Vynn Capital

A glance at 2021

Vynn Capital Annual Newsletter

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Vynn's 2021 Journey

PATA

Victor Chua spoke at the PATA Beyond digital exhibition alongside other senior managers on critical topics for rebuilding travel

ASEAN Startup Awards

Vynn Capital succeeded as the finalist at the ASEAN Startup Awards, the largest no-pitch, no-competition competition designed for the startup ecosystem

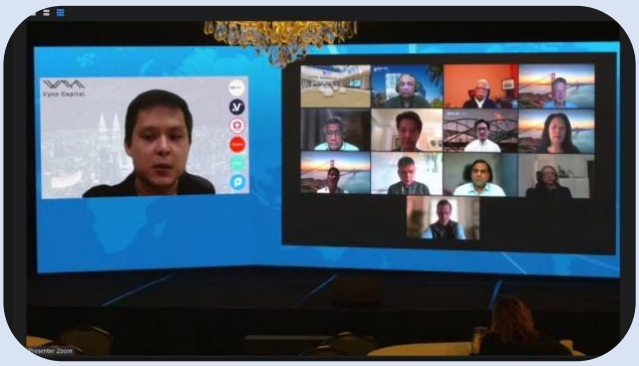
MDEC

Victor Chua as a panelist at MDEC's Malaysia Tech Month on the discussion of "Asia Digital Outlook – Ventur Capital Prediction and Dynamics that drive them"

Malaysia- China Chamber of Commerce

Vynn Capital represented by Victor Chua at the 11th Malaysia-China Entrepreneurs Conference and the 2nd Malaysia-China Young Entrepreneurs Forum organized by the Malaysia-China Chamber of Commerce

Pacific Pension & Investment Institute



Victor Chua shared Vynn Capital's approach towards how technology and entrepreneurship can address social inequalities in Asia at the Asia Pacific Roundtable hosted by the Pacific Pension & Investment Institute

#Vynnhack 2021

Amid the 2021 headwinds, we at Vynn Capital have ensured that our initiatives and deal activity have remained relevant and thriving throughout the pandemic. As we venture into 2022, we'd like to reflect upon some of our key moments of the year such as hosting **our very own hackathon**, #Vynnhack.

Through weeks of organizing and liaising with our esteemed partners, we successfully launched #Vynnhack with the sole aim of providing talent from all walks of life, be it companies or individuals alike, with the opportunity to collaborate with some of Southeast Asia's top-performing startups. The landscape amongst the participants of the event definitely proved to be a competitive one as we wrestled to determine a winner for the challenge.

Nonetheless, HariGaji, a Malaysian Fintech startup which provides personal financial management services, emerged as **#Vynnhack 2021's champion** under the Travelio's Agent Partner Development category. As a result of their success, HariGaji was presented an opportunity to work with Travelio in an effort to broaden the offerings of both parties across the region and to-date, HariGaji has expanded their operations to Indonesia as well.

New Alliances

2021 is a year where we doubled down on people, we expanded our team and network as we believe that diversity in people is a key success factor for our success. From PATA to the UNWTO, we make it a point to ensure that our investees are supported and connected with the necessary parties to further their goals that go beyond mere capital infusion. In 2021, Vynn Capital onboarded real estate and capital markets veteran, Dato Noorazman Abd Aziz, as well as the highly distinguished Tunku Ali Redhauddin who brings with him years of experience in principal investing.

