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saudi aramco



entrepreneurship

The Wa'ed Newsletter Q3 2021



Introduction



Introduction

Dear Reader,

The third quarter has been an extremely busy and productive period for our teams across Wa'ed, consisting of key investment milestones and other exciting developments, which have been outlined throughout the pages of this newsletter.

We have continued to source high-caliber start-ups that demonstrate business potential through the introduction of innovative and creative solutions. We will introduce you in this newsletter to the most innovative start-ups in new fields including the fast-growing podcasting sector, and environment and sustainability, where one company featured in this newsletter is seeking to refine and repurpose used cooking oil into biofuel.

The importance of home-grown start-ups are a key focus for Wa'ed, providing entrepreneurs with the investment, knowledge, and support to grow within the Kingdom. All aspects of a start-up's lifecycle are taken into account when we evaluate each opportunity, including the follow-on investments, and whether we look at these independently, or as a collaboration with other investors, it is encouraging to see the growing appetite across numerous sectors.

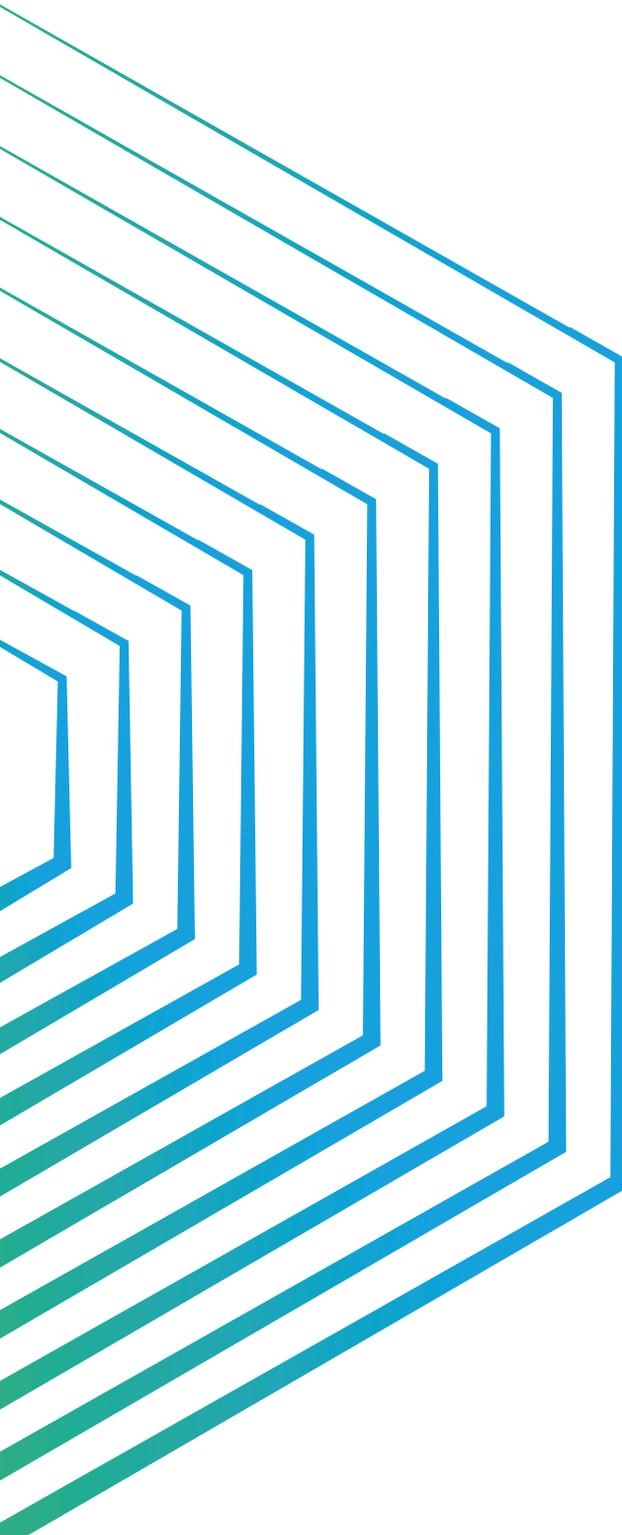
Testament to our teams' efforts, Wa'ed accepted fourteen start-ups across our Venture Capital, Loans, and Incubation units during the last quarter within the digital, media, e-commerce industrial, healthcare, and agricultural sectors.

Empowering the entrepreneurs of a new Saudi Arabia, Wa'ed's end-to-end services – mentoring, training, and funding – delivers core support to the start-up community, providing an invaluable resource in their learning and development journey, as illustrated through the newsletter.

We hope you enjoy reading this newsletter and take inspiration from the success stories that follow.

Venture Capital

Quarterly Highlights



5 VC Deals
in Q3

SAR 16.8M
in venture capital
deployed in Q3

Total portfolio size
35 Ventures YTD

Partnerships empower Grintafy and WalaPlus to solidify home-grown market positions



Majdi Al-Lulu
Grintafy co-founder and CEO

Grintafy Technologies

Dominating a niche market like sportstech is not an easy journey, but it is what differentiated Grintafy Technologies aside from other start-ups in its sector. As the largest football talent discovery platform in the Middle East, the start-up hit multiple records since the day it was launched in 2018, even as their beginning held more challenges than wins.

“In 2018, we had a difficult journey. Imagine trying to convince kids that we were the LinkedIn platform for football players, that was not an easy model,” says Majdi Al-Lulu, the co-founder and CEO of Grintafy.

During that time, the start-up was designed to be a booking solution for football fields, but the entire direction took a turn in 2019 when the founding team repositioned Grintafy as a talent discovery platform. The team worked on a full-rebrand, creating a new logo and company profile, which was launched during a press conference.

This was the one turning point that helped launch the start-up to become the leading end-to-end solution for the football player community.

