



Tech - Start Up Investments Round Up

Tracking the funding
space in MENA Region

Q4 2022

— February , 2023

home.kpmg/qa



Funding evolution over a year



Funding evolution over a year – 2022 vs 2021 (MENA)

of deals



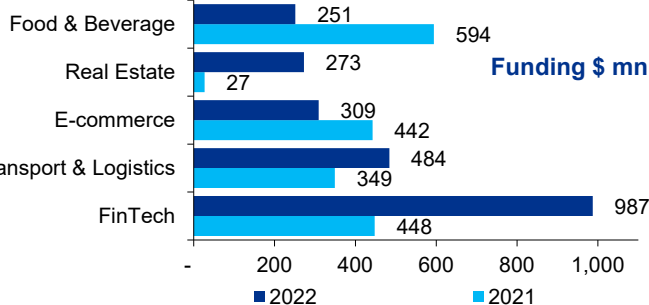
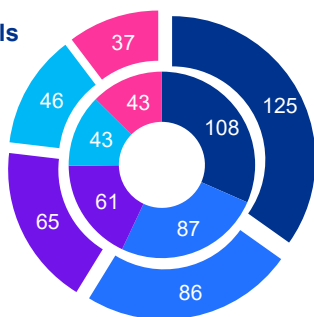
Total Funding



Top 5 industries – 2022 (Outer circle) vs 2021 (Inner circle)

- FinTech
- E-commerce
- Transport & Logistics
- Enterprise Software
- Food & Beverage

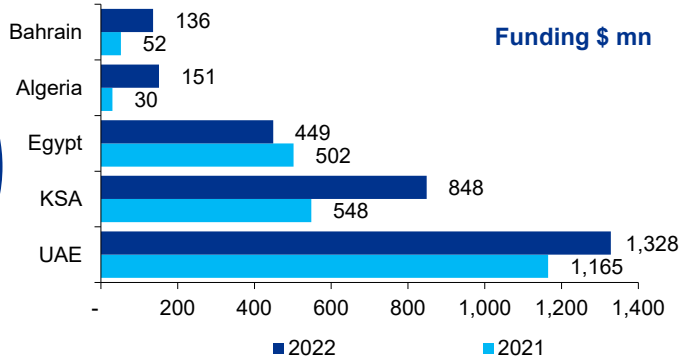
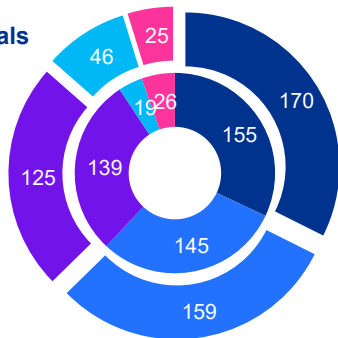
of Deals



Top 5 Countries – 2022 (outer circle) vs 2021 (inner circle)

- UAE
- Egypt
- KSA
- Qatar
- Tunisia

of Deals



The MENA region welcomed notable funding to define its rapidly expanding startup ecosystem in the year 2022 as MENA region is becoming an increasingly attractive investment location for both domestic and foreign investors. In terms of funding deals, FY22 witnessed a 5% increase as compared to FY21 and in terms of the size of transactions, a growth of ~19% was witnessed in FY22 as against FY21. Whilst, the UAE continued to lead the investment space, in terms of size of funding, KSA and Bahrain witnessed growth in FY22 as compared to last year and Qatar observed significant growth in number of deals in FY22 as compared to FY21. Fintech sector continued to dominate the start up funding scene.