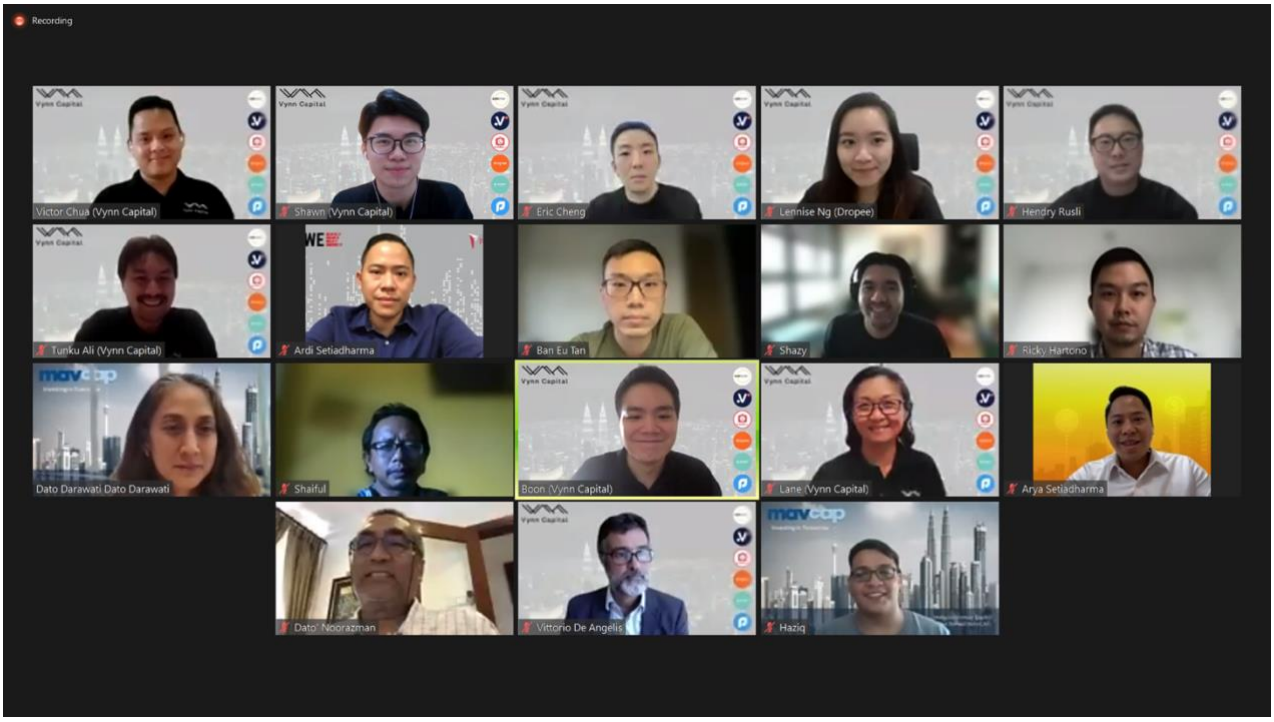
Advisor
Dato' Noorazman Abd Aziz

Appointed as an advisor of Vynn Capital in March 2021, Dato Noorazman brings with him over 37 years of experience in banking and finance, capital markets and investments. Dato Noorazman's reach of network in the nation through several board memberships covering various sectors will serve as an example of how we at Vynn draw on the guidance of industry veterans to better the position our investees for market expansion, particularly in Malaysia.

As evidenced by his experience at Khazanah Nasional Berhad as a former Director of Investments as well as Senior Advisor at a major private equity firm, Tunku Ali is no stranger to the inner mechanics of venture investments. As a serial investor in startups himself, Tunku Ali plays the perfect role of a **Partner** through his expertise in identifying entrepreneurs with a penchant for innovation.

Partner
Tunku Ali Redhauddin

The Vynn-ing Formula



With their strong yet stable performance, our investees emerged from the fiscal year with resilience and we were pleased to showcase the founders behind them in our **Annual Limited Partners** meeting, The Vynn-ing Formula, hosted by our very own Vynn team.

The Vynn-ing Formula incorporated various interactive events including a fireside chat on the up and coming trends within the startup funding landscape which was discussed among Vynn partners Victor Chua and Tunku Ali as well as special guest Shahril Anas, CEO of MAVCAP. The conversation touched on several topics such as the dynamics of capital allocation between private equity and venture capital and the angle of sustainability from the lens of investment managers of which all parties agreed that it is a rising segment in the realm of investments but more importantly, the need to recognise sustainable themes is eminent.

In addition, we also had the founders of Carsome (*Eric Cheng*), Travelio (*Hendry Rusli*), Dropee (*Lennise Ng*) and Velotrade (*Vittorio De Angelis*) engage in a panel discussion covering the evolution of the startup space under the global pandemic crisis where each of them offered varying but aligned opinions on the matter.

Research-driven Insights

As a research-driven venture firm, we launched a series of research publications to cover the general market outlook on the industries that we focus on. As a thought leader, we see this as a way to bring value to our Limited Partners, portfolio companies and friends. Click here for more info.

