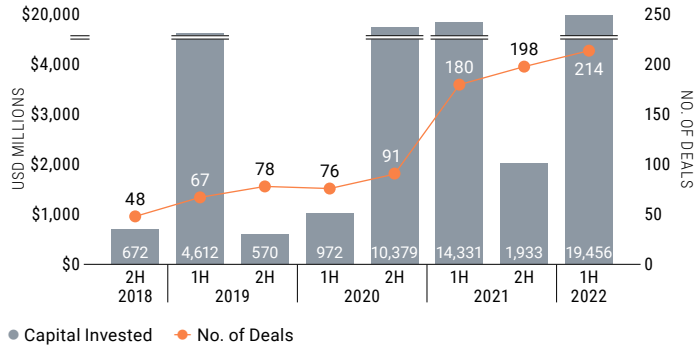


2022 MENA DATA INSIGHT

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MENA Private Capital Investment, 2H 2018-1H 2022



Note: Investment totals in 1H 2019, 2H 2020, 1H 2021 and 1H 2022 include outsized oil & gas deals. The bars representing capital invested in these halves are fit to scale.

DEFINING 'MENA'
For the purposes of this report, 'MENA' refers to the Middle East, North Africa and neighboring market Pakistan, which is typically included in GPCA's South Asia dataset.

PE investors have completed more deals in healthcare than any other industry since 2020, led by acquisitions for pharmaceuticals platform Kelix Bio

Investment activity in the healthcare sector has been driven by deals for regional and global platforms launched from Dubai, home to the world's first medical free zone. Examples include clinic operator Humania backed by IFC AMC, IFC, IFU, EBRD and Proparco; Kelix Bio, a pan-African pharmaceuticals platform established by DPI and its co-investors; and Gulf Capital-backed healthtech ACCUMED Practice Management. Investors are also meeting demand for specialist healthcare services in the region, completing deals for ART Fertility Clinics (USD30m), oncology specialist Cliniques Internationales du Maroc Group (USD10m) and family health specialist United Eastern Medical Services Company. Still, capital flows into MENA healthcare, healthtech and pharmacies are still far from meeting demand for essential services, reaching only USD2b in private capital investment since 2015. Companies in these sectors in Southeast Asia, a region with a comparable population, have raised over USD7.4b in the same time period.

Exits in the healthcare sector include TVM Capital Partners' sale of UAE-based Cambridge Medical and Rehabilitation Center to Amanat Holdings for USD232m, representing a 25% net IRR and 4.6x MOIC. Actis, DEG, EBRD, Proparco and Riyadh Managers also sold a stake in EGX-listed Cleopatra Hospital for USD148m to Riyadh-managed RCare, the first continuation fund for MENA-focused assets on record.

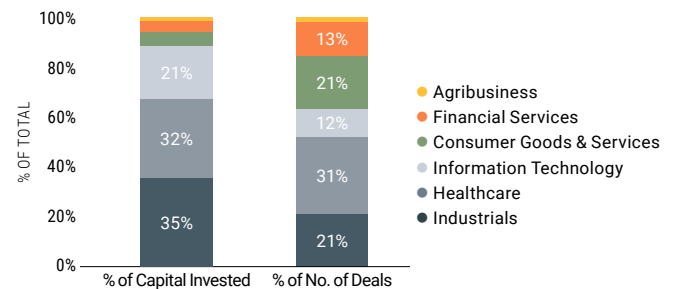
This report contains GPCA data and analysis through June 30, 2022.