Venkat Krishnaswamy
Head of Advisory
Partner
KPMG in Qatar

Source: MAGniTT and KPMG Research

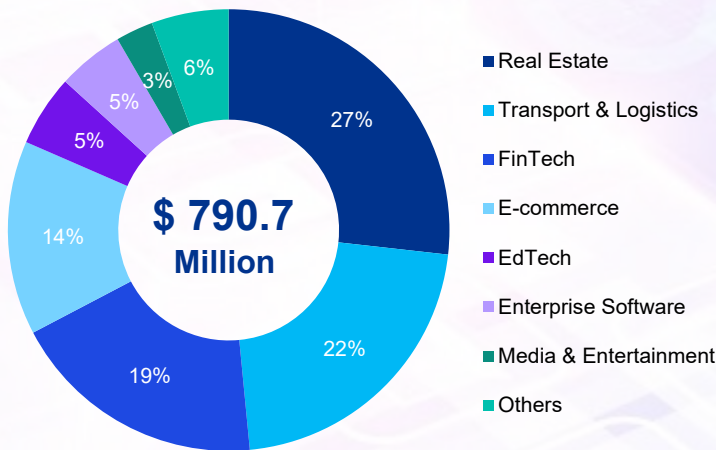
Overview of Tech – Startup Investments in MENA region



Tech – Startup Investments in the region – Q4 2022

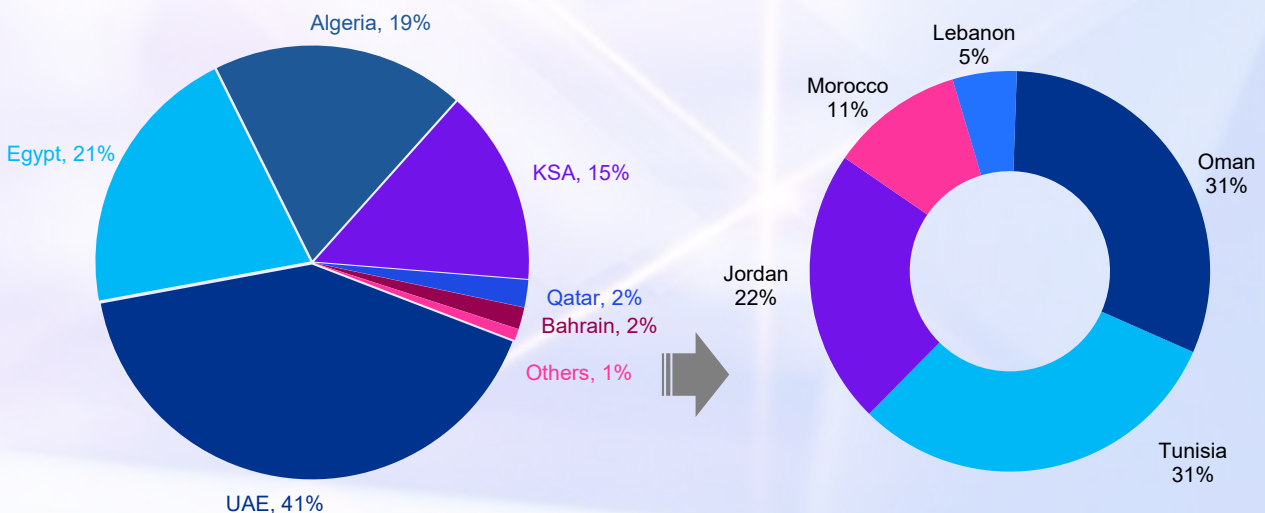
Funding Snapshot

Sector wise distribution of fundings raised in the region during Q4 2022



Sector	Funding raised in USD million (Q4 2022)	Funding raised in USD million (Q3 2022)
Real Estate	211.7	15.0
Transport & Logistics	171.6	102.6
Fintech	149.0	303.1
E-Commerce	112.4	45.3
EdTech	41.2	0.1
Enterprise Software	38.5	29.0
Media & Entertainment	21.7	3.3
Others	44.7	91.3
Total	790.7	589.6

Country wise distribution of fundings raised in the region during Q4 2022



Source: MAGnITT, KPMG Research

1 Region refers to MENA

MENA region consists of GCC countries such as Qatar, Saudi Arabia, United Arab Emirates, Kuwait, Oman and Bahrain along with Egypt, Lebanon, Tunisia, Morocco, Palestine, Jordan and Iraq.

