

MAGNiTT

QDB

بنك قطر للتنمية
QATAR DEVELOPMENT BANK



QATAR

VENTURE INVESTMENT REPORT

MAGNiTT report, sponsored by
Qatar Development Bank

2021

Foreword



We are pleased at Qatar Development Bank (QDB) to release the second edition of the 'Qatar Venture Investment Report 2021' in partnership with MAGNiTT research platform. Building on the success of the inaugural report, this report complements our endeavors which are held in collaboration with local and international key stakeholders to support the national entrepreneurship ecosystem by providing the most specialized reports that showcase the SMEs' success journey. In this report, we will preview venture investment, whose significance stems from its capability to quickly transfuse the SMEs' burgeoning sector with the funds it requires to accelerate growth and achieve a sustainable level of development in the private sector.

SMEs are considered a vibrant, crucial part of any economy; for many countries worldwide, they are the backbone of business and are the beating heart of innovation and economic development. According to the World Bank, SMEs constitute 90% of companies operating globally, and provide more than 50% of employment. Thus, supporting the growth and development of this vital sector and helping those operating within it to thrive requires meticulous, continual effort. This support should be provided via a multitude of financial and advisory aid and consultancy, alongside venture capital. An infusion of funds can unlock accelerated growth and, ultimately, help businesses to develop in ways that are sustainable, and which set them up for long-term success.

Further to the huge success of the inaugural 2020 report, this year's report showcases the distinct growth in several areas. In 2021, investment in companies reached QAR 69 mln, 92% more than in the previous year. Incubator and

accelerator programs played a significant part in generating this capital, which account for 46% of the total amount invested. Technology-based projects made up a large part of these ventures; they attracted investment growth by 58% more than the past year. The investment growth this year was backed up by the increase in investors' number and interest in venture capital, as an asset to be added to the investment portfolio.

The following report aims to give an overview of Qatar's investment landscape, as well as showcase the positive impact of venture investment in Qatar and the continued evolution of its funding ecosystem. With the increasing number of VCs and angel investors in the market, and through the continued efforts of the government and other key stakeholders working within the industry, Qatar continues towards a future built on a thriving and prosperous SME sector, for the benefit of the country and its economy. Qatar's SME sector is underpinned by a network of forward-thinking, collaborative stakeholders, of which QDB is one, who work tirelessly to support this kind of business. Their efforts directly contribute to the diversity of the national economy, by aiding those in the private sector to continuously refine and enhance their market offerings.

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MR. ABDULRAHMAN BIN HESHAM ALSUWAIDI

Acting Chief Executive Officer, Qatar Development Bank

Key Stakeholders Takeaways



Her Excellency Reem Mohammed Al Mansoori, Assistant Undersecretary of the Digital Society Development, Ministry of Communication and Information Technology

Tech startup are considered as a key driver for economic growth and job creation. Through innovative and scalable startups, Qatar can diversify its economy while delivering impactful solutions for the society; and thus contributing to realizing the National Vision 2030 by being the vehicle for delivering socio-economic impact. At TASMU, we have realized the potential of our local startups, and as such, we strive to empower them through our key programs and initiatives. These programs range from access to innovation, market and investment opportunities to help them scale their businesses and grow internationally. This is evident through Digital Incubation Centre (DIC), built in line with MCIT's vision, to support startups and contribute towards the growth of Qatar's digital economy and ecosystem, such that it has led to the success of 118 startups since 2011, 14 of which have expanded internationally. Our efforts ensure that local and international startups and SMEs have the resources they need to harness technology and innovation to improve their product and service offerings. Through our recently launched TASMU Platform, startups can access more than 37 technologically advanced products and services, spanning five main pillars: IoT device onboarding and management, enablers and accelerators, smart city value addition, revenue generation, and platform support, to empower their businesses to flourish in the digital age.



Shaikh Ali Alwaleed Al-Thani, Chief Executive Officer, Investment Promotion Agency Qatar

Qatar recognizes the crucial role startups play in economic growth and job creation and supporting the country's economic diversification agenda. Ranked 1st in the Arab world by the Global Entrepreneurship Index and 5th globally by the Global Competitiveness Report for venture capital availability, the country welcomes and supports entrepreneurs and startups to convert their ideas into successful businesses in Qatar. From facilities in ownership, a competitive tax system, and world-class infrastructure, to a multicultural talent pool, global reach and an exceptional lifestyle, Qatar's forward-thinking government has spared no effort to position the nation as the ultimate investment destination in the region. The Investment Promotion Agency Qatar is your gateway to opportunities in Qatar. As a single and complete source for investment solutions, we connect you to the right people, resources, and platforms throughout the investment process. In the startup space in Qatar we support with matchmaking, promoting local startup investment opportunities and providing support for foreign startups considering expanding in the region. Whether you're an established business or just getting started we partner closely with you to identify and expand opportunities, facilitate your long-term success, and enable your business in Qatar's market and beyond. Our soon to be launched Investor Connection Platform, a digital solution to search for companies, facilitate introductions and explore commercial opportunities in both the public and private sectors in Qatar, will further support investors to connect with Qatari entrepreneurs, startups and SMEs.



