

2021 MENA VC

# IMPACT

Investment Report

MAGNiTT report, sponsored by  
Saudi Aramco Entrepreneurship Center | WA'ED

**MAGNiTT**

أرامكو السعودية  
saudi aramco

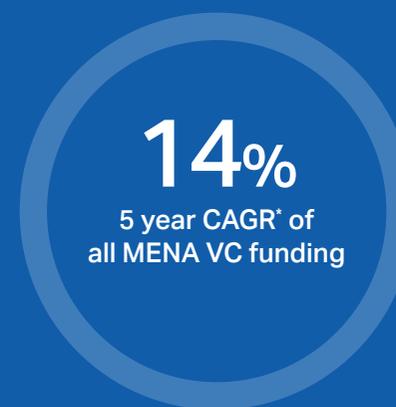
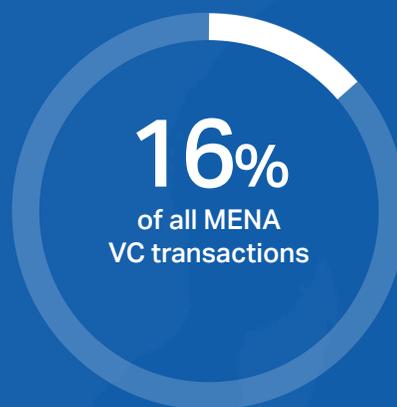
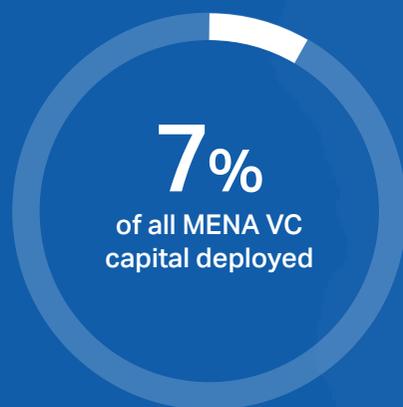


entrepreneurship

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# MENA VC Impact Investment In Numbers | 2016 - Q3 2021



\*Compound annual growth rate is the mean annual growth rate of an investment over a specified period of time longer than one year.

# Key Stakeholder Takeaways



[Fahad Alidi](#) | Managing Director, Saudi Aramco Entrepreneurship Center (Wa'ed)

**The Mena region is starting to materialize the need to lead a nation-wide movement towards placing impact-focused initiatives at the center of every sector in the venture capital ecosystem.** In Saudi Arabia, under the visionary leadership of HRH Crown Prince Mohammed bin Salman, and encouraged by the green commitments of the Public Investment Fund, Saudi VCs recognize today the need to push for startup solutions that could enhance people's access to health and social services as well as pave the road for a sustainable planet for future generations. The Saudi Aramco Entrepreneurship Center, Wa'ed, is excited to present this regionally-focused VC impact investment report outlining measurable data on the current social and environmental performance behind leading startups and venture investments.



[Salman T. Jaffrey](#) | Chief Investment Officer, Saudi Aramco Entrepreneurship Center (Wa'ed)

Last year, more than \$715 billion was directed globally towards impact investment, a huge increase from 2019's figure of \$502 billion. Although the majority of this capital was allocated in the US, Canada, and Sub-Saharan Africa, both investors and startups in Saudi and the MENA region are increasingly looking for ways to become more active participants in this space. **As part of our initiatives to focus on sustainability and advancing investor awareness, Wa'ed was proud to sponsor the second edition of the Conscious Investor Fellowship program with NYUAD and VentureSouq, which takes a select cohort of investors and stakeholders on an intense journey of impact investing.** These initiatives are a clear reflection of a growing regional enthusiasm to join the global movement around social and environmental investment.



[Noor Sweid](#) | Chairwoman, Middle East Venture Capital Association

Time has shown that socially and economically impactful public companies tend to outperform those that aren't. Private companies are no different. **The future of the region's investment landscape will be underpinned by an understanding that technology companies are not only fruitful investments with positive prospects for financial returns, but also a vehicle for social change and impact.** We will witness more investors choosing to allocate capital in businesses that are making positive contributions in areas such as financial, healthcare, education, equality and job creation. The future of tech lies with companies that do well and do good.



[Qusai AlSaif](#) | CEO, Saudi Venture Capital and Private Equity Association

The COVID-19 pandemic has pushed the ESG agenda across all aspects of the startup ecosystem, as equitable recovery is becoming inseparable from sustainable market growth. In Saudi Arabia and the MENA region, **startup founders were the first to recognize that placing social and environmental responsibility at the core of economic performance is the only way to accelerate the region's entrepreneurial space.** While impact measurements practices have a long way to mature, but as those metrics become more sophisticated globally, we need to strengthen our efforts to make sure we provide the necessary support for high potential, impact-driven, startups.



[Sonia Weymuller](#) | Founding Partner, VentureSouq

When catastrophes such as COVID-19 happen, it is considered a great equalizer of societies. **This pandemic, however, has exacerbated existing systemic issues and exposed how issues of public health, education, and the environment need to underpin current investments.** In 2020, we launched the VentureSouq Conscious Collective, which brought together regional mission-driven investors, and the Conscious Investor Fellowship, co-hosted with NYU Abu Dhabi's startAD with Fellows from a variety of professional backgrounds all aiming to give their capital more purpose and more impact. All sectors need to be ready for future solutions the same way that startups need the necessary support from different stakeholders.

# Key Stakeholder Takeaways



**Anthony Berkley** | Director of ACT and Head of Investments, FII Institute

FII Institute is a global nonprofit foundation with one agenda: Humanity. **Our aim is to make an impact in five focus areas: Sustainability, Healthcare, Education, AI and Robotics.** We do this by empowering the brightest minds, creating platforms for knowledge sharing and partnerships, and investing in real-world solutions for the benefit of people and our planet. What makes us different is our investment arm, ACT, where we invest in the next generation of innovators and emerging leaders, recognizing their power to shape the future. The ACT team is building a portfolio of sustainable early-stage deep tech companies and we aim to ensure that leading innovations make it out of the lab and into the market.