Top startup investments in the region

#	Start Up	Sector	Country	Amount and Funding Stage	Investors
1	Snoonu	Food & Beverage	Qatar	\$ 12.0 million Series B	Qatar Development Bank.
2	At Home Doc	Healthcare	Qatar	\$ 1.9 million Pre Series A	Elaj Group , Qatar Development Bank
3	MaktApp	IT Solutions	Qatar	\$ 1.0 million, Seed	Qatar Development Bank , Seedstars
4	Urban Point	Advertising and Marketing	Qatar	\$ 176.0 K, Undisclosed	Qatar Fintech Hub
5	ADGS Computer System	IT Solutions	Qatar	\$ 150.0 K Undisclosed	Qatar Fintech Hub
6	EMPG	Real Estate	UAE	\$200.0 million, Undisclosed	Prosus Ventures (Naspers Ventures), KCK Group, Acacia Partners, Affinity Partners
7	YASSIR	Transport & Logistics	Algeria	\$ 150.0 million, Series B	Bond, DN Capital, Quiet Capital, Spike Ventures, Y Combinator
8	Zid	E-commerce	KSA	\$ 50.0 million, Series B	Saudi Aramco Entrepreneurship, Elm , Endeavor Catalyst, Global Ventures, MSA Novo, Impact 46, Arzan VC
9	Classera	EdTech	KSA	\$ 40.0 million, Series A	Sanabil Investments, Global Ventures, Endeavor Catalyst, 500 Global, Sukna Ventures, SEEDRA Ventures
10	MaxAB	E-commerce	Egypt	\$ 40 million Pre Series B	DisruptAD, British International Investment (CDC Group), Silver Lake, BECO Capital, 4DX Ventures, Flourish Ventures, Africa Platform Capital

Source: MAGniTT, KPMG Research

MENA region consists of GCC countries such as Qatar, Saudi Arabia, United Arab Emirates, Kuwait, Oman and Bahrain along with Egypt, Tunisia, Morocco, Jordan and Iraq. And excludes any investment participation by SWFs/PE's and non-startups.

Top startup investments in the region

#	Start Up	Sector	Country	Amount and Funding Stage	Investors
11	MoneyFellows	FinTech	Egypt	\$ 31.0 million, Series B	CommerzVentures, Middle East Venture Partners (MEVP), Arzan VC, Invenfin, Partech Partners, Sawari Ventures , 4DX Ventures, P1 Ventures, National Investments Company (NIC)
12	Bayzat	Enterprise Software	UAE	\$ 25.0 million, Series C	DisruptAD , Ischyros New York
13	Baraka	FinTech	UAE	\$ 20.0 million, Series A	Valar Ventures, Knollwood Investment Advisory
14	Pyopl	Fintech	UAE	\$ 20.0 million, Series B	Undisclosed
15	VUZ	Media & Entertainment	UAE	\$ 20.0 million, Series B	Caruso Ventures, e& capital, Dubai Future District Fund, Vision Ventures, Saudi Research and Media Group - SRMG, WIN (Webit Investment Network), Faith Capital, Panthera Capital Investments



For both domestic and foreign investors, MENA region is gaining popularity as a place to invest. The Middle East and North Africa (MENA) region is seeing a rise in startups as a result of the governments' efforts to diversify their economies in the region. In Q4 2022, the region witnessed 152 deals and investments of ~\$ 790.7 million. The real estate sector witnessed an interesting deal of \$ 200 mn in EMPG, operator of online real estate portals for commercial and residential spaces in emerging markets. The startup is headquartered in UAE.