Yosouf Al Salehi, Executive Director, Qatar Science & Technology Park

QSTP is a free zone and technology park that hosts leading global tech companies, mentors and supports a network of startups and rising tech ventures, and has a strong value chain of acceleration, incubation, and funding programs. At QSTP, we play a key role in developing a robust and diverse technology, innovation, and entrepreneurship ecosystem in Qatar. We are creating a culture of innovation and are committed to boosting the private sector in Qatar and the region. Over the past decade, we have invested in supporting local and regional startups, aligned with our goal of nurturing the next generation of entrepreneurs. We are uniquely positioned within Qatar Foundation's Research, Development and Innovation (QF RDI) ecosystem. This is because our innovators and partner companies have access to QF Education City resources including international partner universities, research centers, labs, industry experts and academics. These connections serve as a vast source of opportunities and resources for our partner companies and incubatees, and help us to set them up for success.

Key Stakeholders Takeaways



Hussain Abdulla, Co-Chief Executive Officer, QINVEST

As one of Qatar's leading private investment bank and one of the region's most prominent Islamic financial institutions, QINVEST has been watching closely the rising significance of the Venture Capital space across the region and the world. Over the past couple of years, VCs have played a vital role in unlocking opportunities for SMEs and other companies to explore new, innovative, and promising market opportunities that can generate tremendous benefits for the larger economy. As we enter the post-pandemic era, I'm confident that Qatar's supportive ecosystem, which includes a range of incubators, accelerators, and motivated investors, will be in a position to further influence the establishment of a resilient VC sector that is digitally advanced, and sustainable in the long-term.



Henk Hoogendoorn, Chief Financial Sector Officer, Qatar Financial Centre Authority

To support investing in Fintech in Qatar or beyond, QFC can facilitate Angel Investor platforms, Investment Clubs, Venture Capital, Investment Manager and Professional Investor Funds. There are no show stoppers in Qatar to invest in Tech. However, the pace of the regulatory development and the Banks appetite to work with Fintech needs more attention. I strongly advocate to have an Open Banking Framework and create Fintech opportunities for the SMEs and workers as this will contribute to financial inclusion. Digital Innovation in the financial sector offers also a chance for Digital Assets and tokenization which will help democratize investments and create more transparency. Overall I am optimistic for Qatar as I see more interest and a growing mindset to embrace technology in the Financial sector.



Mohammed Al Emadi, Head of Investment Development, Qatar Development Bank

SMEs have become a vital factor in any economic development, as change catalysts and job opportunities creators. In fact, they account for more than 90% of businesses in Qatar. At Qatar Development Bank, we aim to enrich and diversify the country's competitive, non-hydrocarbon economy by offering SMEs access to market, capability and finance. This includes the venture capital to boost innovation and fulfill the entrepreneurial ambitions and growth potential. All these efforts are in line with Qatar National Vision 2030 to ensure the nation's prosperity and progress. These endeavors require dynamic venture capital to bring innovative solutions, accelerate the economic growth and enhance SMEs' ecosystem - which was evident in the past few years.

Executive Summary



Venture funding in Qatar hit a record high of QR69M in 2021, having grown by 92% when compared to 2020

This increase in capital to an all-time-high reflected similar trends across the MENA region, where the total VC funding touched a record-high of **\$2.6B**. This indicated the return of investor confidence as global markets adjusted to the impact of the Covid-19 pandemic.



Accelerators drove investment rounds in Qatar in 2021 as a total of 24 VC transactions were recorded in the year

Accelerated programs were responsible for **46%** of all transactions closed in Qatar in 2021, much higher than a contribution of **16%** observed across MENA. A total of 24 VC deals were closed by Qatar-based startups in 2021, with an average round size of QR2.8M as compared to QR1.1M in 2020.



The Qatari VC ecosystem has seen increasing interest and investments from private, corporate and international firms

Private and international firms accounted for more than **90%** of all funding deployed into Qatar-based startups in 2021. Comparatively, private and foreign firms accounted for just about half of all VC investments in 2016, indicating a healthy uptick in interest and participation from non-governmental entities.



Fintech startups closed the most VC deals while the Transport & Logistics industry received the most funding

Fintech led funding activity in Qatar as it accounted for one-third of the total deals closed in the country in 2021. Similarly, the industry accounted for the majority of (**18%**) deals closed across MENA in 2021. Meanwhile, the Transport & Logistics industry accounted for **26%** of all capital deployed in Qatar in 2021, driven by Snoonu's QR18M funding round.