The global digital revolution is driving private capital investment momentum in MENA

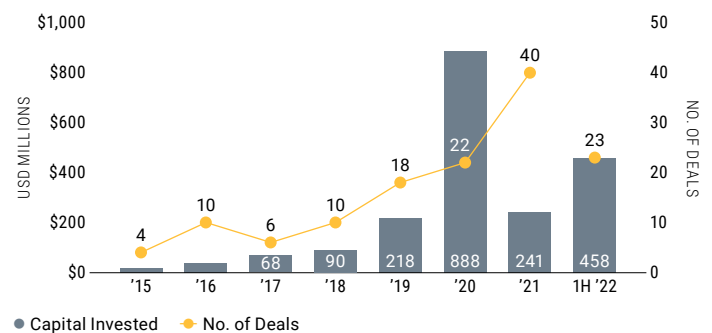
Technology opportunities have breathed new life into the Middle East and North Africa (MENA) private capital industry. Until recently, activity in the region had slowed to a near halt, dampened by poor returns from the first generation of MENA-focused funds and the long shadow cast by The Abraaj Group's downfall. Yet over the past several years, the global digital revolution, accelerated by the onset of COVID-19, has driven a new wave of dealmaking in MENA's innovation hubs. The largest private equity (PE) deal in the region on record was in the tech space: Blackstone Group acquired UAE-based technology and visa outsourcing services company VFS Global for USD1.1b in May 2022. Last year, PE activity was led by Silver Lake's USD800m investment into Abu Dhabi's AI and cloud computing company Group 42. PE fund managers that survived the last cycle are launching new funds targeting technology and digital transformation.

Governments in the region are helping to subsidize this tech revolution, monetizing legacy assets in order to invest in the local startup ecosystem and diversify their economies away from oil and gas. In the latest example, Aramco Gas Pipelines Company closed a USD15.5b sale and lease-back deal with BlackRock and Hassana Investment Company. Such transactions help capitalize initiatives such as Wa'ed Ventures, Aramco's corporate VC arm, which has participated in recent rounds for local startups Red Sea Farms (USD18.5m), Grintafy (USD8m), Lamaa (USD5.5m) and WakeCap Technologies.

Private Equity Investment in MENA by Industry, 2020-1H 2022



MENA Private Capital Investment into Healthcare, Healthtech and Pharmacies, 2015-1H 2022



Note: The two charts above include deals for pan-African pharmaceutical platform Kelix Bio, which is usually included in the pan-Africa dataset.

Fintech, cloud kitchen and e-commerce plays are leading the growth of MENA VC

MENA VC investment activity has skyrocketed since the beginning of 2021. Even as global tech investment decelerated in Q2 2022, MENA-based startups bucked this trend, raising a record USD1.1b. Deal flow has been driven by companies applying global business models to a regional context, such as Jordan-based Arabic language digital health platform Altibbi, as well as startups producing new innovations, like UAE-based smart farm Pure Harvest. Startups from the region's top innovation hubs – the UAE, Saudi Arabia, Pakistan and Egypt – together represent 89% of capital invested in MENA VC since the beginning of 2020.

UAE-based cloud kitchen Kitopi's US-D300m Series C extension round led by SoftBank was the largest VC deal in 1H 2022, pushing investment into restaurant tech startups to over USD1b since the beginning of 2020. Fintech startups have garnered the largest share of MENA VC investment since 2020, led by Bahrain-based crypto platform Rain's USD110m Series B in January 2022. Activity in the space reflects rising consumer demand for crypto investment services, as well as digital payment and buy-now-pay-later (BNPL) purchasing options. E-commerce marketplaces have drawn 20% of VC dollars, including UAE-based beauty and wellness e-commerce marketplace Fresha (USD152m) and Pakistani B2B digital retailer Bazaar Technologies (USD108m).

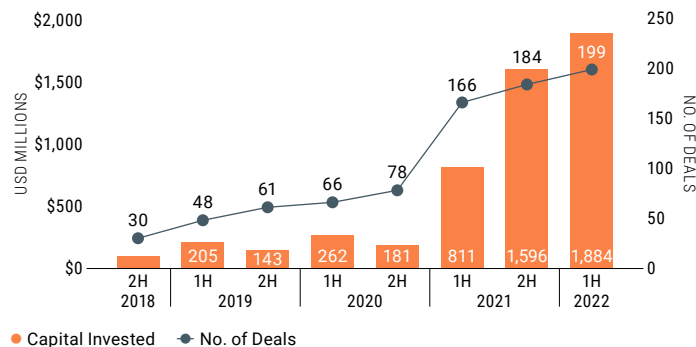
TRENDS IN GLOBAL TECH

In GPCA's latest **Trends in Global Tech** report, MENA countries represented five of the 13 'biggest movers', markets with at least 200% year-over-year growth in capital invested in 2021: Jordan, UAE, Saudi Arabia, Pakistan and Egypt.