Nizar Hneini
 Partner, Advisory
 Head of Digital and Innovation
 KPMG in Qatar

Source: MAGniTT, KPMG Research

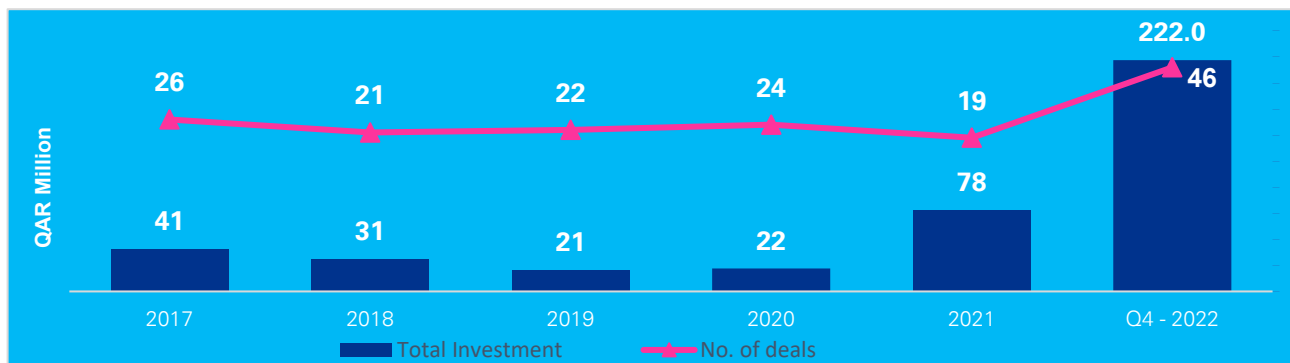
MENA region consists of GCC countries such as Qatar, Saudi Arabia, United Arab Emirates, Kuwait, Oman and Bahrain along with Egypt, Tunisia, Morocco, Jordan and Iraq, and excludes any investment participation by SWFs/PE's and non-startups.

A look at Qatar's Startup Ecosystem



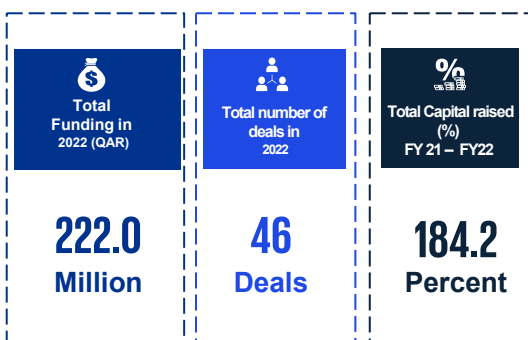
Qatar Focus

Qatar tech-start up investments snapshot (2017 – 2022)



Note : For 2022 the total funding commitment could be higher than this amount as there are certain deals for which the amount raised has not been disclosed in the public domain

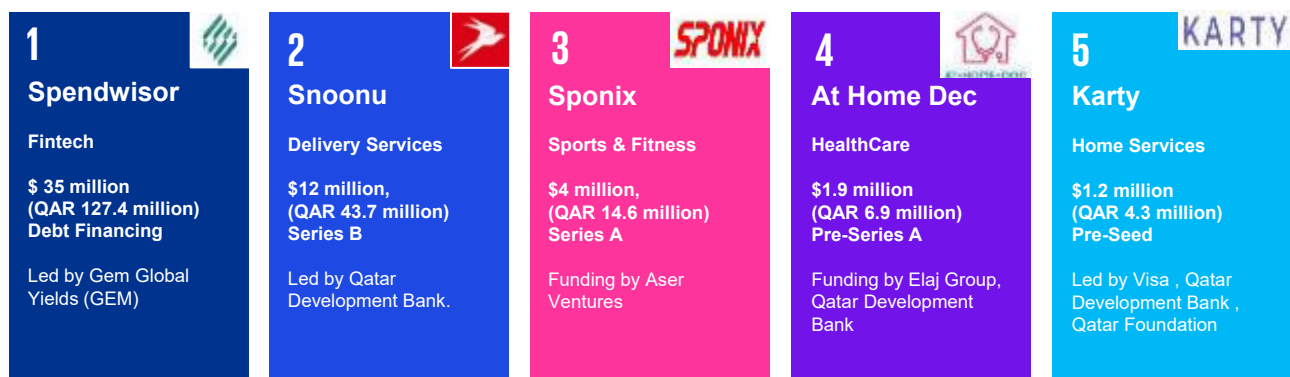
Qatar tech-start up investments snapshot in 2022



