



Newsletter
M&A
August 2022



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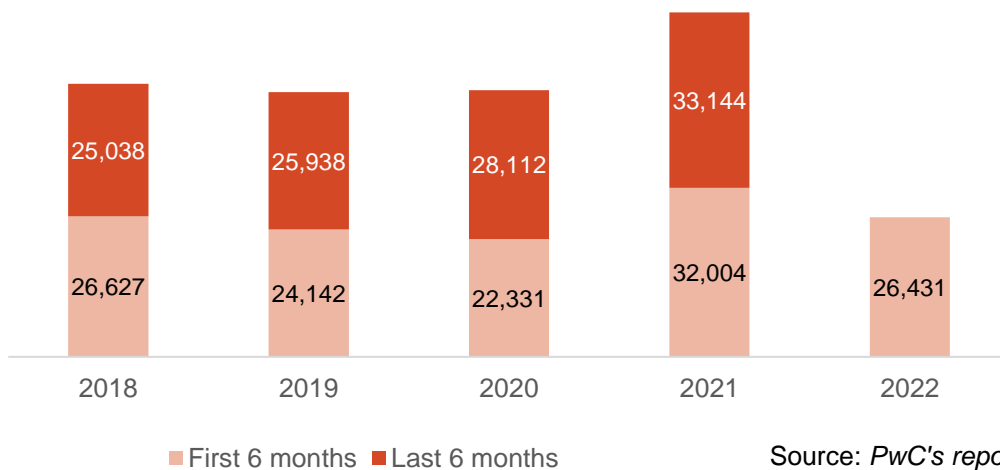


PRIVATE INVESTMENT LEADING THE M&A MARKET IN THE FIRST HALF OF 2022

According to PwC's "Global M&A Industry Trends 2022 Mid-Year Update", although M&A activities in the first half of 2022 slowed down compared to 2021, it returned to a stable transaction level before the pandemic.

The M&A transaction value in the first 6 months of the year reached US\$ 1,952 billion with 26,431 deals. The total number of global transactions with values exceeding US\$ 5 billion (megadeals) decreased by a third, but in the first half of 2022 there were 4 large transactions valued at more than US\$ 50 billion. Private equity (PE) accounted for nearly 50% of the total deal value in the first half of 2022. The growth of private equity investment has provided an abundant source of capital for successful and large M&A deals in the first half of 2022.

Number of global M&A deals over the years, between 2018 and first half of 2022



The current macroeconomic factors and trends are affecting the trade execution across industries in different ways. Industry groups with high M&A potential in the second half of 2022 are technology, financial services, consumption and energy with the following highlights:

Technology: The digital adoption of new technologies remains a top priority, making technology, media and telecommunications lead in attracting investment capital, with more than 1/4 of the total deal volume and 1/3 of the total transaction value in the first half of 2022. Demand in the technology sector will create M&A opportunities in the segment of software and infrastructure-enabling technologies in the second half of 2022.

Financial services: Accounting for nearly 1/4 of the M&A deal value in the first half of 2022. Demand for digital capabilities and increased pressure from the authorities have made M&A continue to be the driving force for transformation.

Consumption: Changes in consumer preferences will create opportunities for M&A as companies seek to transform their business models and reposition themselves for future growth.

Energy: The acceleration of energy transition and increasing focus on supply chain security will drive M&A in this industry in the second half of 2022.



HIGHLIGHTED M&A TRANSACTIONS



STARTUP NANO TECHNOLOGIES SUCCESSFULLY RAISED US\$ 6.4 MILLION

SUMMARY



Announcement date	03-08-2022
Seller/Investee	Nano Technologies
Buyer/Investor	Openspace Ventures
Transaction type	Pre-Series A Raise Funding
Acquired stake	N/A
Value	US\$ 6.4 M
Purposes: To develop a range of solutions that support and benefit low-income workers and become an appropriate financial platform for domestic citizens. The company will also expand its solutions to become a completely flexible beneficial platform for low-income people.	

