



OQAL ANGEL INVESTORS NETWORK 2020 JOURNEY REPORT

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PREFACE

With the evolution and growth of the venture capital and entrepreneurship ecosystem in the region, and for nearly a decade, OQAL Angel Investors Network has encountered many changes and enhancements that have contributed to creating a pivotal point in the venture investment activities in Saudi Arabia in light of the Kingdom's Vision 2030. OQAL was honored and privileged to work closely with different enabling entities such as accelerators, venture capital funds, and other angel investor networks to provide an added value that enhances the venture capital and entrepreneurship ecosystem's outputs in Saudi Arabia and the region.

We are beginning this new year with a continued passion and commitment to our mission of supporting the venture capital and entrepreneurship ecosystem and playing a proactive role in contributing to the evolution of this ecosystem. We are here to celebrate OQAL's 10th anniversary by highlighting our journey together over the past ten years and shedding some light on some of the exceptional moments of 2020. Most importantly, we thank you for being part of this continuous journey and being an essential pillar of OQAL's development, success, and growth over the years.

All these exceptional moments could not be achieved without the support of OQAL's community, starting with our angel investors, boards of directors and trustees, partners and collaborators, and ending with OQAL's team.

We also want to extend our sincere gratitude to OQAL's enablers and strategic partners, the General Authority for Small and Medium Enterprises (Monsha'at), the Saudi Venture Capital Company (SVC), and Riyadh Bank, whom extended efforts to support the startups and angel investors in OQAL are highly appreciated.

Lastly, we wish all of you a blessed and prosperous year!

1.

ECOSYSTEM CATALYSTS TAKEAWAYS



“The development of the investment ecosystem of the SME sector in Saudi Arabia over the past few years came as a result of the collaboration efforts between the government and the private sector, which is a key driver to advancing and achieving the goals of the Kingdom’s 2030 vision and beyond. I take this opportunity to thank the “OQAL” network and its members for the important role they play in providing investments for startups and supporting the angel investment industry, especially in its infancy as we all aspire to increase its effectiveness to provide financing for startup growth”

Mr. Mohammed Al-Malki, VP of Funding, Monsha'at



“Angel investors play a crucial role at the earliest stage startups financing journey. Active angel investors offer their skills, expertise, knowledge, and networks to startups they invest in. Saudi Arabia is witnessing a notable increase in the quality and quantity of angel investments as more angel investor groups are arising. Saudi Venture Capital Company (SVC) values its partnership with OQAL that contributed effectively to the recent growth in angel investment deals in Saudi Arabia. SVC strives with OQAL and other emerging angel investor groups to further develop the angel investing ecosystem in Saudi Arabia.”

Dr. Nabeel Koshak, CEO, Saudi Venture Capital Company (SVC)



“The Ministry of Investment (MISA) and OQAL’s collaboration has aimed from the beginning to boost and diversify KSA’s economy, enable angel investments, and provide easy access to market for entrepreneurs and startups around the world, as angel investment is not just confined on providing financing but also offering valuable insights and guidance; propelling the receiving end to scale.”

Dr. Mazin Alzaidi, Director of Entrepreneurship Sector, Ministry of Investment

2.

EXECUTIVE SUMMARY

2020 saw a flurry of activity in the venture and entrepreneurship ecosystem in the region, as the pandemic directed investors to further their support to the portfolio companies. Additionally, Saudi Arabia's digital infrastructure's strength and advancement had increased the appetite for venture investments into innovative digital startups.

All of this made 2020 an exceptional year for both startups and angel investors within the region.



OQAL investors closed 20 deals in 2020, decreased by -4.8 % from 2019

The COVID-19 pandemic has highlighted the importance of startups, as there were investments in various new sectors in Saudi Arabia and the region.



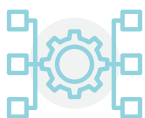
+23M SAR was invested in startups during 2020, decreased by -21% from 2019

65% of the investment amount was deployed into Saudi startups, compared to 35% deployed into startups based in UAE, Bahrain, Egypt, and Tunisia.



7 startups obtained the “Entrepreneurship License” from the Ministry of Investment, and 3 companies secured co-investment from Saudi Venture Company

Some startups obtained the entrepreneurship license to start or expand their business to Saudi Arabia during the pandemic. Additionally, 3 deals were closed via the “Angel Co-Investment Program” in various sectors, including; PropTech, and FinTech.



IT Solutions remained the top sector in 2020, and other rising sectors are FinTech and Consumer Services

With IT Solutions having the majority of OQAL investors' investments in 2020, other promising sectors are on the rise, including; Gaming, PropTech, FinTech, and HealthTech, attracting more investments in the region.

3.