“ On an overall basis, Qatar continued to observe growth in startup funding & commitments (QAR 222.0 million vs QAR 78 million). The average deal size stood at ~QAR 4.8 mn. Notably, Q4 2022, which coincided with the successful FIFA 2022 World cup, witnessed an exceptional growth in startup funding in Qatar with 23 deals against QAR 59.0 mn of fundings. ”

Karthik Jagadeesan
Associate Director,
Advisory
KPMG Qatar

Top 5 tech-start up deals in Qatar (2022)



Source: MAGniTT, KPMG Research

KPMG Private Enterprise Tech Innovator Competition Qatar - 2022

KPMG Qatar held the second edition of the KPMG Private Enterprise Tech Innovator Competition - 2022 ("KTIC-2022"). The KTIC honored Qatar's cutting-edge tech businesses for their contributions to technological breakthroughs and business transformations. The Finale event was held on the 3rd October 2022, where the top 5 finalists pitched their ideas.



KPMG officials with winners and finalists of the recently concluded KPMG Private Enterprise Tech Innovator Competition - 2022 in Doha.

The five startup finalists, At-Home-Doc, Avey, C-Wallet, sKora, and Sponix, presented their innovation and growth aspirations to a panel of judges and industry professionals while delivering their top-notch pitches on how they believe their businesses can change the world.

Avey, emerged as the most exciting, early-stage tech innovator in Qatar, and win an all-expenses paid trip to attend Web Summit conference 2022 in Lisbon and participate there in the Global Tech Innovator finale.

The Global KPMG Private Enterprise Tech Innovator competition was hosted in 22 countries. The tech innovator finalist from each country was given an opportunity to pitch their start-up business on the world stage at Web Summit 2022 to demonstrate their growth plans.



[Click](#) or Scan to know more about the inspiration behind Avey

KPMG Tech Innovator 2022 Winners from the Region



Avey



Avey, Qatar based app, is a Health Tech and Insure Tech company that leverages the latest and premier AI technology to offer a holistic and tailored health journey to patients. Avey takes care of patients from the moment they feel unwell until they feel better.



OTO

OTO

OTO is a digital based platform allowing retailers and e-commerce brands to take control over their delivery operations, enhance their customer experience, and increase their website conversion, through recognizing the most reliable delivery services and engaging their customers with more details and updates.



Bounce

bounce

Bounce is Kuwait based SaaS platform, which serves as a mobile-first communication and management software for preschools, nurseries, and childcare centers by connecting administration, teachers, and parents through collaborative early learning experiences.

WINNER OF THE KPMG GLOBAL TECH INNOVATOR COMPETITION 2022:



HiiROC



KPMG Private Enterprise announced that HiiROC, the developer of a system to produce low-cost, zero-emission hydrogen, has been named the KPMG Private Enterprise Global Tech Innovator winner at the final event in Lisbon, Portugal, overcoming fierce competition from over 1,100 applicants across 22 countries and jurisdictions during the national stages



Startup in focus

It is widely acknowledged that innovation and entrepreneurship are driving forces of economic growth and social development in today's modern society. As Qatar marches towards creating a brighter ecosystem for the techpreneur's of tomorrow, we at KPMG strive to bring the stories that are revolutionizing the tech-startup industry in Qatar.

In this edition, we get candid with Mohammed Hammoud, Founder and MCEO – Avey, the winner of the second edition of KPMG Tech Innovator Competition in Qatar.

“ It has been my mission and my passion to leverage my expertise in computer science to create a better health journey for others.¹ ”



Mohammad Hammoud
Founder and CEO,
Avey

What is Avey? What do you do?