Soon after, Grintafy partnered with Al Wehda Saudi Club, introduced an in-app feed feature that gathered a hundred million views, and began to gain popularity across many different countries in the Middle East and beyond.

Today, the start-up is “(there is an extra space) on track to have one million players using its platform by the end of the year,” said Majdi. It has already reached seventy million downloads for its app, helped create sixty thousand football games, and assisted four hundred people to join as players.



Rayan Saleh
WalaPlus founder and CEO

Last month, Grintafy partnered with the Saudi Arabian Football Federation to launch Future Stars, a talent discovery competition to explore the next generation of Saudi football stars.

“With this partnership and with the amount of user popularity, I believe this is the largest we can get in the Saudi market, which is why we are now focusing on our performance in Egypt, the second largest market for Grintafy,” explained Majdi, who says the start-up was built to become a global platform in the first place.

Beyond the Middle East, the start-up secured a partnership with West Ham United, becoming the exclusive talent discovery partner for the English football club this year.

WalaPlus

For entrepreneur, Rayan Saleh, addressing market demand for an employee discount application was a core feature of his start-up plans when he first began.

His platform, WalaPlus offered companies the chance to provide a number of discounts on local shops to their employees. It then added recognition and rewards programs, attracting over one thousand companies to register.

So far, the start-up has been incredibly profitable, adding brands like Careem to its client list. But what started as a complete B2B platform, has now evolved to reach users more directly and with new loyalty features directly to consumers.

“We are working on developing WalaOne. It’s a loyalty program aggregator that gathers all the points you collected from different providers into one wallet,” said Rayan. “We received a lot of demand and requests from companies to build this feature.”

Just like employee discounts, WalaOne points can be used to redeem vouchers, gift cards, and even products like phones and perfumes. There are more than ten thousand products to choose from, but Rayan chooses to shy away from labeling the service as an e-commerce solution. Instead, he calls it “drop shopping”, since the start-up does not manage the typical logistics processes that e-commerce players need to manage.

What Rayan is not reluctant to explore, however, is the complex world of digital assets.

“We have one driving vision right now: to be a digital wallet for digital assets. Our aim for 2022 is to reach SAR 120 million in e-wallet assets. We’re now around SAR 30 million, so the journey is only starting and we’re focusing heavily on this to be added within the next year,” added Rayan.

Through WalaPlus, Rayan is optimistic that he will be able to create a more positive public image around the use of digital assets, using the success of Bakkt as inspiration. The New York-listed digital asset company secured a \$300 million Series B funding round in 2020.

Blockchain technology in Saudi Arabia

Streamlining professional certification fraud



Majd Al Afifi and Mohamed El Kandri
IR4LAB co-founders

The Saudi market is witnessing an increasing number of digital home-grown start-ups ripe for investment and mentorship, assisted by the collaborative support of public and private entities. During recent years, there has been significant growth in those harnessing the capabilities of emerging and frontier technologies such as blockchain and AI, something which inspired entrepreneur Majd Al-Afifi to co-found IR4LAB during his studies in Canada.

Knowing a nine-to-five job was not a right fit, Majd was inspired by success stories of technology start-ups he read about and sought similar opportunities. Driven by a passion to create a business that utilizes blockchain technology which would provide jobs in his home country, he partnered with fellow student, Mohamed El Kandri, an international expert in Blockchain, while studying for their Master's of Technology Entrepreneurship and Innovation in Canada.

"At that time there was the announcement of the Vision 2030, and I believed this was exactly what the government would appreciate from Saudi students who were studying abroad, bringing valuable know-how to the country" he noted.

Together with Moroccan-Canadian Mohamed, Majd was invited to pitch their concept to the King Fahd University of Petroleum & Minerals Entrepreneurship Institute (KFUPM EI) for its 2030 scholarship program. Following rounds of refinement during the ideation stage, the beginnings of IR4Lab was born. A key turning point came during a visit from Mr. Nabil Alnuaim, the Chief Digital Officer of Saudi Aramco, who requested a pilot to be launched at Saudi Aramco.

"The digital transformation office at Saudi Aramco provided unwavering and exemplary support. We piloted the project with SPSP as a first user. Fast forward to today we have onboarded 23 certificate issuers working with Aramco with a volume of 75,000 certificates in the next 2-3 years," he added.

Built to help corporations root out resume and professional certification fraud, of which the Saudi Council of Engineers reported detecting 2,799 cases in 2020, Majd and IR4LAB's talented and passionate team are using blockchain technology to verify certification status for job applicants in a matter of seconds, a process that normally takes days or weeks.

Majd noted that the journey has not been easy: "It has been very challenging. In terms of starting your own company in such a new and complicated technology. It requires awareness, education, a lot of time and effort to get customers familiar with what you are talking about, we were fortunate to receive support from government entities such as MCIT"

Despite the challenges, IR4Lab now implements blockchain processes to enable companies to reduce associated risks to workplace safety and its employees, which could otherwise be jeopardized by workers without authentic credentials. Mohamed was invited in November 2021 to present IR4Lab innovation and know-how at the CASCON international conference by IBM.

This is in part thanks to an investment of SAR 5.63 million from Wa'ed, which will help IR4Lab speed up the introduction of blockchain digital solutions to the Saudi public and private sectors, accelerating efficiency gains and driving economic growth.

"Blockchain is a transformative digital technology, and we are proud to help the Kingdom stay at the forefront of it," he said.

Momentum picks up on Saudi digital future investment opportunities

Collaboration is key to developing a robust ICT ecosystem

The fast-growing digital technologies sector is moving at a swift pace, with multi-entity alliances helping identify and enable the next generation of Saudi entrepreneurs.

Efforts to cultivate creatives whose disruptive products and solutions fill gaps in the Saudi economy continue apace. This has been bolstered by the Kingdom's launch of a raft of technology initiatives worth over SAR 4.5 billion in August to cement its position as a global technology hub. To reach this common goal, collaboration is the name of the game.