Middle East- and Southeast Asia-focused investors are also backing Pakistan-based platforms with expansion potential into their home markets. Pakistani startups attracted USD229m in 1H 2022, a more than 3.5x year-over-year increase. Investors in the country have favored e-commerce platforms such as Bazaar, Tajir (USD17m) and Jugnu (USD22.5m). In July 2022, the abrupt shutdown of quick commerce platform Airlift, once the posterchild of Pakistani VC, stunned the burgeoning tech ecosystem but has not appeared to dampen investment activity. Sequoia Capital announced its first investment in the country later that month, leading Dbank's USD17.6m seed round.

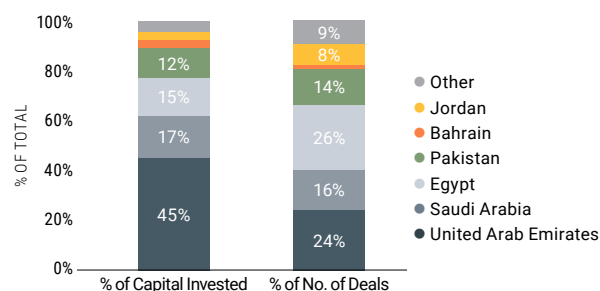
As MENA VC picks up steam, the ecosystem's early investors are finding exit opportunities. Despite global tech stock volatility, VC fund managers listed two companies on the NASDAQ via SPAC mergers in 1H 2022: Egypt-founded, UAE-based mobility company Swvl and Lebanon-based music streaming service Anghami. Local early-stage investors have also sold stakes to global VCs and strategic investors participating in follow-on rounds for the region's startups. Middle East Venture Partners sold a stake in Fresha in the company's Series C, and investors including HALA Ventures and Impact46 exited KSA-based consumer finance platform Tamara through a USD110m Checkout.com-led round. Mature local startups have also scaled to acquire other businesses in the region, with super app Careem buying MUNCH:ON, a food delivery platform backed by VCs like Global Ventures and Arzan Venture Capital, in June 2022.

MENA Venture Capital Investment, 2H 2018-1H 2022

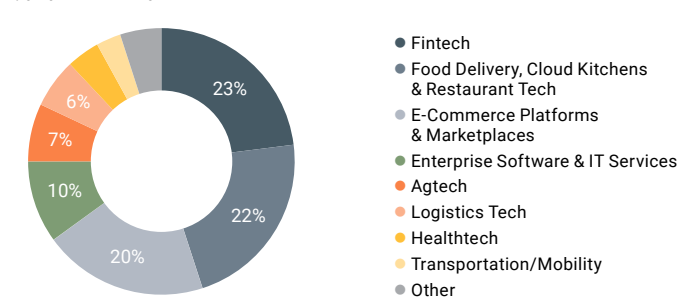


Fintech has accounted for **23% of VC investment** since 2020, reflecting rising demand for crypto investment services, digital payments and BNPL options.

MENA VC Investment by Company Headquarters, 2020-1H 2022



MENA VC Investment by Tech Vertical, 2020-1H 2022



MENA-based institutional investors have doubled down on private infrastructure and tech investments in global private capital (GPC) markets

Middle East sovereign wealth funds (SWFs) have emerged as amongst the world's most consequential investors, with trillions of dollars under management combined, a number that continues to grow amidst the current energy crisis. Over the past several years, these investors have become more sophisticated, building out internal direct investment teams and incorporating tech into their decision-making processes. They have also shifted their portfolio allocations away from public markets in favor of global income-generating real assets. High-yield transportation, renewable energy and digital infrastructure assets in fast-growing GPC markets have been amongst their primary targets. For instance, ADIA joined Indonesia Investment Authority, CDPQ and APG Asset Management in May 2021 to establish a USD3.75b Indonesian toll road investment platform.