Avey is a technology company striving to change lives across the globe through an innovative healthcare solution. Avey empowers health with a self-diagnostic system and a tailored health journey. At the heart of the tailored health journey is the Avey AI, the most accurate AI self-diagnostic system in the world. When a user feels unwell they self-diagnose with Avey's AI through an interactive and engaging session. At the end of the self-diagnosis session they receive a diagnosis, information on how to manage their condition and a recommendation on the best doctor/s for their case. Avey then connects the user with doctors, either physically or virtually, and allows them to schedule an appointment on the date and time of their choosing. Afterwards, Avey delivers any needed medicine to the user anywhere in the country. Avey also allows the user to purchase from a large selection of health and wellness products at any time. Lastly, Avey offers a social hub which is a safe space for users to discuss health topics with like-minded individuals and join different kinds of health communities. All the above is materialized in the Avey app available for download on both iOS and Android.

1. Source: Qatar Carnegie Mellon University Qatar
Source: Interview with Mr. Mohammad Hammoud

How is Avey different than all the health care apps out there today?

Avey is distinguished by the Avey AI self-diagnostic system in addition to its tailored health journey. After 3.5 years of extensive research and development Avey succeeded in developing the most accurate AI self-diagnostic algorithm in the world. Avey's health journey empowers users by allowing them to take control of their health. Users can check their health, learn about their conditions, consult with doctors, order health and wellness products and connect with health-conscious people from all over the world, all on their device.

How is Qatar' startup ecosystem helping your venture ?

From our perspective, currently there is a vacuum regarding the Qatar startup ecosystem. Although there are praiseworthy angel investors and incubation centers, whose importance cannot be understated, there is a lack of support after the seed round.

Saying that, we must thank Qatar Science and Technology Park for supporting us and giving us a great home and KPMG for highlighting start-ups such as ourselves.

Avey is working closely with certain local entities to fill this vacuum as Avey enters series A and there is interest from these local entities to participate.

What is the biggest challenge you face in Qatar and what could be done to address such challenges?

Our biggest challenge has been a lack of first-adoption culture. We have observed that there is a fear of working with start-ups as most companies are unwilling to take a risk and prefer incumbents. We would like to see more companies be brave and visionary. Adopting new technology and innovation has been a winning strategy worldwide and we are sure that it will work in Qatar.

Have you been approached by financial or strategic investors and how has been the interest of investors in general to a venture like yours

We are happy to report that Avey has been approached by financial and strategic investors both locally and internationally. Avey sits at the crossroads of AI and Health, as both industries are booming and large it is an exciting and lucrative investment opportunity. Our series A financing round is scheduled to start in April and we are all excited for it.

Source: Interview with Mr. Mohammad Hammoud

A guide to growing your business



A guide to growing your business - Leveraging the Eco System

Tapping into a strong ecosystem that includes venture capitalists, experienced entrepreneurs, talent, and business advisers is key for startup success

Silicon Valley continues to be the epicenter for tremendous innovation including startups and global tech enterprises. Having the largest venture capital market in the world doesn't hurt either, in addition to the optimistic pioneer spirit that has made Silicon Valley the top R&D center in the world offering a unique ecosystem to startups.

Cities in the MENA region and around the world are also learning from Silicon Valley's successful ecosystem. New York is getting a bigger footprint in digital media, with the local government developing a plan to proactively attract and nurture the tech startup community. Likewise, Qatar has also started developing its ecosystem with the support of favorable government policies, regulators (Qatar Financial Center etc.), incubators (QDP, Digital Incubation Center etc.), venture capitals (Qatar Science and Technology park, Qatar Fintech Hub etc.) and angel investors (Doha Tech Angels, 360 Nautica Qatar Sports Tech etc.). The increased funding along with subsequent deals is an evidence of improved confidence in the Tech startup market in Qatar,

Source: KPMG

Leveraging the Eco System

The primary advantage of aligning your venture within the startup ecosystem is your improved access to experience and resources that can help you bring your venture to market quickly and successfully.