A DECADE OF ANGEL INVESTMENTS AND VENTURE CAPITAL ECOSYSTEM EVOLUTION IN SAUDI ARABIA AND THE REGION

The venture and entrepreneurship ecosystem is witnessing rapid growth in recent years in Saudi Arabia and the region in general. We could infer this growth and development by looking at:

First: | Numerous and variant deal generators in the region 2011 -2020

Second: | Increased venture funding sources (angel networks, family offices, venture funds, corporate venture funds, etc.)

3.

A DECADE OF ANGEL INVESTMENTS AND VENTURE CAPITAL ECOSYSTEM EVOLUTION IN SAUDI ARABIA AND THE REGION

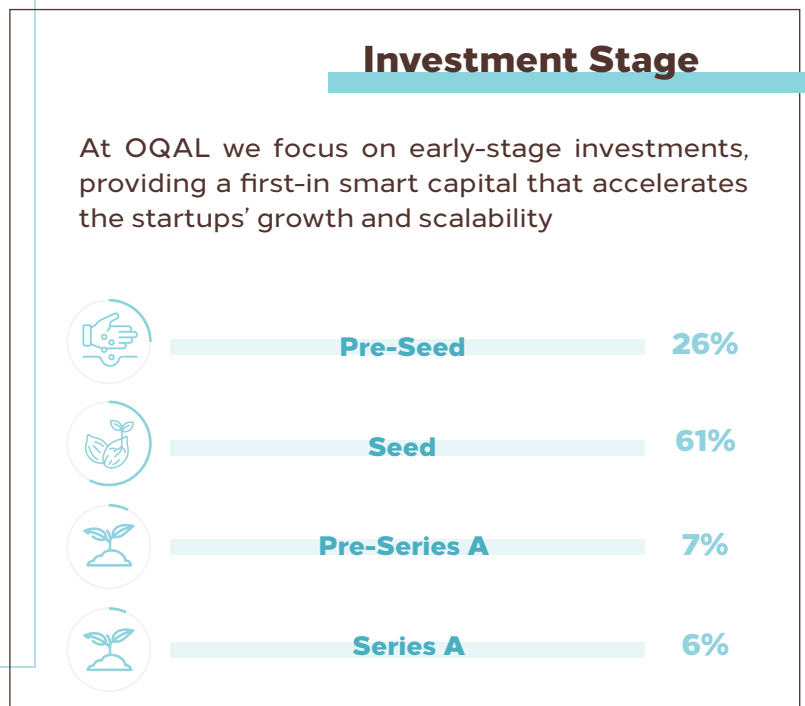
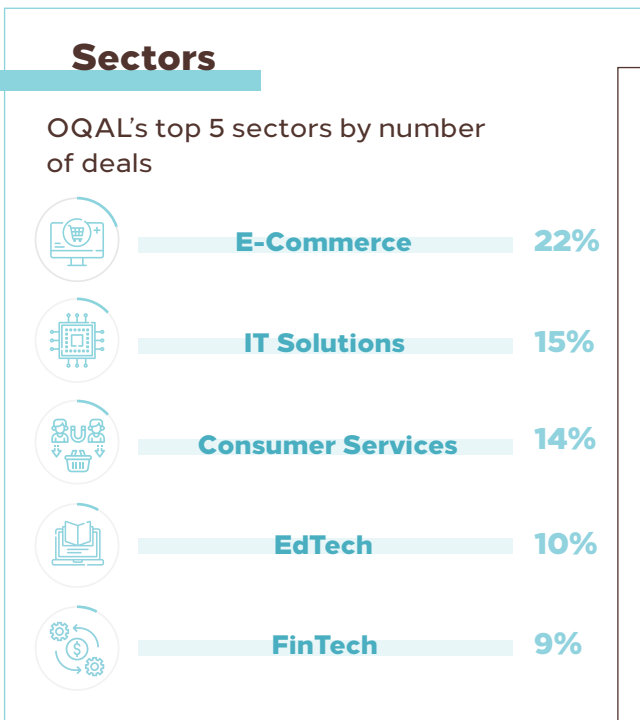
Third: Government enablement and support, digital excellence, and digital infrastructure development; additionally, facilitation and ease of doing and starting a business in Saudi Arabia.

 <p>منشآت monsha'at الهيئة العامة للمنشآت الصغيرة والمتوسطة Small & Medium Enterprises Development Authority</p>	 <p>الشركة السعودية للاستثمار الجريء Saudi Venture Capital Company</p>	 <p>وزارة الاستثمار Ministry of Investment</p>	 <p>جدا شركة صندوق الاستثمارات Fund of Funds Company</p>
 <p>البنك المركزي السعودي SAMA Saudi Central Bank</p>	 <p>جمعية رأس المال الجريء والملكية الخاصة SAGIA</p>	 <p>وزارة الاتصالات والمعلوماتية MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY</p>	 <p>فنتك السعودية Fintek Saudi</p>
 <p>تداول Tadawul</p>	 <p>هيئة السوق المالية Capital Market Authority</p>	 <p>وزارة التجارة Ministry of Commerce</p>	