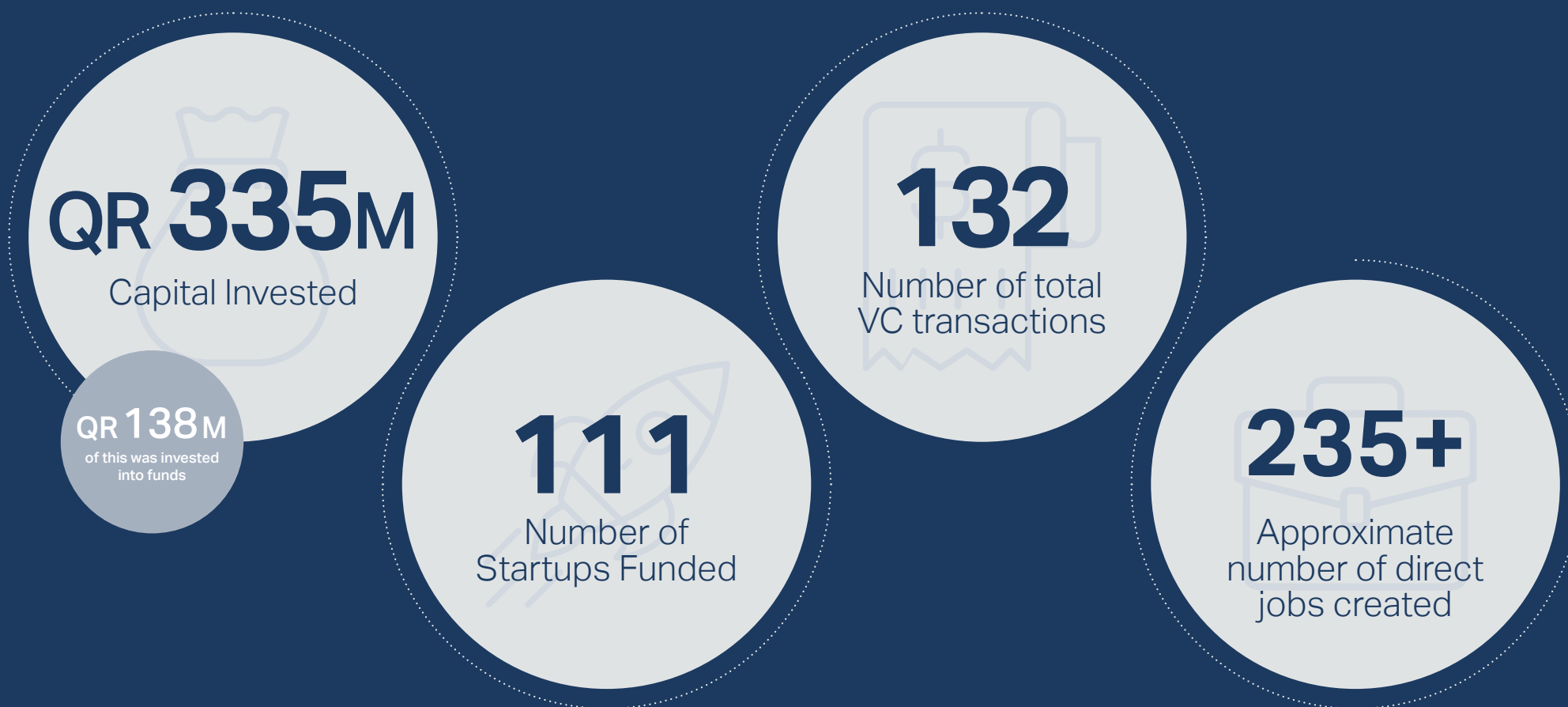
One exit was announced in Qatar in 2021, the second to ever be noted in Qatar's VC ecosystem

Healthcare venture Meddy announced its acquisition by Nigerian Healthcare Helium Health in December 2021. Across MENA, a record **35** exits were announced in the year. Previously, Qatari Real Estate startup Qproperties was acquired by Kenyan tech firm Tevalu in 2020.