This has been amplified through an MoU signed between Wa'ed and Taibah Valley Company (TVC), an emerging Saudi hub for artificial intelligence (AI), Internet of Things (IoT), and blockchain development, which aims to support start-ups in Madinah. The collaboration will see Wa'ed screen TVC start-ups for potential incubation and investment.

The announcement strengthens Wa'ed's commitment to expand the Kingdom's entrepreneurial ecosystem through alliances. Last December, Wa'ed signed an MoU with Namaa Almunawara, the economic development agency in Makkah, and in November, Wa'ed signed an MoU with Oqal, the leading angel investor

network in Bahrain and Saudi Arabia. The pacts are designed to share opportunities and resources and cultivate entrepreneurs whose disruptive products and solutions fill gaps in the Saudi economy.

"[The collaboration] will expand commercial opportunities for start-ups in one of the Kingdom's most dynamic hubs for blockchain, AI, and Internet of Things development," said Dr. Jaber Faraj Almutairi.

The collaboration will also offer virtual incubation and mentorship to entrepreneurs, connecting them to Wa'ed's innovation ecosystem. TVC will cultivate promising opportunities for funding, and support Wa'ed's portfolio companies in accessing and expanding in Madinah, as well as provide dedicated coworking space to entrepreneurs.

The internet inspired a generational entrepreneur

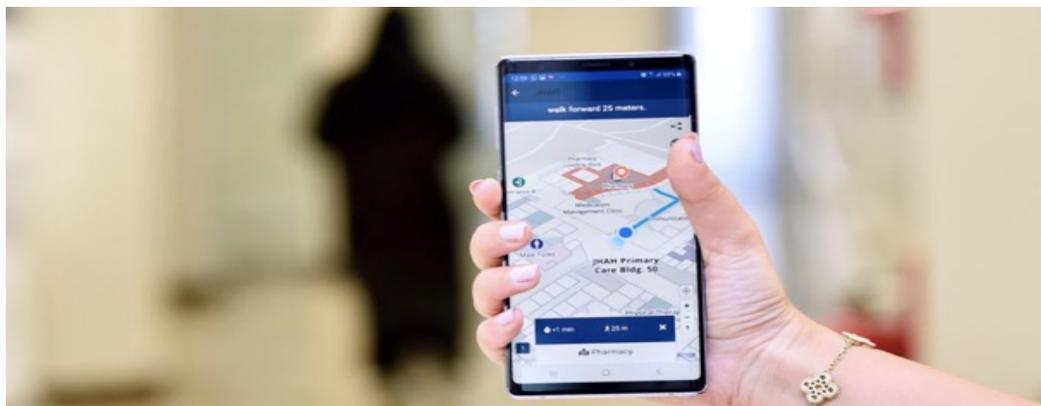


Photo credit:
Johns Hopkins
Aramco Healthcare

Though the internet had been in use in Saudi Arabia for some years, it wasn't until late in 1998 that the King Abdulaziz City for Science and Technology (KACST) began working with the Saudi Telecommunications Company (STC) to provide the necessary communications lines for public access.

At this time a young Faisal Alferdos was had first joined university and remembered the feeling of excitement when the internet first came to Saudi Arabia: "I was really into the internet and I started to learn some of the languages to build my own website."

Though his major was in architectural engineering, his interest in the internet spurred on a side-line education path which saw a self-education in website creation and coding, eventually building the website for his college and the beginning of his passion to be an entrepreneur.

Following his graduation, Faisal joined Samba Financial Group and it was here that the idea for rightcompound.com was born. "Most of the team were expats, and they were finding it hard to find information about rental properties, so I

decided to build the first listing platform for expatriate rental compounds. It still exists and is performing well."

Five years later Faisal was invited by KAUST to attend a digital payments conference in southern France. During the conference, Faisal recalls the first time he was introduced to near field communications (NFC): "When we watched European TV you noticed that there was a lot of advertisement for mobile applications that were not available in KSA. They were promoting mobile services and the internet to make life easy. We noticed there was an opportunity."

He soon highlighted limitations in the application and looked to Bluetooth to support the potential of developing its use in terms of navigation inside big buildings, establishing NearMotion in 2016. Based in Al Khobar, Faisal and his team have rolled out a mobile navigation tool that allows airports, hospitals, shopping malls, museums, theme parks, and event stadiums to interact with thousands of visitors on the go, providing real-time information and services.

Follow-on funding has provided an essential component for NearMotion as it continues to move to the next level of maturity, supported by Wa'ed's recent injection after an initial investment during its first year in 2016. The latest funding will be utilized to further strengthen Near Motion's market share and explore expansion opportunities.

A recent milestone saw the company secure a SAR 1.2 million contract for digital mapping services at the Saudi Ministry of Education's 200,000 square-meter headquarters in Riyadh. According to Alferdos, this comes at a time when the market for digital indoor mapping and navigation services is booming in the Gulf, with a greater number of hospitals and shopping malls looking to add such services across the region.



Faisal Alferdos
NearMotion founder and CEO



Reflecting on what continues to drive Faisal, who has in recent months toured a number of developments in the Kingdom, he said: "It's about building something from scratch, it's a challenge that I like to tackle. Saudi Arabia is not anymore about producing and exporting oil. I want to give an example that we can be exporters of innovation and technology."

The team is currently finalizing the last stages of programming ahead of going live with its first entrance into a subscription-as-a-service (SaaS) model,, which Faisal said will be ready by the beginning of 2022.

From Floppy Disks to the Skies



The technological advancements witnessed during the past three decades still serve as an inspiration for entrepreneur Mohamed Shalaby who recalls working from floppy disks during his final studies for his bachelor's and master's degrees in mechanical and mathematical engineering at the University of Alexandria in Egypt.

