_1
4. Singapore's Jurong Island is powering low-carbon innovation, EDB. (2025). https://www.edb.gov.sg/en/business-insights/insights/how-singapores-jurong-island-is-powering-the-future-of-low-carbon-innovation-in-energy-and-chemicals.html

# AI EMERGES AS A CROSS-SECTOR INVESTMENT THEME IN SINGAPORE

AI has become the dominant capital allocation theme in Singapore's venture landscape, with deal value into AI technologies growing from US$1.1B in 2024 to US$1.4B in 2025. The trajectory reflects a coordinated buildout of policy, infrastructure, and talent that is increasingly de-risking the asset class for institutional capital.

Policy foundations underwrite the growth of AI. Singapore established its first National AI Strategy in 2019, alongside the world's first Model AI Governance framework — followed by AI Verify in 2022 (open-sourced in 2023), positioning the city-state as a credible jurisdiction for AI commercialisation. NAIS 2.0, launched in 2023, sharpened the focus on both driving frontier excellence and broad-based enterprise adoption, anchored by the recent establishment of sectoral AI Centres of Excellence (CoE) designed to scale impact.

The depth of Singapore's AI ecosystem supports AI deployment. Singapore now ranks 7th on the 2025 Oxford Insights Government AI Index and 6th on the 2024 Stanford Global AI Vibrancy Index, with more than 80 AI research faculty, 150 R&D and product teams, and over 1,000 AI startups. Public-sector adoption is a leading indicator – Singapore ranked 3rd globally for digital government development in the 2024 UN E-Government Survey, validating sovereign demand for AI-enabled services.

Capital commitments are sustained and sizeable. From 2019 to 2023, S$500M of research and innovation funding had been allocated to AI research. The amount is being significantly scaled, with S$37B of research and innovation funding being committed nationally for the next 5 years from 2026 to 2030, including S$1B specifically for public AI research across fundamental research, applied use cases, and talent development.

Looking into 2026, deployment is broadening across verticals. AI missions will be launched across four priority sectors — finance, connectivity, advanced manufacturing, and healthcare. IMDA's 2026 National AI Impact Programme will drive enterprise-wide adoption through leadership bootcamps and subsidised AI solutions, while the Enterprise Innovation Scheme and Productivity Solutions Grant will be expanded to support AI investments by SMEs.

1. National AI Strategy, Smart Nation Singapore. (2026). https://www.smartnation.gov.sg/initiatives/national-ai-strategy/
2. Digital government rankings, Govtech. (2025). https://www.tech.gov.sg/about-us/our-achievements/our-digital-government-rankings/
3. Singapore's top AI adopters drive 3% GDP growth, EDB. (2025). https://www.edb.gov.sg/en/business-insights/insights/sia-singtel-and-more-singapores-top-ai-adopters-could-drive-three-per-cent-gdp-growth-says-morgan-stanley.html
4. Singapore to invest $1 billion over 5 years to boost AI public research, JTC. (2026). https://www.jtc.gov.sg/about-jtc/news-and-stories/feature-stories/singapore-to-invest-$1-billion-over-5-years-to-boost-ai-public-research

# Venture Capital Markets Activity

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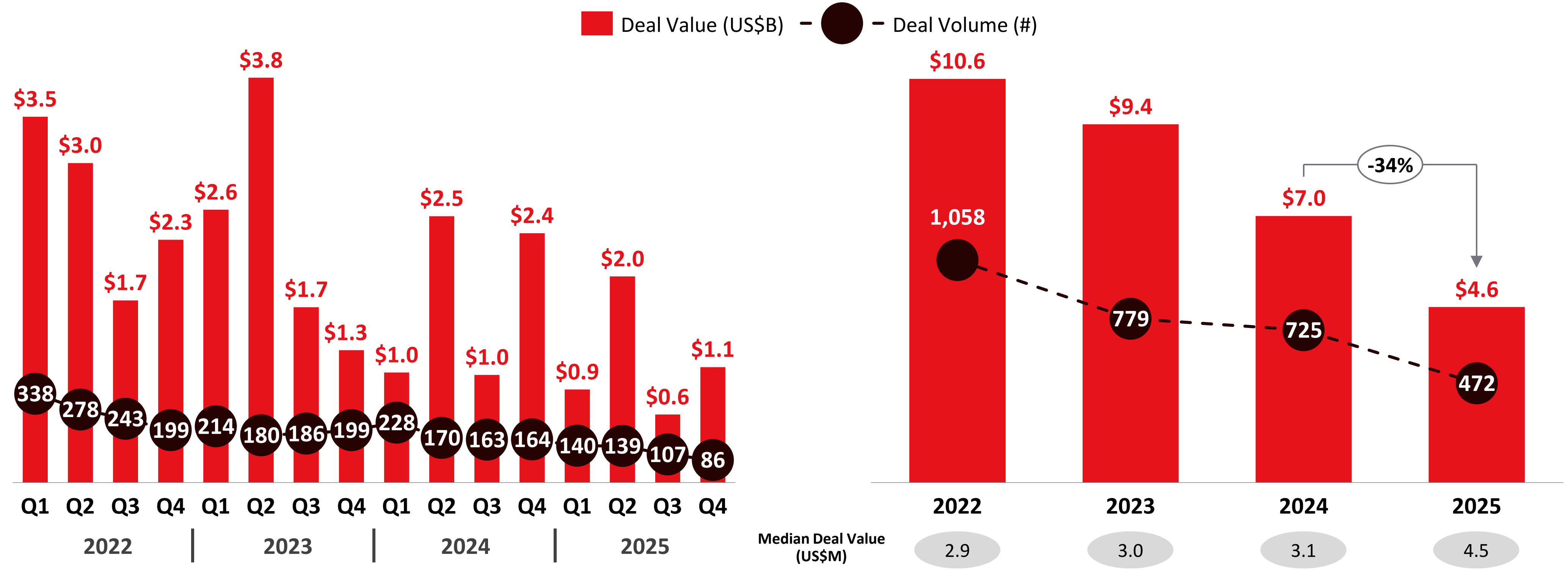
# SINGAPORE VENTURE FUNDING SOFTENED IN 2025 AS DEAL VALUE DECLINED

## VENTURE FUNDING DEAL VOLUME AND VALUE BY SINGAPORE-BASED FIRMS




- While deal value fell from US$7.0B in 2024 to US$4.6B in 2025, the median value increased as capital concentrated into late stage deals.
- Internet retail mega-deals (>US$1B), including SHEIN and Lazada, drove headline funding in the prior two years. No such mega-deals were recorded in 2025 as investor confidence in Southeast Asia's consumer demand moderated.

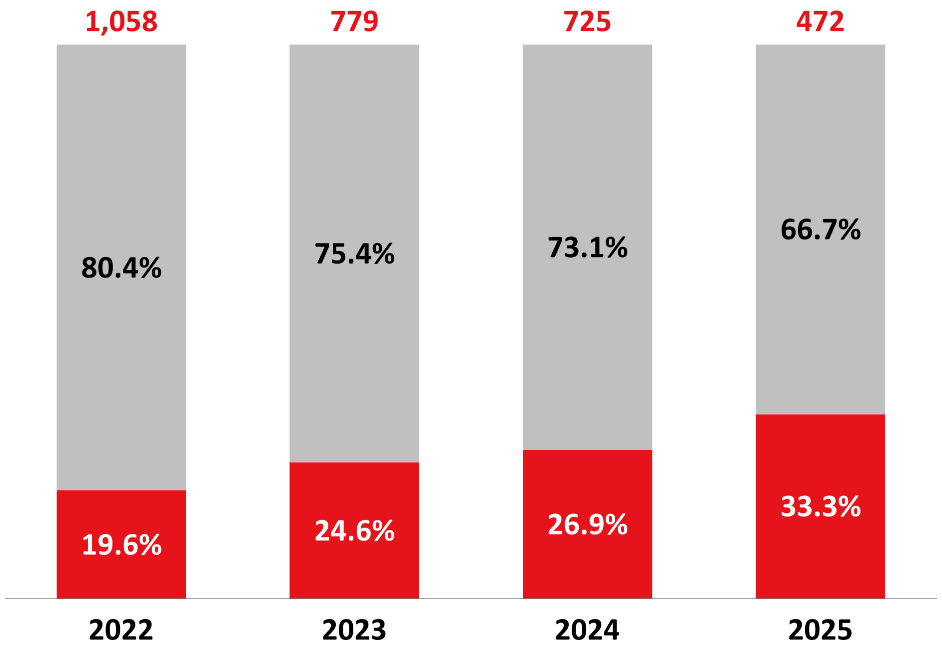
1. Total deal volumes include deals with undisclosed deal values, medians are calculated where values are disclosed;
2. Discrepancies may arise due to rounding.

Source: Pitchbook Inc., Crunchbase, Merger Market, EnterpriseSG, EY-Parthenon analysis