Investee Milestones

Despite the pandemic's hurdles, some of our investees not only remained active throughout their business activity but also managed to raise funds in a time of limited capital flow and one of them even emerged as our nation's first unicorn. Following a **share purchase of 19.9% of iCar's shares**, Carsome was noted as Malaysia's first ever unicorn with a **$1.3 billion valuation after the company raised $170 million** in a funding round which included Taiwanese chipmaker MediaTek. The news as our nation's first unicorn was also **covered by CNBC** where Eric Cheng shared on how Carsome's offerings has grown tremendously both in terms of services and geographic presence as well as how the company is able to cultivate the used-car market amongst countries in Southeast Asia.

Within the same year, Carsome also received numerous awards and accolades in the first three months of the year, namely the **EY Emerging Entrepreneur of the Year**, SME & Entrepreneurs Business Award's **Technopreneur of the Year**, **Wild Digital's BOOM21 Disruptors**, and is the only Malaysian company ranked in the Top 50 of the **Nikkei-FT-Statista High-Growth Companies Asia-Pacific 2021** list.

Amid the pandemic and adapting to its newfound unicorn-status, Carsome never fails to neglect the social situation of its employees particularly when it pertains to mental health. Carsome has made striding efforts to empower the wellbeing of their Carsomers by **providing additional financial aid to its workforce members to seek psychological aid** as well as partnering with Physician Wherever to supply psychological-well-being devices to evaluate and recognise indicators of tension amongst employees.

Hailing from East Malaysia, Epost Express **secured over USD 1.4 million** in funding for the purposes of product optimisation and market expansion across Southeast Asia. Founded in 2019, the company is now operational with fulfilment

facilities in several hubs across the region and serve the markets of Malaysia, China, Singapore, Vietnam, Brunei and the Philippines.

According to Tobin Ng, CEO of Epost, “In Southeast Asia, the e-commerce logistics industry has plenty of room for growth, especially in services that enable connectivity across national borders”. The firm has paved a path with high growth prospects in the logtech scene and is even in a sound position to secure an additional funding of USD 945,000 from Warisan Quantum Management should the business meet their milestones.

Having been the **latest startup to join the Vynn-ing team**, Velotrade not only brings greater diversity to our geographical coverage as an investor but also in terms of sector focus. Noted as the first and only Account Receivables Financing Platform to obtain a Type 1 license by Hong Kong’s SFC, Velotrade is on a mission to solve 2 major problems in the professional value chain and that is advancing funds to SMEs in need of funding alternatives and institutional investors looking for investments into SMEs through means of hedging or otherwise.

As with all of our investments, we put synergy as one of the core values that we like to see between our startups and Velotrade’s platform has been engineered to do just that as we begin to explore how their offerings can be integrated to fit the business models for the likes of Carsome or Dropee. Not to mention, the company is already up and running with clients in the regions of Hong Kong, Vietnam, China, United States as well as Malaysia which would not only give us a foothold in these countries for supporting our other investees but will also allow us to tap into or

strengthen partnership networks that spread beyond ASEAN to cover APAC and the greater Western hemisphere.

When it comes to the B2B e-commerce segment, Dropee is without a doubt one of country's top contenders in the marketplace. As one of only 4 Malaysian startups to have joined **Forbes Asia's inaugural "100 to Watch" list** in 2021, Dropee has performed outstandingly throughout the course of the pandemic. Companies on the list are making remarkable progress and impact in spite of the challenging climate brought on by the Covid-19 pandemic. "Their inclusion on the list comes in part from addressing significant problems with innovative solutions," said Forbes Asia editor, Justin Doebele, in a statement.

With the company's extensive reach through partners and clientele in the e-commerce space, Dropee has ensured that their resources provide aid to those in need during the pandemic by **launching Dropee Cares** – an initiative to help the communities that are most in-need. The initiative is joined by Non-Governmental Organizations (NGOs) across Malaysia where customrs of Dropee are able to purchase essential goods from the platform to donate them to the NGOs and Dropee subsidizes a portion of the total bill.

Dropee's traction since their inception in 2017 has been nothing short of progressive with the company now serving over 70,000 businesses and revenue having gone up over 600% in the past three years alone. Going beyond Malaysia, Dropee also provides an integrated supply chain network in Indonesia called **Borong** where the company is looking to expand their offerings to cater to the Indonesian market as they venture on their journey to capture greater market share in ASEAN.