Since COVID-19, SWFs have also poured into tech companies that are contributing to the global digital revolution. They have joined fund managers in some

of the largest tech investment rounds in GPC markets, banking on mature startups that are addressing fast-growing local consumer markets. ADQ and QIA both participated in landmark late-stage VC deals for Flipkart (India, USD3.6b) and Trendyol (Turkey, USD1.5b).

SWFs are also committing actively to infrastructure and tech funds dedicated to GPC markets. ADQ recently invested in several Asia-focused VC funds through its venture platform DisruptAD, including Indonesia-focused AC Ventures III and Chinese agtech and foodtech vehicle Bits x Bites Fund II. The Abu Dhabi state holding company also launched and capitalized the USD300m Falcon Edge-managed Alpha Wave Incubation Fund, which backs Indian and Southeast Asian startups expanding into MENA. Mubadala Investment Company anchors all vehicles managed by its fund management arm Mubadala Capital, including two Brazil-focused special situations funds.

For private capital fund managers, SWFs represent not only trusted investment partners in global markets but also a path to liquidity. In July 2021, ADIA's USD500m investment into Southeast Asian telecoms platform EdgePoint Infrastructure gave DigitalBridge a partial exit. Mubadala-owned Masdar, along with Egyptian strategic investor Infinity Energy, is acquiring a 60% stake in African wind and solar platform Lekela Power from Actis for ~USD1b.

Sampling of Investments in GPC Markets with Participation from MENA-Based Institutional Investors, 2021-1H 2022

INVESTOR(S)	COMPANY	COUNTRY	SECTOR	INVESTMENT TYPE	DEAL VALUE (USDM)	INVESTMENT DATE
Abu Dhabi Investment Authority, APG Asset Management, Caisse de dépôt et placement du Québec, Indonesia Investment Authority	Indonesia Toll-Road Investment Platform	Indonesia	Transportation Infrastructure	Growth	3,750.0	May-21
ADQ, Antara Capital Partners, CPP Investments, Franklin Templeton Investments, GIC, Khazanah Nasional, Qatar Investment Authority, SoftBank Group, Tencent Holdings, Tiger Global Management, Walmart, Willoughby Capital Holdings	Flipkart	India	General & Specialty Retail	Late-Stage	3,600.0	Jul-21
Abu Dhabi Investment Authority, Blackstone Group, GIC	Mphasis	India	Software	Secondary Buyout	2,089.9	Jun-21
ADQ, General Atlantic, Is Private Equity, Princeville Capital, Qatar Investment Authority, SoftBank Group	Trendyol.com	Turkey	General & Specialty Retail	Late-Stage	1,500.0	Nov-21
Abu Dhabi Investment Authority, Avanda Investment Management, Fidelity International, Google, Permodalan Nasional, Primavera Capital Group, SeaTown Holdings International, Temasek Holdings, Tencent Holdings, Ward Ferry	GoTo	Indonesia	Consumer Digital Services	Late-Stage	1,300.0	Nov-21
CBC Group, GS Holdings, IMM Investment, Mubadala Investment Company	Hugel	South Korea	Pharmaceuticals	Secondary Buyout	1,238.9	Apr-22
ADQ, Alpha Wave Global, Mubadala Investment Company, Sequoia Capital, Tiger Global Management	Getir	Turkey	Food Retailers & Wholesalers	Late-Stage (Series E)	768.0	Mar-22
Alpha Wave Global, ARK Impact Asset Management, Axis Growth Avenues, Baron Capital, Ghisallo Capital Management, IIFL Wealth & Asset Management, Invesco, Kotak Investment Advisors, Motilal Oswal Financial Services, Prosus Ventures, Qatar Investment Authority, Segantii Capital Management, Sixteenth Street Capital, Smile Group, Sumeru Ventures	Swiggy	India	Consumer Digital Services	Late-Stage	700.0	Jan-22
Abu Dhabi Investment Authority, DigitalBridge	EdgePoint Infrastructure	Southeast Asia Regional	Telecommunications Services	Bolt-On	667.3	Jun-22
Mubadala Investment Company, Ontario Teachers' Pension Plan Board, Warburg Pincus	Princeton Digital Group	Singapore	IT Networks & Services	Growth	500.0	Feb-22
Abu Dhabi Investment Authority	EdgePoint Infrastructure	Southeast Asia Regional	Telecommunications Services	Replacement Capital	500.0	Jul-21
65 Equity Partners, Gokongwei Group, MediaTek Ventures, Qatar Investment Authority, SeaTown Holdings International, Sunway Group, Taiwan Mobile, YTL Malaysia	Carsome	Malaysia	General & Specialty Retail	Late-Stage (Series E)	290.0	Jan-22
Qatar Investment Authority	Airtel Mobile Commerce	Africa Regional	Non-Bank Lending & Specialty Finance	Growth	200.0	Jul-21

