

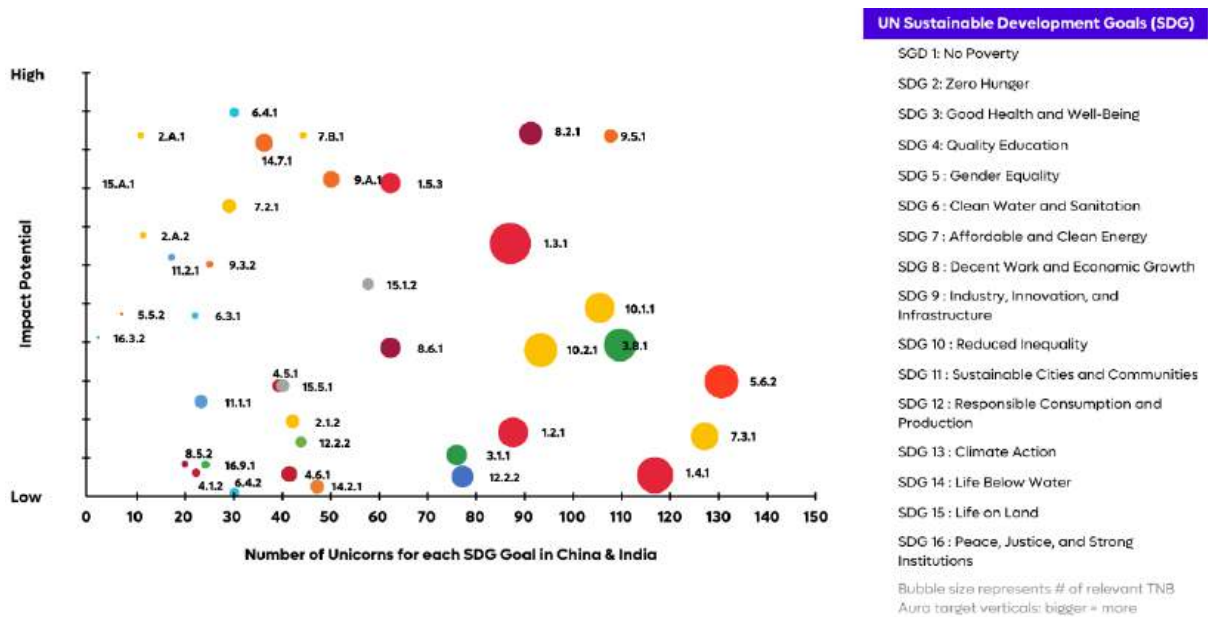
# Unlocking High-Impact Opportunities in Southeast Asia's Markets

At TNB Aura, our mission to uplift "The Next Billion" is rooted in sustainable and impactful investments. Recognizing that Southeast Asian countries, such as Indonesia, the Philippines, and Vietnam, lag developed markets in key Sustainable Development Goals (SDGs), we partnered with LSE (Castore Consulting) to benchmark the region's SGD progress against selected global markets. This initiative underscores our commitment to collaborating with Development Financial Institutions (DFIs) and global partners to identify critical gaps and drive meaningful improvements, ensuring sustainable and inclusive growth across the region.

This resulted in mapping the impact potential of key SDG indicators against the size of their potential outcome, proxied by the sectors addressed by unicorns in China and India (see Figure 1). This allows us to uncover high-growth opportunities aligned with key SDGs for Southeast Asia.

While all 16 SDGs are vital, VC funds in Southeast Asia must take a strategic approach—prioritizing key areas to maximize their impact and drive meaningful growth.

