



Tech - Start Up Investments Round Up

Tracking the funding
space in MENA Region

H1 - 2023

— August , 2023

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Overview of Tech – Startup Investments in MENA region

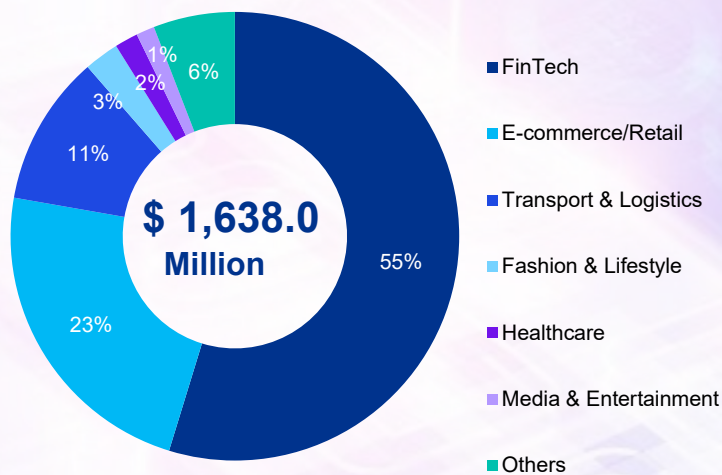
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Tech – Startup Investments in the region – H1 2023

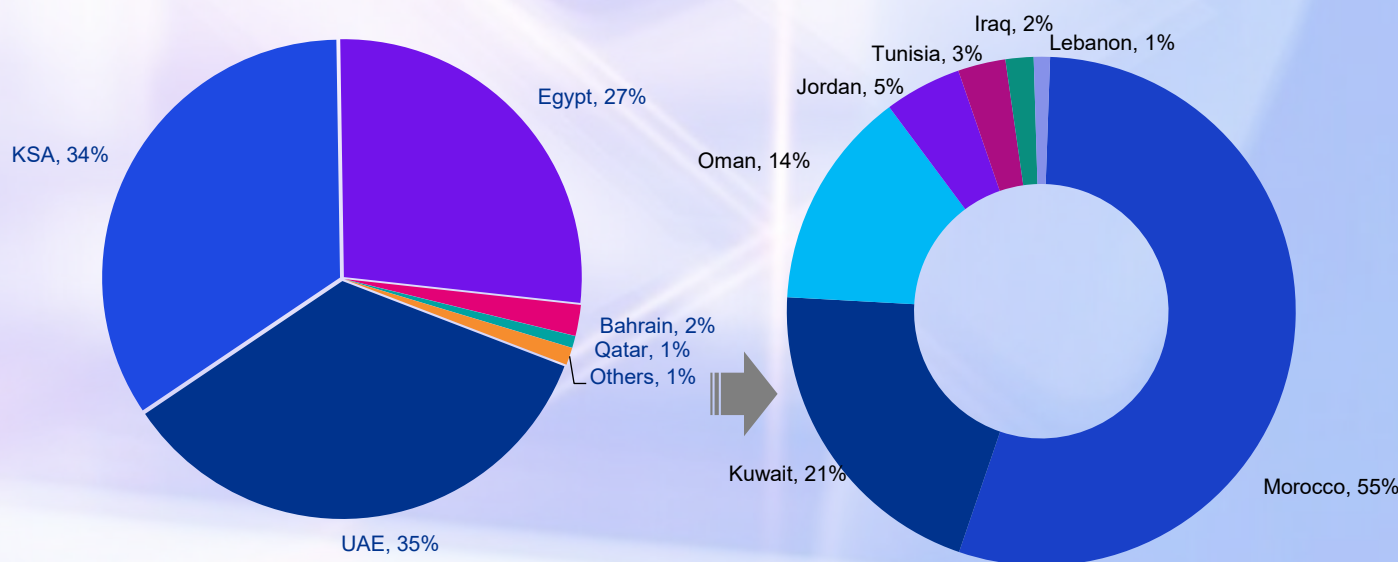
Funding Snapshot

Sector wise distribution of fundings raised in the region during H1 2023



Sector	Funding raised in USD million (H1 2023)	Funding raised in USD million (H1 2022)
Fintech	896.7	535.0
E-Commerce/Retail	377.0	197.1
Transport & Logistics	177.7	209.7
Fashion & Lifestyle	41.2	53.7
Healthcare	27.5	55.1
Media & Entertainment	21.7	16.2
Others	96.3	625.3
Total	1,638.0	1,692.4