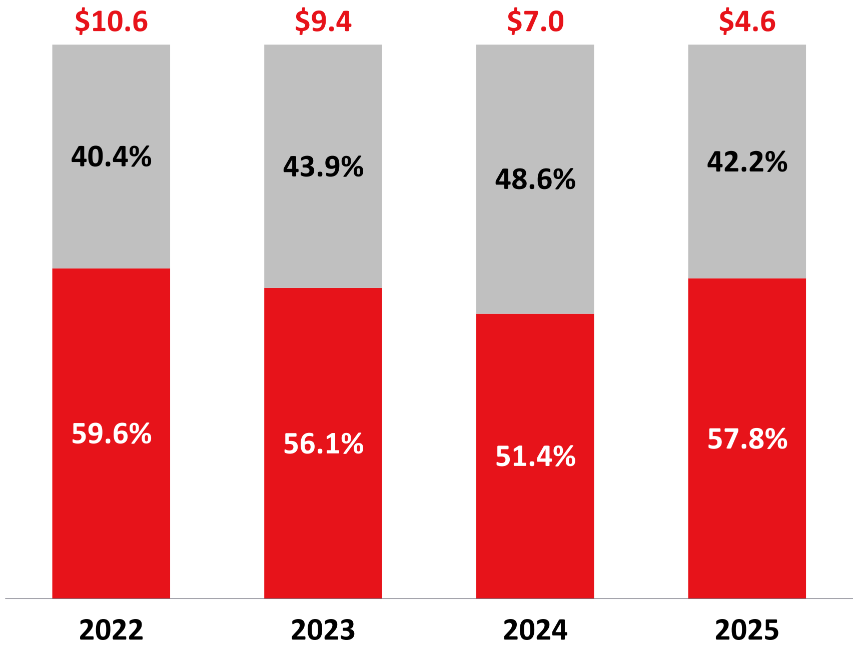
# SINGAPORE VENTURE CAPITAL FUNDING SHIFTED TOWARDS LATE STAGE DEALS IN 2025

## INVESTOR PREFERENCE SHIFTS TOWARDS LOWER RISK, LATE STAGE ASSETS

### VENTURE FUNDING DEAL VOLUME (#)




### VENTURE FUNDING DEAL VALUE (US$B)



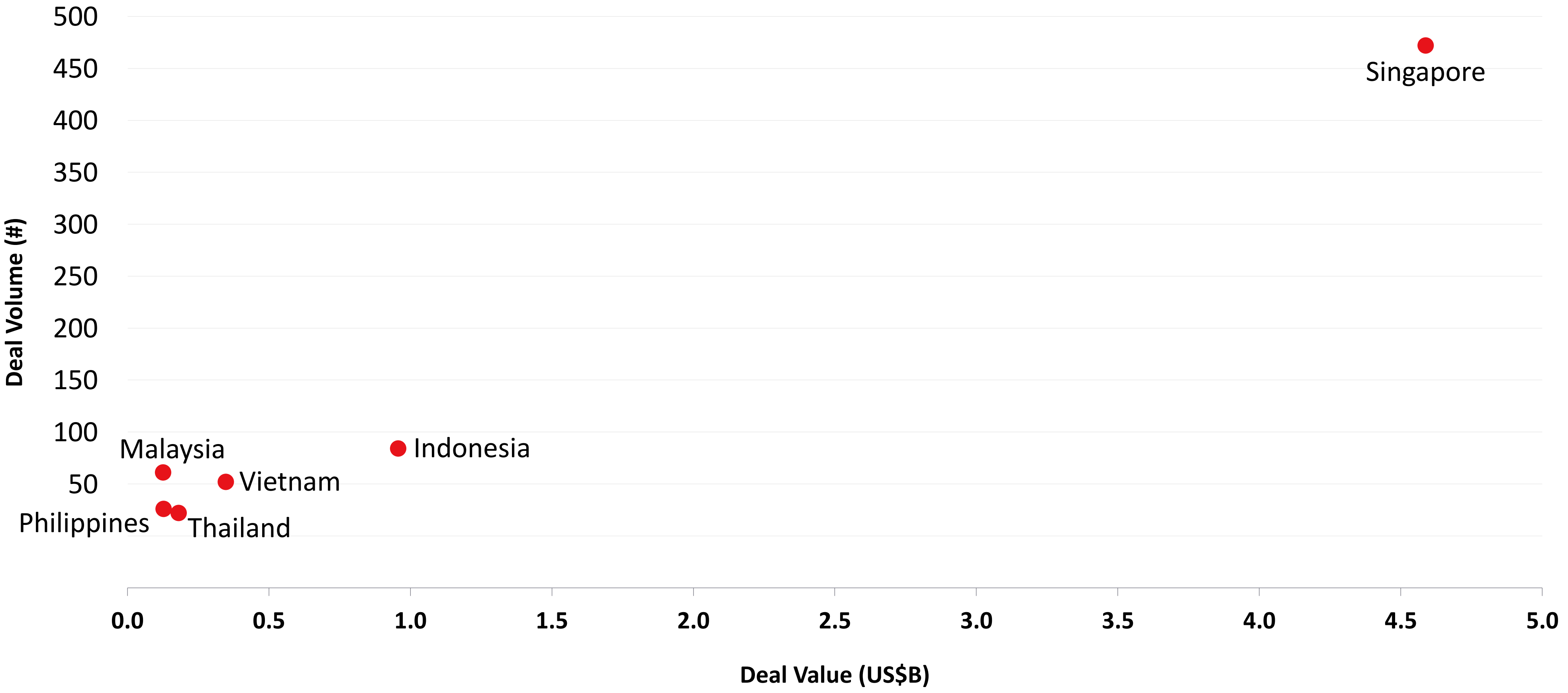

| Median Deal Value (US$M) | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Early stage | 2.2 | 2.0 | 2.5 | 3.1 |
| Late stage | 8.1 | 7.7 | 6.0 | 10 |

1. Total deal volumes include deals with undisclosed deal values, medians are calculated where values are disclosed;
2. Discrepancies may arise due to rounding.

Source: Pitchbook Inc., Crunchbase, Merger Market, EnterpriseSG, EY-Parthenon analysis

# SINGAPORE ANCHORS VENTURE ACTIVITY ACROSS ASEAN-6

## VENTURE FUNDING DEAL VOLUME AND VALUE PER MARKET IN 2025



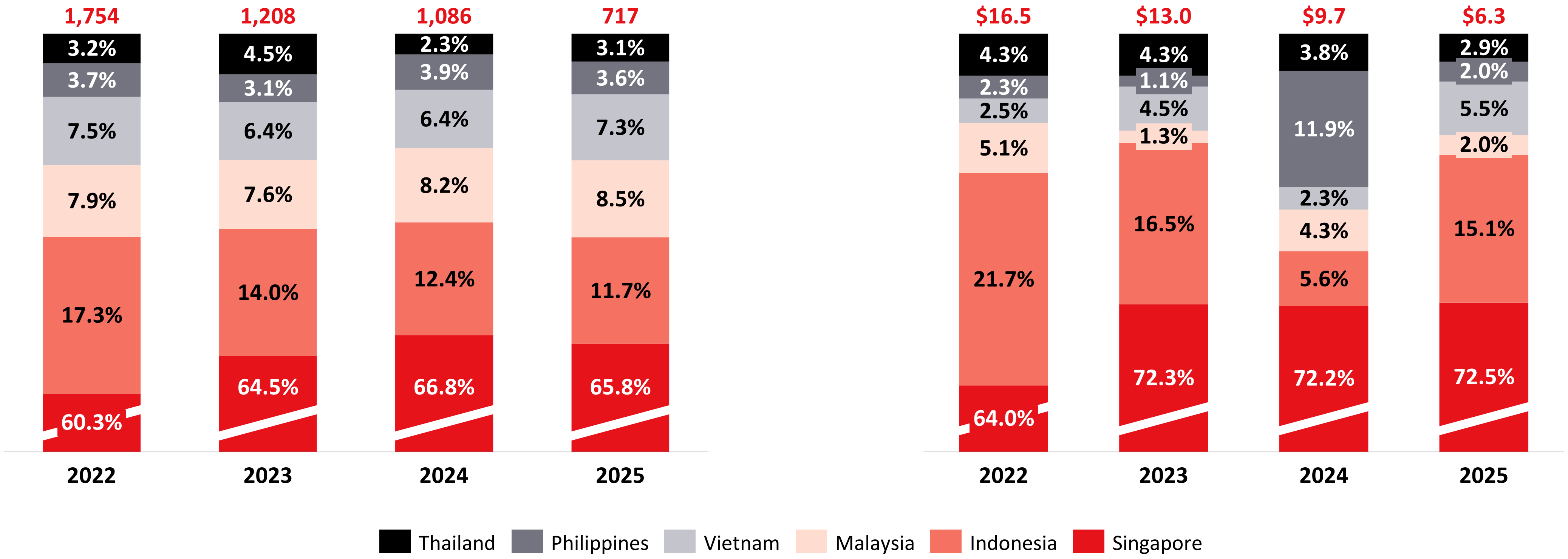

1. Total deal volumes include deals with undisclosed deal values;
2. Discrepancies may arise due to rounding.
Source: Pitchbook Inc., Merger Market, EnterpriseSG, EY-Parthenon analysis

# REGIONAL VENTURE ACTIVITY MODERATES AS SINGAPORE'S SHARE REMAINS STABLE

## SHARE OF ASEAN-6 DEAL VOLUME AND VALUE

### VENTURE FUNDING DEAL VOLUME (#)

### VENTURE FUNDING DEAL VALUE (US$B)

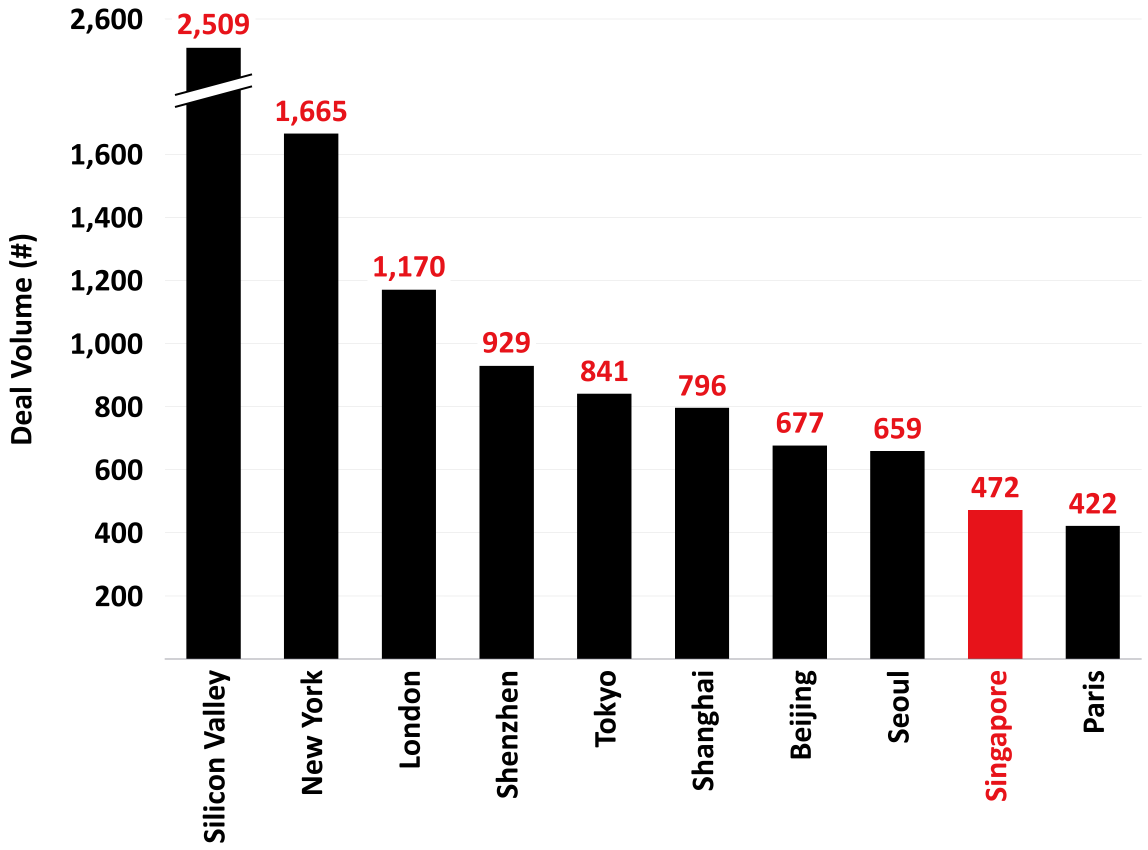


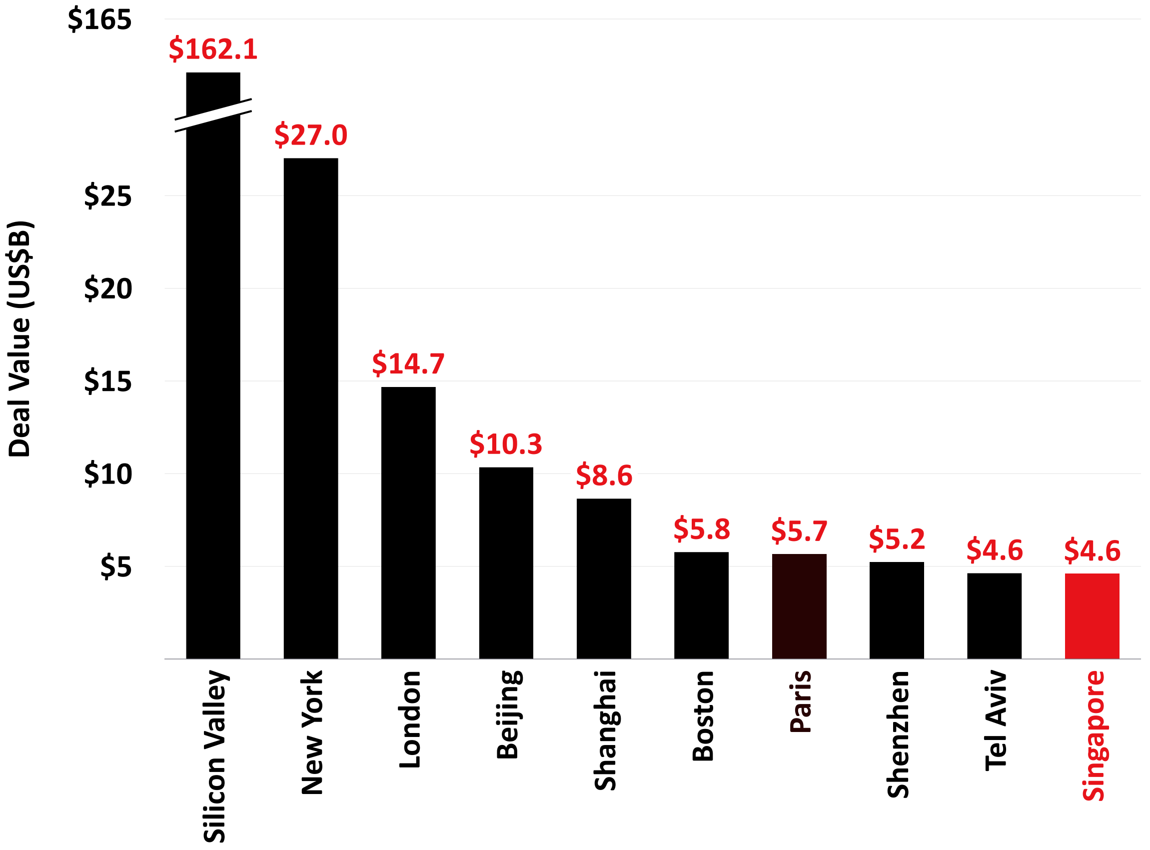

1. Total deal volumes include deals with undisclosed deal values;
2. Discrepancies may arise due to rounding.

Source: Pitchbook Inc., Crunchbase, Merger Market, EnterpriseSG, EY-Parthenon analysis