Undertaking hours and hours of manual calculations and data inputting, the introduction of computer sciences as a subject immediately caught Mohamed's attention and became a career of passion, he said. "This was an evolution for us. It was the inspiration. Computer science was a dream."

This inspiration took Mohamed to the Austrian capital to read for his doctoral in technical mathematics, a catalyst for a life-long ambition to further the thinking around the application of mathematics and engineering in real-life situations.

Continually fuelled by the ambition to build something new, Mohamed accepted the gracious invitation as a founding scholar to establish the King Abdullah University of Science and Technology (KAUST) in 2009. He fondly recounts traveling with a group from Vienna with "big dreams", joining peers from all over the world.

Now, aged 54, Mohamed is co-piloting the future of 3D mapping with drones. Reminiscing about what was just the sharing of ideas and concepts of work, Mohamed recalls how his colleague and archaeologist Neil Smith introduced Ph.D. student Luca Passone to the collective. As one of few people in Saudi who built and flew their own drones, the trio soon took their ideas to the skies and took on their first test in the mapping of the King Abdullah Mosque.

"We met all together and put a camera on top of the drone built by Luca to get images and try our software to see what was possible. The model was really amazing," Mohamed explained.

Eager to showcase the potential of the team's software which utilizes photogrammetry, they participated in one of KAUST visualization labs, where they drew the attention of the Mayor of Jeddah who requested the mapping of the historical area of s Al-Balad to accompany the city's UNESCO Heritage Site application, which was successfully transcribed in 2014.

“It was a big challenge to come out with the kind of model of this size, but it was a good challenge for us,” Mohamed noted.

Serving as the motivation to start FalconViz, the company was established in 2015 and has since grown to 28, with 95% of all colleagues being young aspiring Saudi nationals, a statistic that Mohamed is extremely proud of, paying credit to the team for the success the company has secured over the past six years.

“What is inspiring is finding the right team who can support you during this journey. Especially when we are dealing with drones,” Mohamed said.

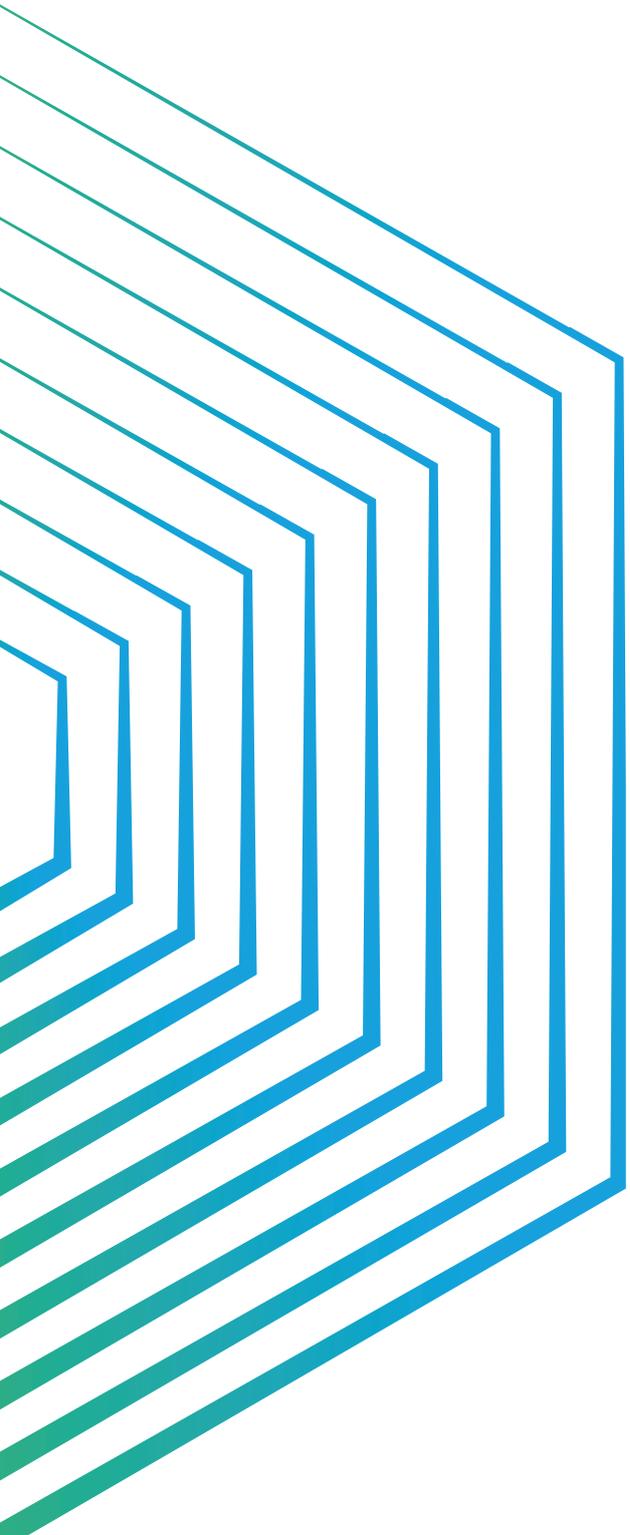
Reflecting on his own career journey when computer sciences were only just emerging, Mohamed noted that a similar pioneering opportunity exists today for those willing to explore the potential of drones. Though he added that it also presents challenges in shifting the mindset of all those involved as there are no official education streams or case studies to demonstrate to prospective recruits or clients.

Through the collaborative efforts of the founders and growing team, FalconViz continues to win new business and is currently working on projects across Saudi's giga developments and in major cities, as well as in the US where there is a full-time member of staff currently stationed.

Mohamed and his team have secured two rounds of funding from Wa'ed, first in 2016 and again this year, to scale up operations and has enabled them to continue investing in its people, grow services, and expand FalconViz's across different sectors.