**Heather Henyon** | Founding General Partner, Mindshift Capital

**At Mindshift Capital, we firmly believe in Impact Investing and are focused on investing in the most extraordinary female entrepreneurs in the tech space.** As a gender-lens investor, we are delivering strong investment returns as well as driving economic growth and higher gender diversity in the overall economy. We are all seeing how growing investment in the sustainability sectors is critical for the achievement of SDG targets as well as making good investment sense given the seismic shifts we see in consumer preferences and generational changes. As we have seen with our fund's strong performance, it is more than possible to deliver both financial returns and broader impact with a focused use of capital.



**Hattan Ahmed** | Head of Kaust Entrepreneurship Center

**KAUST has a mission to advance research and create new technologies that address our greatest global challenge in food, water, energy, and the environment.** We are starting to see more deep tech startups emerge regionally, disrupting existing industries and creating new solutions to these challenges. Deep tech startups are increasingly attracting conscious investors locally and globally. As the deep tech heard of Saudi Arabia, KAUST is uniquely positioned to nurture this ecosystem for real economic transformation in the region.



**Medea Nocentini** | Co-Founder, Companies Creating Change (C3)

The role of impact-driven entrepreneurs has never been more evident, as they serve the most fundamental societal and environmental needs through their innovative solutions, aligning purpose and business performance. Globally, **both investors and philanthropists are increasingly interested in supporting innovative organizations that can achieve better financial returns through impact-focused business models,** and, at the same time, create sustainable and systemic positive change through business methods. In the MENA region, we are experiencing similar trends. What we are currently witnessing in terms of the conjunction of efforts and interest from the different ecosystem players is creating an excellent foundation for the impact investment space to flourish.



**Charlie Graham-Brown** | Partner & Chief Investment Officer, Seedstars

Venture capital works best when you pair technology to a massive market inefficiency or unmet demand. To be qualified as an impact investment, a third component of either social or environmental benefit needs to be added to the equation. **The MENA region still faces considerable challenges with regards to health, education, food security and unemployment so there are ample opportunities to build VC-backed impact companies.** Scaling a venture-backed company is an incredible achievement but doing so while positively impacting the lives of millions is another story. My hope is that more founders and investors in the region keep this framework in mind as they consider their next venture.

# Startup Founders Takeaways



**Wael Kabli** | Founder, Cura

Highly skilled professionals tend to concentrate in large cities and rural areas usually have less healthcare coverage and access. In addition, the cost of delivering care is increasing with the increase in population and chronic diseases, and keeping health workers safe is needed to prevent pandemic spreads. **The Covid-19 pandemic gave us a window to the future by accelerating solutions for many of these issues.** What we have learned is that digital health is a crucial pillar in healthcare to help societies survive such problems, and historically, startups are known to fill such gaps in the ecosystem through their agility, innovation and new sustainable models.



**Ryan Lefers** | CEO & Co-founder, Red Sea Farms

The AgTech sector is booming across MENA. Recent events such as COVID-19 pandemic and the Suez Canal supply chain disruption have highlighted the urgent need for local, sustainable food production. **Through tech innovation, it is possible to grow food in the harshest of desert climates while reducing carbon and water footprints; this is our primary aim at Red Sea Farms.** Economically viable and environmentally sustainable solutions are currently of great interest to regional investors, reflecting an overarching global trend for investment in companies aligned to the UN SDGs. Red Sea Farms has experienced this first-hand with the recent closure of its oversubscribed Pre Series A round.



**Dr. Fahad Alnemary** | CEO & Co-founder, YNMO

**Wa'ed's investment helped us scale up our product and team to have a lasting impact on children with disabilities and their families in the region.** Over the last few years, we have been working with schools across Saudi Arabia, UAE, Kuwait, and Lebanon; and some regional governmental entities as well. We are operating and managing KHETA platform, powered by Ynmo and implemented in all schools affiliated with the UAE Ministry of Community Development. Teachers and practitioners used Ynmo to identify learning priorities and manage educational programs for students with disabilities. Through our recently updated Ynmo App, parents can screen their children for potential disabilities and seek professional support.



**Dr. Mustafa Mousa** | Co-founder & CEO, Sadeem

Impact-driven investments and resources are key for our success to find new ways for growth. We were successful in engaging with an important firm like Wa'ed for our first round of funding, which gave us both a boost and an actionable contribution to see an impact with our solutions. **Sadeem helps drive positive impact in the kingdom's cities, saving lives and resources in real time by providing data, information, and tools for decision makers to have resilient planning, efficient allocation of resources, and effective crisis response.** This sits at the heart of our business to make cities smarter, safer and sustainable.



**Hazen.ai** | Founding Team

At Hazen.ai, our mission is to improve road safety globally. If the current trends are allowed to continue, more than 10M people will lose their lives to road crashes and more than 500M will suffer live-changing injuries. It's an unchecked 'slow-fuse pandemic'. **Recent Artificial Intelligence breakthroughs, especially in computer vision, have opened an opportunity to launch a new generation of traffic sensors that can make roads safer, and this is what we are leveraging at Hazen.ai.** We are very grateful to have impact investors like Wa'ed in the region, who believed in us from day one and continue to support us.

# Executive Summary



## **\$444M was invested across 403 deals closed by Impact-driven startups across MENA between 2016 and Q3 2021**

\$444M accounted for 7% of all VC investments in MENA startups, while the 403 impact transactions accounted for 16% of all MENA VC deals over the period between 2016 and Q3 2021.



## **KSA-based startups accounted for the most Impact deals while UAE ventures raised the most Impact funding across MENA between 2016 and Q3 2021**

Startups in the KSA registered a fifth of all Impact transactions across MENA between 2016 and Q3 2021. In terms of funding, UAE-based Impact ventures raised 37% of the \$444M deployed in Impact investment across the region during this time.