# SINGAPORE RETAINS TOP 10 POSITION IN GLOBAL STARTUP ECOSYSTEM RANKINGS

## VENTURE FUNDING DEAL VOLUME AND VALUE BY TOP 10 GLOBAL STARTUP ECOSYSTEMS IN 2025




1. Total deal volumes include deals with undisclosed deal values;
2. Discrepancies may arise due to rounding;
3. Top 10 ecosystems based on venture funding deal value and volume of the 2025 Startup Genome Global Top 20 Ecosystems

Source: Pitchbook Inc., Merger Market, Crunchbase, Startup Genome, EnterpriseSG, EY-Parthenon analysis

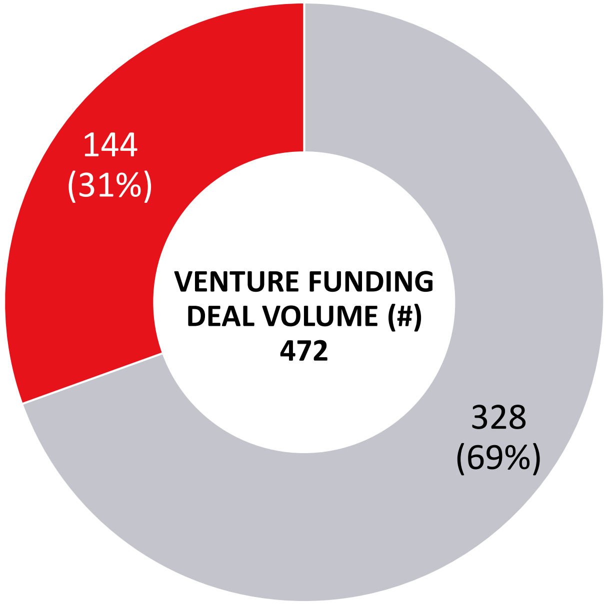
# SINGAPORE'S VENTURE CAPITAL IS CONSOLIDATING AROUND CORE INDUSTRIES

## TOP 4 INDUSTRIES ACCOUNTED FOR 69% OF DEAL VOLUME AND 82% OF DEAL VALUE

### VENTURE FUNDING DEAL VOLUME (#)

**Notable other industries**
- **Logistics & mobility:** 12 (2.5%)
- **Consumertech:** 33 (7.0%)
- **Agrifoodtech:** 5 (1.1%)
- **Climatetech & clean energy:** 16 (3.4%)

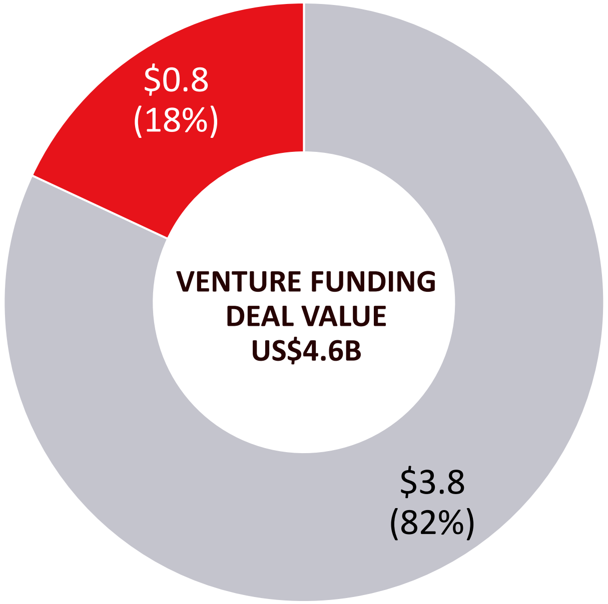
**Top 4 industries**
- **Fintech:** 114 (24.2%)
- **Enterprise software & data infrastructure:** 135 (28.6%)
- **Healthcare & biomed:** 42 (8.9%)
- **Advanced manufacturing:** 37 (7.8%)




### VENTURE FUNDING DEAL VALUE (US$B)

**Notable other industries (US$M)**
- **Logistics & mobility:** $179 (3.9%)
- **Consumertech:** $99 (2.2%)
- **Agrifoodtech:** $60 (1.3%)
- **Climatetech & clean energy:** $37 (0.8%)

**Top 4 industries (US$M)**
- **Fintech:** $1,676 (36.5%)
- **Enterprise software & data infrastructure:** $1,033 (22.5%)
- **Healthcare & biomed:** $584 (12.7%)
- **Advanced manufacturing:** $466 (10.2%)



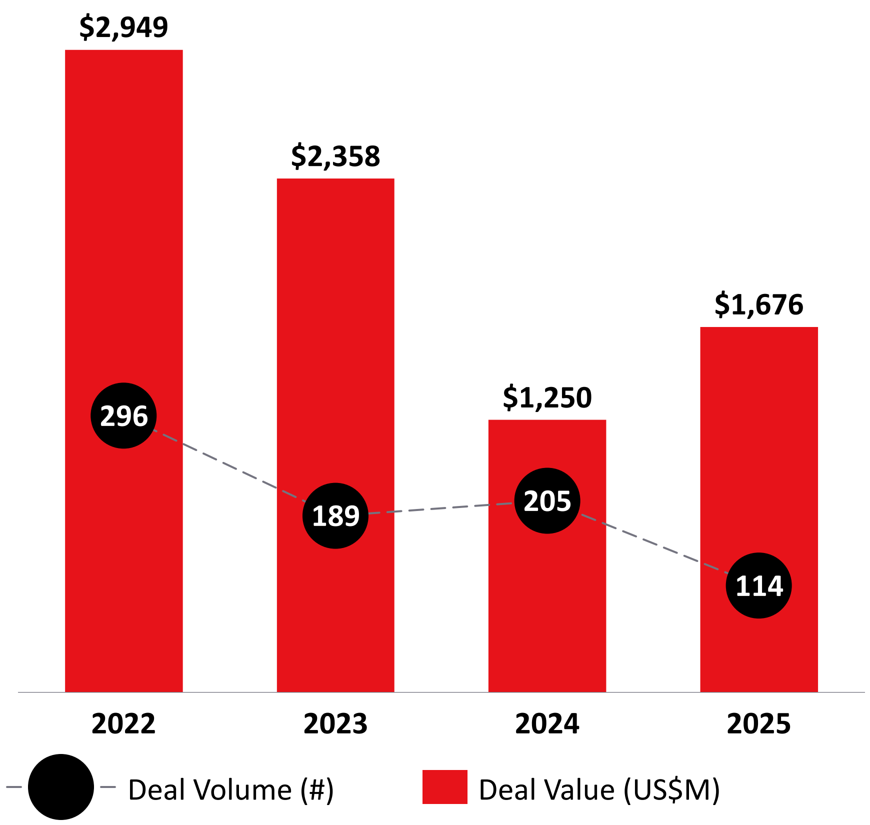

Top 4 industries | Others

1. Total deal volumes include deals with undisclosed deal values;
2. Discrepancies may arise due to rounding;
3. Others industries include Media, gaming & creator economy, Edtech, Agrifoodtech, Climatetech & clean energy, Logistics & mobility, Proptech & built environment, Professional firms & services.

Source: Pitchbook Inc., Crunchbase, Merger Market, EnterpriseSG, EY-Parthenon analysis

# FINANCIAL HUB POSITIONING DRIVES SELECTIVE CAPITAL CONCENTRATION INTO FINANCIAL SOFTWARE

## FINTECH: FINANCIAL HUB POSITIONING DRIVES SELECTIVE CAPITAL CONCENTRATION




Fintech remained Singapore's largest funded industry in 2025, with deal value rising from US$1.3B to US$1.7B, driven primarily by financial software (US$1.0B to US$1.3B). However, this growth reflects a narrowing investment thesis rather than a broad-based recovery. Capital is increasingly concentrated in scalable, infrastructure-led models with clear monetisation, as investors prioritise profitability, strong unit economics, and defensible platform positions.

This concentration is underpinned by Singapore's structural position as ASEAN's financial hub. A deep ecosystem of over 1,500 fintech firms, global financial institutions, and institutional capital, reinforced by convening platforms such as the Singapore Fintech Festival, provides a differentiated environment for cross-border financial infrastructure companies. MAS further strengthens this advantage through an active policy stack (e.g., sandbox frameworks, tiered licensing, and FSTI 3.0 co-funding), which reduces time-to-market, de-risks early commercialisation, and enhances credibility with global investors and banking partners.

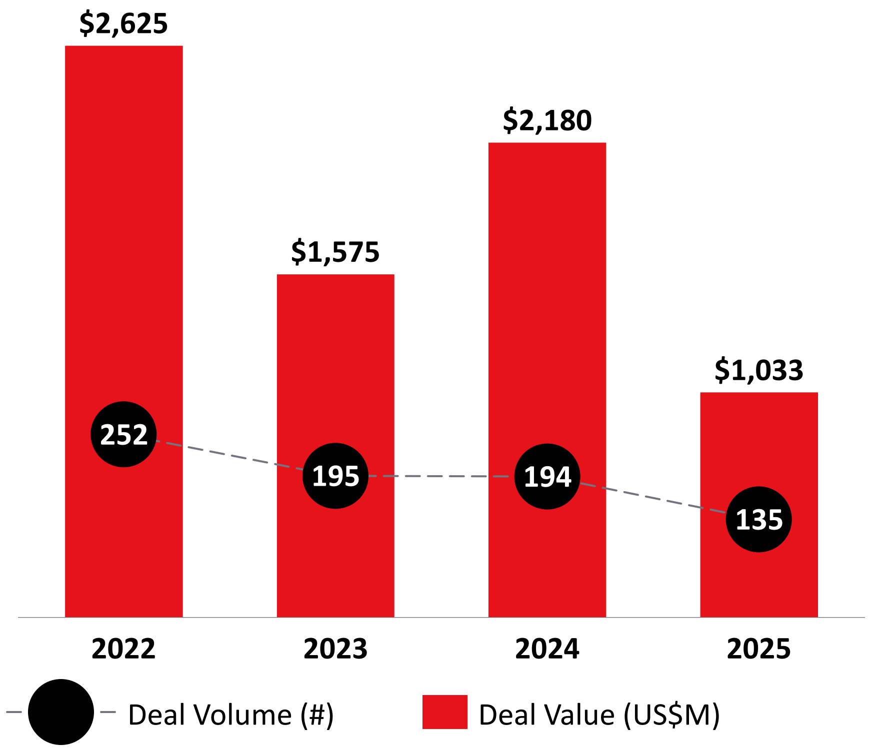
Funding in 2025 was highly concentrated at the top end. Two Airwallex rounds (US$301M and US$330M) alongside Bolttech's US$147M round accounted for more than 45% of total fintech deal value. This reflects a clear scale premium, with capital clustering around category leaders in infrastructure, payments, and embedded finance. Airwallex's decision to anchor major raises in Singapore reinforces the importance of regulatory portability, financial connectivity, and ecosystem credibility in attracting growth-stage capital.

Excluding these large rounds, underlying fintech deal value is approximately US$898M, indicating a stable but narrow funding base. This bifurcation, late stage strength alongside muted early stage activity, mirrors broader market conditions, where capital is shifting toward late stage, lower-risk assets. Looking ahead, sustained growth will depend on the depth of the mid-stage pipeline and the ecosystem's ability to produce the next cohort of scale-ready fintech platforms.