Not wanting to stagnant innovation, Mohamed noted that progress is being made in the development of a SAS model with plans to provide an online platform for 3D models to be created from uploaded images from drones from anywhere in the world.

New VC Investments



Unsustainable revenue streams creates an opportunity for Saudi's growing podcast community



A year of hard work and no revenue streams sparked an idea that has since created a platform of business opportunities for Saudi's growing podcast community.

For Khalid Alkenaa, spending numerous hours creating his own podcast, Fsool Mohtwize, which was originally inspired by a limited number of Arabic content, became an unsustainable dream that had no financial return.

"For a year, I kept publishing episodes with zero income from my podcast. It was very clear how this was not sustainable," he noted.

However, he was not alone and estimated that there are more than two million podcasters who face the same challenges, sparking the idea to create a monetized platform to enable content creators to achieve sustainability and growth.

Born in 2018, Mohtwize has been a labor of love for Khalid who has enjoyed the journey of discovery, creating innovative tech solutions that are not only disrupting the AD generation in heard content, but having a positive impact on podcasters and their listeners.

"One content creator in Mohtwize told me that she used to do all the production of her podcast by herself, and after Mohtwize provided her with income from advertisement, she hired multiple freelancers to work with her and continue producing episodes now."

The potential impact podcasts have on people's everyday lives is a key driver for Khalid who has a medical background. And while he noted that the journey in building Mohtwize has not been a smooth one, he said it has been "humbling".

"It was incredibly challenging and painful at the beginning to make people believe in the vision, but now people want to join us," he noted. "You have to discover the answers by yourself. I learned in three years more than I have learned my entire life, and I have met passionate and smart people who have taught me a lot."

For the Riyadh-based entrepreneur, one of the key learnings has been patience and how “impactful work takes a long time to be developed and reached”.

Recognizing Khalid’s success in creating a unique platform that is supporting the commercialization of Saudi’s podcasts, and its sustainable financial model to encourage more content creators, Wa’ed invested SAR 1.9 million into Mohtwize this year.

Through the investment, Khalid plans to hire new staff and expand the platform’s content, which achieves around two million monthly downloads, with the aim to take the business to “a new level of financial sustainability and success”.

“There are millions of content creators who do not make income out of their impactful work, and Mohtwize is determined to eliminate that and enable content creators to achieve sustainability,” he added.

Joi Gifts poised for Saudi market elevation with Wa'ed support

Regional gifting with a local mindset



Mohammed AlHokail, Alper Celen, Rami Kahale,
Ritesh Tilani

The art of gifting has been elevated to new heights in the Middle East as Joi Gifts raises SAR 9.38 million from UAE and Saudi investors, including Wa'ed.

The Series A funding round that will fuel its expansion strategy, was led by Dubai VC firm Knuru Capital and joined by Dubai's MENA Moonshots. This latest funding round comes at a time of rapid growth for Joi Gifts, which this year entered its eighth country and has achieved profitability amid a five-fold increase in sales.

Founded by tech entrepreneur Ritesh Tilani, who has studied in the US, France, and Singapore, Joi was a start-up product of his venture capital studio Enhance Ventures which aspires to encourage and stimulate the growth of start-ups across various industries.

Targeting the region's increasing growth in the gifting market, with a particular focus in Saudi and the UAE, each of which Enhance Ventures claims have the highest average spend on gifts globally and values the MENA region's gifting industry at roughly SAR 105 billion, growing more than 30 percent each year.

However, it was not just the business case that drove the creation of Joi Gifts, the company was established out of the belief that they can make the world a happier place, one gift at a time, and has remained a supporter of local merchants, as it expands into new cities. Ritesh has noted he and his team travel to new markets to sign up the merchants to create the product which aligns with the Joi Gifts brand.

Joi Gifts' CEO, Rami Kahale, added that the funding from Wa'ed will provide them with a "significant strategic advantage" in Saudi Arabia, and support their short-term growth through awareness campaigns, customer acquisition, product development, and further regional expansion.

Loans

Quarterly Highlights

2 Loan Deals in
Q3

Repayment
amount in Q3: SR
5.7 million

Active portfolio size
73 projects YTD

Wa'ed continues to strengthen its position as an enabler within the specialty chemicals market



Meshari Al Subaiei
SICCO co-founder

Wa'ed has increased its support of the specialty chemicals market, through recent loans to businesses in the sector, which now make up ten percent of Wa'ed's portfolio of 72 loan-funded start-ups – a figure that is likely to rise as the industry grows.

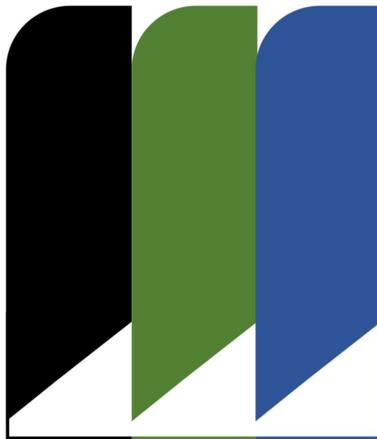
“While the Kingdom has a strong competitive advantage in the chemicals industry, there is significant potential to develop the downstream chemicals market which has a gap in the supply chain,” said Mazen Al-Asnag, Head of Loans at Wa'ed. “Traditionally raw chemicals have been exported and then processed and sold back to the Kingdom as downstream chemicals. This sector of the chemicals market is very lucrative and heavy development of this space will add substantial value to the local economy.”

Keen to support businesses who can supply the Saudi market and create scalable and sustainable businesses that generate local jobs and retain a value-add proposition in the Kingdom, Wa'ed provided a SAR 3.75 million loan to the Specialty Industrial Chemical Co. (SICCO) to support the construction of a factory in Jubail, establishing the Kingdom's first producer of an essential compound used in the oil and gas drilling process.