Figure 1: SDG Indicator Mapping



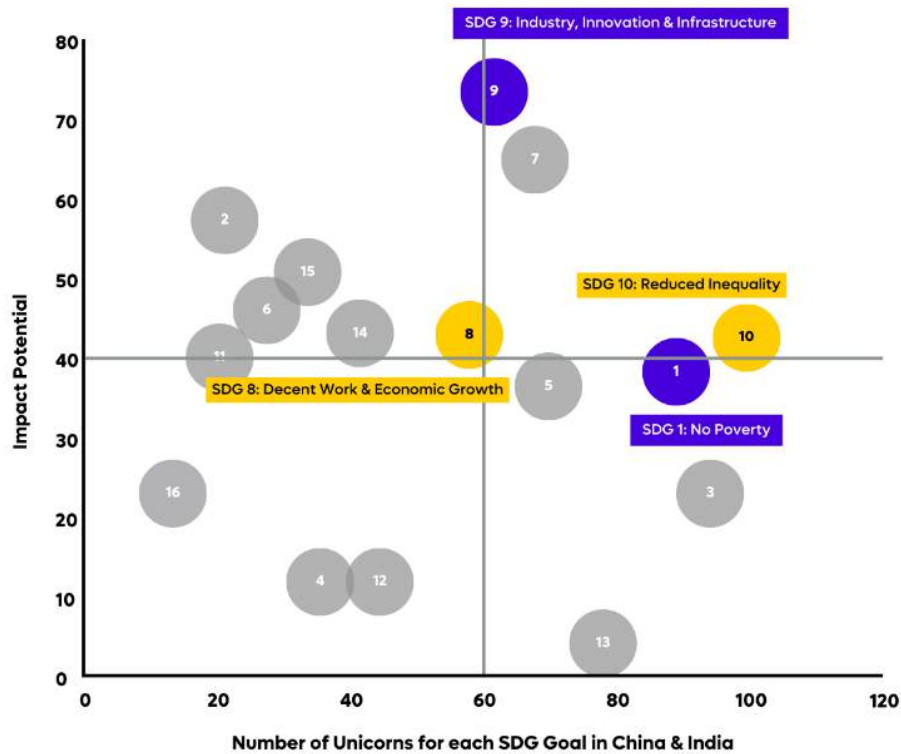
## The project aimed to address 3 main objectives:

- Mapping the impact potential of SDGs based on the number unicorns that have emerged in related sectors
- Benchmarking SEA's performance against developed markets in key SDGs using chosen indicators
- Identifying SDGs that have the highest impact potential to determine high growth opportunities

By consolidating the underlying data under each SDG goal (from Figure 1), it became apparent that four specific SDGs offered the greatest impact potential combined with growth opportunity (see Figure 2). Specifically:

- **SDG 1:** No Poverty
- **SDG 8:** Decent Work & Economic Growth
- **SDG 9:** Industry, Innovation & Infrastructure
- **SDG 10:** Reduced Inequality

Figure 2: Consolidated Mapping of SDGs



**Note on SDG 7 – Affordable and Clean Energy:** While the sector is still evolving in alignment with our core impact and co-benefit focus areas, we are actively evaluating its potential and remain open to future opportunities.



## SDG 1: No Poverty

End poverty in all its forms everywhere

### Overview

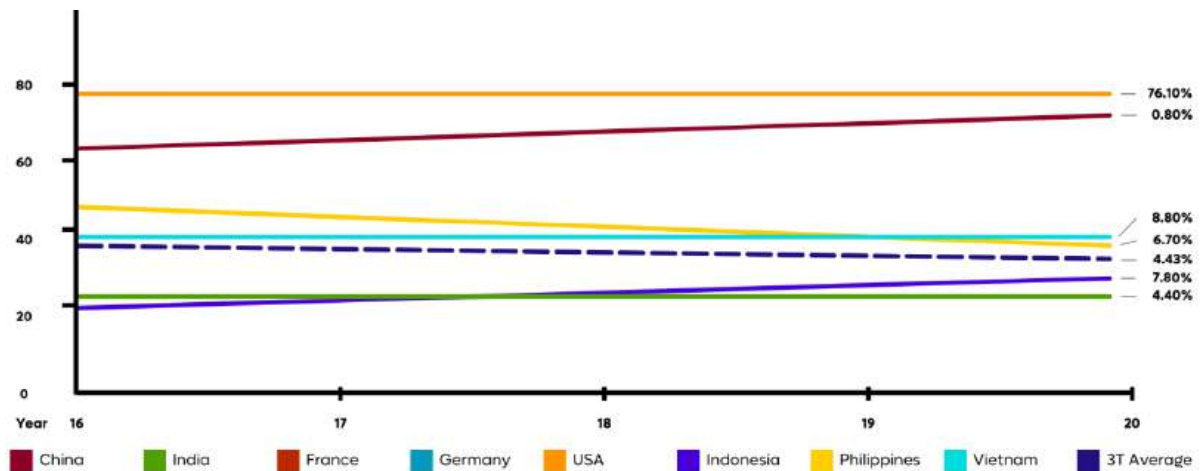
TNB Aura targets investments in solutions for Tier 2 and Tier 3 cities, which often face critical development challenges such as limited access to goods, inefficient logistics, and inadequate infrastructure. These barriers present significant opportunities for innovative enterprises to create impactful change, making this a high-potential area for investment.