1. Total deal volumes include deals with undisclosed deal values;
2. Discrepancies may arise due to rounding.
Source: Pitchbook Inc., Crunchbase, Merger Market, EnterpriseSG, EY-Parthenon analysis

# AI DISRUPTION TRIGGERS STRUCTURAL RESET IN ENTERPRISE SOFTWARE & DATA INFRASTRUCTURE

## ENTERPRISE SOFTWARE & DATA INFRASTRUCTURE: STRUCTURAL REPRICING AND CAPITAL ROTATION




Enterprise software & data infrastructure saw deal value compress from US$2.2B to US$1.0B between 2024 and 2025 (53% decline), reflecting a structural repricing rather than cyclical weakness. The contraction was accompanied by lower deal counts and increasing concentration into a smaller number of large, AI-led rounds – signalling a clear shift in general partner (GP) deployment discipline and limited partner (LP) conviction.

This repricing is driven by a fundamental thesis reset. Traditional workflow-layer SaaS models, historically underpinned by seat-based ARR, expansion revenue, and switching costs, are being disrupted by generative AI. As AI agents compress application layers and reduce headcount-linked revenue, legacy SaaS moats are weakening.

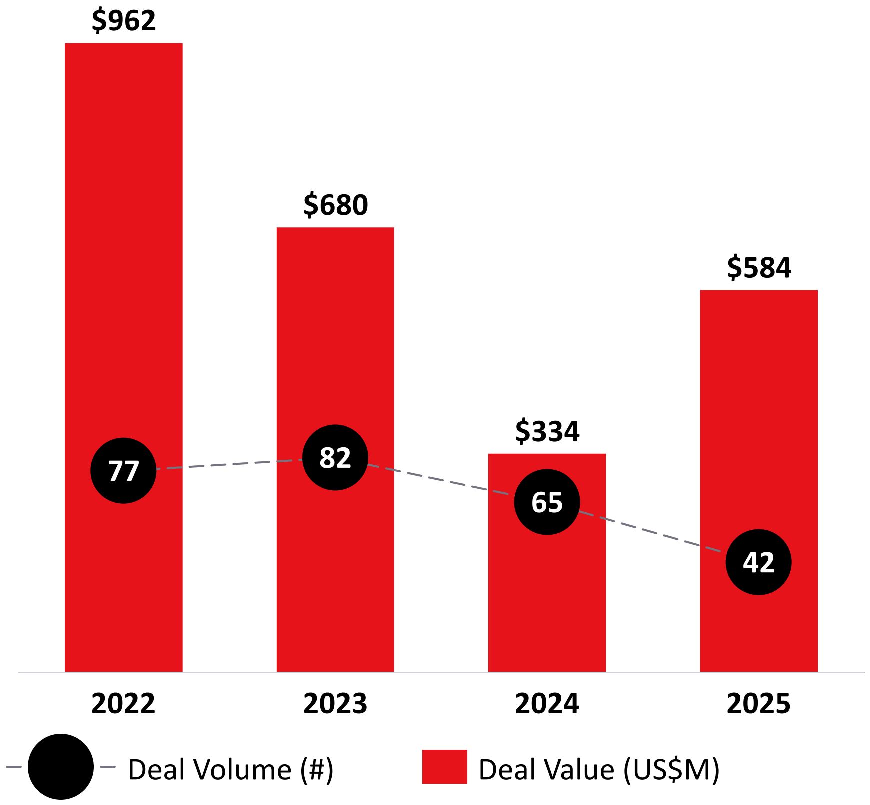
Capital is being repriced accordingly and reallocated toward the enabling AI stack, including compute infrastructure, model and developer tooling, and vertically integrated AI platforms with more defensible data and monetisation pathways. Moving forward, it is likely that 2025-2026 vintages will skew toward these segments, while legacy SaaS exposure faces valuation pressure and consolidation-driven exit pathways.

Importantly, capital is not exiting the category but repositioning across the stack. Growth in adjacent segments such as outsourced IT services exceeded US$200M, reflecting rising demand for implementation, integration, and enterprise deployment capabilities.  Public-sector tailwinds reinforce this shift, with initiatives such as the Enterprise Compute Initiative lowering barriers to AI adoption and accelerating enterprise experimentation and scale-up.

1. Total deal volumes include deals with undisclosed deal values;
2. Discrepancies may arise due to rounding.
Source: Pitchbook Inc., Crunchbase, Merger Market, EnterpriseSG, EY-Parthenon analysis

# HEALTHCARE & BIOMED REMAINS A STRATEGIC INVESTMENT PRIORITY DRIVEN BY BIOTECH INNOVATION

## HEALTHCARE & BIOMED: INCREASED INVESTOR INTEREST IN BIOTECH INNOVATION AND MEDTECH COMMERCIALISATION




Healthcare & Biomedical remains a strategic pillar within Singapore's Research, Innovation and Enterprise (RIE) agenda, particularly under the Human Health and Potential (HHP) domain, reflecting its long-term national and economic importance.

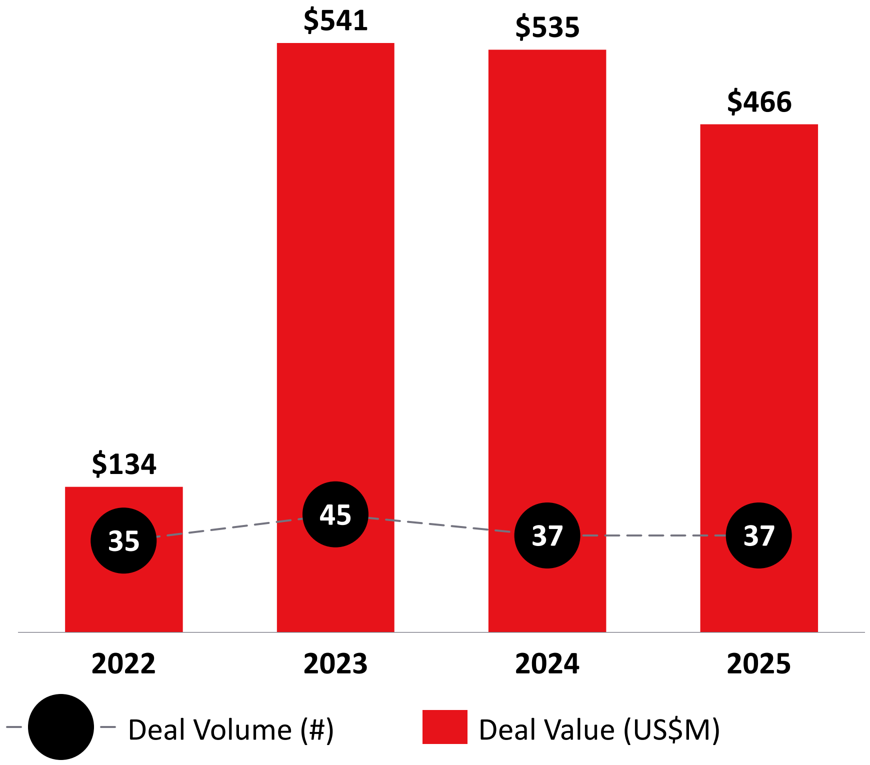
Venture funding into the sector has normalised post-COVID (2022-2024) and is showing signs of returning investor confidence with a modest increase in deal sizes in 2025. Capital deployment in Biotech (US$309M) took up a larger proportion of overall venture funding, reflective of the capital-intensive needs of therapeutic asset development. Notable transactions in Biotech include the Series A round closed by Callio Therapeutics (US$187M) to advance its multi-payload antibody-drug conjugate platform for cancer therapy, as well as the Series B round closed by Nuevocor (US$45M) to support first-in-human clinical trials of their cardiomyopathy gene therapy across US and Europe. On the other hand, the Medtech sector saw startups such as Respiree closing its Series A round (US$11.6M) to expand commercialisation of its AI-powered platform and wearable sensors to monitor cardio-respiratory conditions in the US. Furthermore, 2025 also saw the listing of local diagnostics company, Mirxes, on the Hong Kong Stock Exchange with a market capitalisation of HK$8.29 B (US$1.06B) on the first day of trading.

These dynamics mirror broader global venture trends, where capital is increasingly concentrated into high-conviction opportunities amid a more selective funding environment. Investors are prioritising companies with strong scientific defensibility, differentiated clinical assets and scalable potential, supporting sustained investment into healthcare and biomedical innovations despite wider moderation in venture activity.

1. Total deal volumes include deals with undisclosed deal values;
2. Discrepancies may arise due to rounding.
Source: Pitchbook Inc., Crunchbase, Merger Market, EnterpriseSG, EY-Parthenon analysis

# CAPITAL CONCENTRATES IN HIGH-VALUE ADVANCED MANUFACTURING SEGMENTS

## ADVANCED MANUFACTURING: GROWTH IN HIGH-VALUE SEGMENTS SUCH AS INDUSTRIAL AI AND ROBOTICS




Singapore's advanced manufacturing sector saw deal value moderate modestly between 2024 and 2025, while deal volumes remained broadly stable, reflecting sustained investor interest amid a more cautious global funding environment. Investment activity continued to be anchored in electronics and robotics, supported by rising demand for industrial automation and the increasing integration of AI-driven technologies across manufacturing processes.

Notably, Augmentus raised US$11M in a Series A+ round led by Woori Venture Partners, with participation from EDBI, to scale its AI-driven robotic automation solutions. This was subsequently followed by a strategic investment from Applied Ventures, reinforcing growing investor conviction in adaptive robotics and industrial AI, and signalling continued appetite for companies operating at the intersection of software, hardware, and industrial deployment.

Looking ahead, the sector's long-term outlook remains underpinned by strong public-sector commitment. Under RIE 2030, semiconductors have been identified as a national flagship priority, with the RIE2030 Semiconductor Flagship Programme strengthening capabilities in next-generation technologies and accelerating the commercialisation of R&D outcomes, supported by an additional S$800M investment announced in 2026. Beyond semiconductors, Singapore continues to advance industrial AI, robotics, and smart manufacturing through initiatives such as the National Robotics Programme, AI Centres of Excellence, and Industry 5.0 translational platforms including A*STAR's Model Factory.

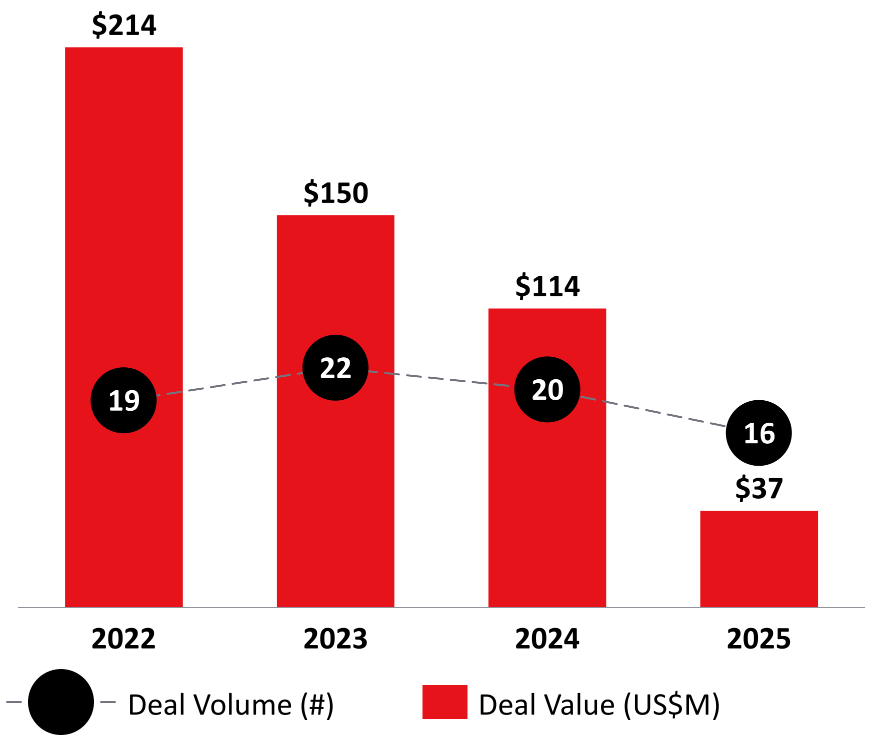
As global AI adoption accelerates, demand for high-performance computing infrastructure, advanced electronics, robotics, and intelligent industrial systems is expected to continue supporting long-term growth. Singapore's integrated ecosystem, spanning R&D capabilities, talent pipelines, and a strong industrial base, positions it as a regional hub for advanced manufacturing innovation and deployment, with increasing relevance to investors seeking exposure to AI-enabled industrial transformation.