## **EdTech and Healthcare sectors accounted for 40% of the 403 Impact transactions registered across MENA between 2016 and Q3 2021**

On the other hand, 64% of all EdTech VC transactions and 56% of all Healthcare VC deals were closed by Impact-driven startups. Yellow Door Energy's \$65M round accounted for 15% of all capital invested in Impact startups across MENA from 2016 to Q3 2021.



## **Since 2016, 12 Impact-driven startups announced exits across the MENA region, accounting for 10% of all 124 startup exits between 2016 and Q3 2021**

Notable exits by Impact-driven startups included Ostaz by Synkers, Dawrat, Dabadoc and NOVIMED. In Q3 YTD 2021, four Impact-driven MENA-based startups announced exits, higher than any previous year.



## **Eight investors that financed MENA-based Impact-driven startups between 2016 and Q3 2021 participated in over 10 funding rounds**

Flat6Labs was the leading impact investor in startups based in the MENA region with 45 transactions between 2016 and Q3 YTD 2021. Saudi Aramco Entrepreneurship Center, 500 Startups, KAUST Innovation Fund, Oasis 500 and Falak Startups invested in 12 or more funding rounds raised by impact-driven startups in MENA.

# 01

## VC Impact Investment Overview

## MENA 2016 - Q3 2021 VC Impact Investment Summary

**\$444M** Amount of  
Capital **Invested**



**403** Total Number  
of **Deals**



**+15%** 5 Year Growth in  
Amount **Invested**



## KSA 2016 - Q3 2021 VC Impact Investment Summary

**\$118M** Amount of  
Capital **Invested**

**80** Total Number  
of **Deals**

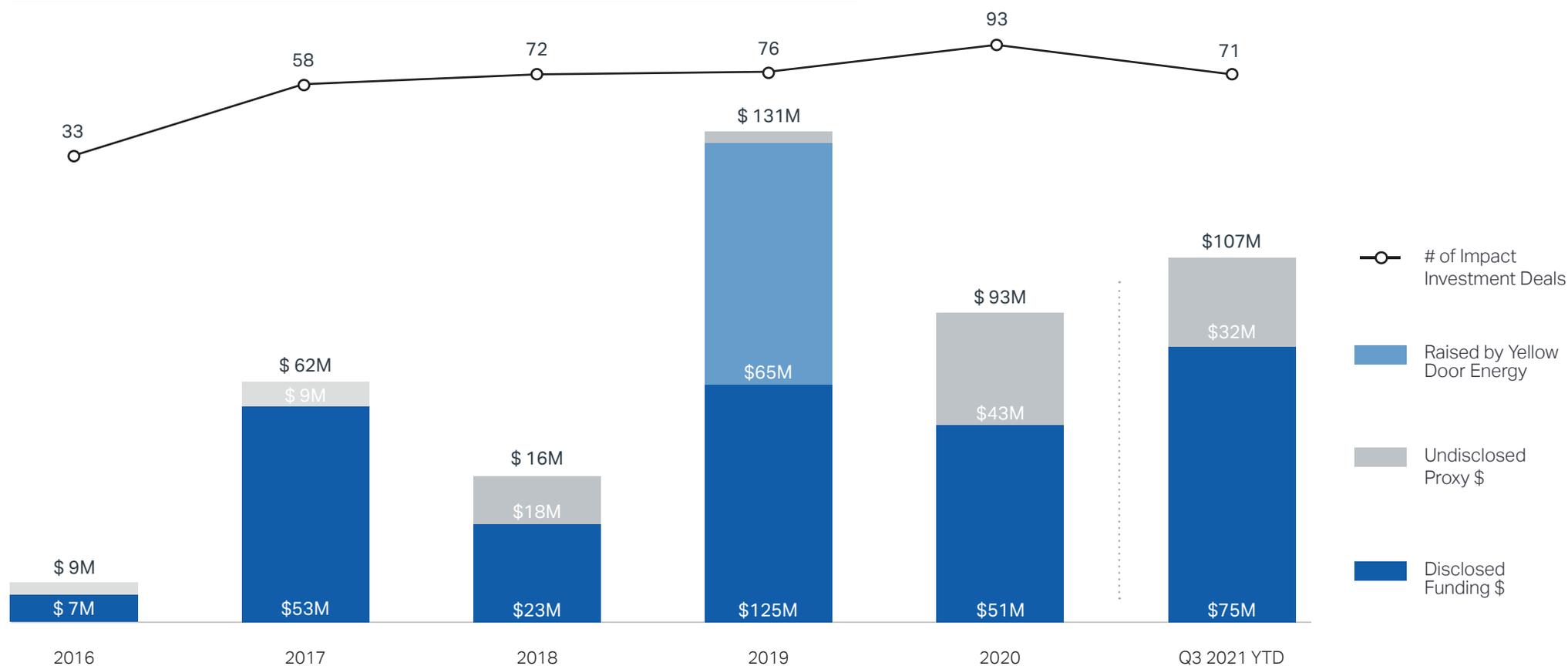
**+80%** 5 Year Growth in  
Amount **Invested**

# MENA VC Impact Investing Funding Evolution | 2016 - Q3 2021

2021 is on track to be a record year of VC Impact Investment, with the \$107M invested by Q3 representing 82% of the record-high in 2019 (\$131M)

- The 403 impact-driven deals recorded in MENA between '16 and Q3 YTD '21 represented 16% of all VC transactions recorded across the region over the same time period
- Despite accounting for 16% of deals, impact-driven funding transactions were equivalent to only 7% of all venture capital deployed in MENA between '16 and Q3 YTD '21

VC Impact Investment evolution in MENA by amount (\$ M) and number of deals (#)