For instance, our portfolio company Super enhances connectivity in underserved regions, supporting over 500,000 end-users and 15,426 resellers, driving economic inclusion and growth.

### SDG 1.3.1: % of the Population covered by at least 1 Social Protection Benefit

- High impact potential at 65.6% given the threshold for the indicators is 100% in best performing countries
- 87 unicorns addressing sub-goal indicator which is above average, and its relevant to many target verticals

Figure 3: % of Population Covered by at Least 1 Social Protection Benefit





## Deep Dive

Measuring the SDGs' progress based on select indicators, findings show how SEA 3T fared against developed markets below:

### SDG 1.3.1: % of the Population covered by at least 1 Social Protection Benefit

The graph describes the availability of nationally appropriate social programs and protections for populations worldwide.

- **Problem:** Given 3T's' limited resources and weaker institutional capacity, there is a greater need for social protections within these markets.
- **Key Findings:** In the 3T (Vietnam, Philippines and Thailand) only 34.43% of the population has access to social protection benefits.
- **SDG:** SDG Indicator 1.3.1 is addressed by 18 out of 100 TNBA focus verticals, representing 87 unicorn companies in China and India.

Some examples are as follows:

- **FinTech: Neobank, Digital Bank, KYC (research completed for 10 Fintech unicorn sectors):** Better banking solutions provide greater access to integrated services that can improve social coverage. When used appropriately, Fintech promotes financial inclusion and strengthens financial well-being and digital security.
- **Healthcare: Telehealth, Integrated Healthcare Provider (research completed for 8 unicorn sectors):** Innovative healthcare services improve healthcare standards and enable healthcare needs to be more accessible. Comprehensive coverage is vital to promoting greater resilience against sickness.
- **App & Software: Connectivity/Access, Cyber Security, LegalTech (research completed for 8 unicorn sectors):** Better Apps and Software reduce digital risks and enable digital ecosystems to remain safe and secure. Privacy, improving information transparency and the growing need for better technological standards create better digitization efforts in the long run.





## SDG 8: Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

### Overview

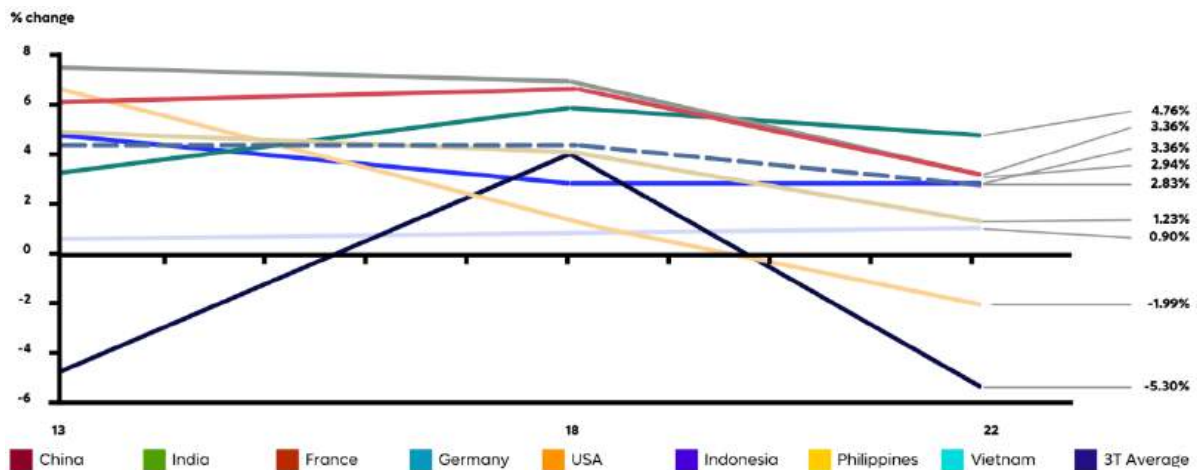
TNB Aura invests in solutions that expand access to quality employment and enable sustainable livelihoods, particularly in developing markets where underemployment and informal labor are prevalent. By backing platforms that enhance workforce readiness, and provide income-generating opportunities, we support the creation of productive and dignified work.