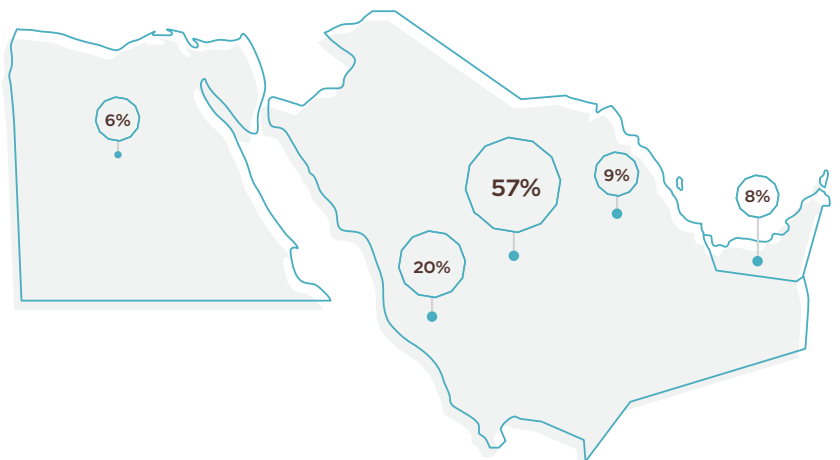
4.

DEALS OVERVIEW | 2011 - 2020

As the entire ecosystem is progressing and growing; similarly, OQAL has witnessed a fast-paced evolution of angel investments throughout a decade, setting a new record with +76M SAR invested in 87 startups in the years 2011-2020.



Geographic and HQ Location



KEY REMARKS:

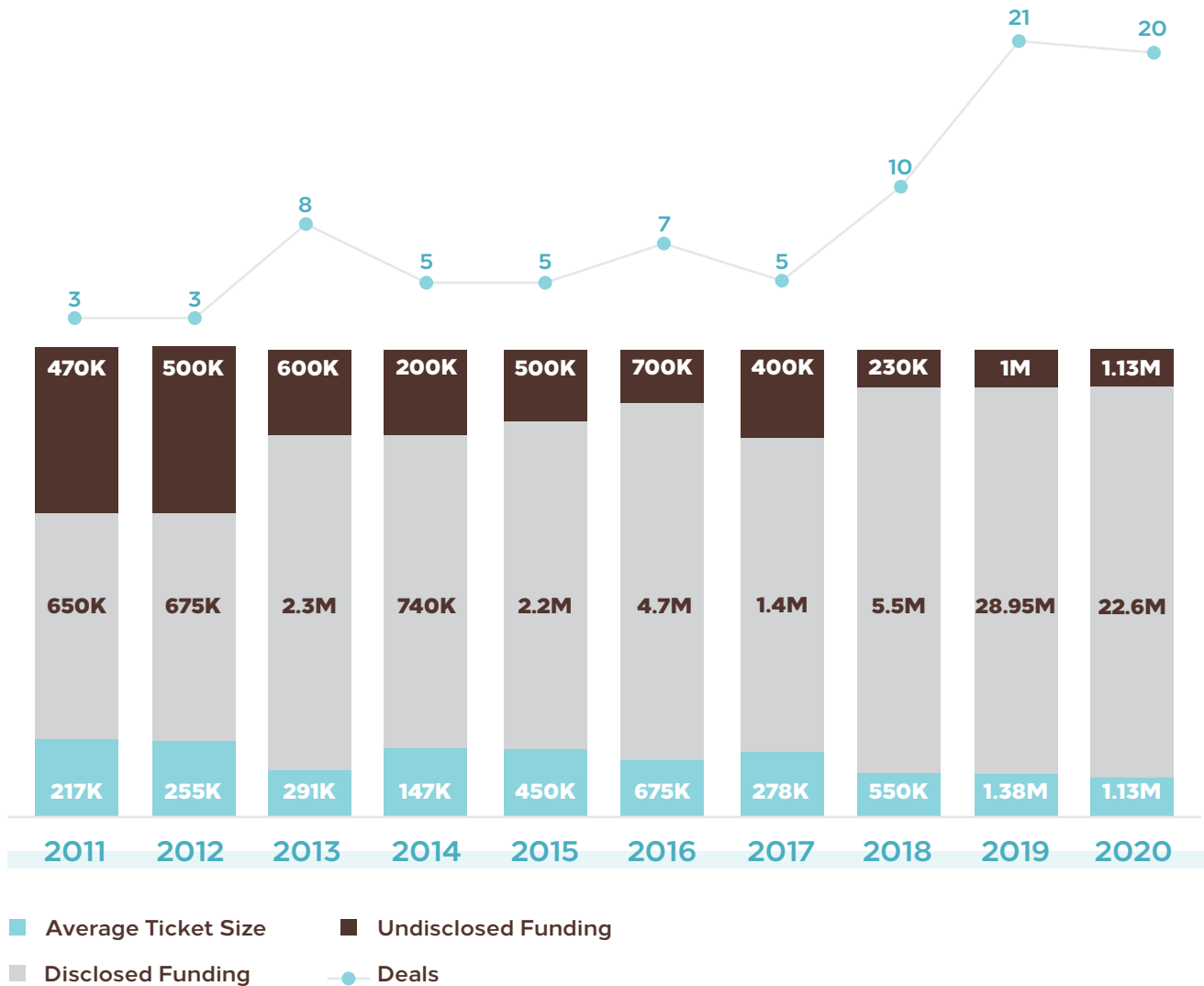
- ▶ With the development of the ecosystem, and the decrease in costs associated with building and bootstrapping tech and digital minimal viable products (MVPs), the angel investors' behavior has evolved to focus on investing in startups at the seed stage or beyond, while the pre-seed investment is being more restricted to specific sectors e.g. FinTech, Logistics, and Deep Tech.
- ▶ In light of the presence of various early-stage VCs, Angels co-investing with VCs is becoming evident and more prominent especially in the stages (Pre-Series A and Series A).