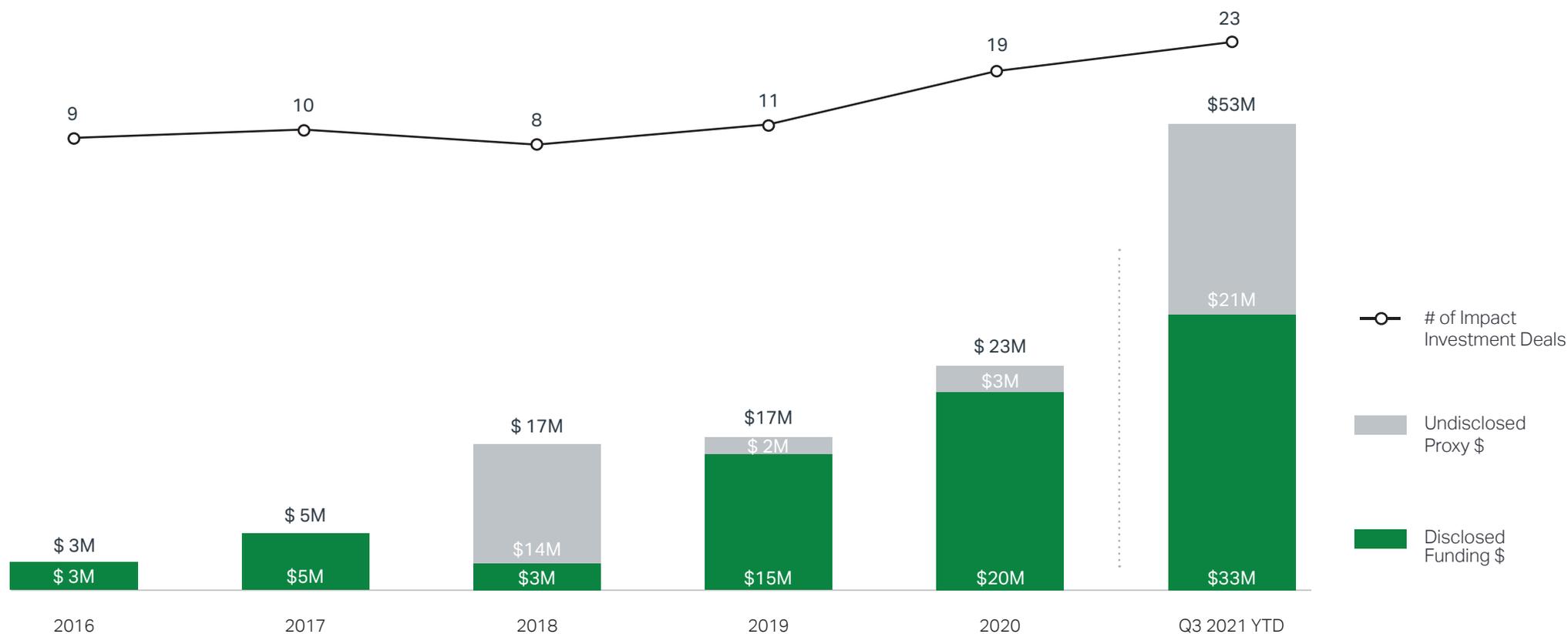
Source: MAGNITT

# KSA VC Impact Investing Funding Evolution | 2016 - Q3 2021

Venture Capital Impact Investment in Saudi Arabia touched a new high in 2021 in both total number of transactions and investment capital deployed

- The VC impact funding recorded in Saudi Arabia up to Q3 2021 YTD was 130% higher than the figure in FY 2020 in terms of funding and 21% higher in terms of transactions
- Between '16 and Q3 YTD '21, impact investment rounds in Saudi Arabia comprised 22% of all VC deals and 15% of all transactions in the Kingdom

VC Impact Investment evolution in KSA by amount (\$ M) and number of deals (#)



Source: MAGNiTT

# 02

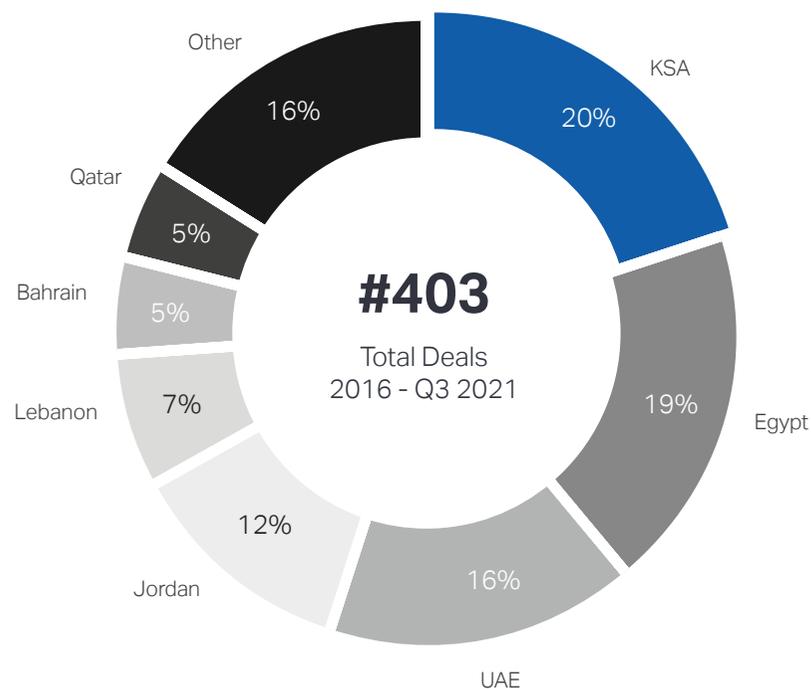
## MENA Country Comparison

# MENA Country Comparison by Deals | 2016 - Q3 2021

VC Impact Investments in startups from KSA, Egypt and the UAE accounted for 55% of all Impact transactions in the region between '16 and Q3 YTD '21

- Saudi Arabian startups alone closed one-fifth of all impact transactions registered across MENA since 2016, leading the growth in impact deals
- A fourth of all 187 VC impact transactions closed in Jordan since 2016 were registered by impact-driven ventures based in the country

**MENA countries by Impact Investment deals (#)  
2016 - Q3 2021**



**Rank of countries by Impact deals (#)  
2016 - Q3 2021**

Rank	Country	% Deal Share	# of Deals	% of all VC transactions per Country
1.	KSA	20%	80	22%
2.	Egypt	19%	78	14%
3.	UAE	16%	66	10%
4.	Jordan	12%	47	25%
5.	Lebanon	7%	27	15%

