Kaya Founders to invest in 15 startups in 2025

PHILIPPINE-BASED venture capital firm Kaya Founders is looking to invest in 10 to 15 startups this year, citing growth opportunities in digitalization and financial inclusion.

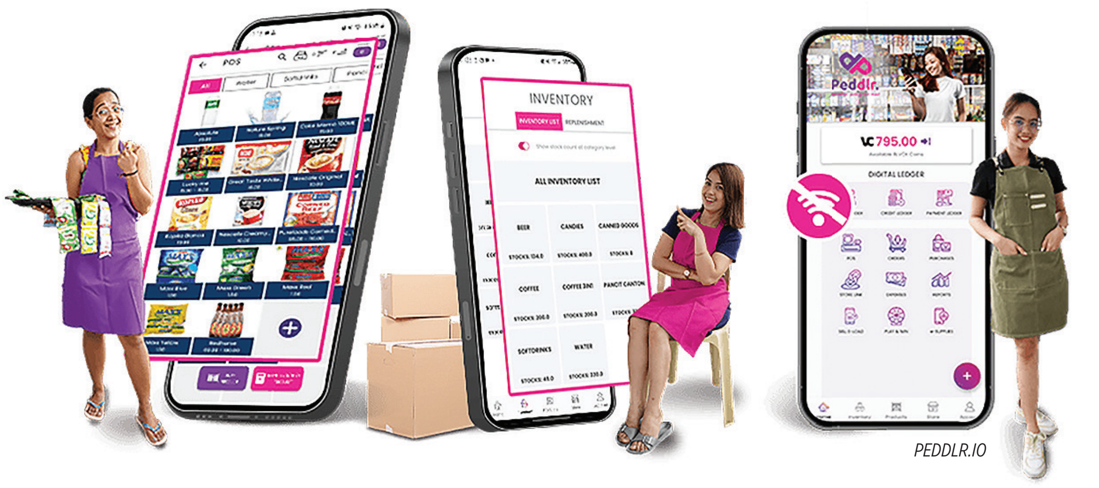
"We invested in a total of nine companies [last] year, including follow-on investments into existing portfolio companies," Raya Buensuceso, managing director at Kaya Founders, said in an e-mailed reply to questions.

Startups that Kaya Founders supported last year include Wyz-Auto, Esse Vida, Mobee, Kindred, Netbank, EDGE Tutor, GoEden, Peddlr and Swiftclaims, she told *BusinessWorld*.

"As an early-stage, sector-agnostic fund, we are open to pre-seed to series A startups from all industries, for as long as they are actively serving or poised to launch in the Philippine market in the near future," Ms. Buensuceso said.

Kaya Founders is looking to further deploy its second set of funding.

"We are currently deploying our second set of funds, which have a collective target assets under management of $25 million (P1.46 billion)," Ms. Buensuceso said. "We plan to deploy the remainder of these funds over the next two to four years."



PEDDLR.IO

The firm's investment strategies are guided by the emergence of artificial intelligence (AI)-driven platforms, technology-enabled solutions and integrated financial services.

Ms. Buensuceso said the digitalization of businesses makes the Philippine startup market exciting. "There is an ongoing generational shift in business leadership, with younger and digitally native leaders more willing to adopt new software solutions," she said.

"AI, which we believe is the defining technological shift of our time, is already driving concrete benefits for businesses," she added, noting how AI helps cut costs and improve employee productivity, operational efficiency and product development.

Kaya Founders is also bullish due to the growing consumer class and the growth of digital lending platforms.

"Many of the startups that have raised significant funding rounds in the past year like BillEase, Salmon, Asialink, First Circle, etc. are operating in the lending space, yet the unmet need remains vast," Ms. Buensuceso said.

Suburban and rural Filipinos are behind their urban counterparts in terms of credit knowledge and perception, according to the 2024 Credit Perception Index by TransUnion.

To bolster the growth of Philippine startups, Ms. Buensuceso cited the need for legislation that would improve the ease and attractiveness of doing business in the country.

The government should also focus on attracting local and global talent to start and join Philippine startups, Ms. Buensuceso said.

It should help facilitate capital flows in Philippine startups, both from within the country and across the globe.

Lawmakers should likewise have clearly defined key performance indicators to track state agencies' progress and accountability measures in supporting the growth of startups, she added. — **Beatriz Marie D. Cruz**

MTek to boost partner hospitals to 100 this year

BIOTECHNOLOGY STARTUP Manila HealthTek, Inc. (MTek) seeks to bring its precision medicine diagnostic services to 100 local hospitals and standalone laboratories this year through unit PrimeDx, Inc., according to its founder.

"PrimeDx is paving the way for exceptional healthcare partnerships," Raul V. Destura, founder and chief executive officer at MTek, said in a Viber message.

The unit is working with 47 hospitals and standalone laboratories and would expand to 100 partners by 2025, he added.

Set up in 2013, MTek develops and makes portable diagnostic kits for infectious diseases such as the coronavirus, African swine fever, salmonella, dengue and typhoid fever.

PrimeDx is known for its molecular and personalized genetic testing, including next-generation sequencing and whole exome sequencing.

FACEBOOK.COM/MTEKLABS

"Aside from us developing the technology, we can also provide the service attached to the technology, and then we partner with all of these labs," Mr. Destura told *BusinessWorld* on the sidelines of an event last month.