Country wise distribution of fundings raised in the region during H1 2023



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	Transport & Logistics	Qatar	\$ 12 million Series B	Qatar Development Bank
2	Else Labs Inc	Food & Beverage	Qatar	\$ 1.0 million Undisclosed	Qatar Development Bank
3	Halan	Fintech	Egypt	\$ 400 million Undisclosed	Chimera Capital
4	Tabby	Fintech	UAE	\$ 258 million, Venture Debt & Series C	Partners for Growth, Atalaya Capital Management, CoVentures, Mubadala Ventures, STV, PayPal Ventures, Arbor Ventures, Sequoia Capital India
5	Floward	E-commerce/Retail	KSA	\$ 156 million, Series C	AlJazira Capital, STV
6	Tamara	Fintech	KSA	\$ 150 million Venture Debt	Goldman Sachs
7	ONE MOTO TECHNOLOGIES LTD	Transport & Logistics	UAE	\$ 150 million Venture Debt	-
8	Nana	E-commerce/Retail	KSA	\$ 133 million, Series C	Kingdom Holding, Sultan Holdings, Dallah Albaraka, Uni-Ventures, AlJammaz Group

Source: MAGniTT, KPMG Research

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Top startup investments in the region

#	Start Up	Sector	Country	Amount and Funding Stage	Investors
9	Sary	E-commerce/Retail	KSA	\$ 50 million, Undisclosed	VentureSouq
10	Tarabut Gateway	FinTech	Bahrain	\$ 32 million, Series A	Pinnacle Capital, AlJazira Capital, Visa, Tiger Global Management
11	SQUATWOLF	Fashion & Lifestyle	UAE	\$ 30 million, Undisclosed	ASCA Capital Limited
12	Qlub	FinTech	UAE	\$ 25 million, Undisclosed	Al Dhabi Capital



The Middle East and North Africa (MENA) region is becoming increasingly attractive to both local and international investors as a favorable VC investment destination.

During first half of 2023, we saw 193 funding transactions which raised a total funding amount of ~\$ 1,638 million. Fintech sector continues to lead the market both in terms of funding size and number of transactions. The fintech sector witnessed two interesting deals of total \$ 658 mn (Halan of \$ 400 mn and Tabby of \$ 258 mn).

Whilst, the UAE continued to lead the investment space, in terms of growth in funding size, KSA and Egypt have witnessed growth in first half of 2023 as compared to last year (H1-22).



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

Source: MAGniTT, KPMG Research

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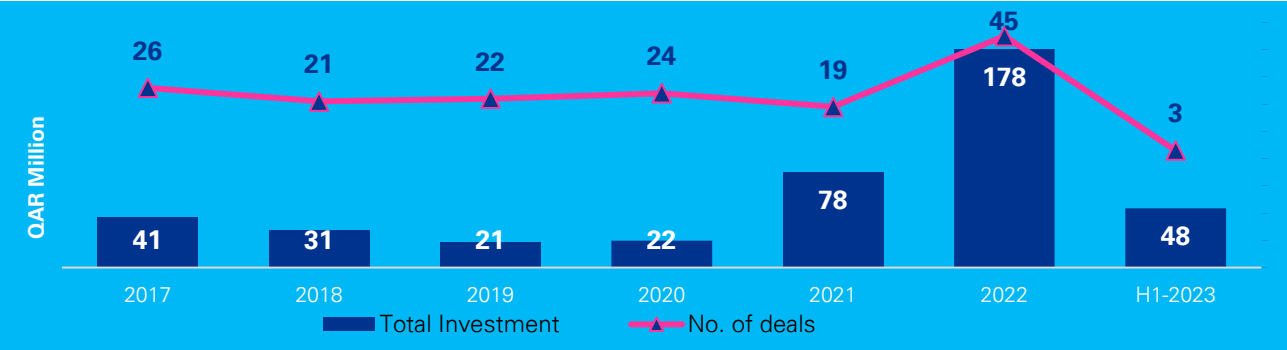
A look at Qatar's Startup Ecosystem