Seller/Investee: Nano Technologies

Established in 2020 aiming to mainly support low- and middle-income workers in Vietnam who are targeted by loan sharks and short-term loans. VUI is Nano's flagship app, allowing workers to access wages on demand to assist them to more effectively control their personal finances and cash flow. Nano says it has more than 100,000 users from companies like FPT Retail, Central Retail, GS25 and Family Mart. In May 2021, this start-up also raised US \$3 M in a seed funding round.



Powered by Nano

Product: VUI app

VUI is an app product of Vietnam Nano Technology Services Co., Ltd (Nano Technologies), which was created in late 2019. VUI helps businesses recruit and retain employees more effectively through a system of flexible wage paying. Employees at enterprises who have cooperation with VUI can receive wages when needed without having to wait until the end of the month. Besides, employees can keep track of their timesheets, receive notifications from their employers and learn financial basics for free.

Buyer/Investor: Openspace Ventures

The Singapore-based venture capital fund who focuses on technology companies of various stages and in a variety of sectors. The Foundation focuses on apps in the consumer, healthcare, financial, corporate and pioneering industries. Openspace Ventures is also the initial sponsor of Gojek, Kumu and Finhay.



STARTUP MEDICI RECEIVED FUNDS VIA SERIES A FROM JUNGLE VENTURES

SUMMARY



Announcement date	24-08-2022
Seller/Investee	Medici
Buyer/Investor	Jungle Ventures
Transaction type	Series A Raise Funding
Acquired stake	N/A
Value	US\$ 8.5 M
Purposes: The company plans to use the new capital to strengthen its technology infrastructure and capture more markets.	

Seller/Investee: Medici

Founded in 2019, with a vision to help all Vietnamese people quickly and conveniently access high-quality healthcare and insurance solutions. Medici attracts a large number of users with its online healthcare consulting services via video calls or chats. This solution is accompanied by reputable doctors, thereby providing fast and timely healthcare services.

The main investors in Medici Vietnam include venture capital funds such as Insignia Ventures Partners, Jungle Ventures and Wavemaker Partners. In addition, Medici Vietnam has also cooperated with companies such as FWD, Bao Viet, PTI, PVI, VBI and Bao Minh to co-launch a number of insurance products. Medici's services are also being deployed to more than 100 business partners, including Shopee, Garena and courier company Giaohangtietkiem.



Buyer/Investor: Jungle Ventures

The Singapore-based investment firm concentrates on developing long-lasting enterprises while investing in early-to-growth Southeast Asian and Indian companies. To create capital-efficient, high-growth tech enterprises and assist their growth from conception to development and offering, Jungle collaborates with the region's most brilliant founders. initial release to the public (IPO).



VUIHOC ONLINE LEARNING PLATFORM SUCCESSFULLY RAISED US\$ 2 MILLION

SUMMARY



Announcement date	29-08-2022
Buyer/Investor	BACE Capital, Vulpes Venture, DT&Investment & Colopl Next and Nextran
Seller/Investee	Hung Vuong Education and Technology Joint Stock Company
Target	Vuihoc.vn
Transaction type	Pre-Series A Raise Funding
Acquired stake	N/A
Value	US\$ 2 M
Purposes: To accelerate the company's growth to reach 1 million of paying users by 2024. The company will continue to invest in its technology infrastructure, focusing on adaptive learning features that enhance the interaction and learning efficiency of students.	

Seller/Investee: Vuihoc



As an educational platform for students at all grades established in 2019, VUIHOC offers more than 400,000 learning materials in a variety of formats including engaging online courses, attractive video lectures and lively quizzes. Up to now, hundreds of thousands of users across the country have trusted VUIHOC.

Buyer/Investor: BACE Capital and other funds



BACE Capital is a venture capital fund that invests in early-stage start-ups in emerging economies with a focus on India and Southeast Asia.



BACE Capital decided to invest in Vuihoc because this platform offers a comprehensive curriculum for all grades, with a particular focus on the primary level to create more long-term values for students. Moreover, the fund's representative believes that Vuihoc's online classes and group learning will become a market trend after this model has been successfully applied and popularized in China and India.