1. Total deal volumes include deals with undisclosed deal values;
2. Discrepancies may arise due to rounding.

Source: Pitchbook Inc., Crunchbase, Merger Market, EnterpriseSG, EY-Parthenon analysis

# INCREASED INVESTOR INTEREST IN INNOVATIONS DRIVING DECARBONISATION AND ENERGY SECURITY

## CLIMATETECH & CLEAN ENERGY: CAPITAL SHIFTS TOWARDS ENERGY SERVICES AND ENERGY EQUIPMENT




Climatetech & clean energy venture funding is experiencing a cyclical reset, with global deal value falling to a five-year low based on PitchBook. Despite near-term funding softness, structural demand remains strong. Global energy investment is projected by the International Energy Agency (IEA) to reach US$3.3T in 2025, with US$2.2T directed toward clean energy. This is supported by strong policy driven demand. Energy security priorities accelerate investment in grid infrastructure and industrial decarbonisation.

Singapore reflects these dynamics. Since 2022, climatetech & clean energy has experienced a sustained decline in deal value, even as innovation activity persists. This reflects a funding mix shift, where capital-intensive climate infrastructure increasingly relies on project finance, blended capital, and government-backed funding, rather than traditional venture capital. As a result, venture investors are concentrating on asset-light models, enabling technologies, and solutions with clearer pathways to commercial deployment and revenue generation.

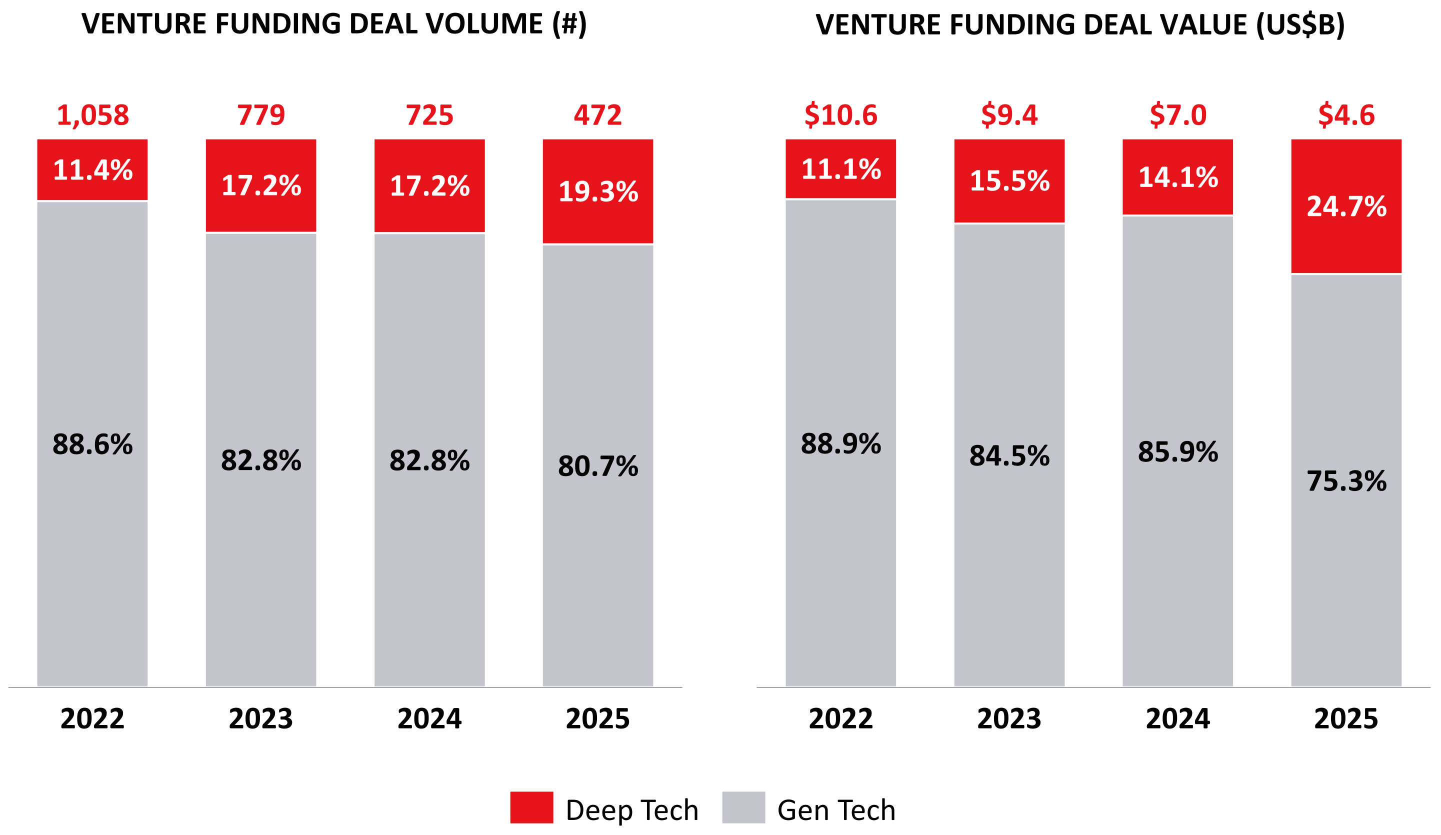
While a sharper pullback was observed in environmental services, a major component of climatetech & clean energy, there was sustained activity in energy services (US$11M in 2025 from US$10M in 2024) and energy equipment (US$9M in 2025 from US$7M in 2024) – likely supported by investor interest in decarbonisation enablers. Notably, Clean Kinetics raised US$3M to scale its project installation platform, followed by Hydgen securing US$1.5M and US$5M across two rounds to advance its modular electrolyser technology for green hydrogen production.

Looking ahead, public-sector support is expected to play an increasingly catalytic role in Singapore. The S$800M Decarbonisation RIE Grand Challenge (DGC) announced in Budget 2026 directly supports climatetech startups across technologies such as renewable energy and carbon capture. Additionally, under the DGC, the Singapore Pilots for Energy and Enterprise Decarbonisation (SPEED) programme hosted by A*STAR will support the commercial development of climatetech & clean energy solutions.

1. Total deal volumes include deals with undisclosed deal values;
2. Discrepancies may arise due to rounding.
Source: Pitchbook Inc., Crunchbase, Merger Market, EnterpriseSG, EY-Parthenon analysis

# DEEP TECH ACTIVITY MODERATES AS CAPITAL CONCENTRATES IN HIGH QUALITY OPPORTUNITIES

## SHARE OF SINGAPORE'S DEAL VOLUME AND VALUE IN DEEP TECH STARTUPS




Deep tech deal activity in Singapore grew in 2025 amid broader venture market headwinds, with deal value increasing 16% year-on-year from US$980M to US$1,133M despite deal volume falling 27% from 125 to 91 deals. The sharper contraction in deal count relative to capital deployed indicates increasing selectivity, with funding concentrated into a smaller cohort of higher-quality companies demonstrating stronger technical differentiation and clearer commercialisation trajectories.

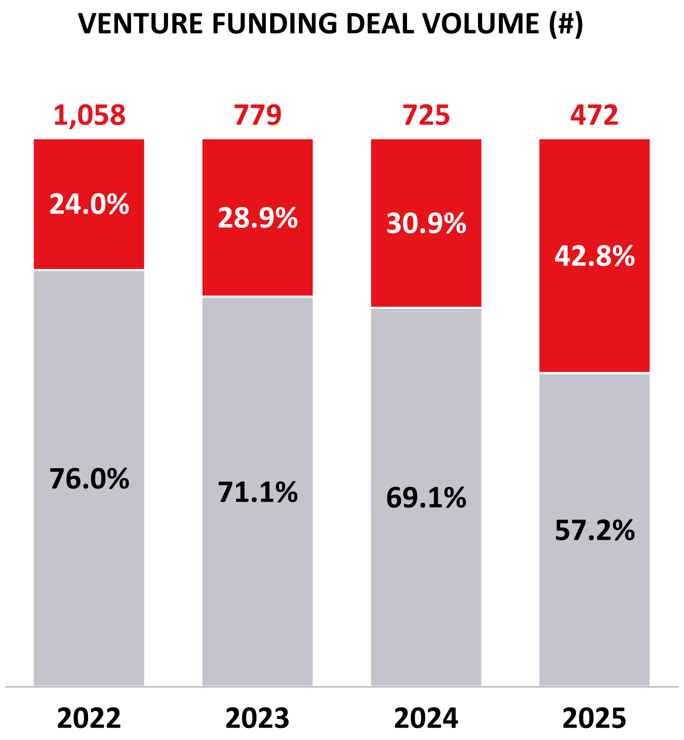
Deep tech accounts for an expanding share of Singapore's venture ecosystem. In 2025, the sector represented 24.7% of total deal value, up from 11.1% in 2022, while its share of deal volume increased from 11.4% to 19.3% over the same period. This reflects sustained investor conviction in technologies underpinned by defensible intellectual property, long-term strategic relevance, and global scalability.

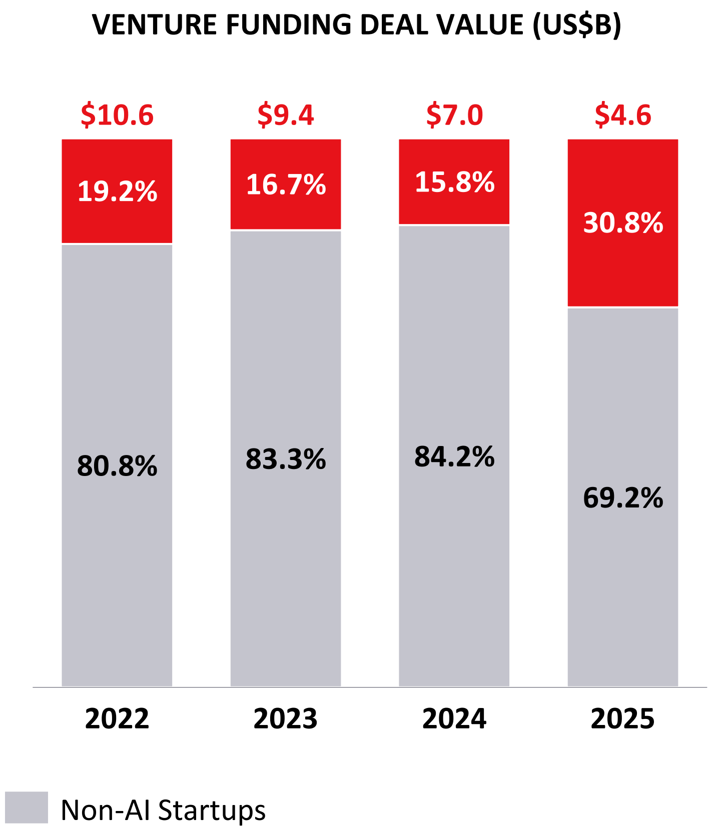
The sector also continues to attract interest from international investors and globally oriented technology companies, reinforcing Singapore's role as a regional hub for deep tech innovation, translation, and commercialisation, supported by strong institutional capabilities and cross-border connectivity.

1. Total deal volumes include deals with undisclosed deal values;
2. Discrepancies may arise due to rounding.
Source: Pitchbook Inc., Crunchbase, Merger Market, EnterpriseSG, EY-Parthenon analysis

# AI ACTIVITY GROWS AS INVESTOR INTEREST CONCENTRATES IN AI NATIVE OPPORTUNITIES

## SHARE OF SINGAPORE'S DEAL VOLUME AND VALUE IN AI STARTUPS




Cross-cutting Singapore's industries, AI saw deal activity grow in 2025 despite the broader venture market headwinds. Deal value increased year-on-year, from US$1.1B in 2024 to US$1.4B in 2025, while deal volume fell from 224 to 202 deals over the same period – driven by increased investor selectivity.