Note: List includes standalone direct investments by institutional investors not included in GPCA's typical dataset.

VC and Egypt-focused fundraising has accelerated since the beginning of 2021, even as overall fundraising for the region has plateaued

Just USD3.8b has been raised for MENA-dedicated private capital funds since the beginning of 2017, a sharp decline from the USD12.8b raised in the five years prior to the Arab Spring. Many of the MENA-focused PE fund managers that survived the last fundraising cycle have only recently gained traction with LPs after facing headwinds such as the Abraaj downfall and COVID-19. Others like Gulf Capital have expanded their new fund mandates to include neighboring markets in Asia and Sub-Saharan Africa. VC has accounted for nearly half of capital raised and three-quarters of the vehicles reaching a close for the region since 2020, as new teams targeting early-stage tech opportunities have proliferated. Fund managers have received backing from government initiatives, as well as local family offices and corporates seeking exposure to new tech-enabled solutions disrupting their industries.

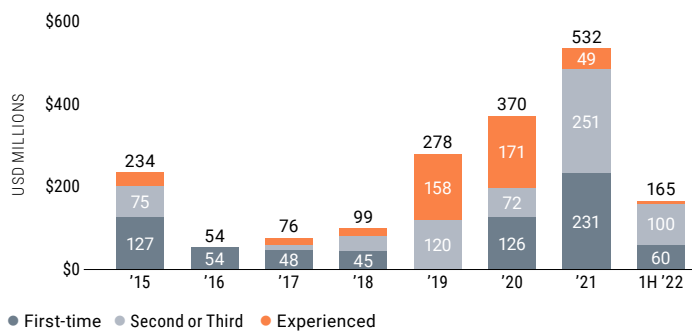
First-time fund managers like Khwarizmi Ventures, VentureSouq and Indus Valley Capital have accounted for 39% of VC fundraising in MENA since 2020, compared to just 9% raised by first-time VCs in other GPC markets. Early entrants to the MENA VC scene such as RAED Ventures and Ibtikar Fund have returned to market with second and third funds in relatively short order. In 2021, established seed-stage fund manager and accelerator Flat6Labs reached closes for three vehicles focused on Jordan, Tunisia and UAE, partnering with local LPs to support early entrepreneurship in their markets.

Experienced global VCs have also raised vehicles dedicated to the region, including China-based MSA Capital and Gobi Partners.

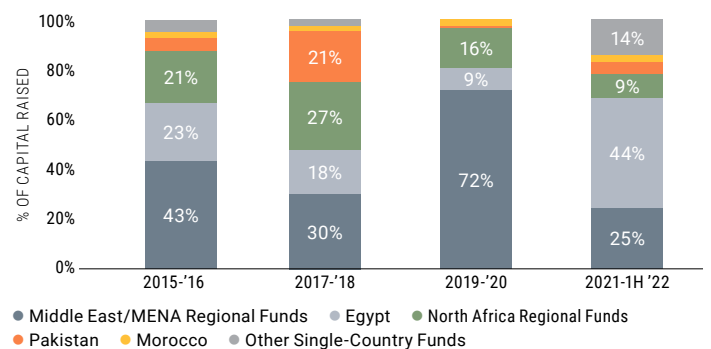
Rakiza Fund, an Oman-focused infrastructure vehicle managed by Equitix Investment Management and Oman Infrastructure Investment Management, represents the largest private capital fund raised for the region since 2015, reaching a USD410m first close in 2020. The fund just announced a USD300m commitment from PIF, bringing it closer to its USD1b target. In the private credit space, fund managers have launched new Shariah-compliant vehicles to raise capital from local investors, including SHUAA Financing Opportunities Fund, NBK Capital Shari'ah Credit Opportunities Fund and Nahda Fund, a venture debt joint venture managed by Shorooq Partners and IMM Investment.