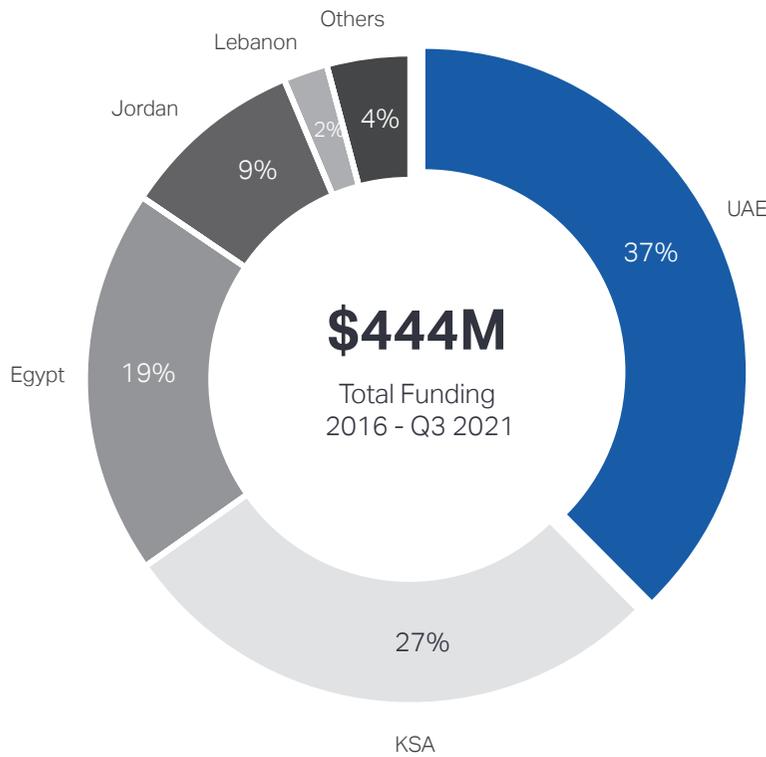
Source: MAGNiTT

# MENA Country Comparison by Funding | 2016 - Q3 2021

**UAE-based startups accounted for 37% of capital deployed in Impact-driven ventures across MENA between '16 and Q3 YTD '21**

- Energy startup Yellow Door Energy alone raised 40% of the \$163M invested in impact startups in the UAE between 2016 and Q3 2021
- Impact-driven startups in Jordan raised every fourth dollar of the \$156M venture capital invested in the country between 2016 and Q3 2021

**MENA countries by total Impact funding (\$M)  
2016 - Q3 2021**



**Rank of countries by Impact funding (\$M)  
2016 - Q3 2021**

Rank	Country	% Funding Share	\$ of Funding	% of all VC Funding per Country
1.	UAE	37%	\$163M	4%
2.	KSA	27%	\$118M	15%
3.	Egypt	19%	\$85M	10%
4.	Jordan	9%	\$39M	25%
5.	Lebanon	2%	\$11M	7%

Source: MAGNiTT

# 03

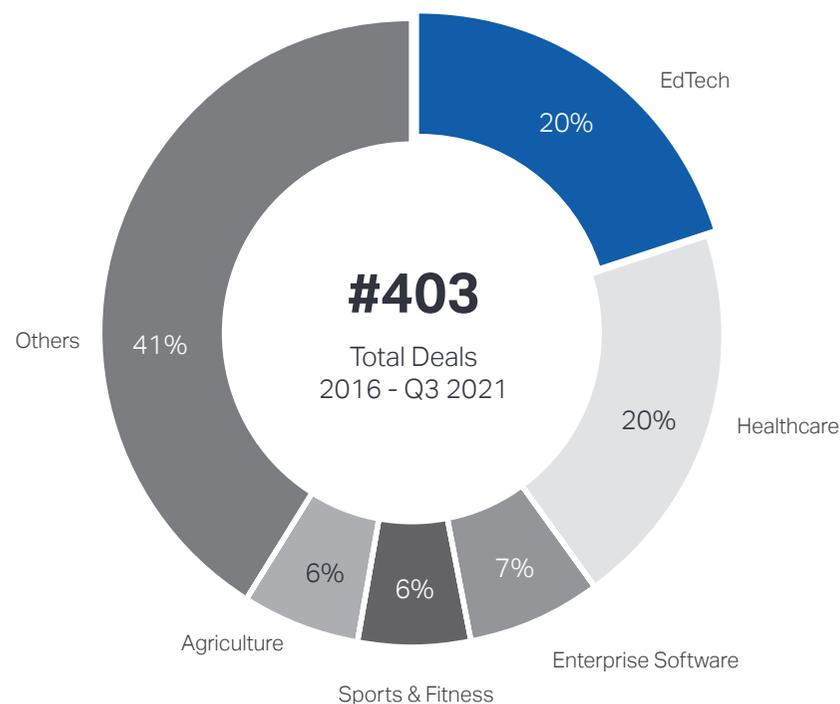
## MENA Sector Comparison

# MENA Sector Comparison by Deals | 2016 - Q3 2021

## EdTech and Healthcare startups collectively closed 40% of total Impact deals across MENA between 2016 and Q3 2021

- Between 2016 and Q3 2021, impact-driven rounds constituted almost two-third (64%) of all EdTech deals and 56% of Healthcare transactions
- E-learning ventures were the main contributor to impact within the EdTech sector as they accounted for 85% of all EdTech impact transactions between '16 and Q3 YTD '21

### MENA sectors by number of Impact Investment deals (#) 2016 - Q3 2021



### Rank of sectors by Impact deals (#) 2016 - Q3 2021

Rank	Sector	% Deal Share	# of Deals	% of all VC Transactions per Sector
1.	 EdTech	20%	82	64%
2.	 Healthcare	20%	80	56%
3.	 Enterprise Software	7%	28	13%
4.	 Sports & Fitness	6%	25	51%
5.	 Agriculture	6%	24	48%