Capital is being concentrated into a smaller pool of high-conviction startups with stronger technical differentiation and clearer commercialisation pathways. Within this, AI emerged as the primary capital driver. Its share of total deal value doubled to 31% in 2025, reflecting strong investor conviction and capital concentration into AI-led opportunities.

Investment is shifting toward AI-native platforms and applied use cases with scalable data advantages. Notably, Supabase raised over US$100M in a Series E round to scale its developer platform, reinforcing its role within the AI application stack. This was followed by Surfin securing US$26.5M to deploy AI-driven risk scoring and fraud detection capabilities within financial infrastructure, signalling continued investor appetite for companies operating at the intersection of data infrastructure, machine learning, and enterprise deployment.

1. Total deal volumes include deals with undisclosed deal values;
2. Discrepancies may arise due to rounding.
Source: Pitchbook Inc., Crunchbase, Merger Market, EnterpriseSG, EY-Parthenon analysis

# Insider Insights

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**Jenny Lee**
*Senior Managing Partner, Granite Asia*

Singapore continues to stand out as one of the most credible global domiciles for fund management, and there is tangible momentum to build on. The city's regulatory clarity and funding infrastructure provide a strong foundation that gives both managers and investors confidence. What is increasingly evident, however, is that Singapore's next phase of growth as a venture hub will be shaped by the quality and durability of capital relationships.

One of the most encouraging developments has been the diversification of the LP landscape. Sovereign wealth funds across Asia, the Middle East, and the Gulf have become increasingly active allocators to venture — moving beyond passive commitments toward genuine strategic partnerships that bring market access, co-investment appetite, and long-term conviction. Private wealth has followed suit: family offices now operate with dedicated investment teams capable of rigorous fund-level diligence, while private banks and high-net-worth individuals are seeking meaningful venture exposure as a core part of their portfolios.

At the same time, LPs across the board are raising the bar. Track records are being scrutinised more closely, with an emphasis on consistent performance across market cycles, not just peak-vintage returns. This reflects a more mature LP-GP dynamic — one that rewards strong fundamentals and disciplined execution.

On the deployment side, the moderation in deal volume compared with the 2020–2021 peak represents a healthy return to fundamentals. Valuations have reset, and companies are being priced more clearly on performance. This creates better conditions for conviction-led investing. While overall deal counts are lower, the best companies remain oversubscribed. Founders building in AI infrastructure, physical world AI applications, and advanced manufacturing continue to attract serious capital commitment, and the quality of founders in these sectors is notably high. Portfolio construction has become more deliberate, with greater attention paid to diligence, reserves, and capital efficiency – an approach that ultimately benefits both companies and LPs.

Exit markets globally are still in a period of recalibration, and Singapore is navigating this alongside every major venture ecosystem. IPO windows have been more selective, strategic M&A more measured, and secondary markets have matured as an increasingly important path to liquidity. This should be viewed as cyclical rather than structural. In many cases, longer holding periods have allowed companies to strengthen their fundamentals and reach exits from a position of greater leverage. Renewed activity on the Singapore Exchange is meaningful progress, and the opportunity now is to build on that momentum. The recently announced SGX-Nasdaq partnership is a particularly exciting development — one that could meaningfully expand access to US capital markets for Asian technology companies and signal Singapore's ambition as a global listing destination. Singapore can develop into the natural listing home for Southeast Asian technology companies, one that offers governance credibility, access to regional and international capital, and the institutional depth required for long-term ownership.

The foundation is firmly in place. The next milestone is achieving a critical mass of high-quality technology listings and liquidity pathways that create their own gravitational pull, reinforcing venture formation and durable institutional participation across the innovation lifecycle.

**Cyril Ebersweiler**
*General Partner, SOSV*

There are early signs that Singapore's startup culture is quietly but meaningfully evolving. Recently, at a university startup competition in NTU, we saw several students presenting ideas, reflecting lessons the ecosystem has been reinforcing over the past few years – clear problem statements, practical applications, and a willingness to experiment. Most challenges in building a startup ecosystem are cultural rather than technical, and we are hopeful that mindsets are beginning to change. As more young people feel empowered to try, fail, and try again, the long-term foundation of the ecosystem will strengthen.

At the same time, the slowdown in startup activity is unmistakable. The decline in deal count and funding volumes at the seed and pre-seed stages is being felt everywhere, but it is magnified in Asia, and further so in Singapore, which represents only a fraction of global venture activity. This is the macro reality SOSV, like all early stage investors, is operating within.

Global investors deploying money in Singapore are also looking at US benchmarks – while local startups operate with less sophistication and polish. Local investors are also potentially too old fashioned – wanting a running proof of concept before investing. All of this makes deals harder to come by in Singapore. Considering the large amount of funds needed to help a company scale to exit, this also means that fund life cycles extend due to these deal issues.

More broadly, fundraising conditions have become uneven across the venture landscape. Outcomes increasingly depend on a fund's vintage, reputation, and realised returns. Capital is flowing disproportionately toward the largest, most recognisable managers, while smaller and emerging funds face heightened pressure. Even in the US, many funds are becoming smaller. In Singapore, where fund sizes were already modest, this dynamic further constrains the ecosystem's breadth.

Against this backdrop, capital attention has increasingly converged on artificial intelligence. A disproportionate share of new investment is flowing into foundational models and frontier AI efforts. Most of this activity is concentrated in the US and China, where companies can raise hundreds of millions to finance compute, data, and talent. This creates a difficult environment for Asia and Singapore to compete at the model-creation layer, not for lack of talent, but because of the sheer capital intensity required to play at that level.

For AI investors, this raises an important distinction. Success increasingly depends on specificity. As AI adoption accelerates, scepticism has grown around generic "AI wrappers" or undifferentiated applications. The companies that endure will be those that combine AI with deep domain insight, proprietary data, or defensible technical advantages.

Within Singapore, a persistent challenge remains – relatively limited domestic capital for financing local startups. Founders inevitably ask, if the end destination for ambition, capital, and scale is San Francisco, why not start there on day one? Why build in Singapore at all? Answering this question convincingly is critical. Singapore must offer more than talent and infrastructure; it must offer a viable pathway to build companies that can grow and exit without being forced to relocate to scale.

Yet, measured over a longer horizon, these cycles are not unusual. Venture capital has always been shaped by waves of concentration and dispersion. What matters most is whether ecosystems continue to regenerate talent, ideas, and conviction during downturns. The early cultural signals, particularly among younger founders, are encouraging. While capital may ebb and flow, the willingness to build is what ultimately determines how an ecosystem matures.

## Christine Giam
*Partner, SG Growth Capital*

The formation of SG Growth Capital marks an important evolution in Singapore's investment landscape. By integrating EDBI and SEEDS into a single investment platform of the Economic Development Board (EDB) and EnterpriseSG, SG Growth Capital is able to bring together complementary capabilities and networks to support companies at different stages of growth and internationalisation. EDBI focuses primarily on working with foreign growth-stage tech companies and anchoring them in Singapore, while SEEDS co-invests with private investors to support early stage startups in Singapore. Bringing these together under SG Growth Capital allows for closer coordination in how companies and co-investors are engaged, particularly in deep tech sectors where development pathways are longer and capital needs evolve over time.

Beyond capital, SG Growth Capital strengthens the ecosystem by connecting startups with corporates in priority sectors, improving commercialisation pathways, and fostering a virtuous cycle of innovation adoption. Importantly, SG Growth Capital contributes to ecosystem resilience by deploying capital consistently, supporting sustained ecosystem momentum through funding cycles.

Over the past year, we have seen a sharp rise in AI-related investments, particularly in enterprise use cases. Founders are increasingly sophisticated in how they apply AI, with greater emphasis on proprietary datasets, domain-specific workflows and commercially deployable use cases, compared to earlier waves of more generic AI applications. However, opportunities remain to encourage more startups across other areas such as advanced manufacturing, healthcare, energy, and hardware enabled innovation.

As the ecosystem matures, collaboration with sector and geography specialised private market investors becomes increasingly important. Such investors bring deep domain expertise and global networks that can significantly accelerate company building in emerging sectors and support startups with international growth ambitions. Enabling the formation of such partnerships through a diverse base of specialist GPs strengthens product commercialisation channels, and contributes to a more robust, globally connected startup ecosystem in Singapore.

However, capital and structures alone are insufficient without people. Talent compounds talent. Strong founders attract strong teams, and dense founder networks accelerate learning, talent circulation, and repeat entrepreneurship. Beyond funding, an ecosystem that enables founders to access talent, peer support, and experienced operators meaningfully lowers the friction of company building and compounds long-term outcomes. As an ecosystem, there is nothing more impactful we can do than to attract and retain exceptional people to build enduring companies from Singapore.

Looking ahead, Singapore's startup ecosystem is well positioned to continue growing – supported by sustained and consistent capital deployment, diversified financing options, and a growing base of investors and founders. As entrepreneur networks deepen and sectoral capabilities broaden, the ecosystem is likely to produce more globally competitive companies rooted in real industry needs. Ultimately, the long-term strength of the ecosystem will depend on its ability to attract and retain exceptional founders, operators, researchers and technical talent capable of building enduring companies from Singapore.

STARTUP SG BY Enterprise Singapore

**Paul Santos**
*Founding Partner, Wavemaker Partners*

2025 represents a meaningful point for Singapore and Southeast Asia’s venture capital ecosystem – after several years of volatility, the region is moving through a necessary recalibration, one that is laying firmer groundwork for sustainable, long-term innovation. The exuberance of the early 2020s has faded, but what remains is a clearer understanding of what it takes to build enduring, competitive companies.

For Singapore in particular, innovation is a structural necessity. As a small, advanced economy with highly optimised financial services, logistics, and trade infrastructure, future growth cannot come solely from incremental efficiency gains. Continued relevance in the global economy depends on the ability to generate new technology leaders and scale companies that compete internationally.

This imperative unfolds against a broader regional correction. Southeast Asia today faces challenging conditions, yet the underlying fundamentals that originally drew investors have not disappeared. The region continues to benefit from favourable demographics, rising incomes, improving digital infrastructure, and long-term consumption growth.

Part of the explanation lies in the unusual conditions of the pandemic era. The sudden drop in interest rates and excess global liquidity created a “feast” of capital. The dominant narrative at the time was a consumer growth story, with Indonesia positioned as the natural centre of gravity. Capital poured into ride-hailing, e-commerce, and Fintech, fund sizes expanded rapidly, and success was measured primarily by growth at all costs.

As macro conditions normalised and interest rates rose, the limitations of that model became clear. The region had not developed the institutional depth, exit infrastructure, or operating discipline to absorb such a sudden influx of capital efficiently. Especially for Southeast Asia’s ecosystem, which only reached something resembling critical mass around 2014, and is still very young by global standards. For comparison, India’s ecosystem reached a similar stage nearly a decade earlier.

In this environment, it is important for investors to have independent thinking, be open and curious, and be willing to be right only some of the time. In Singapore, there is often a cultural fear of being wrong because of its associated implications – this mindset needs to change with more contrarian thinking to drive investments. While Singapore plays the role of an arbiter of quality of startups, it impacts exits – with the cautious approach potentially not leaving enough on the table for the next investor.

This shift raises an important question, why is Southeast Asia still worth the risk premium? The answer cannot rely on demographics alone. It must rest on the region’s ability to produce resilient companies and justify long-term capital commitments. For Singapore specifically, strengthening the innovation stack means rethinking capital market infrastructure. Encouragingly, several structural gaps are beginning to close. Targeted interventions such as SG Growth Capital can address late-stage funding constraints. At the same time, renewed efforts to strengthen the Singapore Exchange as a differentiated listing venue could improve long-term exit options, anchoring the private innovation ecosystem.

All in all, at Wavemaker Partners, we believe that Southeast Asia is in a period of correction. The excesses of the last cycle are being unwound, but the region’s long-term opportunity remains intact. For Singapore, the imperative is clear: keep building, keep innovating, and keep backing founders who aim to compete globally. There is nowhere to go but forward, or risk being left behind.

**Vishal Harnal**

*Managing Partner, 500 Global*

After a decade marked by rapid expansion, Southeast Asia is beginning to reassess what truly compounds over time. This is reflected in how investors are behaving – they have to think about returns and the time taken to exit positions.