For example, our portfolio company Vuihoc delivers affordable and accessible digital education to underserved students across Vietnam, enhancing early-stage learning and future employability. With over 100,000 active users and 19.8 million beneficiaries to date, Vuihoc plays a critical role in strengthening the foundations of long-term economic participation and growth.

### SDG 8.2.1: Annual Growth Rate of Real GDP per Employed Person (%)

- Very high impact potential, given 94.5% delta and particularly considering a declining trend
- Above average investment potential but relatively small number of target verticals addressed

Figure 4: 8.2.1 Annual Growth Rate of Real GDP Per Employed Person (%)





## Deep Dive

Measuring the SDGs progress based on select indicators, findings show how SEA 3T fared against developed markets below:

### SDG 8.2.1: Annual Growth Rate of Real GDP per Employed Person (%)

The graph describes the real GDP growth rate for every employed person in the region.

- **Problem:** Given the 3T's growth in economic outputs over the past decade, there is a need to translate this productivity into long-term outcomes for individual households and businesses.
- **Key Findings:** We found that for every employed person, annual GDP growth is trending downwards slower in the 3Ts than in developed regions, which proves the resilience and potential of the Asia region. However, more can be done to improve country-level productivity by supporting grassroots innovation.
- **SDG:** SDG Indicator 8.2.1 is addressed by 10 out of 100 TNBA verticals, representing 91 unicorn companies in China & India.

Some examples are as follows:

- **Logistics: Integrated Logistics, Logistics Management Software:** Logistic solutions can help regional businesses streamline operational efficiency and scale their businesses by improving access to critical resources and goods.
- **App & Software: CloudTech, Cybersecurity, Developer /Creator Tools:** Technologies that build digital security and storage are vital in enabling workforces to ideate and create new products and services safely and securely, helping sectors develop a protected and reliable landscape for innovation and creativity.
- **Hardware and IoT:** Hardware innovations, including smart devices and robotics, are key to improving productivity and transforming manual labour in the new economy. These tools enhance business operations, increase workplace efficiency, and help industries future-proof their processes for growth and scalability.
- **Artificial Intelligence: Data Analytics, Computer Vision, and Smart Cities:** Artificial Intelligence is essential for improving productivity and streamlining complex industries. It powers data analytics, computer vision, and smart city solutions, providing businesses with advanced tools that optimize decision-making, resource management, and overall operational efficiency in a technology-driven environment.



## SDG 9: Industry, Innovation, and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

### Overview

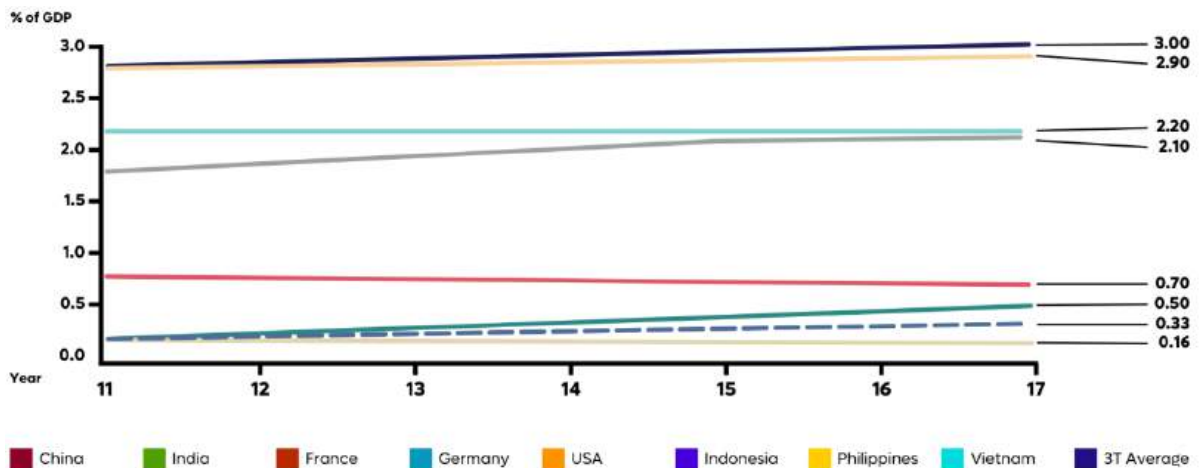
TNB Aura focuses on investments that drive technological innovation and strengthen infrastructure, directly benefiting businesses and consumers while contributing to societal progress. By reducing operational bottlenecks, these solutions create measurable impact across industries.