"Independently setting it all up makes it very expensive, and that's one way to make diagnostic testing more accessible to a lot of people," he added.

Laboratory tests cost as much as P6,050, depending on the type of test, according to online platform PinoyMedical. Prices are higher for more sophisticated procedures.

Also part of MTek, Inc.'s healthcare service providers is Neural Mechanics, Inc., which uses artificial intelligence-based image analytics for chest X-rays and mammography.

Neural Mechanics supports tertiary hospitals with its precision health intelligence system, which helps improve their diagnostic capabilities and promote timely and accurate treatment.

Meanwhile, Genamplify Technologies, Inc., serves as MTek's principal sales and distribution arm.

In November, MTek launched its state-of-the-art Industry 4.0-enabled manufacturing facility focused on molecular diagnostics and point-of-care technologies.

"This comprehensive business expansion reflects Manila Healthtek, Inc.'s commitment to evolving healthcare delivery through innovation, technology and strategic partnerships," the company said. — **Beatriz Marie D. Cruz**

NexGen boosts stake in SPARC to 95.56%

LISTED renewable energy firm NexGen Energy Corp. (NexGen) has increased its stake in subsidiary Solar Powered Agri-rural Communities Corp. (SPARC) to 95.56% from 77.78%.

"This initiative allowed SPARC to raise funding for various corporate purposes, which include its expansion plans," NexGen said in a statement on Tuesday.

The company purchased 80 million shares at P1 each, totaling an infusion of P80 million, said NexGen President Eric Peter Y. Roxas.

The company said that the additional investment came after SPARC increased its authorized common stock to P140 million from P10 million.

"SPARC's increase in its authorized capital stock reflects the company's confidence and commitment to grow its portfolio of solar farms, hand in hand with NexGen's other solar subsidiaries," Mr. Roxas said.

SPARC owns and operates three solar farms in Luzon with a total capacity of 13.86 megawatts-peak (MWp). This comprises the 3.82 MWp Bulacan Solar Power Plant, the 5.02 MWp Zambales Solar Power Plant, and the 5.02 MWp Bataan Solar Power Plant.

NexGen said it plans to develop another solar farm with a capacity of up to 10 MW, adjacent to its Zambales solar farm.

For 2024, the power plants generated revenues from the sale of electricity worth around P116 million.

"As the parent company, [NexGen] will be a proactive partner in helping SPARC produce clean and reliable energy for the communities it serves," Mr. Roxas said.

In July last year, NexGen made its stock market debut, raising P504 million from its initial public offering of primary common shares.

Proceeds from the sale of shares will be used for the company's construction and development of its solar project in Zambales and wind projects in Cavite, as well as for the development and acquisition of renewable energy projects.

Its parent company, Pure Energy Holdings Corp., is a publicly listed holding company which has assets in hydropower, solar, wind, geothermal, as well as bulk water and distribution facilities. — **Sheldeen Joy Talavera**

Retiro Golden Foods secures partial relief from tax penalties

THE COURT of Tax Appeals (CTA) partially granted Retiro Golden Foods, Inc.'s petition against the Bureau of Internal Revenue (BIR), ordering the cancelation of over P175 million worth of deficiency income tax, value-added tax (VAT), and compromise penalties.

The CTA Second Division partially granted Retiro's petition for review, upholding the deficiency expanded withholding tax (EWT) and withholding tax on compensation (WTC) assessments but canceling the deficiency income tax, VAT, and compromise penalties.

The assessments for deficiency income tax, VAT, and compromise penalties, totaling P175,650,029.17, were declared null and void, and the BIR was prohibited from collecting these amounts.

The tribunal ordered the firm to pay the BIR the basic amount of P40,226.21 and P31,394.72 plus surcharges and interest under the National Internal Revenue Code (NIRC) for its deficiency EWT and WTC for 2017.

"It is notable in the Administrative Protest that while [Retiro] provided the applicable law, rules, and regulations, or jurisprudence on which its protest was based, these were only against the deficiency income tax and VAT assessments, and compromise penalties," the nine-page ruling released on Jan. 2 read.

"[Retiro] is painfully silent as far as the deficiency EWT and WTC assessments are concerned," it added in the decision penned by Justice Maria Rowena Modesto-San Pedro.

The tax court found that the formal letter of demand (FLD) was a valid demand for payment as it indicated a due date and clearly stated that penalties would accrue if the deficiency taxes remained unpaid.

While the court acknowledged that the company's administrative protest against the FLD was valid despite not being signed, it noted that the protest only addressed the deficiency income tax and VAT assessments and compromise penalties, but not the EWT and WTC.

However, the court determined the BIR failed to properly consider the company's arguments and evidence submitted in response to the preliminary assessment notice (PAN) for the deficiency income tax and VAT assessments and compromise penalties, violating the company's right to due process.

The court noted the BIR merely made a general statement that the company failed to provide sufficient documentary evidence without specifying which documents were needed to conduct a fair investigation.

It cited the case, Commissioner of Internal Revenue versus Avon Products Manufacturing, Inc., saying the BIR must provide reasons for rejecting a taxpayer's explanations and cannot ignore evidence without reason.

The case stemmed when Retiro was assessed deficiency income tax, VAT, EWT, WTC, and compromise penalties for 2017.

The total initial assessment was P173,230,046.62, which was later adjusted to P175,748,493.78, including interest. — **Chloe Mari A. Hufana**