One of the clearest challenges today remains liquidity. Exit markets across Southeast Asia are underdeveloped and long holding periods have tested the resolve of founders and investors alike. But this challenge also points directly to the next phase of progress. Liquidity is not a given; it is built through repetition and outcomes. Every mature venture ecosystem grappled with limited exits before developing functional IPO markets, active acquisition pathways, and reliable capital recycling. For Southeast Asia, the focus is now shifting from simply creating companies to intentionally building viable exit routes.

Strengthening the region's M&A culture will be central to this evolution. Acquisitions remain muted due to conservative corporate buyers and limited incentives for intermediaries to structure cross-border technology deals. Yet, timely acquisitions provide founders with liquidity – validating innovation, and unlocking capital for reinvestment. As institutional confidence around M&A improves, they could become a powerful catalyst for ecosystem maturity.

The level of deals in this region has clearly contracted. This reflects earlier optimism back when Southeast Asia was frequently measured against China, with the expectation that scale and outcomes would converge. In reality, the markets were fragmented and technology adoption was uneven. However, in the long-term, I am still bullish on Southeast Asia. Southeast Asia's fundamentals remain strong. Income levels in the region continue to improve, digital infrastructure is advancing steadily, and demographic trends support sustained demand growth. These structural forces unfold over decades, not venture cycles.

Within this broader landscape, Singapore continues to stand out as a natural anchor with its regulatory clarity, global connectivity, and institutional credibility. Additionally, the country's universities and research institutions produce high-quality work, particularly in deep tech and advanced engineering. The opportunity ahead lies in building stronger systems to translate research into globally competitive companies and nurturing founders capable of scaling internationally.

Singapore's geopolitical neutrality further reinforces this role. As global capital and talent flows fragment, the city has emerged as a trusted platform where founders from China, India, and beyond can build with global ambitions from the outset. This positioning, built over decades of consistent policy, enables Singapore to function not just as a market, but as a launchpad for global innovation.

Taken together, these dynamics point toward a more grounded and durable future. Singapore's venture ecosystem is becoming more realistic, more global, and more outcomes-driven. Liquidity will take time to develop, but the direction is clear. For those willing to adapt, this period lays the foundations for long-term resilience and sustainable growth.

## Dr. Jeremy Loh

*Co-Founder and Managing Partner, Genesis Ventures*

Southeast Asia's venture ecosystem is entering a more mature phase of development. After a period of rapid expansion from the late 2010s and early 2020s, the market is increasingly focused on sustainability, liquidity and long-term value creation. Investors and LPs are placing greater emphasis on durable business models, disciplined capital deployment and clearer pathways to returns.

Recent market cycles and several high-profile setbacks have reinforced the importance of strong fundamentals and governance, while underscoring the importance of ensuring financial infrastructure evolves alongside ecosystem growth. They have also accelerated a broader understanding that Southeast Asia is not a single, unified market, but a collection of distinct economies with different regulations, cultures, and operating realities.

For some LPs, the region is still in the process of building a longer and more consistent track record of exits at scale. Liquidity has become a key area of focus, with LPs increasingly expecting clearer routes to outcomes, through IPOs, acquisitions, or secondary transactions.

While these mechanisms are still developing across much of the region, progress is being made. Venture debt, for example, is becoming an increasingly relevant financing tool that can provide growth-stage companies with additional flexibility and non-dilutive capital. While more can be done, education around venture debt and alternative financing structures has also improved significantly in recent years, with increasing engagement and understanding amongst founders, investors, and advisors regarding the appropriate use of these instruments.

Historically, the region's rapid ascent was fuelled by abundant global capital and a wave of talented employees striking out as founders in search of opportunity. Capital flowed in quickly, accelerating innovation and company formation. However, supporting exit infrastructure has taken longer to mature and Southeast Asia continues to build a stronger culture of corporate acquisitions, as well as a secondary market that allows early investors and employees to realise returns with or without an IPO.

Encouragingly, initiatives such as Singapore's Equity Market Development Programme (EQDP) are already contributing to stronger pre-listing activity and renewed momentum in public markets participation.

Another important lever is the development of a local M&A culture. For example, large corporates have evolving needs, yet many local companies default to building solutions in-house. If corporates were more intentional about using M&A as a growth and transformation tool, it could create credible exit pathways, recycle talent and capital, and fundamentally strengthen the venture ecosystem.

It is also important to recognise the relative youth of the region's startup ecosystem. It is worth remembering that Silicon Valley took four to five decades to reach its current state. Singapore's modern startup ecosystem, by comparison, remains relatively young. Progress should not be measured solely against global benchmarks, but against a realistic understanding of how long ecosystems take to mature. The key question now is how Southeast Asia, and Singapore in particular, can continue accelerating this maturation process in a sustainable and globally competitive manner.

With stronger discipline, better-aligned financing instruments, and a more active role from local corporates in enabling exits, Singapore and the wider region are well-positioned to build a more resilient, globally competitive and increasingly investible innovation ecosystem in the years ahead.

## Phil Inagaki

*Managing Partner and Chief Investment Officer, Xora Innovation*

The global investment landscape is undergoing a decisive shift, where investors are changing where funds are being deployed. Nowhere is this more evident than in deep tech and AI, where capital flows, investor expectations, and the competitive positioning of innovation hubs are in flux.

First, we are witnessing a clear and accelerating move toward AI, from foundational models to applied AI and AI infrastructure – across semiconductors to energy management. Valuations in AI have risen sharply, and deal competitiveness has intensified. This mirrors the rapid pace at which AI capabilities advance, creating a market where AI-driven startups must articulate compelling and credible narratives to stand out. Compared to other industries, AI deals cycles are shorter, higher valued and more competitive.

Second, LPs are increasingly looking for distribution on paid-in capital (DPI). LPs prefer managers who have delivered real distributions, not just paper markups, and this is expected to define capital allocation for the coming decade. The exuberant 2021 vintages are now five years in, and only 2% of funds have crossed the 1× DPI threshold.

Third, we are seeing a maturing deep tech ecosystem in Singapore that is increasingly attracting global attention. Over the last few years, the quality of founders, technical talent, and the density of collaborations have improved significantly. However, Singapore's exit pathways are still limited. High growth companies continue to view foreign exchanges like NASDAQ as the preferred venue for listing. Local corporates' appetite for startup investments remains constrained compared to markets like US, Korea, Japan – not offering a reliable alternate for exits.

Nevertheless, the next five years present some of the strongest deep tech opportunities Singapore has ever seen. The ability to develop and exit flagship deep tech companies is accelerating, and investor confidence in the ecosystem's trajectory is growing. A clear example of this momentum is Amperesand, one of Singapore's promising deep tech ventures. A leader in next-generation power infrastructure for AI data centres and critical power applications, Amperesand had raised more than US$80M in its Series A financing, co-led by Walden Catalyst Ventures and Temasek. Amperesand was incubated by Xora and spun out of Nanyang Technological University (NTU) in 2023, leveraging eight years of R&D in Solid State Transformer (SST) technology.

The success of firms like Amperesand reflects a broader trend of Singapore deep tech startups being built to go global. Global investors are increasing their physical presence in Singapore and more funds are spending time locally, deepening collaboration with ecosystem players such as universities, research institutes, and venture builders. This inflow of global expertise is elevating startup quality and tightening the feedback loop between capital, technology, and markets.

To convert this momentum into durable value creation, it is crucial that we remain disciplined, focusing on companies capable of generating sustainable profits and resisting the allure of technology trends. If we succeed, Singapore stands to build some of the world's most significant deep tech companies.

## Magnus Grimeland

*Founder and Chief Executive Officer, Antler*

Over the past eight years, Antler has been amongst the most active venture investors in Singapore, backing founders from pre-seed through to Series C, with great outcomes. Globally, we invest in close to 500 companies a year, with 40 to 60 of those investments originating from Singapore. This level of activity gives us a ground level view of how capital, talent, and ambition interact, and where the ecosystem is beginning to strain.

Singapore's most enduring advantage remains its people. The city combines operational excellence with an increasingly strong pipeline of first-time and repeat founders. Importantly, efficiency has not come at the expense of creativity. Singapore continues to attract global talent while also producing founders shaped locally – individuals who are both execution driven and globally minded. That combination is rare among innovation hubs and has become one of Singapore's most under-recognised strengths.

This comes on top of great regulators, government, connectivity, and many other great advantages of Singapore. We've worked very closely with EnterpriseSG and other governmental agencies like Economic Development Board (EDB), and they've been incredibly helpful in enabling us to build a world-leading global innovation platform. Clearly, innovation is very high on the agenda across Singapore institutions.

Despite this, the most significant constraint facing the VC ecosystem today is access to capital. While Antler raised approximately US$1.5B globally from 57 institutions and 22 sovereign wealth funds, only around US$10M of that is sourced from institutions in Singapore. This is not a question of performance or access – Antler is a top-performing global VC with attractive net IRRs, and we regularly engage with Temasek, GIC, and government agencies such as EDB and EnterpriseSG – yet meaningful domestic capital allocation into VC funds remains limited.

This gap has tangible consequences. Fund managers are forced to spend disproportionate time raising capital overseas, introducing inefficiencies and long-term questions about Singapore's ability to sustain itself as the hub for HQs for VCs with global ambitions. At current performance levels, funds of similar quality would likely raise significantly more capital, with less friction in the US, Europe, Middle East, Japan, or China.

The contrast with more mature markets is stark. For example, in the US, roughly 5% of capital is allocated to venture as an asset class. In Singapore, that figure is still well below 1%. There is an opportunity for policymakers to explore similar benchmarks, particularly among investors and family offices domiciled in Singapore. One pragmatic approach would be to credentialise venture capital more clearly and facilitate structured connections between accredited funds and family offices. This shifts decision making from relationships to merit, while reducing perceived risk for new allocators. Particularly, as Singapore has become an ever-larger hub for the world's largest family offices, allocating to the productive economy and innovation would bring many benefits.

At Antler, our conviction is clear: Singapore has the ingredients to be a leading global startup hub. What is missing is not quality founders or fund managers, but sufficient capital conviction in innovation itself. If more capital can be allocated, the ecosystem accelerates on multiple fronts, exits become more achievable, funds become more durable, and capital can be redeployed into new startups with far greater speed and confidence.

**Remi Choong**
*Principal, Elev8.vc*

Global capital flows into venture are undergoing a structural reset, and Southeast Asia is part of this transition. Major sources of venture capital, particularly from the US and China, have become increasingly focused on domestic priorities. Faced with geopolitical shifts, these markets are allocating more capital domestically, leading to a recalibration of exposure to other regions including Southeast Asia. Simultaneously, the macro environment has directed investor attention toward public markets, where liquidity and near-term returns are currently prioritised.

The impact of these global trends is being felt on the ground in Singapore. The pool of active venture capital is navigating a period of consolidation, reflected in longer fundraising cycles and a more disciplined appetite for risk. This is not a reflection of diminished belief in Singapore as a premier innovation hub, but rather a repricing of risk and liquidity.

This environment creates an excellent opportunity for Singapore to take an even more deliberate approach to capital formation, especially in deep tech, where specialised timelines and capital needs are paramount. We have the chance to more sharply define the case for “Why Singapore for deep tech?” While regulatory stability and world-class talent remain our foundation, the market is now looking for a clearer narrative on competitive advantage as well as credible, repeatable paths to exits.

A key area for continued development lies in maturing Singapore’s exit environment. By fostering more predictable and repeatable exit pathways – whether through acquisitions, secondary transactions, or public listings – we can further unlock sustained allocations from global LPs. Deep tech, in particular, thrives when there are clear routes to liquidity that match the patience required to reach commercial maturity. Strengthening these pathways ensures that technical milestones are successfully converted into robust investor returns.

Ultimately, this moment should be seen as a turning point toward greater sophistication. As global capital becomes more selective, ecosystems that clearly articulate their strategic relevance will lead the way. For Singapore, this means sharpening our global value proposition: demonstrating why critical technologies should be pioneered here, how founders can access global networks, and how investors can realise consistent returns.