Targeting the production of calcium bromide, a clear liquid used to regulate wellbore pressure in onshore and offshore oil and gas wells, SICCO co-founder Ahmad Alkhowaiter, said the company was born from the need to address local resource shortages and create a local



Ahmad A. Alkhowaiter
SICCO co-founder



Specialty Industrial Chem Co.

supply chain.

Spending the majority of his working life in the logistics sector, Ahmad pinpointed a gap in the market and together with Meshari Al Subaiei, who had expertise in technology, SICCo was established with the initial plan to produce up to 4,000 tons of calcium bromide per year at its 15,000 square meter plant in Jubail.

“As an entrepreneur, there was a big movement in Saudi Arabia to localize the production of compounds and we saw an opportunity,” Ahmad noted.

Localizing first-time ideas

Wa'ed fosters the establishment of two leading manufacturing and processing facilities in the Eastern Province

The Isotopes Company and BioFuel Company to start production in 2022

Through multi-million Riyal loans, Wa'ed is supporting two new facilities in Saudi Arabia which will drive a local and sustainable supply chain in biofuels and isotope manufacturing, establishing the Kingdom as a key export market.

In two separate loan agreements, each totaling SAR 5 million, The Isotopes Company, and the Neutral Fuels Company, Which will open new facilities in the Eastern Province by 2022.

The Isotopes Company, which aims to specialize in the production, supply, handling, and servicing of RT projectors, NDT accessories, and associated facilities for medical applications, will open the Kingdom's first radioactive sealed sources manufacturing facility in Dammam's Third Industrial City, with plans for future growth.

Addressing the gap in the local market and demand, the company aims to locally manufacture sealed sources that meet international standards, to supply end-users in a timelier manner than current import options available.

"We aim to become a global player in our field," said Wail Al-Sabbali, CEO of The Isotopes Company. "The idea is that we focus on the local market during the first year, and then the export market within two years."

Scheduled to begin commercial operations for Q3 2021, the start-up aims to recruit a team of 21, with a Saudization rate of 81 percent during its first year.

Neutral Fuels Company

When foreign buyers came to Abdullah Al Otaibi, a trader in the oil and gas industry at the time, asking for used cooking oil in 2014, his curiosity about their request started to kick in. At the time, there was not a lot of market awareness around the possible commercial uses of leftover cooking oil, and demand was mostly coming from buyers based outside of Saudi Arabia.

Sensing a market opportunity, Abdullah began a study in 2018 to assess whether building a local 'green-fuel' company is in fact a successful business.

"Before operating as Neutral Fuels Company, we started our market study in Bahrain in 2018 and that showed us a very interesting aspect about the sector," said Abdullah. "We realized that our business will make us pioneers in Saudi Arabia because there weren't many customers within the kingdom asking for sustainable fuel. The market was still early, but seeing how many European buyers were interested, we knew the business was going to take off," said Abdullah

When he started collecting used cooking oil as the first Saudi producer in the Middle East, Abdullah used to say that it will take the kingdom at least five years to catch up to the level of demand he sees in Europe. Today, he's convinced it will take the country two years if not less.

Megaprojects under the Saudi Vision 2030 agenda aim to bring sustainability as a pillar for development. The Kingdom is trying to reach a net-zero carbon emission goal by reducing emissions to almost 280 million metric tons.

One of these megaprojects is NEOM, the exciting futuristic city that is currently being built near Tabuk. Green energy is supposed to power the city entirely, says Abdullah, who's already working on "a letter of intent" to send to NEOM and the Red Sea project to find ways to work hand in hand within these projects.

"We want to focus on local suppliers and clients. We have already collected the cooking oil from restaurants, hotels, and residential areas, but we want to target more local clients, too. We want to serve the environment by solving both carbon and waste problems, and help people and the planet, while also making profit through our business" says Abdullah.

Being the first local green fuel producer means competition is still slow. There are currently no direct competitors for the company, according to Abdullah, but buyers who gather cooking oil and export it to refineries outside of the Kingdom present indirect competition within the business.

When Wa'ed approved its SAR 5 million loan for Neutral Fuel, it not only helped Abdullah secure the financing to complete building his refining factory in Dammam, but it also encouraged him and the team to read more about the sector they are in.



Abdullah Al Otaibi
Neutral Fuels founder and CEO

“Tamkeen helped us when we were in Bahrain, and there were government bodies who also helped us with the legal papers and licensing, but when Wa’ed came, it was a transformational step,” explains Abdullah. “The amount of preparation we had to do to fill the applications and the number of meetings we did with the team really helped us gain the knowledge about the sector.”

Questions around safety and quality started to surface, he says, and that was just the right push for the team to become more familiarized with all aspects related to renewable energy. Now, the team is ready to embark on a two-year journey building its factory in Dammam with Wa’ed’s assistance.

“The moment Wa’ed believed in us was enough,” admits Abdullah.

Incubation

Quarterly Highlights

9 Incubated
start-ups in Q3

SR 30 million of
investment by
active incubated
companies

Leaving a positive impact through AI, blockchain, and IoT

e-procure, Sorting Medical Waste, and Ashya Tech aim to drive digital change with advanced technological tools

During the 2021 Entrepreneurship roadshow, we've met with a wealth of entrepreneurs with innovative ideas in different sectors, and our winners brought a number of innovative start-up solutions to light.

e-procure

The light bulb moment for many start-up founders starts with Identifying a market gap.

When he worked in the construction field, Nawaf Al Abra started noticing issues with the way buyers and suppliers would communicate their requests between each other. There was no transparency in the way they would communicate, and no unified service to digitize that communication channel. Nawaf took the mission upon himself to establish SPS in 2014, the first Saudi consulting company specialized in procurement.

The real light bulb hit for Nawaf in 2016, when he watched Blockchain, an advanced information recording technology, start to gather local attention. During that time, he was familiar with the technology, which made him believe that there must be a way to adopt blockchain to make procurement processes less frustrating for both buyers and suppliers.