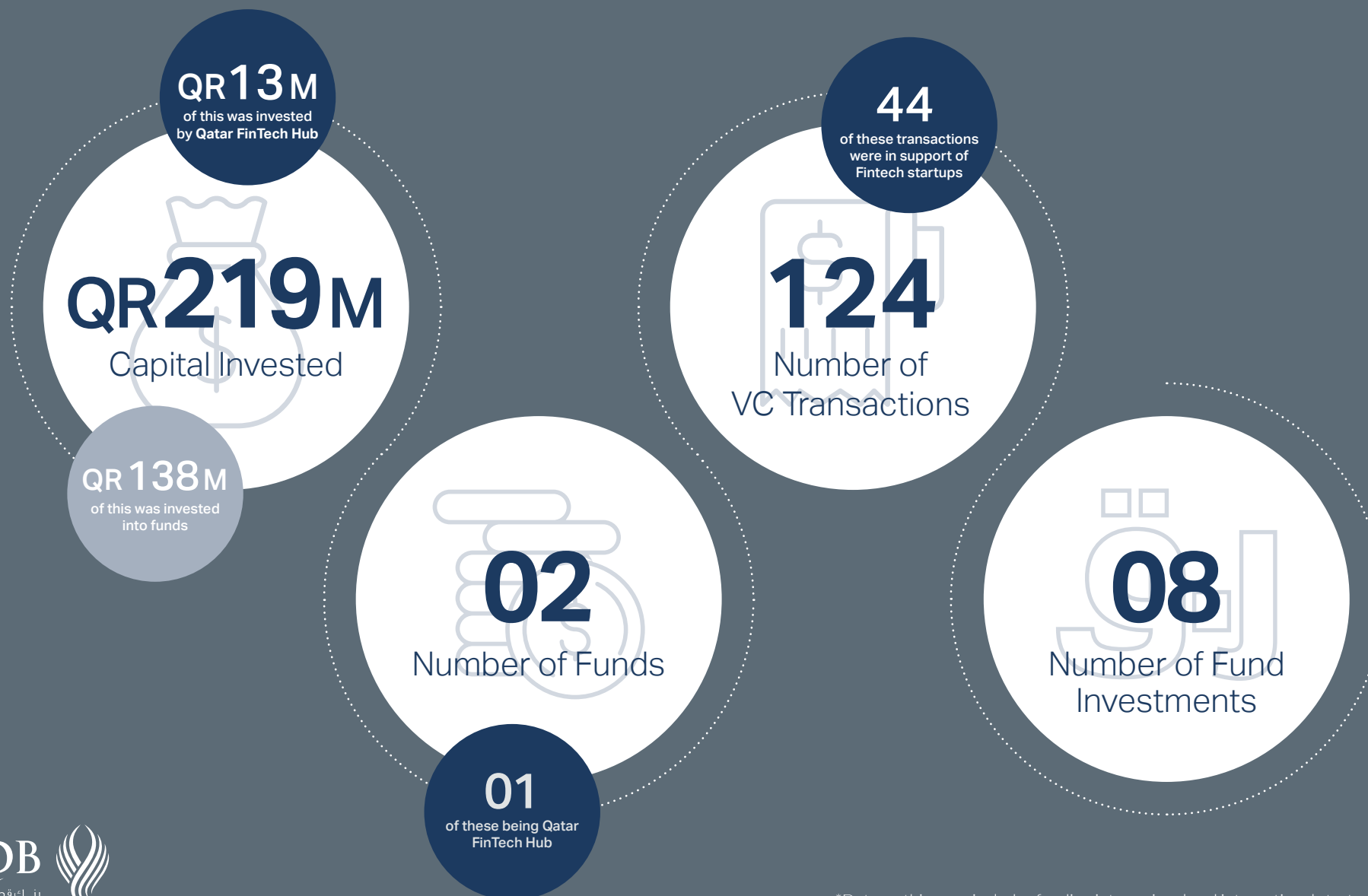
01

Venture Investment Impact

6-Year Venture Investment Impact in Qatar | 2016 - 2021



Impact of Qatar Development Bank Investments | 2016 - 2021



02

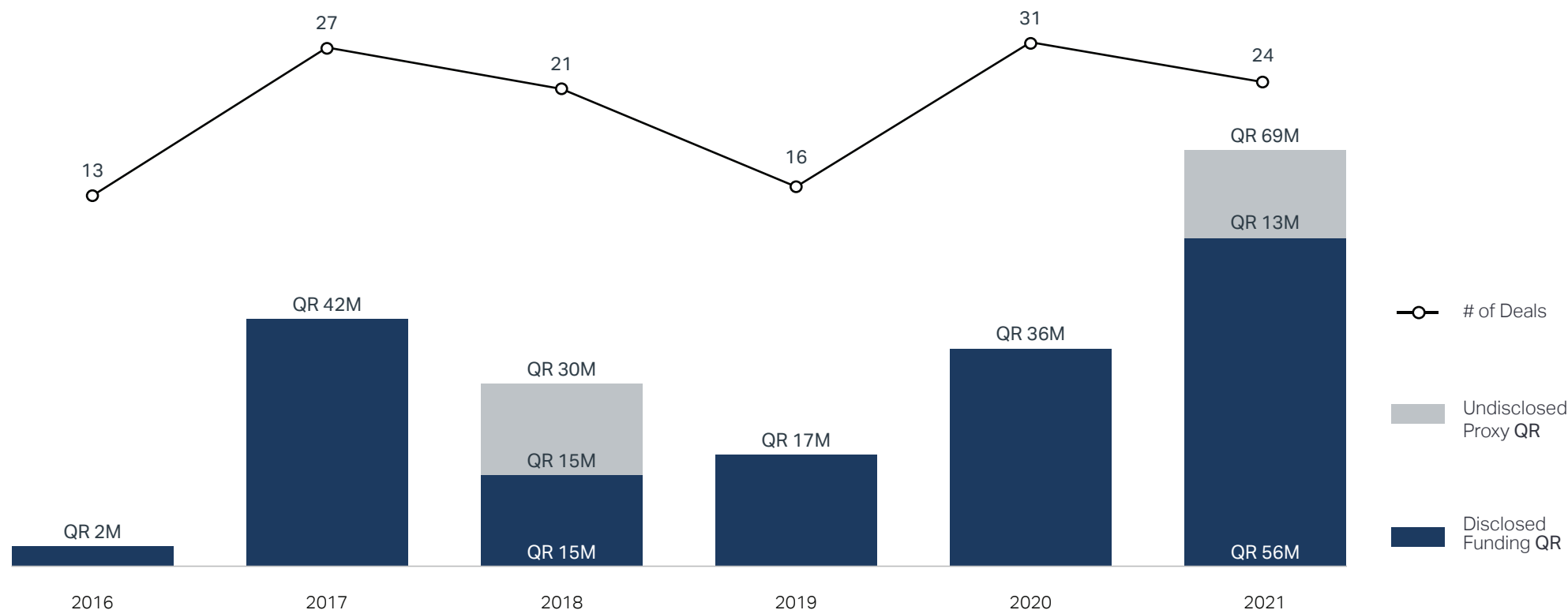
Qatar Funding Evolution

Qatar 6-Year Funding Evolution | 2016 - 2021

2021 marked the second consecutive year of growth of Qatar's VC ecosystem as funding grew by 92% when compared to 2020

- Venture funding in Qatar reached a record-high in 2021 (QR69M) while growing at an average rate of 30% between 2016 and 2021
- Startups graduating from accelerator programs accounted for 46% of the 24 total VC transactions registered in Qatar in 2021