At Elev8.vc, we believe the next phase of Singapore’s venture ecosystem will be defined less by the volume of capital and more by clarity of purpose. By aligning capital structures with investor needs, activating new pools of capital, and enhancing exit pathways, Singapore is well-positioned to reinforce its status as a globally relevant deep tech platform capable of delivering durable, differentiated returns.

**Angela Toy**

*Partner and Chief Operating Officer, Golden Gate Ventures*

Venture capital fundraising has become markedly more challenging globally, and Southeast Asia has felt the impact more sharply than many mature markets. The period before 2022 was defined by cheap capital, elevated valuations and strong public markets. LPs rewarded growth and market share, and capital flowed readily into emerging technology ecosystems.

That cycle has turned. Higher interest rates, weaker public market performance and a wave of VC closures globally have reset expectations around risk, returns and liquidity. In Southeast Asia, the reset has been amplified by regional factors: the unwinding of valuation excesses, limited exit successes, and the concentration of global venture capital into markets such as the US, India and Japan. High-profile startup blowups have further reduced institutional risk appetite, reinforcing caution toward the region at a time when capital is already more selective.

For Golden Gate Ventures, this moment has to be understood in the context of ecosystem maturity. Southeast Asia, and Singapore in particular, is still relatively early in its venture development. The region has spent barely 15 years building a startup ecosystem at institutional scale. Compared with more mature markets such as the US or China, there is still a thinner base of serial founders, experienced operators and early executives who have taken companies through full life cycles.

These ingredients matter. Repeat founders, operators with exit experience and investors who have lived through multiple cycles are what give venture markets their institutional memory. They improve risk underwriting, strengthen founder networks and create a more realistic understanding of what it takes to build enduring companies. Southeast Asia is still forming this muscle.

Exit conditions remain a key constraint. IPO momentum in Singapore and the wider region remains limited, public market valuations are subdued, and higher interest rates have reduced listing attractiveness. In the near term, liquidity is likely to come more from M&A transactions and secondary sales than from traditional public offerings. Yet Southeast Asia still lacks sufficient depth in these channels.

This is where long-term venture discipline matters. Venture markets do not mature through capital alone. They mature through repetition: founders who try, fail, succeed and re-enter the system with sharper judgment and greater ambition. They mature when investors stay close to founders through cycles, help companies institutionalise, and build pathways across markets, capital pools and customers.

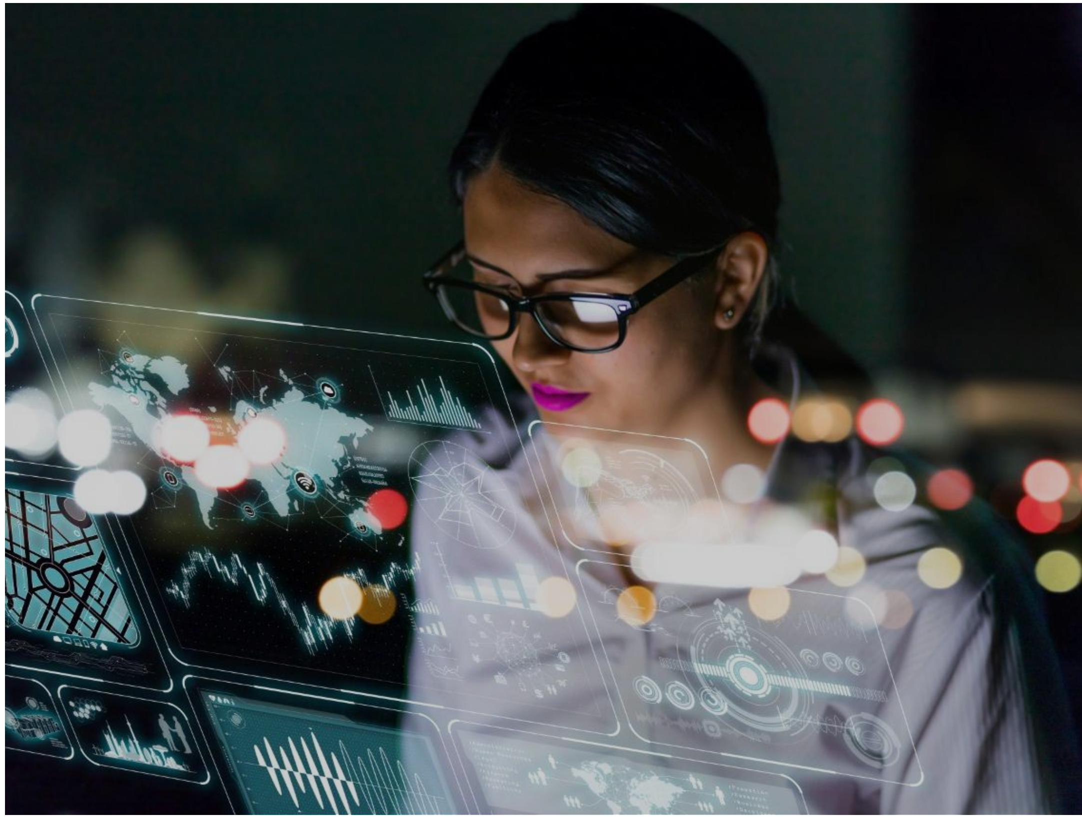
The next phase of Southeast Asian venture will require more than domestic ecosystem development. Startups from the region need access to broader corridors of capital, customers, talent and strategic partners. Golden Gate Ventures sees an important role for VCs in helping founders build that global perspective, whether through market entry and learning initiatives across the US, China and Japan, or platforms such as the Asia-Gulf Summit that open new growth corridors between Asia and the Middle East.

Golden Gate Ventures remains confident in Southeast Asia's long-term potential. Ecosystems are not built in years, but in decades. The discipline being forged today, under more demanding conditions, will ultimately determine the resilience, credibility and global relevance of the region's startup landscape. The current correction is painful, but it is also clarifying. It will reward founders who can build through complexity, and investors who combine early conviction with institutional discipline, local depth and a long-term view.

# ANNEX

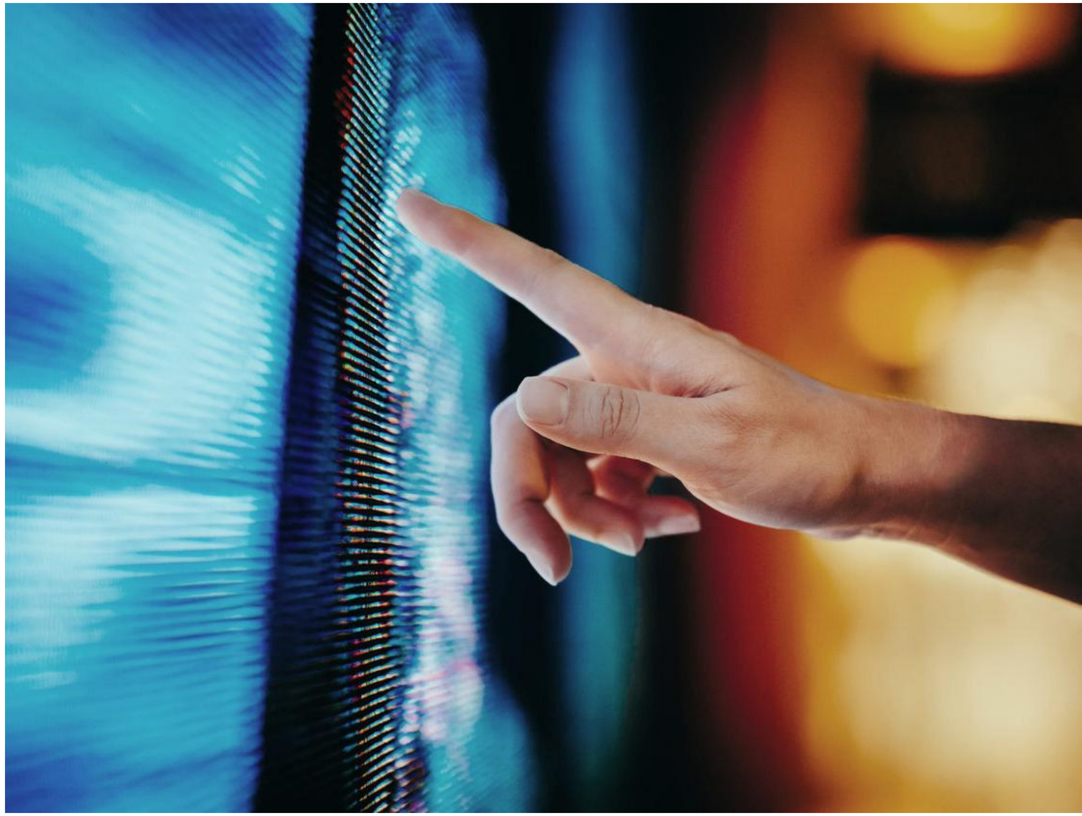
# OVERALL APPROACH

- The figures in this report leverages on datasets including those from S&P Capital IQ, CB Insights, Refinitiv,  PitchBook Inc., Crunchbase, Merger Market, as well as EY-Parthenon' and EnterpriseSG proprietary deals datasets.
- All monetary values in this report are in US dollars ("US$") unless otherwise stated.
- There may be disparities between the figures presented in this report and previous reports because:
  - Source data from data providers has been updated retrospectively
  - There were changes in data provider composition
  - Methodological variations to classify deals into various categories
- To classify firms as AI, a selection (based on sufficiency) of AI Keywords were applied to company information fields. If two or more fields were present in the company's entry, it was classified as AI. Companies developing technologies related to Natural Language Processing, Large Language Models, vertical AI solutions, AI infrastructure, and other AI-related software were classified as AI firms.



# SCOPE OF ANALYSIS

- Regional markets: ASEAN-6 includes Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam.
- Industry classifications: The industry classifications were derived from mapping the labels from data providers to a simplified industry taxonomy to ensure standardised categorisation.
- Venture funding deals include early stage and late stage venture funding deals for companies in Singapore from all investor types (for example, Venture Capital firms, Private Equity Firms, Corporates, Family offices, etc.). Incubator and Angel deals are not included.
- Early stage and late stage deals are defined as follows:
  - Early stage consists of seed rounds, and series A to series B venture rounds.
  - Late stage consists of series C and subsequent venture rounds
- Deep tech startups need to have an advanced/specialised scientific or engineering field and own research-based Intellectual Property (including patents, know-how, trade secrets) that are:
  - Differentiated or proprietary, and;
  - Will create new products, processes, or technologies.



# INDUSTRY DEFINITIONS

| | |
|---|---|
| **Fintech** | ▸ Technology-enabled financial services spanning payments, lending, insurance, wealth management, and capital markets infrastructure, including platforms that enhance financial access, efficiency, and intermediation. |
| **Advanced manufacturing** | ▸ High-technology production systems and processes that improve industrial efficiency, precision, and scalability, including robotics, automation, advanced materials, and semiconductor-related technologies. |
| **Healthcare & biomed** | ▸ Technology-driven solutions addressing healthcare delivery, diagnostics, therapeutics, and life sciences, including pharmaceuticals, medical devices, and digital health platforms. |
| **Consumertech** | ▸ Digital platforms and technologies focused on end-consumer products and services, including e-commerce, marketplaces, and direct-to-consumer models. |
| **Media, gaming & creator economy** | ▸ Platforms enabling digital content creation, distribution, and monetisation, including gaming ecosystems, social media, and creator-led business models. |
| **Proptech & built environment** | ▸ Technology solutions applied to real estate, construction, and urban infrastructure, improving asset management, development, and operational efficiency. |
| **Enterprise software & data infrastructure** | ▸ Software platforms and digital systems that enable enterprises to manage, process, and analyse data, including cloud infrastructure, AI tools, and enterprise applications. |
| **Logistics & mobility** | ▸ Technologies that enable the movement of goods and people, including supply chain optimisation, transportation platforms, and mobility solutions. |
| **Climatetech & clean energy** | ▸ Technologies that support decarbonisation and environmental sustainability, including renewable energy, energy efficiency, and climate risk management solutions. |
| **Agrifoodtech** | ▸ Technology-enabled solutions across agriculture and food systems, including production, processing, and alternative food innovations that improve sustainability and resilience. |

Source: EY-Parthenon analysis