Nawaf AlAbra
e-Procure

"There is a key challenge in procurement that is known as 'the buyer-supplier dilemma'; buyers want to buy something, their suppliers say you need to pay me in advance before we can supply you, and these buyers cannot trust any of these suppliers at this point," said Nawaf. "Usually, this would be solved by going back to old fashioned ways of securing payments, and sometimes, these solutions are in a grey area in terms of actually being legal or not."

Over the next three to four years, Nawaf studied the market to understand the specific reason that were still preventing businesses from becoming entirely digital. 80% of companies within the procurement sector were still largely offline, he explains, and they were worried about three key things: the security of their data, their trade sectors (including their pricing metrics and contract documents), and the unavailability of an easy platform for them to use.

This gave birth to e-procure, a blockchain-powered platform that eliminates third party mediators between buyers and suppliers so that the two can communicate more directly. Adding blockchain meant that any virtual transaction that was registered on the platform cannot be altered by one party without all parties being notified.

Nawaf calls this “distributed ledger technology”, and it can attract clients who were once worried about transparency issues between them and their suppliers.

The other major benefit for adding blockchain is that it made it easier for e-procure to start offering its services to global clients from day one. The company has been live since its launch in 2020 and has so far gained more than 50 companies from around the world. Nawaf is determined to build a global enterprise business network, one whose growth also reflects the growth of the product itself.

But even as blockchain becomes mainstream in global markets, misconceptions around the technology still affect the way companies view this new advancement.

“There is a huge misconception around blockchain, I say this a lot to my friends and business partners. Most people think of it as cryptocurrency and that scares them away,” says Nawaf, “Crypto is basically one application built on top of blockchain, which is like an infrastructure for many other applications.”

Today, e-procure is working on raising a seed round, and although some investors still choose to steer away from blockchain based on the common misconception, Nawaf believes there must be a responsibility to pave new roads for new inventions.

He is ready to take on that risk.

“Entrepreneurship resonates with taking risks from your side as an entrepreneur just as much as from the investor side. You need to take that risk and pass that learning curve to reach your goal, because the leaders in the market are the ones who took the flag and were ready to bring in something new and innovative,” said Nawaf.

“We understood from the beginning that we will be doing something new, and we prepared ourselves to see the resistance from both clients and investors, and I don’t blame either of them. But if you want to change something in the world, you need to be that change. And we are that change in the market. We want to change how B2B works,” he added.



Hind Almohmadi
Sorting Medical Waste

Sorting Medical Waste

When Hind Al Mohmadi came up with the idea for her healthtech start-up, Sorting Medical Waste, the goal was to address a problem she came to encounter very closely.

Hind had heard about a friend who contracted Hepatitis B from sorting syringes, only to find out about a healthcare staff who caught Covid-19 after being exposed to medical waste. The two incidents were enough to drive Hind into believing a serious issue must be laying behind.

At the time, Hind was completing a master's degree in Chemistry when she decided to investigate how the chemical waste from the labs she attended was handled once disposed of.

"I found that most of it was put directly into the ordinary waste bins with other non-chemical items," said Hind. "A lot of these chemical waste by-products can

be toxic or poisonous, and they could burn people if they got exposed to them without proper protection."

This started the team's mission to help minimize the direct exposure to viruses and bacteria that healthcare workers ordinarily face, especially those handling medical waste. The five-women dream team, all healthcare professionals, worked on a solution together.

Instead of depending on clinics and hospitals to re-adjust their waste management and sorting processes, which typically takes a longer time to achieve, the start-up chose to provide those healthcare institutions with a physical device that helps sort and sanitize waste.

"The device is still in its early pilot stages, but we already presented it to 10 hospitals, and we got great positive responses," said Hind, who mentioned that many hospitals in Riyadh, Medina, and Jeddah expressed more "serious interest" to buy the device.

Winning a third place at the Wa'ed roadshow stop in Jeddah with a promised SAR 25,000 seed grant was another milestone the team had celebrated this year. The funds will help the start-up purchase the needed parts to manufacture more devices as the demand grows.

"We want to work on two more devices, one to help out radiology departments with their waste disposal and one to offer university chemistry labs so they can handle the organic waste they usually end up with," said Hind.

Ashya Tech

Seeing an opportunity to reduce manhours required for manual street light surveying, Ahmed Al Abdulmohsen founded Ashya Tech, a platform which automates the inspection process utilizing the cloud.

“We started with the ways companies were handling their usual businesses and tried to build a system that was flexible enough to cover the different areas that they needed, from performing surveys and collecting measurements, to controlling assets. We wanted to offer a completely remote option so that these companies can have real-time access at any needed point without having to schedule a field visit,” said Ahmed.

Ashya Tech worked with Industrial Sustainable Efficiency (ISE Energy) which it found to be a key factor behind their market growth. As a local energy services company, ISE Energy opened a whole range of business partnerships, coming to Ashya Tech as the right partner at the right time.

The start-up was able to work directly with the companies that ISE Energy had within its network, meeting up directly with the engineers to figure out ways to best meet their demands.

Providing customized solutions can sometimes be a costly exercise for entrepreneurs, and Ahmed tries to keep that in mind every time he works with a company to customize its processes.



Ahmad Al Abdulmohsen
Ashya Tech

Working with partners is a two-way process, he explained, and sometimes start-up founders need to advise their strategic partners on areas they themselves might have missed.

For Ashya Tech, that meant double-checking whether measurement data documents their clients were completing were in fact mandatory. At the end of the day, both the start-up and the client companies wanted to contribute towards achieving energy efficiency and sustainability.

“Under Vision 2030, there are four main sectors related to energy: transportation, buildings, industry, and utilities. With Ashya Tech, we’re targeting both the building and utilities sectors. For example, major projects in Saudi Arabia are currently trying to replace streetlights with LED lights because their goal is to reduce the energy consumption by 50% to 60%, and this is where we can make the most impact,” said Ahmed.