4.

DEALS OVERVIEW | 2011 - 2020

OQAL has seen an upward trend in the number of deals and total funding over the last 10 years, with 2020 being a record year in both for OQAL.

Angel Investment by Number of Deals and Approx. Amount (in SAR)



KEY REMARKS:

▶ A decrease in the number of deals closed by OQAL angels by -4.8% in 2020, compared to 2019.

▶ A decrease of -21% in the volume of the investment amounts deployed by OQAL angels in 2020, compared to 2019.

5.

IMPACT | 2011 - 2020

+5,500

Investment opportunity applied

+300

Investment opportunity presented

+450

Hours of startups advisory and mentorship

+76M

SAR Invested

87

Portfolio companies

+100K

Jobs created through portfolio companies

+20

Partnerships and collaborations

3

Investments into non-for-profits and social enterprises



تنكوى!

وتين
Wateen

3

Exits

HUNGER
STATION

كريم
Careem

Making impact constantly...

OQAL 2020 JOURNEY













6.

DEALS | 2020

Deals by Funding Size



1		HealthTech	Series A
2		Consumer Services	Series A
3		FinTech	Seed
4		IT Solutions, SaaS	Seed
5		Bio-Tech	Seed
6		FinTech	Seed
7		Tourism	Pre-Series A
8		IT Solutions, SaaS	Seed
9		FinTech	Seed
10		EdTech	Seed

6.

DEALS | 2020

Deals by Funding Size








Rank	Company Logo	Industry	Funding Size
11		E-Commerce	Seed
12		PropTech	Seed
13		Data & AI	Pre-Series A
14		IT Solutions, SaaS	Seed
15		Gaming	Seed
16		Gaming	Seed
17		E-Commerce	Seed
18		Consumer Services	Seed
19		Entertainment & E-sport	Seed
20		Entertainment & E-sport	Seed






6.

DEALS | 2020

Top 5 Sectors by Number of Deals in 2020

	% of total in 2020	% Change vs 2019
 IT Solutions	15%	▼ -57%
 FinTech	15%	▼ -25%
 Consumer Services	10%	0%
 E-Commerce	10%	▼ -50%
 Gaming	10%	▲ 200%

Top 5 Sectors by Total Funding in 2020

	% of total in 2020	% Change vs 2019
 HealthTech	37%	▲ 100%
 Consumer Services	16%	▲ 609%
 FinTech	15%	▼ -61%
 IT Solutions	10%	▼ -68%
 BioTech	5%	▲ 100%

KEY REMARKS:

- ▶ HealthTech is considered the most prominent and largest sector in terms of total funding secured in 2020 compared to FinTech in 2019.
- ▶ FinTech and IT Solutions sectors are the most prominent based on the number of deals closed by OQAL angels in 2020.
- ▶ New sectors were attracting investments in 2020, including; BioTech, Gaming, and PropTech.

6.

DEALS | 2020



Our portfolio startups that secured co-investment during 2020 through the Angel Co-Investment Program by the Saudi Venture Capital Company (SVC)



Our portfolio startups that obtained the Entrepreneurial License from the Ministry of Investment (MISA)