For example, one of SEA's largest Agritech player AgriAku improves access to financing for small-scale farmers, serving approximately 28,000 farmer stores across Indonesia and employing close to 741 staff as of 2023. This approach supports economic empowerment and sustainable development.

### SDG 9.5.1: Research and Development Spending as a Share of GDP

- Very high impact potential with a delta of 93.9% between the 3T and Western economies generally
- The impact potential is high, and while the number of target verticals relevant to the goal is small on the graph, this depends on the allocation of the R&D and could potentially cover a wide range of verticals

Figure 5: 9.5.1: Research & Development Spending as a Share of GDP  
(\*Data for Indonesia is not available)



- The top-performing nations, USA and Germany, both have strong innovation ecosystems, substantial investment in R&D (Germany invests heavily in biotechnology) by both the public and private sectors.
- China's apparent stagnation in this SDG has since improved as, post COVID-19, has implemented many opening-up policies to attract foreign investment and create greater opportunities for small-scale industries to thrive.





- Across the 3Ts, performance within this indicator is poor due to challenges in accessing finance, including limited access to credit, high borrowing costs, and a lack of financial literacy among entrepreneurs.

## Deep Dive

Measuring the SDGs progress based on select indicators, findings show how SEA 3T fared against developed markets below:

### SDG 9.5.1: Research and Development Spending as a Share of GDP

The graph describes research and development spending as a share of GDP between the developed countries and the 3T.

- **Problem:** It was found that developed markets have strong innovation ecosystems, and high investment in R&D across the public and private sectors, that the SEA 3Ts lack.
- **Key Findings:** Compared to the SEA 3T markets, developed regions allocate 2.9x and 3.0x their GDP, respectively, toward R&D. In contrast, the 3T regions invest only 0.34x their GDP on average. This underscores the lower funding for research initiatives, limited focus on technological innovation, and insufficient long-term infrastructure development in these areas.
- **SDG:** SDG Indicator 9.5.1 is addressed by 6 out of 100 TNBA focus verticals, representing 107 unicorn companies in China & India.

Some examples are as follows:

- **Healthcare: Telehealth:** Access to doctors, general practitioners, and treatment traditionally requires a high upfront cost. Telehealth services reduce the pressure on overhead costs and promote more affordable alternatives to gaining access to healthcare services.
- **Automotive and Transportation: Electric Vehicles:** As the demand for electrification and green transportation grows within the region, the development and use of electric vehicles and their infrastructure becomes more pressing.
- **Energy: Access and Efficiency:** Finding solutions that make energy more affordable, accessible, and efficient has become more urgent in Southeast Asia as energy costs continue to increase. Empowering consumers and the energy sector becomes more feasible by allocating additional resources to research in these areas.



## SDG 10: Reduced Inequalities

Reduce inequality within and among countries

### Overview

TNB Aura is dedicated to reducing inequalities by enhancing financial inclusion for underbanked populations. The increasing demand for better digital infrastructure and the need to address the regional financing gap present significant opportunities to make financial services more accessible. With rising incomes and more robust financial systems, this SDG aligns with high-impact opportunities and is supported by numerous unicorns in the sector.