6 YR venture funding evolution in Qatar by amount (QR M) and number of deals (#)

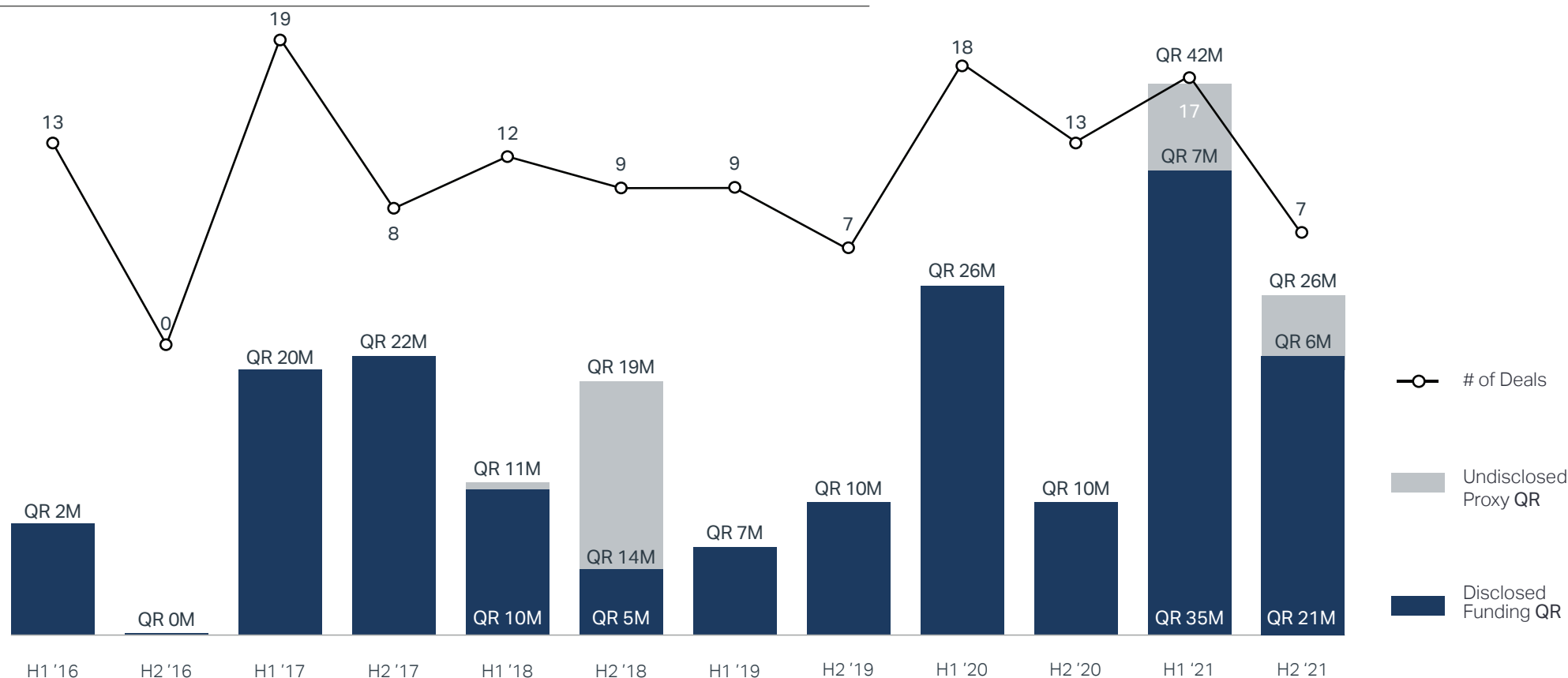


Qatar Half Year Funding Evolution | 2016 - 2021

With QR42M invested across 17 transactions, H1 2021 recorded the highest venture capital ever to be deployed in Qatar across any half-year period

- The capital deployed in H1 2021 was primarily driven by a QR18M Series A² round raised by Snoonu, which accounted for 43% of funding in the half-year
- Else Lab's QR11M Series A round and the acquisition of Healthcare startup Meddy were the highlights of venture activity in Qatar in H2 2021

Half yearly venture funding evolution in Qatar by amount (QR M) and number of deals (#)



Source: MAGNITT

1. Data as of December 31st, 2021

2: Series A financing is a level of investment in a startup that follows initial seed capital, after the startup has demonstrated strong growth potential, enabling it to expand its operations