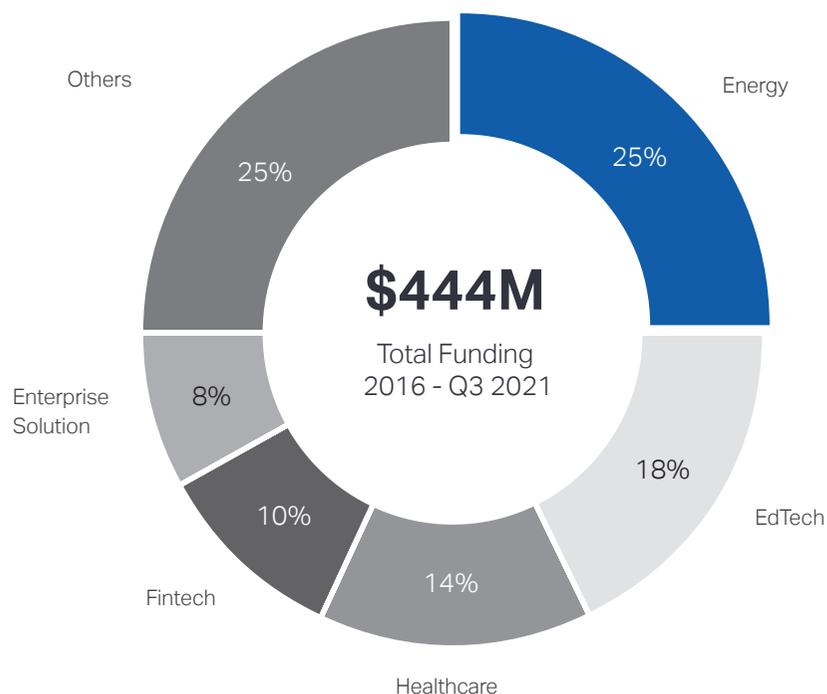
*\*Sectors mentioned above are based on sub-sector classification in the MAGNiTT database  
For more details please refer to [page 30](#)*

# MENA Sector Comparison by Funding | 2016 - Q3 2021

Startups within the Energy sector raised one-fourth of the \$444M deployed in Impact funding across MENA between '16 and Q3 '21

- With large investments in Yellow Door Energy and KarmSolar, the Energy sector garnered the highest share of funding between '16 and Q3 '21 despite closing just 23 deals
- Almost all of the funding deployed into the Energy sector (95%), comprising renewable and sustainable energy, between '16 and Q3 YTD '21 contributed towards impact-driven ventures

## MENA sectors by total Impact funding (\$M) 2016 - Q3 2021



## Rank of sectors by Impact funding (\$M) 2016 - Q3 2021

Rank	Sector	% Funding Share	\$ of Funding	% of all VC Funding per Sector
1.	 Energy	25%	\$111M	95%
2.	 EdTech	18%	\$78M	69%
3.	 Healthcare	14%	\$61M	34%
4.	 Fintech	10%	\$45M	6%
5.	 Enterprise Solution	8%	\$37M	20%

*\*Sectors mentioned above are based on sub-sector classification in the MAGNiTT database  
For more details please refer to [page 30](#)*

Source: MAGNiTT

# 04

## Investment Landscape

# MENA Most Funded Impact Startups | 2016 - Q3 2021

The five most-funded startups accounted for 32% of all VC Impact investment made into MENA-based ventures between 2016 and Q3 YTD 2021

- Yellow Door Energy raised the largest impact investment round (\$65M), accounting for 15% of total impact funding across MENA between '16 and Q3 YTD '21

- Four of the top ten most-funded impact-driven startups since 2016 were based in the United Arab Emirates