Our investment in companies such as GIMO exemplifies this commitment. GIMO operates an earned wage access model that improves financial flexibility and well-being for underbanked workers. To date, over 500,000 workers across Vietnam have benefited from GIMO's innovative financial solutions, advancing financial inclusion and fostering economic stability in the region.

#### 10.1.1. Annual Growth of the Income or Consumption of the Poorest 40%

- Average impact potential but improving the indicator is highly impactful in absolute terms
- High investment potential with 105 unicorns relevant to the indicator

#### 10.2.1. Relative Poverty: Share of People Below 50% of Median Income

- Average impact potential but improving the indicator is highly impactful in absolute terms
- High investment potential with 105 unicorns relevant to the indicator

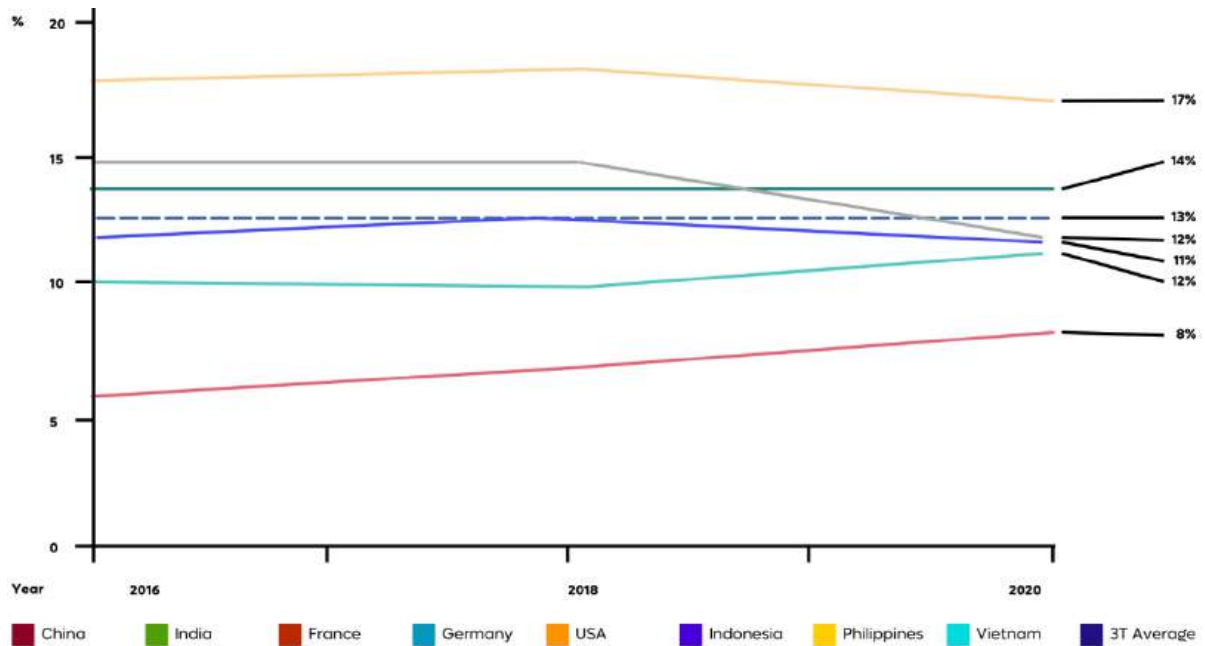
Table 1: 10.1.1 Annual Growth of the Income or Consumption of the Poorest 40%

Country	Annual Growth in Income of the Poorest 40%	Annual Growth in Income of the Total Population
Indonesia	3.4	2.4
Philippines	3.0	0.8
Vietnam	4.7	5.6
China	7.2	6.3
India	4.5	4.9
France	-0.1	-0.5
Germany	2.1	2.3
USA	4.9	4.0

- Indonesia, Philippines, China, and the United States saw greater annual growth in the income of the poorest 40% of the population as compared to the annual growth of income of the total population.
- In other countries, the income of the poorest 40% grew by a smaller amount.
- France saw decline in annual growth in income.



Figure 6: 10.2.1 Relative Poverty: Share of People Below 50% of Median Income



- Relative Poverty in almost all countries has remained fairly constant in all countries.
- India and France saw slight increases in relative poverty, but other nations including the 3T countries saw decreases.