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Qatar Investment Landscape

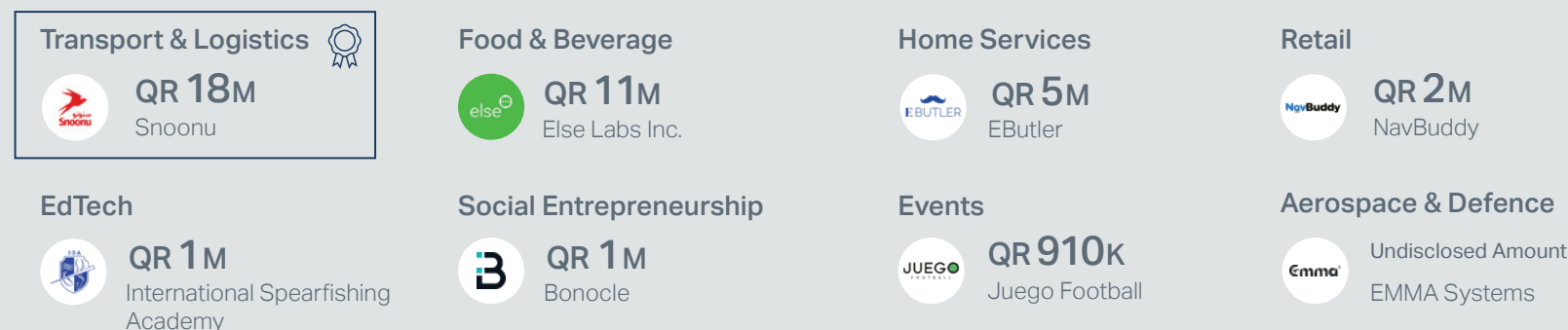
2021 Qatar Industry Map

Industry Startups Funded in 2021 QR Funding # Deals Highest Funded

Industries with Multiple Deals

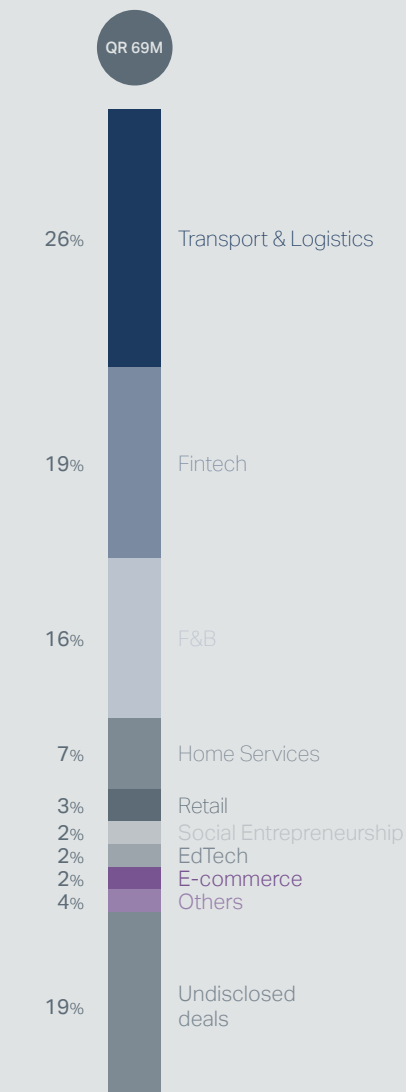


Other Industry Deals



% Share of Funding in 2021

Total Funding in 2021



Exit Highlight : meddy.com

In 2019, two years after its foundation, doctor-booking platform Meddy reinforced its presence in the Qatari ecosystem when it raised a QR9M funding round, led by New York-based Modus Capital along with participation from 212 Capital, QSTP, Innoway and others.

By 2021, the platform, operating across Qatar and the UAE, had facilitated more than 200,000 bookings, enabling healthcare providers generate approximately \$130M in bills. By the end of the year, Nigeria-based HealthTech startup Helium Health acquired the platform as the companies looked to mutually benefit from one's expertise in the GCC and the other's expertise in complete EMR (Electronic Medical Records) solutions.

2017

Founded

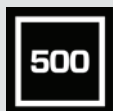
QR12M

Total Disclosed
Funding

Helium Health

Acquirer

Disclosed Investors in Meddy:



MODUS

Kasamar
Holdings

innoway

helium health

Founders:



Haris Aghadi
Co-Founder



Abdulla AlKhenji
Co-Founder

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Qatari Ecosystem Map

2021 Qatari Ecosystem Map

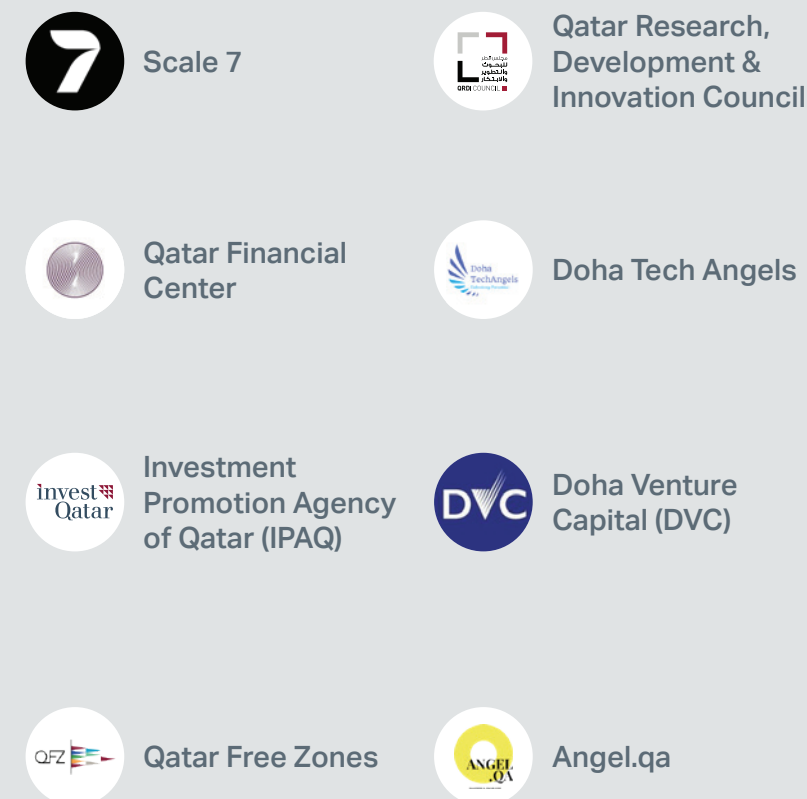
Local investors and incubators continued to drive activity in the Qatari VC ecosystem, backed by government support and initiatives

- All investors in 2021 were based locally. Qatar Fintech Hub invested in the most number of startups, having closed five deals in the year
- In 2021, 9% of all registered transactions in Qatar comprised of late-stage rounds, up from no late-stage deal in 2020

Investors in Qatar-Based Startups in 2021



Other Ecosystem Enablers



*  # Deals

Key Highlights and Government Initiatives in 2021



St. Petersburg International Economic Forum (SPIEF-2021):

The St. Petersburg International Economic Forum (SPIEF-2021) was held between the 2-5 June 2021, wherein the State of Qatar participated as a guest country. The Qatar Development Bank, part of the delegation, held an international investment event to connect Qatari startups with international investors. The initiative led to preliminary investment agreements of an approximate value of QR 32.5M.