1.  YELLOW  
DOOR  
ENERGY

 UAE  Energy  2019  1 **\$65M**

2.  KarmSolar  
خدم للطاقة الشمسية

 Egypt  Energy  2019  2 **\$25M**

3.  noon  
Academy

 KSA  EdTech  2020  2 **\$22M**

4.  RED SEA  
FARMS

 KSA  Agriculture  2021  5 **\$18M**

5.  beehive

 UAE  Fintech  2020  3 **\$13M**

6.  altibbi  
إلتبي

 UAE  Healthcare  2020  3 **\$11M**

7.  IIVWA

 Jordan  Fintech  2021  2 **\$9M**

8.  Si-Ware

 Egypt  Sustainability  2021  1 **\$9M**

9.  BLOOVO

 UAE  Enterprise  
Solutions  2017  1 **\$8M**

10.  ابواب  
abwaab

 Jordan  EdTech  2021  3 **\$8M**

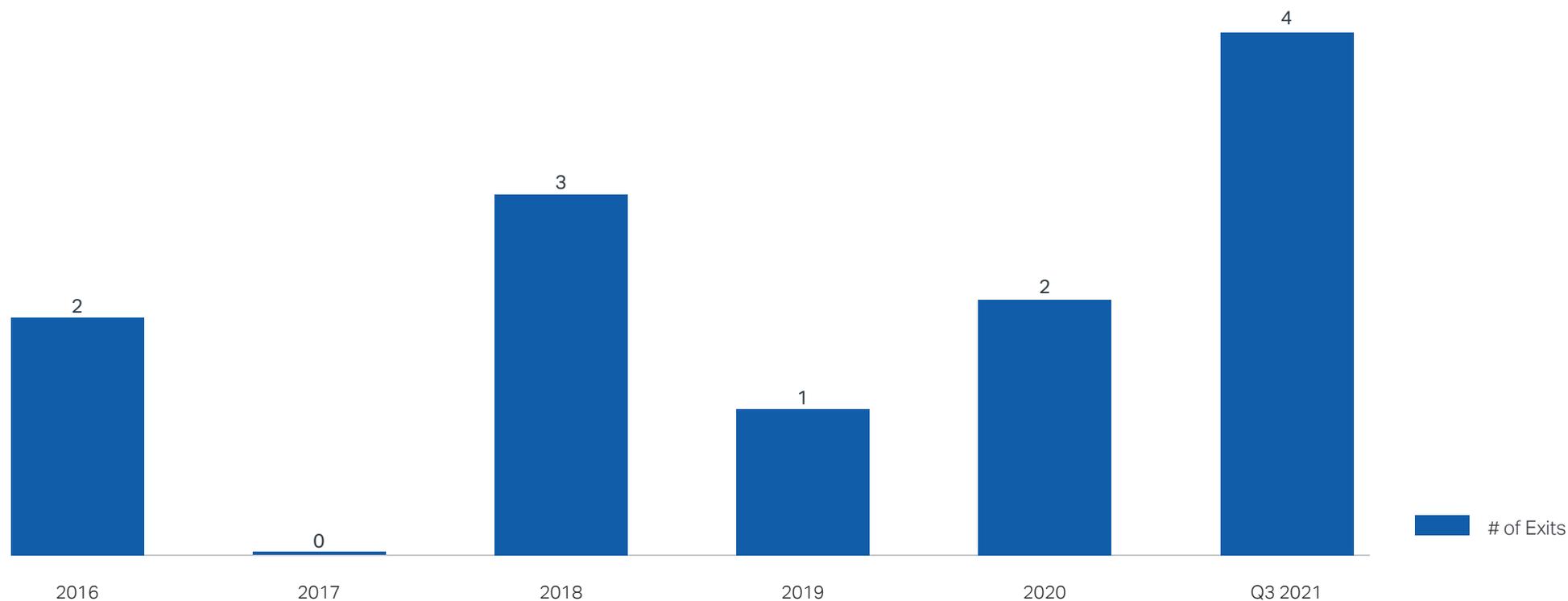
 Country  Sector  Year of Last Round Raised  # of funding rounds  Total \$M raised

# MENA VC Impact Investing Exit Evolution | 2016 - Q3 2021

**Q3 YTD 2021 saw four Impact-driven MENA-based startups announce exits, higher than any previous year**

- Twelve exits were recorded by MENA-based impact-driven startups between '16 and Q3 YTD '21, representing 10% of the 124 total exits in MENA during this time
- The impact-driven startup exits in 2021 YTD were announced by two EdTech startups (Ostaz by Synkers and Dawrat) and two Healthcare ventures (Dabadoc and NOVIMED)

## Exit Evolution 2016- Q3 2021



Source: MAGNiTT

# Investor Ranking | 2016 - Q3 YTD 2021

Eight investors that financed MENA-based Impact-driven startups between 2016 and Q3 YTD 2021 participated in over 10 funding rounds

- With 45 registered transactions between 2016 and Q3 YTD 2021, Flat6Labs was the leading impact investor in startups based in the MENA region
- Saudi Aramco Entrepreneurship Center, 500 Startups, KAUST Innovation Fund, Oasis 500 and Falak Startups invested in 12 or more funding rounds raised by impact-driven startups in MENA

## Investors by number of Impact investments in MENA-based startups in 2016 - Q3 2021



# 05

## MENA VC Impact Enablers

# MENA VC Impact Enablers



## ACT - FII Institute

ACT is the investment arm of FII Institute, catalyzing projects to move beyond research and dialogue to secure real-world solutions. The guiding mission is to support the development of technologies that address the biggest social and environmental challenges. The FII Institute is a global nonprofit foundation built on Environmental, Social and Governance (ESG) principles.



## C3 Social Impact Accelerator

Companies Creating Change (C3) is an accelerator enabling emerging social entrepreneurs to become active agents of positive impact. As the impact investing space evolves at a global and regional level, C3 is looking to understand this movement further by collecting valuable insights from its network of experts and investors. Their report on regional opportunities and challenges facing impact investing (to be released in 2022) aims to support the growth of both ends of the impact investing ecosystem in the Middle East and North Africa region



## KAUST Taqadam Accelerator

TAQADAM is a startup accelerator powered by King Abdullah University of Science and Technology (KAUST) and Saudi British Bank (SABB). TAQADAM has successfully graduated over 126 startups since 2016 and awarded over 16M SAR in zero-equity grant funding.



## Seedstars

An international investment and education company, Seedstars runs a host of hubs, acceleration and growth programs to help companies scale and create meaningful change. Through the FTxSDG Challenge, Seedstars and the Financial Times work towards empowering impact-driven entrepreneurs in emerging markets to accomplish change based on the UN's Sustainable Development Goals.



## The Catalyst - Masdar City

Supported by Masdar and energy giant BP, The Catalyst is the region's first clean technology startup accelerator based in Masdar City. It targets eco-friendly business ideas that are only a few years away from commercialization.



## Village Capital Sustainability Accelerator

VC firm Village Capital has been focused on supporting impact-driven, seed-stage startups since 2009, having worked with over 1,100 entrepreneurs in 28 countries. In 2021, Village Capital launched an investment readiness accelerator programme for startups in the Middle East, North Africa and Turkey that are tackling the region's most pressing sustainability challenges.

# Key Highlights & Government Initiatives 2021



## Middle East Green Initiative

The Middle East Green Initiative, launched by Saudi Arabia's Crown Prince Mohammed bin Salman on October 25th 2021, aims to secure 39 billion riyals (\$10.4 billion) for an investment fund and clean energy project as part of efforts to reduce regional carbon emissions.



## Namaat

Saudi Aramco plans major expansion of its industrial investment program, Aramco Namaat, with the signing of 22 new Memoranda of Understanding (MoUs) and 1 joint venture (JV) agreement focused on capacity building in four key sectors: sustainability, technology, industrial and energy services, and advanced materials.



## IKTVA Forum and Exhibition 2022

The 2022 iktva Forum and Exhibition is Saudi Aramco's principal engagement with the company's valued suppliers. The three-day forum provides a platform for companies interested in establishing operations in Saudi Arabia to engage with the Kingdom's energy sector stakeholders and their key suppliers.



## 3rd Abu Dhabi Sustainable Finance Forum (ADSFF)

The Forum brought together institutional investors, regulators, international agencies, and financial institutions who shared their progress in building resilient economies through sustainable finance. ADSFF is a flagship initiative by Abu Dhabi Global Market (ADGM), Abu Dhabi's International Financial Center.