So far, the start-up has successfully launched operations in Riyadh, Alkhobar, Tarut, and Sihat, but the most interesting province so far has been Abha, says Ahmed. There, the start-up deployed a technology solution that detects streetlights geolocation and technical specifications.

“In Abha, we had the opportunity to test out three projects in three very different geographies. We covered the city, the rural areas, and the mountain side. In all three, the companies we worked with were struggling when it came to internet connectivity, and we came in and helped them connect to the satellites so we can access the data we wanted to work with,” explained Ahmed.

More Yanbu and Jubail Incubation Winners



Ahmed Alsulami
Buysell

Buy Sell Platform, Online Marketing Company

75,000 SAR seed grant

The platform works to provide companies with bulk sale comparative price quotes for chemical materials. The team, that includes experienced chemical engineers, has deep industry knowledge, and operate in a high-demand market while providing a competitive service fee.



Abdullah AlGhamdi
Rama Farms iRama

Rama Farms/iRama

50,000 SAR seed grant

Rama Farms is specialized in modern hydroponics and aquaponics vertical farm technologies to create agricultural protected environments. Compared to traditional farming methods the business has a much higher production rate, is space saving and labor costs are reduced by 70 percent. The first prototype is ready.



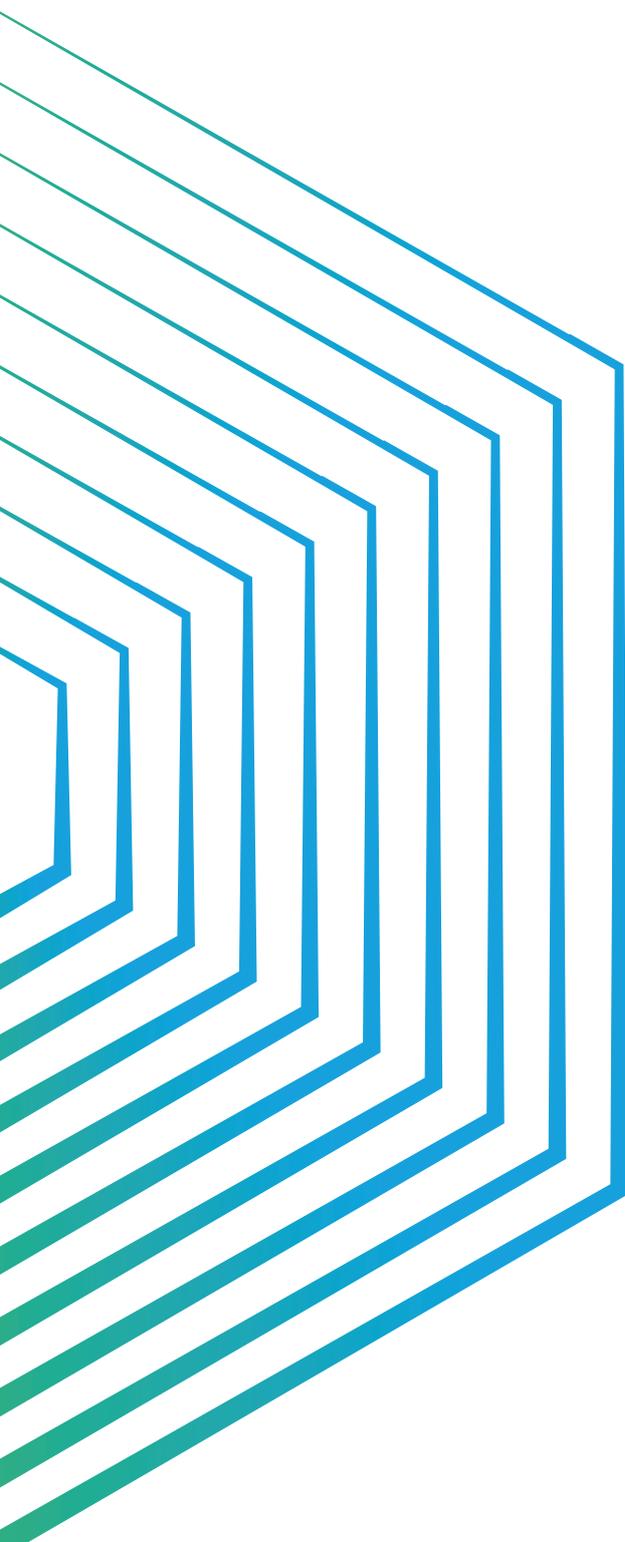
Muhannad Alhamed
Home Run

Home Run

SAR 25,000 seed grant

A smart home automation solution based on Internet of Things (IoT) technology compatible with different hardware and brands, providing data analysis on energy consumption. The Saudi market size is expected to reach SAR 11.6 billion by 2023.

Wa'ed 2021 Entrepreneurship Roadshow



Wa'ed 2021 Entrepreneurship Roadshow

Jubail and Yanbu stops



Jubail Roadshow

Sponsored by the Royal Commission for Jubail and Yanbu, which oversees the Kingdom's largest industrial zones, the event drew entrepreneurs from a wide range of fields and highlighted the industrial manufacturing and services sectors.

After receiving hundreds of applications, Wa'ed announced a combined SAR 10.2 million in seed grants and loans to six Saudi start-ups, as it began the six-city Kingdom-wide roadshow.

At its second stop in Yanbu, the Wa'ed Entrepreneurship Roadshow underscored the importance of the petrochemicals sector by doubling down its financial support to Saudi-based start-ups raising the total investment since the first event in Jubail from SAR 8.9 million to SAR 19.1 million.



Yanbu Roadshow

In our next issue

In our next issue, we'll profile more Wa'ed portfolio companies, run through the success of the past year, and provide an update on our latest venture capital, loan, and incubation announcements.



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