Qatar Free Zones Authority (QFZA):

Qatar Free Zones Authority (QFZA) and Google Cloud co-hosted "Qatar Leaders Connect at Google Next '21". The event highlighted the latest technologies and developments to enhance the digital business transformation and applications of the Cloud. It included representatives from Qatar's rapidly growing technology industry, like CIOs and CTOs from global firms.



Qatar Stock Exchange:

Mekdam Holding Group became the second company to be listed on Qatar Stock Exchange Venture Market ("QEVN") dedicated for Small and Medium Enterprises, following approval by Qatar Financial Markets Authority. Mekdam Holding Group was established on March 2018 as a private company and issued capital of QR50M.



Qatar Science and technology Park XLR8 Program:

The Qatar Science & Technology Park launched a five-month accelerator program offering training and enabling promising innovators to transform tech-based ideas into commercially viable businesses. The XLR8 Program has inspired over 300 budding entrepreneurs since its inception.



Investment Forum 2021:

Organized by the Qatar Development Bank (QDB), the Investment Forum 2021 is Qatar's leading platform for entrepreneurs, SMEs, and investors from around the world to explore growth opportunities and forge partnerships. The 4th edition of this forum was organized in collaboration with Refinitiv, under the theme 'Transforming Economies Through a New Investment Paradigm'.



NUMU Digital Banking:

QDB continued to help companies thrive in the new economy by harnessing digital and smart solutions, as it launched the NUMU digital platform for financing industrial SMEs.



Scale 7:

Qatar Development Bank and M7, a creative startup hub, announced the launch of 'Scale7', a business incubator for innovative entrepreneurs in Qatar. Scale 7 aims to nurture a creative ecosystem to incubate and support Qatari entrepreneurs, SMEs, and emerging industries in the fields of fashion, design and technology. Scale 7 also unveiled its first 10-week long accelerator program in 2021.



Bloomberg

Qatar Economic Forum:

The inaugural Qatar Economic Forum, powered by Bloomberg, took place between 21-23 June 2021, convening global business leaders, heads of state, and policy innovators to prepare a blueprint for the next stage of global growth. Over 2,500 participants and 100 speakers attended and discussed themes like 'Leadership in a Post-Pandemic World', 'Technology Advanced', 'A Sustainable World', amongst others.



Qatar University Innovation & Entrepreneurship Strategy

Qatar University launched its university wide 'QU Innovation & Entrepreneurship Strategy (2018-2023)', one of seven strategies aiming to assist the sustainable socio-economic development of Qatar. The Office of Strategic Innovation, Entrepreneurship & Economic Development (SIEED) was launched by the President Office in October 2021 to execute the emergence of the QU Innovation & Economic Development ecosystem.

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About QDB

About Qatar Development Bank (QDB)

Qatar Development Bank was established in 1997 under the name Qatar Industrial Development Bank, and it is a development entity 100% owned by the government, established to support investment in and develop local industries, and to drive economic development and diversification in the State of Qatar with a focus on the private sector.

OUR VISION:

Develop and empower Qatari entrepreneurs and SMEs to innovate and compete internationally while contributing to Qatar's economic diversification and the development of its private sector.



Direct and indirect financing of mandated sectors in general, with a sector agnostic approach



Promoting and supporting exports



Providing business support, through a set of initiatives and services associated with real estate development and housing loans to citizens



Attract FDI & Increase Digital Exports



Providing opportunities for small and medium enterprises domestically and globally



Enabling Business Environment

OUR MISSION & STRATEGY:

Advance Qatar's economic development cycle by providing entrepreneurs and SMEs with a comprehensive suite of financial and advisory services and products, while supporting Qatar's economic and innovation agenda.

Learn more about
QDB www.qdb.qa >>



About Qatar Development Bank's Investment Programs

QDB follows the same investment approach as any other venture capital investor with a developmental mindset, trying to balance financial returns with the positive impact the investment will have on the Qatar Innovation ecosystem. QDB therefore provides equity financing for companies to grow, and it helps investee companies by providing guidance, coaching and other value creating initiatives, as well as governance-level involvement.

This is the typical role of an active, large minority equity investor, which is the positioning QDB has. QDB achieves this purpose through two different programs, one aimed at seed stage companies and the other at more developed SMEs, all in growth and scalable sectors of the Qatar economy, and selectively in international companies affording synergies with Qatar. Today, QDB has approximately 30 companies backed by these two programs, in addition to a program allowing it to invest in funds, within which it has made 7 investments in funds in Europe and North America.



SEED FUNDING | Early-stage investments (direct channel)

Provide support and equity capital to Qatari companies to help them start their businesses.

Eligible for Qatari companies and selectively in international companies.

Aims at innovative, scalable concepts with POC & strong team/ active Qatari entrepreneur; which offers up to QR900,000 per qualified investment.



SME EQUITY | Growth-stage/SME investments (direct channel)

Provide capital to SMEs and Qatari companies across target industries.