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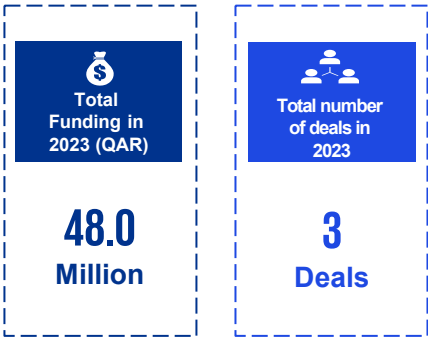


Qatar Focus

Qatar tech-start up investments snapshot (2017 – YTD 2023)



Qatar tech-start up investments snapshot in H1-2023



“During first half of 2023, Qatar's startup secured around QAR ~48 million through three deals. In H1 2023, Qatar witnessed one of biggest deals with investment of USD 12 mn (QAR 43.7 mn) from Qatar Development Bank in Snoonu reflecting Qatar's commitment to nurturing innovation and economic growth.”



Karthik Jagadeesan
Associate Director,
Advisory
KPMG Qatar

Top 5 tech-start up deals in Qatar (H1-2023)

Rank	Company	Industry	Investment	Lead Investor
1	 Snoonu	Delivery Services	\$12 million (QAR 43.7 million) Series B	Led by Qatar Development Bank.
2	 Else Lab Inc.	Food & Beverage	\$1.0 million (QAR 3.7 million) Undisclosed	Led by Qatar Development Bank.
3	 Cytomate	Food & Beverage	\$247,184. (QAR 0.9 million) Undisclosed	Led by Qatar Development Bank.

Source: MAGniTT, KPMG Research

A guide to growing your business

3



A guide to growing your business - Raising Capital

Startups need access to capital to optimize their potential opportunities.....



Raising capital is typically one of the first issues a startup company will need to address, and your ability to attract investors will likely play an important role in the ultimate success of your company and its exit strategy.

Raising capital will typically take place in several stages (known as rounds), each of which will likely carry different terms, conditions, and milestones. Equity is the most common approach to early-stage investment, since most startups will not have enough revenue or history to attract debt financing.

Using equity to raise capital will also have important benefits in attracting and retaining talent, since many team members will be motivated by your company's growth potential and the possibility of equity appreciation.

Raising Capital

01

Bootstrapping

The first round, often called bootstrapping, will typically come from founders' savings and credit cards. In addition, many founders will reach out to their friends and family members to raise their initial seed capital. Potential investors will expect founders to have "skin in the game," and to have made a financial commitment in the growth of their Startup. Investors will be less likely to invest if founders have not also taken personal and financial risks to get the startup off the ground

02

Angel Investors

Angel investors are individuals or groups that specialize in making early stage investments in startup ventures. In the United States, the Angel Capital Association has accredited nearly 200 investor groups and more than 8,000 individual investors. Angel investors often learn about potential investments through referrals from other investors, a startup's advisers, or through trade groups or networks.

03

Strategic investors

Strategic or corporate-backed investment funds are a growing force in the venture capital community, with most Fortune 500 companies having an internal venture investment unit. Strategic investors partner with startups to get a front-row seat to cutting-edge technology in their market segment or complementary industries. From a startup's perspective, there are a variety of advantages to working with strategic investors, including industry guidance, market credibility, and access to their customers. In addition, a strategic investor is likely to provide an attractive acquisition partner as the startup gains product and marketplace momentum.