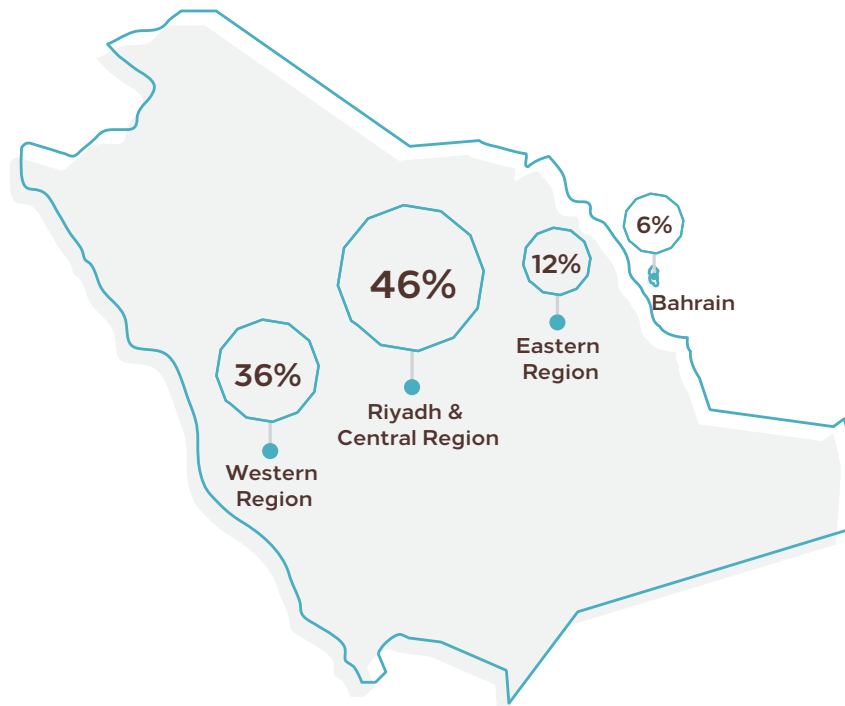
KEY REMARKS:

- ▶ Co-investments were made into 3 startups through the angel co-investment program by the Saudi Venture Capital Company (SVC) in the year 2020, compared to 8 co-investments made in 2019. The decrease resulted from the pandemic COVID-19, where scarcity of qualified local deals was conspicuous, and some startups postponed their fundraising activities to 2021. In addition, the majority of angel investors focusing on supporting their portfolio companies.
- ▶ On the other hand, the percentage of startups obtaining the entrepreneurial license from the Ministry of investment to set up or expand to Saudi Arabia jumped to 700% in 2020, compared to 2019.

7.

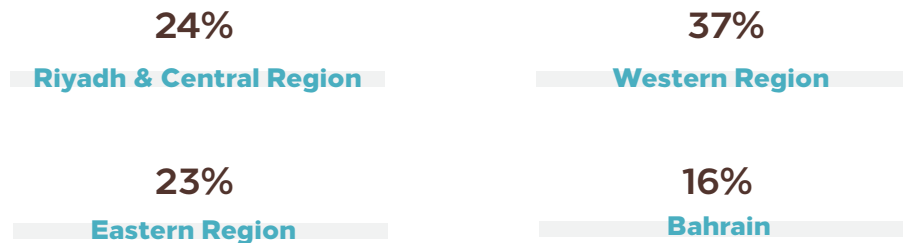
GLANCE AT 2020 DEAL FLOW

Deal Flow Geographical Distribution



Qualified Deal Flow Geographical Distribution

(Qualified to Present in OQAL Events)

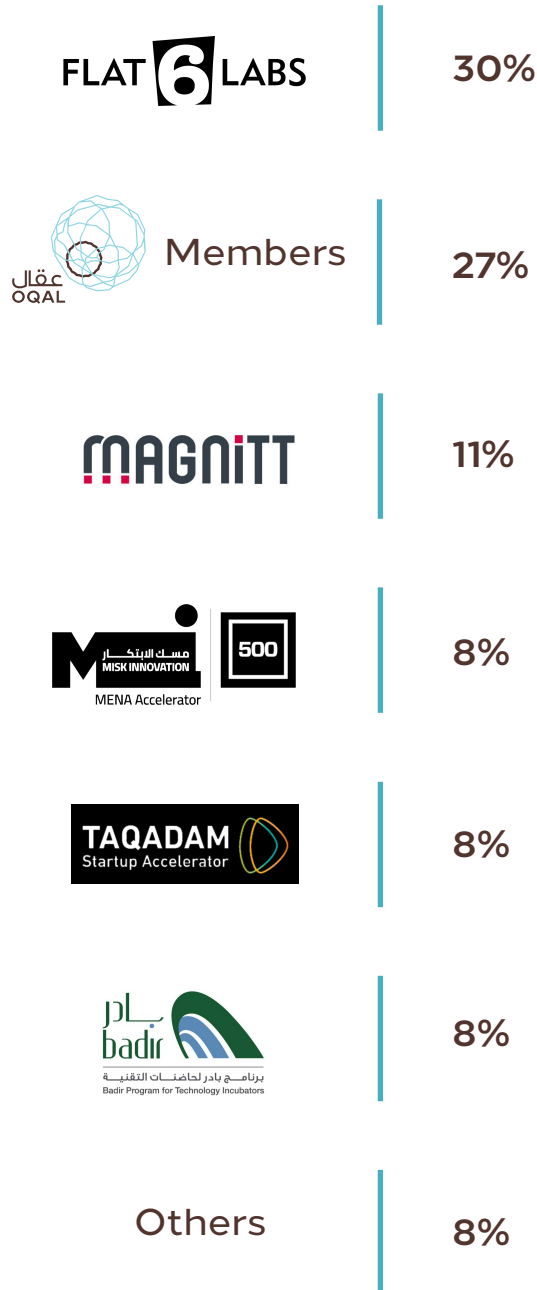


KEY REMARKS:

- ▶ In 2020, OQAL received around 610 investment opportunities and deals through the website, with only 10% qualified deals to pitch to investors in OQAL's events.
- ▶ Most of the investment opportunities and deals were rejected due to the investment stage (either idea or pre-MVP launch), traditional SMEs, and businesses, in addition to opportunities disqualified by the opportunity committee.

8.

GLANCE AT 2020 DEAL FLOW



KEY REMARKS:

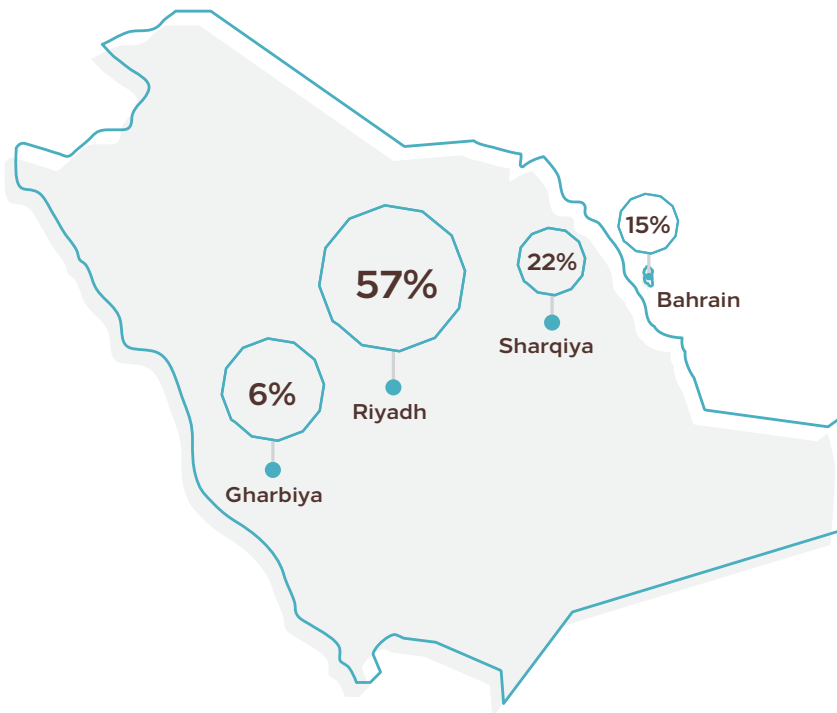
Partnerships between OQAL Network and different ecosystem players such as accelerators and incubators contributed to increasing the number of qualified investment opportunities presenting to the investors, as 73% of the qualified sourced investment opportunities were sourced through OQAL's partners.

9.

OQAL'S COMMUNITY

Our Members

Working on further activating the role of our members' role through investing collaboratively, working and leading committees, and mentorship and guidance for startups and founders. Here is an overview of the memberships changes across Saudi Arabia and Bahrain in 2019-2020



Growth of active memberships
2020 Vs. 2019

10.

MENTORSHIP AND GUIDANCE

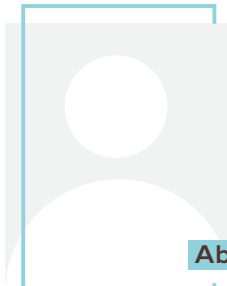
OQAL 2020 STAR MENTORS

Mentorship and guidance are considered a key value-added element that OQAL provides to portfolio companies and founders. Thus, we believe that our mentors are one of the pillars of our work and activities, with around 115 mentorship hours provided to guide 60 startups throughout 2020.

We are grateful to our star mentors. Thank you for your generosity, dedication, and extended support to founders, and for your expertise that empowered, guided, and developed those startups.



Abdulaziz AlBarrak



Abdullah AlMulhim



Abdullah Saidan



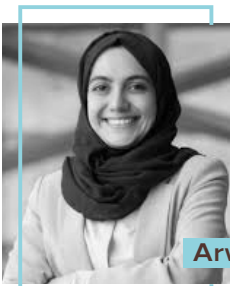
Abdulrhman AlJiffry



Ahmed AlKasabi



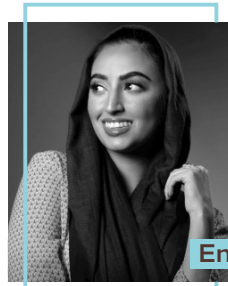
Ahmed AlNaeem



Arwa Shafi



Bandar Tashkandi



Eman Shakoor

10.