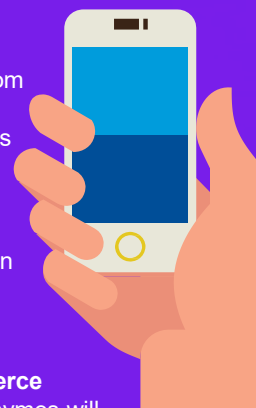
As you develop your company's support network , keep the following in mind:

Investors	In addition to capital, experienced VCs and angels can introduce you to resources within their portfolio companies or specific industry sectors.
Incubators and Accelerators	At the early stage startup stage, incubators/accelerators can provide short-term access to facilities and resources where company founders can network with other startup teams, share ideas, and learn from each other experience.
Mentors	Experienced entrepreneurs, or people with critical technical or industry experience, can provide informal guidance about your company, technology, markets, or other important success factors. Effective mentors can draw upon their experience and relationships to introduce you to key contacts and provide valuable feedback. As your startup gains momentum, mentors and investors can provide a starting point for recruiting advisory board members or directors.
Advisers	Startups maximize their chances of success when they concentrate on what they do best and refrain from trying to solve business challenges they do not have the skillset to manage. Attorneys, accountants, and other professionals have the experience and knowledge to help founders manage these challenges and build a successful business. Advisers can also introduce company founders to their own ecosystems of mentors, investors, talent, and other advisers.
Talent	While engineering talent will likely be critical, startups often need to supplement their founders' skills in financial, legal, marketing, or other specialized functions.
Economic Development agencies	Many states and cities trying to foster technology companies and jobs offer financial and logistical support to growth-stage companies.
Colleges and universities	Educational institutions can provide a rich source of knowledge, with many programs connecting entrepreneurs with key resources including labs, researchers, alumni, and startup ventures.
Enterprises	A number of large companies and industry groups have developed initiatives to promote industry innovation and identify promising technologies. Many companies have programs to help founders with a number of resources including technology, mentors, and capital.

Trending stories across MENA region

Tech startups

- 1. Qatar Insurance Group takes part in InsurTech Connect (ITC) 2022**, the world's largest insurtech event took place in Las Vegas, USA, with over 9,000 attendees from over a hundred countries. ITC 2022 offered the start-ups a valuable opportunity to present their ideas before an international audience, to connect with industry experts and insurtech focused VC funds.
- 2. Prow, a UAE-based provider of cybersecurity and data management, has announced its expansion into the key markets of Bahrain and Uzbekistan at the Gitex Global 2022 in Dubai.** After over 12 years, Prow's expansion into Bahrain and Uzbekistan marks the next milestone in its regional growth, with the goal of becoming the leading one-stop technology company specializing in cybersecurity and information management, the company said.
- 3. Saudi Arabia-based fintech PayTabs, has fully acquired Turkish social commerce platform Paymes for an unknown amount.** Under the terms of the acquisition, Paymes will serve as PayTabs' social commerce platform for freelancers, artisans, consultants, home-based business owners, personal trainers and micro vendors across Mena to receive instant payments.
- 4. Two foodtech eGroceries startups, Saudi-based Jumlaty and Egypt-based Appetite, announce their merger into a new entity, NOMU.** Aiming to become Mena's leading food-tech supply chain platform, NOMU is currently present in Saudi Arabia, Egypt, Tunisia and Morocco, with the capacity to cover the existing infrastructure of 25 million people and 100,000 F&B stores.
- 5. The Sharjah Entrepreneurship Center (Sheraa), has announced two exciting opportunities for emerging entrepreneurs and startups to pitch their ideas to investors from a range of sectors during the 6th Sharjah Entrepreneurship Festival (SEF).** The two-day event will be held at the Sharjah Research Technology and Innovation Park from December 17 under the inviting theme of "Where we belong".