## Saudi Aramco net-zero commitments

Saudi Aramco, the world's biggest exporter of oil, set a goal of reaching net-zero emissions from its wholly-owned operations by 2050. As Saudi Arabia aims to make 29 million tons of blue and green hydrogen annually by 2030, Aramco also has ambitions in renewable sources of energy like solar, wind and hydrogen.



## Future Investment Initiative 2021 conference

The Future Investment Initiative (FII), will take place in Riyadh under the theme of 'Invest in Humanity'. The annual event by the FII Institute brings together world leaders, experts, innovators, and media in a global forum to explore pioneering solutions addressing society's challenges and propel action towards their realisation.



## Aramco Lab7

In line with the company's commitment to finding efficient solutions that promote sustainable global development, Saudi Aramco is developing an ambitious new project called LAB7. LAB7 is a purpose-built facility that provides a platform for pioneers to develop groundbreaking ideas from conception to completion, helping them turn their vision into reality.



## Conscious Investor Fellowship

The Conscious Investor Fellowship is the first pan-regional impact investor program for GCC-based private, corporate, government and family office investors, running between September to November 2021. The fellowship is empowered by startAD at NYU Abu Dhabi and VentureSouq.

# 06

## About us

# About Wa'ed

Wa'ed was established in 2011 as the entrepreneurship arm of Aramco to provide Saudi-based entrepreneurs with end-to-end services in mentoring, incubation, loan financing, and venture capital investment having had deployed more than \$100 million in the form of loans and VC funds.

## OBJECTIVES:

- Drive the diversification of the Saudi Economy
- Develop a robust investment and business development platform for Saudi-based startups
- Accelerate localization, job creation, and knowledge transfer in the Saudi ecosystem
- Stimulate local market performance in Wa'ed's five key focus areas: Sustainability, Manufacturing, and Social, Digital, and industrial sectors.



### WA'ED VENTURES

The VC arm of Aramco, Wa'ed Ventures is a \$200 million fund that manages a portfolio of more than 30 high-potential, high-impact Saudi-based startups focused on sustainability, digital, social, manufacturing, and industrial sectors.



### WA'ED LOAN FINANCING

Wa'ed Loan Financing has deployed more than \$56 million in loans to support startups & SMEs in Healthcare, Industrial Services, Education, Supply Chain & Logistics, ICT and others.



### WA'ED ENTREPRENEURSHIP & INNOVATION ECOSYSTEM (EIE)

EIE is an innovator in the latest incubation techniques. The group provides entrepreneurs with a wide range of cutting-edge services in business incubation and mentoring, as well as hold start-up networking events.

#### Business Incubation

Offering a 6-months extendable and customized business incubation program for aspiring entrepreneurs by providing milestone support, mentorship, office space, and access to Wa'ed's range of partner resources.

Learn more about Aramco Entrepreneurship Center, Wa'ed at: [www.waed.net](http://www.waed.net) >>

# 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 November 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.

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# 07

## Methodology

# What is Impact Investing?

“Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending on investors’ strategic goals.”

## Global Impact Investing Network definition<sup>1</sup>

Impact investments are also characterised by their connection to the UN’s Sustainable Development Goals (SDGs). As underscored by the UN, “the 17 SDGs recognize that action towards one goal will affect outcomes in others, and that development must balance social, economic and environmental sustainability.”

## UN, Sustainable Development Goals<sup>2</sup>



Source: 1 - [Global Impact Investing Network definition](#)  
2 - [UN, Sustainable Development Goals](#)

# This Report Methodology

This report, in collaboration with Saudi Aramco Entrepreneurship Center, WA'ED, looks to provide an overview of the venture capital investment activity in the Middle East and North Africa, undertaken specifically in startups focused on impact creation.

**Sub-sector:** Based on the definitions of impact, the startups included in this report are ones that have a sub-sector focus towards impact contribution, highlighted in the list below.

**Sector:** The sectors chosen for this report are based on the sub-sectors that strongly correlate to the criteria for impact contribution. Below are the sectors, referred to throughout the report which comprise of the sub-sectors specifically identified for the purpose of this report.

**VC Impact Investment:** Venture investment rounds in companies within the sub-sectors that have been selected for their alignment with the UN Sustainable Development Goals.

## Aerospace & Defense

Drones & Robotics  
Space Technology

## Agriculture

AgroChemistry  
Farming  
Horticulture

## Construction & Infrastructure

Structural Integrity  
Management

## E-commerce

E-commerce Builders

## EdTech

Coaching  
Corporate Learning  
E-learning

## Energy

Renewable Energy  
Sustainable Energy

## Enterprise Software

Recruitment

## Fashion & Lifestyle

Buying Solutions  
Production  
Traceability Tracking

## FinTech

Alternative Investment &  
Crowdfunding  
P2P Lending

## Food & Beverage

Food Processing

## Healthcare

Dentistry  
Female Health  
Information Provision  
Medical Devices  
Medicine Delivery  
Online Booking &  
Consultations  
Pharmaceuticals

## Home Services

Child Care  
Smart Home Devices

## Life Sciences

Bio Informatics  
Biotech

## Retail

Stock Management

## Social Entrepreneurship

*Including all sub-sectors*

## Sports & Fitness

Personal Training &  
Home Fitness  
Wearables & Tech  
Integration

## Sustainability

Circular Economy  
Responsible Consumption &  
Production  
Waste Management  
Water Management

## Transport & Logistics

Autonomous driving  
Supply chain management  
Vehicle production

# Our Data Capture 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 sector. 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 September 30th 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](https://magnitt.com/funding-rounds). For more info please visit [magnitt.com](https://magnitt.com) or contact [support@magnitt.com](mailto:support@magnitt.com)
- ▶ If you feel your firm has been underrepresented, please send an email to [support@magnitt.com](mailto:support@magnitt.com) and we can work together to ensure your firm's investment is data up-to-date

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