04

Government investment funds and grants

A growing number of states have launched angel or venture capital funds to attract businesses and promote economic development. Startups with a strong scientific or technical focus may qualify for federal, state and local grants designed to foster the development of new technologies and tech related employment

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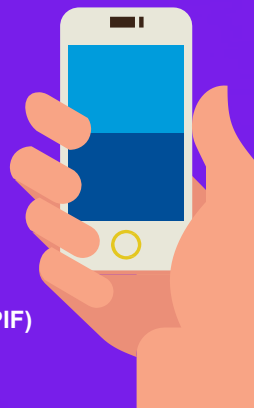
Bank financing

For some startups, taking on debt may be a more attractive option than diluting the ownership stake of the founders or other investors through equity offerings. While traditional banks may not be a viable option for most early-stage companies, there are several players in the venture lending space who are willing to take more risk (for a higher return) and lend to startups.

Trending stories across MENA region

Tech startups

1. **Qatar Central Bank (QCB) has urged companies that are willing to operate the buy now, pay later (BNPL) system to submit applications in order to receive the license from the bank.** The announcement comes to regularize the work of BNPL's service providers in Qatar.
2. **Climate tech start-up CarbonSifr launched in UAE.** This UAE-founded climate technology startup enters the market with a mission to enable businesses and their customers to take tangible climate action in their daily activities.
3. **Jada Fund of Funds, a subsidiary of Saudi Arabia's Public Investment Fund (PIF) has invested in Bahrain's Investorcorp, a \$500 million pre-IPO growth fund.** The fund, launched last year, aims to invest in a diversified portfolio of high-growth startups looking to go public over the next few years.
4. **Silicon Valley-based tech investor Plug and Play Tech Center announced that it will establish a \$100 million fund to invest in Saudi startups, with support from PIF's Jada funds of funds.** Plug and Play will contribute 10 per cent of the fund, which is scheduled for launch in January.
5. **QDB, Microsoft Qatar partner to foster innovation, accelerate startups and SMEs digital transformation.** The partnership will enable SMEs to benefit from emerging technologies, leveraging Microsoft Cloud to improve performance, boost productivity, reduce costs, and develop innovative solutions



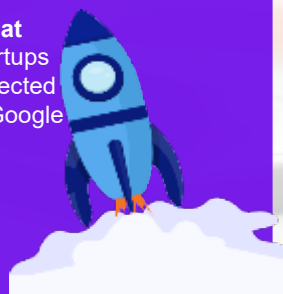
Venture capitals

6. **Beta Lab, a VC and co-creation studio dedicated to fostering the growth of deep technology startups, has launched in Saudi Arabia,** in collaboration with the Saudi Ministry of Investment, Future Investment Initiative Institute (FII), KBW Ventures, and a number of global partners.
7. **UAE-based VC firm 8X Ventures plans to deploy \$20 million in the Mena region's climate tech and cleantech startups.** It also plans to help at least one-third of the startups in its portfolio to expand to the Middle East by 2024. 8X Ventures supports the growth of deeptech startups offering clean and climate-focused solutions in the Mena region.
8. **Singapore-based VC firm Scalo Technologies has moved its headquarters to Dubai, with the intention to invest \$100 million in promising startups over the next three to five years.** The VC firm will focus its investment on cloud-based AI products and gaming companies.



Incubators and accelerators

9. **Google has announced the launch of a cleantech accelerator programme aimed at startups from across the Middle East and Africa.** The programme aims to back startups focused on sustainable technology climate solutions, cleantech and green energy. Selected startups will benefit from mentorship and a variety of educational workshops, access Google Cloud technical expertise and receive Google Cloud credit.
10. **PepsiCo announces the six start-ups selected for the 2023 Greenhouse Accelerator Program** innovative companies from Egypt, Jordan, Lebanon, and Tunisia will join PepsiCo's accelerator program that aims to identify and scale up groundbreaking sustainable agricultural practices **ram: MENA Sustainability Edition.**



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

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