MENTORSHIP AND GUIDANCE

OQAL 2020 STAR MENTORS



Fahad AlFarraj



Ghassan Al Safi



Hussein Attar



Marwan AlZamil



Mohammed AlGhamdi



Mohammed Milliany



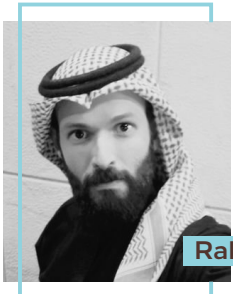
Nasser AlKadi



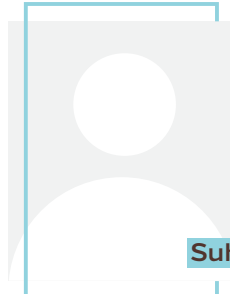
Nawaf AlGain



Noor Ashadawi



Rakan AlJunaidi



Suha AlSanea



Tariq AlTurkestani



Waad Abunayyan



Yousef AlBassam

10.

MENTORSHIP AND GUIDANCE

FOUNDERS TESTIMONIALS

“I would like to communicate our gratitude for your support over the last two weeks. Your guidance and support for enhancing our pitch was invaluable to us. Your mentorship and direction in tackling many issues, whether it was regarding the pitch or advice to us as entrepreneurs, was eye-opening to us. Alhamdulillah, we have initially been chosen by four investors who are interested in exploring an investment opportunity with us further. We will, inshallah, keep you posted with our progress. We would be grateful if we could access your valuable guidance & mentorship again as we move along our journey. We really appreciate your genuine insight and in depth feedback which has led us to these initial results”

Ahmed, Founder at 

I successfully closed 3 investors, 2 that I was in conversations with prior to the pitch but they attended the event, and another I met through QQAL. I'm thankful to you and I wish you all the best.

Ahmed, Founder at 

QQAL was very insightful and of great help to us in tailoring our pitch. All mentors helped us greatly, it's a highly appreciated experience.

Aya, Founder at  talents arena

11.

OQAL'S 2020 PARTNERS & COLLABORATORS

January

vibesoffices.com



As part of VIBES's efforts to support the entrepreneurial ecosystem in Saudi Arabia, this partnership with OQAL aims to enable OQAL's activities and host pitch events and other meet-ups in VIBES space.

February

cie.kau.edu.sa



This partnership aims to support King Abdulaziz University's Accelerator graduates and assist the qualified startups in their fundraising efforts by allowing them to pitch to OQAL investors. In addition to collaborating to improving the accelerator's startup quality through different programs and sessions to ensure the startups' readiness to start the fundraising round.

June

shamalstart.com



This partnership with Luminus Shamal Start will enable OQAL to strengthen its direct access to Jordanian startups and source innovative startups in the Industrial and Energy sectors.

August

flat6labs.com



This partnership with Flat6Labs MENA aims to further the growth of MENA's startups by providing OQAL with direct access to Flat6Labs portfolio companies and enabling Flat6Labs startups to scale and expand to Saudi Arabia with the smart capital from OQAL's angel investors.

September

beyondcapital.vc



This partnership with BeyondCapital aims to source promising social impact startups. In addition to collaborating on organizing an initiative for angel investors in 2021.

September

womenspark.co



The partnership with WomenSpark aims to further the ability to co-invest in deals and efficiently facilitating the process for investments across the networks.

September

blossom.sa



The partnership with Blossom Accelerator (Saudi Arabia's first female-focused & inclusivity accelerator) supports the activities of the acceleration programs and source the promising startups to present in OQAL's pitching event.

11.

OQAL'S 2020 PARTNERS & COLLABORATORS

October

fufo.co.uk



This partnership with Fufo will enable OQAL to source promising startups from different sectors from the region that aim to launch and operate in Saudi Arabia.

October

fintechsaudi.com



This partnership with FinTech Saudi Accelerator supports the accelerator's graduates and assists the qualified startups in their fundraising efforts. In addition to recommending OQAL's FinTech portfolio startups to participate in the accelerator programs.

November

oasis500.com



This partnership with Oasis500 aims to enable having direct access to Oasis500 portfolio companies to enable more deals to happen efficiently and source the Jordanian startups that serve and contribute to the Saudi market's growth.

December

waed.net



The memorandum of understanding with Aramco Wa'ed aims to further the growth of Bahrain's startups and support them to launch in the Saudi market through the accelerator program. In addition to supporting the accelerator's graduates in their fundraising efforts.

December

mitfsaudi.org



This partnership with MIT Enterprise Forum (MITEF) Saudi Arabia and Bab Rizq Jameel aims to strengthen and further the cooperation between OQAL and the Forum's activities relevant to investment opportunities and supporting platforms provided by the MITEF.