As we approach the year's end, we'd also like to acknowledge some of the outstanding achievements of our founders namely **Lennise Ng from Dropee who won the MVCA award of Outstanding Woman Entrepreneur** that recognizes visibility and inclusivity of female leaders.

In addition, Vynn's first unicorn, **Carsome, succeeded in securing the Deal of the Year Award** which emphasizes on the most outstanding deal in terms of size, complexity and value creation.

Managing Partner, Victor Chua, accepts "Deal of the Year" Award on behalf of Carsome

It was a truly gratifying experience to witness such fulfilment on our investees' part having won 2 out of only 12 awards given across the whole country. Amongst the remaining 10 award-winners include Sunway Group, 500 Southeast Asia, Xeraya Capital, MAVCAP, pitchIN, MTDC, CoMetro Capital and Sophic Automation.

Building the Ecosystem

The future of Malaysia's startup ecosystem is in building more, and better, startups

Held during the KL Startup Summit in March, our managing partner, Victor Chua, was invited as a panelist to partake in the topic of **"The Future of the Malaysian Startup Ecosystem"**.

Over the course of the panel discussion, each participant shared their own views on how the startup scene in Malaysia can benefit from working alongside local enablers and educational institutions to further the goals our region's entrepreneurs. We at Vynn go the extra mile as a VC to embody such visions by integrating our insights with university curriculums such as our initiatives with MMU and UiTM as well as affiliating ourselves with global partners including the CFA society.

MMU, Vynn Capital collaborate to explore entrepreneurial prospects

With an aim to enhance the development of entrepreneurship amongst students through industry-university initiatives, **Vynn Capital has signed a Memorandum of Understanding (MoU) with Multimedia University (MMU)**.

According to the president of MMU, Mazliham Mohd. Su'ud (pic), such a cross-collaborative ecosystem will open up new business opportunities for the younger generations, which will address unemployment issues among graduates.

Under the MoU, MMU and Vynn Capital will explore areas of cooperation and business development and provide students and alumni with mentorship opportunities. Such actions will also place local university students in a good standing to prepare themselves for investments and equity funding while exploring the development of the venture capital space, said MMU.

A Vynn-inspired Workshop

“Funding Option & Knowing Investors”

As much as one can learn in a classroom setting, nothing beats the teachings of a practitioner with years of hands-on experience. In August, our managing partner conducted workshops which were organised by University Teknologi MARA’s (UiTM) commercial wing, UiTM Technoventure, on the topic of funding options as well as an introduction to venture capital.

The workshops were aimed at **teaching university students the best practices** when it came to applying useful skills in the venture capital landscape such as targeting the right investors and sourcing the best deals to suit your funds needs in addition to customising a due diligence process to fit your mandate

CFA Malaysia’s Fireside Chat of the Month

“Battle of Elon Musk Vs Masoyoshi Son vs Jamie Dimon: The Lure of Entrepreneurship”,

As much capital as VCs or other institutional investors in the startup space can raise, entrepreneurs complete the other half of the picture for without such innovative individuals, the flow of funds along the value chain would not be efficient.

Between VCs and startups alike, there presents similarities between how both entities operate, given that both entities can be started from scratch and the only contrasting difference would be the business model and the clientele each parties served. Nonetheless, it was mutually agreed amongst the panelist that for such a pioneering ecosystem to thrive, regardless of the work environment, there needs to

be engagement from all supporting entities which includes investors, founders as well as government bodies.