JERA GROUP ACQUIRED MORE THAN 35% STAKE IN GIA LAI ELECTRICITY JOINT STOCK COMPANY

SUMMARY



Announcement date	16-08-2022
Buyer/Investor	JERA Group
Seller/Investee	International Finance Corp (IFC) and Armstrong Asset Management
Target	Gia Lai Electricity Joint Stock Company (GEC)
Transaction type	Collaborative Investment
Acquired stake	35.09%
Value	US\$ 112 M
Purposes: To contribute to Vietnam's economic growth as well as developing the electricity generation from renewable energy such as solar, wind, etc. in the context of the Japanese company speeds up its efforts to reduce carbon emissions to cope with the global climate change.	



Target: Gia Lai Electricity Joint Stock Company

Established in June 1989, the main production activities of the Company are generation, transmission, distribution and trading of electricity. GEC is a subsidiary of Thanh Thanh Cong Group (TTC), which has started developing renewable energy in recent years with a series of wind turbines and solar cells set in Gia Lai and surrounding provinces.



Investor: JERA

A joint venture between TEPCO Fuel & Power, which is a subsidiary of Tokyo Electric Power Company, and Chubu Electric Power and local gas companies including Tokyo Gas and Hiroshima Gas. JERA was established in April 2015 and takes full ownership and operation of Tokyo Electric and Chubu Electric thermal power plants generating total annual electricity output of up to 67 million kW, making it the largest supplier of electricity in Japan.



Investees: IFC and Armstrong Asset Management

IFC is an international financial institution established in 1956 that provides investment, advisory and asset management services to encourage the development of private sectors in less-developed countries.



Armstrong Asset Management was founded in 2010 in Singapore with expertise in investing in clean energy infrastructure assets to bring positive impacts to the society and natural environment.



OTHER TRANSACTIONS



No.	TARGET	INVESTOR	VALUE	NOTES
1			VND 3,617.7 B	<p>Via its subsidiary - The Sherpa, Masan purchased other 10,837,500 ordinary shares, equivalent to 34% equity interest in Phuc Long Heritage Joint Stock Company, bringing the total equity from 51% to 85 %.</p> <p>The purpose of this deal is to completely control Phuc Long and create brand resonance.</p>
2			N/A	<p>Mistletoe of Mr. Taizon Son, who is the younger brother of Softbank billionaire Masayoshi Son, has invested in Hectagon - the first start-up in the blockchain industry in Vietnam with a combination model of Defi and venture capital fund.</p>
3			N/A	<p>Franklin Templeton Investments has sold a 13.63% stake of Indo Trans Logistics Corporation (ITL) to Mitsubishi Logistics. This is considered a strategic cooperation between ITL and Mitsubishi Logistics. In 2011, the two businesses entered into a joint venture.</p>
4		 	US\$ 6.4 M	<p>NextTech Group and NganLuong Joint Stock Company has announced their investment in Boxme Vietnam Logistics Service Joint Stock Company.</p> <p>Boxme Vietnam was established in 2016, which is a pioneer in logistics for Vietnam's e-commerce.</p> <p>With the investment capital, BOXME will quickly expand the scale of its logistics centers to become the largest logistics service provider in Vietnam.</p>
5			US\$ 620,000	<p>Society Pass (SoPa) has announced the acquisition of NusaTrip, which is a leading Southeast Asian online travel agency headquartered in Jakarta, Indonesia.</p> <p>The acquisition of NusaTrip will further expand SoPa's business activities into the travel industry.</p>
6			US\$ 3 M	<p>Growth Technologies, which is the company owning the Cashgrow payment platform, has successfully raised US\$ 3 M from Rocket Internet.</p> <p>The capital in invested in Cashgrow is extracted from Global Founders Capital - a member fund of Rocket Internet specializing in seed funding rounds of potential start-ups.</p>



Please contact our professional advisors at Auxesia Vietnam for assistance with capital fund raising, M&A execution, market research, review and restructuring business as well as other financial issues you may have during your business operation.

For more information, please visit our M&A Newsletter and contact us as follows:

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