Venture capitals

- 6. EdVentures, the corporate VC arm of Egypt's leading learning company, Nahdet Misr Publishing Group, has organized a summit on the future of Edtech in the MENA region, in collaboration with HoloniQ, the world's leading platform for impact market intelligence based in the US.**
- 7. Flat6Labs, the region's leading seed and early-stage venture capital firm, has launched 'Makers' a construction-tech Innovation Programme in collaboration with SIAC, a leading regional private construction firm, and Dar-Al-Handasah (Dar), an international consulting company in engineering, to foster startups in the construction technology solutions across Egypt**
- 8. World Bank-backed International Financial Corporation (IFC) has launched a \$225 million platform to strengthen venture capital ecosystems in Africa, the Middle East, Central Asia, and Pakistan.**



Incubators and accelerators

- 9. The Digital Incubation Center (DIC) announced its new partnership with Huawei, through its Huawei Cloud Startup Program, with the aim of accelerating the digital transformation process of tech startups in the MENA region.** The partnership comes in line with the strategic objectives of TASMU Smart Qatar Program to support the digital economy in the State of Qatar and Huawei's vision.
- 10. Hub71, Abu Dhabi's global tech ecosystem, has launched a new platform dedicated to increasing capital investment in technology companies, including startups from the region's leading family offices.** Tech 'Barza' – meaning majlis – is an exclusive capital club that targets regional family offices for exclusive access to Hub71's vibrant community of almost 200 startups to accelerate deal flow.



Source: Zawya, The Peninsula, Wamda, Khaleej Times, Arab news, Gulf Times, KPMG Research

About KPMG in Qatar

KPMG has had a presence in Qatar for over 40 years. We opened for business here in 1978 and are now one of the largest and most established professional services firms in the country. Our 350+ professionals are led by 9 Qatar-based partners.

We recruit the best and brightest from around the world and currently employ over 30 different nationalities.

KPMG in Qatar is an independent member firm affiliated to KPMG International, along with a network of global member firms.

KPMG member firms operate in 145 countries, collectively employing more than 236,000 people, serving the needs of business, governments, public-sector agencies, not-for-profits and through member firms' audit and assurance practices, the capital markets.

KPMG is committed to quality and service excellence in all that we do, bringing our best to clients and earning the public's trust through our actions and behaviors both professionally and personally.

We lead with a commitment to quality and consistency across our global network, bringing a passion for client success and a purpose to

serve and improve the communities in which member firms operate. In a world where rapid change and unprecedented disruption are the new normal, we inspire confidence and empower change in all we do.

Industry focus across Qatar

To enhance the services that we offer, many of our consultants specialize in a particular field or industry. KPMG was the first of the 'Big Four' firms to establish global, industry-focused networks which help us to provide an informed perspective on the latest trends and issues affecting our clients' businesses. In Qatar, we have professionals across most of the country's key sectors, all of whom are active members of our global networks.

Our industry groups include:

- Government
- Energy and Natural Resources
- Financial Services
- Media, Telecommunications and Technology
- Infrastructure and PPP
- Building, Construction and Real Estate
- Family-owned Businesses and Small and Medium-sized Enterprises

40+

years working with some of Qatar's most prestigious businesses and organizations

350+

Professional staff based in Qatar

145

KPMG member firms operate in 145 countries

Audit

Tax

Advisory

Contact Us



Venkat Krishnaswamy

Partner
Head of Advisory

T: +974 5554 1024
E: kvenkatesh@kpmg.com



Nizar Hneini

Partner
Advisory

T: +974 3356 9965
E: nhneini@kpmg.com



Karthik Jagadeesan

Associate Director
Advisory

T: +974 3366 6391
E: kjagdeesan@kpmg.com



Mohamed Chakib-Ouabi

Manager
Advisory

T: +974 5022 5986
E: mouabi@kpmg.com



Mohamad Behery

Manager
Advisory

T: +974 7709 4555
E: mbehery@kpmg.com

Market research, content and design



Shilpa Keswani

Senior Consultant 1
Advisory

T: +974 3322 5531
E: shilpakeswani@kpmg.com



Market research, content and design

home.kpmg/qa

©2023 KPMG Qatar Branch is registered with the Ministry of Commerce and Industry, State of Qatar and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

©2023 KPMG LLC, a limited liability company registered with Qatar Financial Centre Authority (QFCA), State of Qatar and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks of KPMG International.