December

mcit.gov.sa



The memorandum of understanding with the Ministry of Communication and Information Technology (MCIT) aims to enhance the awareness and further the support to startups in the FinTech and other Digital sectors and increase the national digital competency within OQAL's portfolio companies.

12.

2020 INITIATIVES

May



“Ask Guru” initiative aims to connect entrepreneurs with expert advisors and mentors in various entrepreneurship fields. The mentorship fees were donated to charitable organizations and endowments.

Ask Guru

Sept



Organized by Tadawul and in collaboration with the Capital Market Authority (CMA), a webinar on "Angel Investing and Nomu Market" was hosted, with the presence of the Chairman of the CMA H.E. Mohammed Al-Kuwaiz, and the Chairman of OQAL Eastern Province Board Mr. Bader AlReziza.

Webinar: Angel Investing Nomu Market

Sept



To celebrate female founders and their exceptional skills, OQAL collaborated with Blossom Accelerator to organize a virtual event “Women Drive Economies” to learn more about the importance of inclusion in businesses and entrepreneurship.

Women Drive Economies by Blossom Accelerator

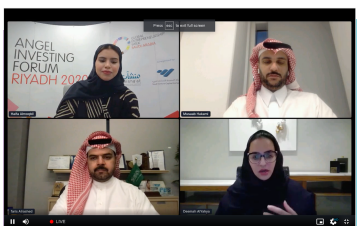
Nov - Dec



In collaboration with the Saudi Entrepreneurship Network (GEN Saudi), Monsha’at, and Saudi Venture Capital Company, more than 20 angel investors participated in a training Bootcamp to learn about venture capital and angel investing basics.

GEN Invest Certified Angel Program

Nov



OQAL participated in a panel discussion on angel investors networks and angel investing in Saudi Arabia within the Angel Investing Forum's activities during the Global Entrepreneurship Week.

Saudi Angel Investing Forum

13.

STRATEGIC PARTNERS AND ENABLERS

We extend our deepest gratitude to OQAL's enablers and strategic partners, The General Authority for Small and Medium Enterprises (Monsha'at), Saudi Venture Capital Company (SVC), Riyadh Bank, Ministry of Investment (MISA) and Boston Consulting Group (BCG)



monshaat.gov.sa

The General Authority for Small and Medium Enterprises (Monsha'at) is considered the main pillar in enabling and growing the small and medium enterprises and entrepreneurship and a stimulant for the venture capital ecosystem in Saudi Arabia. Its immense support for OQAL's various events and activities and organizing forums and educational programs for angel investors has pushed us to grow and excel.



الشركة السعودية للاستثمار الجريء
Saudi Venture Capital Company

svc.com.sa

The Saudi Venture Capital Company (SVC) was established by the General Authority for Small and Medium Enterprises (Monsha'at) to catalyze the private sector and for the growth of venture capital and angel investing in Saudi Arabia. With a 50% increase in deals closed in 2019 by OQAL angels post launching the "Angel Co-investment Program" by SVC. The Saudi Venture Capital Company had launched the program back in late 2018 to focus on bridging investment gaps in early-stage startups and mitigating risks for early-stage angel investors. The program continues to further motivate angels to implement portfolio diversification in its second year 2020.

Furthermore, SVC contributes to raising awareness about angel investing best practices by supporting and launching various training and educational programs focusing on angel and venture investors.



misa.gov.sa

Ministry of Investment (MISA) supports OQAL's portfolio companies and founders that wish to set up, scale, or expand to Saudi Arabia. by providing them with the essential licenses and facilitating the soft-landing process for these startups. Additionally, MISA extends its support by enabling the startups' work with relevant government entities, partners, and potential investors upon setting up.

13.

STRATEGIC PARTNERS AND ENABLERS



Riyad Bank is known for top-tier support and services for startups and small and medium enterprises (SMEs). As part of the Riyad Bank's corporate social responsibility program (Bukra), Riyad Bank extended its strategic support to OQAL. Throughout this strategic partnership, Riyadh Bank supported and sponsored OQAL's various activities and events in 2020. Moreover, connecting OQAL's startups and SMEs with the bank's tailored services and products.



BCG is recognized as one of the most prominent consulting groups globally. BCG extended its expertise and support by working with OQAL to develop and design the framework of governance and sustainability. In addition to reviewing the strategy and operational model to propose suitable frameworks and direction for OQAL in the upcoming years.



Zain Bahrain provides strategic support to OQAL Bahrain and its various activities and events. As a strategic partner, Zain Bahrain provided a platform to attract and support the promising Bahraini startups, besides facilitating OQAL's pitching events.



10 Years of enablement, support and development to grow
the venture capital and entrepreneurship ecosystem
collaboratively,

▶▶ Trust wholly, and Prepare fully

oqal.org info@oqal.org [@oqalorg](https://twitter.com/oqalorg)