Collaboration with entrepreneurs, growth plan management.

Eligible for Qatari companies and selectively in international companies.

Aims at growing knowledge-based SMEs with potential to grow in/outside Qatar; and it offers up to QR18M per qualified investment.



FUND OF FUNDS | Acts as global funds network investments (indirect channel)

QDB Investments is partnering with a network of global funds to enhance local entrepreneurship ecosystem development and support Qatari entrepreneurs scaling their business in international markets.

VC funds & accelerators with good performance, qualified management team, and willing to support investment ecosystem development in Qatar and it has offers up to QR10m per qualified investment

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About MAGNiTT

ABOUT MAGNiTT

"Passion Provides Purpose, But Data Drives Decisions"

MAGNiTT is a platform that empowers decision makers through access to the most comprehensive and accurate data on startups and venture investments across Emerging Venture Markets.

We help:

Startups find the right investors
Investors connect with founders
Sales Managers identify and contact leads
Researchers track investments and trends
Governments conduct market research
Consultants prepare their presentations
Marketeers reach their target audience

Our Data*

STARTUPS

21,000+

INVESTORS & ENABLERS

5,500+

FUNDING ROUNDS

7,500+

EXITS

250+

**As of December 2021*

The Team



"Emerging Venture Markets are often under-served from a data perspective. Our solution aims to provide deep, localized, and relevant insights to our stakeholders on the markets that matter to them."
 Philip Bahoshy | MAGNiTT CEO & Founder

Business Solutions:

Data Access

Interested in gaining access to the latest and most comprehensive data on the Emerging Venture Market startup space? Track and identify companies, investors and funding rounds using our 4 extensive directories.

Research Tools

Looking to identify key trends by country, sector or investment habits? Access our repository of 130+ research reports and use 20+ integrated analytics charts to export your data in real time for your presentations.

Startup Resources

Starting a fundraise? Use our tools for your fundraising lifecycle, from scoping the competition, identifying potential investors, applying to over 100+ Investors using our investment tool and announcing your fundraise through MAGNiTT.

Marketing Outreach

Looking to get your initiative in front of the people who matter? Access the full strength of our marketing team to support the planning, strategy and execution of your campaigns.

Discover our tailored enterprise solutions

CONTACT SALES 

MAGNiTT

Methodology

MAGNiTT's proprietary database and software provides access to data from multiple sources: user-submitted data verified by MAGNiTT, aggregated public information, data engineered by MAGNiTT. All non-engineered data is verified and curated with an extensive manual process for inclusion in its analytic reports.

PROPRIETARY

Startups and institutions list their proprietary information on funding amount, stage, date, and investors directly onto the MAGNiTT platform. All funding data is validated through a strict process. To ensure comprehensiveness in the data, on a quarterly basis a follow-up with all registered and verified funding institutions on MAGNiTT occurs, requesting details on all their investments, including stage, amount, date, and other co-investors. These include VCs, angel groups, accelerators, university funds and family offices for MAGNiTT's focus geographies.

PUBLIC

We undertake daily gathering of public announcements and press releases on the venture funding landscape across MAGNiTT's focus geographies.

ENGINEERED DATA

Proprietary algorithms that tap into MAGNiTT's databases are used to create estimates for undisclosed data with factors including but not limited to year of funding, location of startup, stage of investment and the company's industry. This helps portray a more accurate representation of the full picture.

Data is the foundation of thriving entrepreneurship ecosystems

MAGNiTT encourages you to review the methodology and definitions employed to better understand the numbers presented in this report. If you have any questions about the definitions or methodological principles used, reach out to MAGNiTT directly.

Below is an outline of the approach and criteria used in MAGNiTT's research analysis

What is included: Equity financing into private companies. Funding rounds included must be to VC-backed companies. VC-backed companies are defined as companies that have received funding at any point from: venture capital firms, corporate venture arms, or Angel investors. Where disclosed Angel investments are made at early stage these deals are included once verified.

Excludes: It excludes debt or other non-equity funding, lending capital, grants and ICOs.

Exits: Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data, but included in exit data.

Data lags: The data contained in this report comes directly from MAGNiTT, reported as of January 4th 2021. Data lags are most pronounced at the earliest stages of venture activity. The data aggregated for these rounds during the latest quarter, specifically with seed funding, increases significantly after the

end of that quarter.

Verified Rounds: To ensure accuracy and confidence in our data, MAGNiTT undertakes a verification process for each funding round based on the following process:

- Direct confirmation with firm or investor
- Validated if there is a 3rd party source for the investment round from credible media sources or press releases.
- Various regulatory filings where applicable
- A round is not verified if added by a startup and has no 3rd party reference

Country HQ: In each of our venture reports, the location by which the data is analysed is based on the startup's HQ as chosen and verified by them and reflected on the MAGNiTT platform. When analysing a particular geography, our research does not include:

- Investments in startups from diaspora founders
- Funding for startups who have their main HQ outside of our coverage with only a subsidiary or branch in that country

Historical changes: We continue to improve historical data as we further verify our data sets and expand by geography while reaching out to new funding institutions. Continued improvements in our technology and data operations will lead to more accurate and comprehensive data sets on the platform for our research analysis.

- ▶ All underlying data from the report is available online via magnitt.com/funding-rounds. For more info please visit magnitt.com or contact support@magnitt.com
- ▶ If you feel your firm has been underrepresented, please send an email to support@magnitt.com and we can work together to ensure your firm's investment is data up-to-date

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