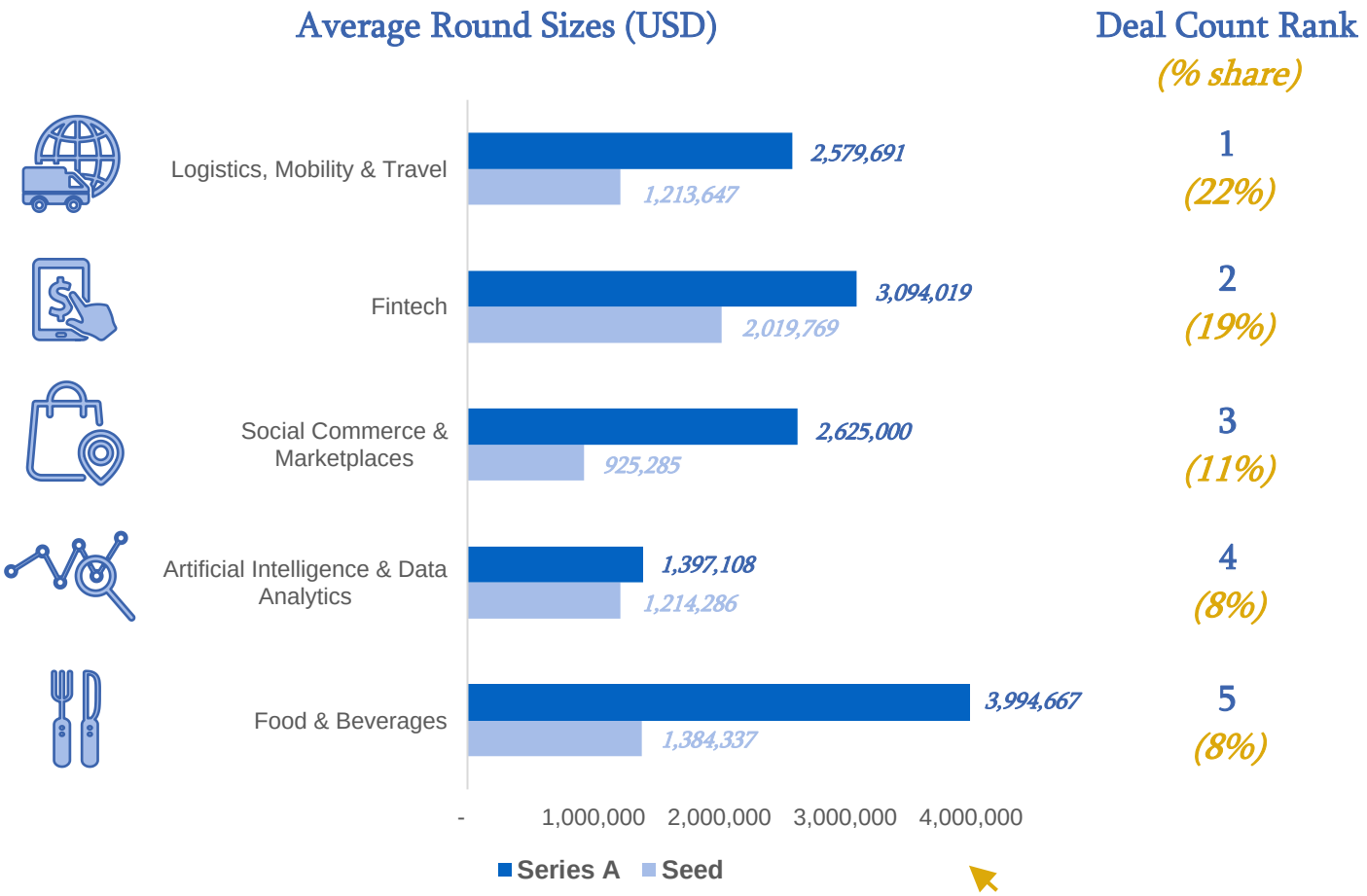
At the CEO Roundatable's Podcast by David Kim

Our Presence in Korea

Vynn's managing partner Victor Chua as **featured on CEO Roundtable – Bridging Asia' and Asian Investors** hosted by David Kim, CEO of Northhead Capital Partners. The podcast Q&A comprised of Victor's journey from founding Vynn Capital to becoming one of the nation's leading VCs with an early-stage investment in the country's first unicorn Carsome and a comprehensive investment theme that focuses on the developments of technology.

Regional Deal Flow Demographics

Regional Deal Flow Demographics



Based on our total database of startups

>16%

of our pipeline are female-founded startups

>12%

of startups that came to us has strong ESG element

Met with founders from

18

countries

The Vynning Formula

Market consensus has shown that these sectors have been the most dynamic in terms of deal activity

What's in 2022?

- Our data-driven research indicates that the region is ripe for greater Supply Chain and Mobility deals where we are currently focusing on
- As the region grows, insights and data is needed for more sound decisions. Vynn will share more intelligence with the ecosystem through a continuous push of our research function, through releasing more research reports and statistics

Thank You

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