## Deep Dive

Measuring the SDGs progress based on select indicators, findings show how SEA 3T fared against developed markets below:

### SDG 10.2.1: Relative Poverty: Share of People Below 50% of Median Income

The graph compares the relative poverty rate of developed markets with that of three target countries (Indonesia, Philippines, Vietnam), defined as the share of people earning below 50% of the median income.

- **Problem:** It was found that the SEA 3T markets have lower overall income levels averaging from US\$8.5K - US\$12K, compared to developed markets averaging US\$12K, signalling the inequitable income distribution in emerging markets.
- **Key Findings:** Developed markets have higher relative poverty rates, averaging 17%, while the SEA 3T countries have an average rate of around 12%. While SEA 3T maintains a lower relative poverty rate, this can be attributed to the lower overall income levels within 3T rather than the poverty levels within the region.
- **SDG:** SDG Indicator 10.2.1 is addressed by 14 out of 100 TNBA verticals, representing 94 unicorns in China & India.



Some examples are as follows:

- **FinTech: Digital Bank/Neobank, Consumer Finance, Asset Management:** Fintech improves financial inclusion by providing low-cost banking, affordable credit and insurance. This helps the low-income groups manage finances better and increases access to financial resources for the underbanked, reducing inequality.
- **E-Commerce: Social Commerce, B2B Commerce, D2C House of Brands:** E-commerce platforms make essential goods more accessible and affordable, helping to reduce living costs for low-income households. Additionally, B2B commerce lowers costs for businesses, particularly in tier 2 and tier 3 cities, by streamlining procurement processes and enhancing supply chain efficiency.
- **Education Technology: K12 Education, Post Graduate Education/Professional Education, English & Language Education:** Edtech improves access to quality education and provides affordable learning resources for all grades & levels. This enables individuals from low-income households to gain skills and qualifications for better job prospects and alleviates poverty.
- **Healthcare: Online Pharmacy, TeleHealth, Healthcare Software:** Healthcare improves access to affordable medical services through online pharmacies, telehealth, and innovative medical devices. These advancements lower healthcare costs and enhance treatment and care, reducing inequality within healthcare.

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## Recap

In summary, our analysis of Vietnam, Indonesia, and the Philippines highlights critical gaps in poverty reduction, healthcare, economic growth, and infrastructure development compared to developed markets like Europe, the US, China, and India. These findings underscore the urgent need for targeted interventions and strategic investments to bridge these gaps and drive sustainable, long-term growth in Southeast Asia.

## Impact



Social protection coverage in 3T countries is stagnating, with digitization efforts in early stages. The research highlighted that poverty in the Philippines remains high due to factors such as natural disasters, corruption, and inadequate safety nets. In contrast, Vietnam's Đổi Mới program has been successful in reducing poverty by emphasizing human capital development.



The 3T countries are seeing faster economic growth relative to their workforce size compared to the US/EU. However, they lag behind India and China, which benefit from rapid industrialization. Among the 3T countries, Vietnam leads with export-oriented manufacturing and economic reforms, surpassing both the Philippines and Indonesia in growth metrics.



The 3T countries fall short of the US/EU standards due to lower economic development, limited resources, and less emphasis on innovation. They also trail China and India, which are prioritizing tech growth. Within the 3T region, the Philippines lags behind Vietnam, facing challenges in innovation investment and implementation.



Relative poverty rates in the 3T countries are lower than in the US, reflecting their lower median incomes (\$8,500 – \$12,000 vs. \$31,000). Despite consistent relative poverty, targeted policy changes could drive more effective improvements.

## Conclusion

Progress made by the three target countries - Indonesia, Philippines and Vietnam - generally lag behind other countries the most in these four SDGs above, suggesting large opportunities for high impact value creation in these areas.

Additionally, this research validates that TNB Aura's target verticals such as healthcare and agriculture align with the current progress Southeast Asia has made in these key SDGs. The research shows that several industries including healthcare, agriculture, fintech, education, and energy, as key verticals for TNB Aura to invest in and where impact can be maximized at the same time.