While private capital activity in Egypt declined following the 2011 revolution, the country has recently emerged as one of the region's largest and fastest growing economies and entrepreneurial ecosystems. Investors are redoubling their activity in the country, aided by a relatively strong local LP base. Egypt-focused funds have represented 44% of capital raised for MENA since 2021, led by closes for Ezdehar Management's second fund (USD171m), EFG Hermes' Egypt Education Fund (USD150m) and Riyada Managers' RCare continuation fund (USD148m). Fundraising for the country has been boosted by recent regulations requiring Egyptian banks to allocate 25% of their loan portfolios to support local MSMEs, with private capital funds representing one path to fulfilling their quotas. In 1H 2022, Global Ventures reached a USD85m first close for fintech fund Nclude with commitments from several large Egyptian national banks, and Avanz Capital announced the launch of SME fund of funds Avanz Manara.

MENA-Focused VC Fundraising by Fund Series, 2015-1H 2022



MENA-Focused Fundraising by Geographic Mandate, 2015-1H 2022



Largest MENA-Focused Funds Achieving a Close, 2021-1H 2022

FUND MANAGER(S)	FUND	FUND TYPE	GEOGRAPHIC FOCUS	FUND CURRENCY	CAPITAL RAISED TO DATE (USDM)
Ezdehar Management	Ezdehar Egypt Mid-Cap Fund II*	Growth	Egypt	USD	170.7
EFG Hermes Private Equity	Egypt Education Fund*	Growth	Egypt	USD	150.0
Riyada Managers	RCare	Restructuring/Continuation	Egypt	USD	148.0
RAED Ventures	RAED II	Early-Stage	Middle East; North Africa	USD	133.0
Amethis Finance	Amethis MENA Fund II*	Growth	North Africa	EUR	100.3
Global Ventures	Nclude*	Early-Stage	Africa; Egypt; Middle East	USD	85.0
Khwarizmi Ventures	Khwarizmi Ventures Fund*	Seed	Middle East; North Africa	USD	70.0

*Fundraising as of June 30, 2022.

Most Active Dealmakers in MENA, 2021-1H 2022

Flat6Labs	Shoroq Partners
500 Global	VentureSouq
Global Ventures	SOSV
Impact46	RAED Ventures

Most Active MENA-Based Institutional Investors in GPC Markets, 2021-1H 2022

Abu Dhabi Investment Authority	ADQ
Qatar Investment Authority	Prosperity7 Ventures (Saudi Aramco)

Largest Investments in MENA, 1H 2022

INVESTOR(S)	COMPANY	COUNTRY	SECTOR	INVESTMENT TYPE	DEAL VALUE (USDMM)	INVESTMENT DATE
BlackRock, Hassana Investment Company	Aramco Gas Pipelines Company	Saudi Arabia	Pipelines	Growth	15,500.0	Feb-22
Blackstone Group	VFS Global	United Arab Emirates	Business/Professional Services	Secondary Buyout	1,120.0	May-22
B. Riley Financial, Chimera Capital, DisruptAD, Doğu Group, Next Play Capital, Nordstar, SoftBank Group	Kitopi	United Arab Emirates	Restaurants & Bars	Late-Stage	300.0	May-22
British International Investment, Development Partners International	Kelix Bio	United Arab Emirates; Africa Regional	Pharmaceuticals	Bolt-On	200.0	Mar-22
IMM Investment, Metric Capital Partners, Olayan Group	Pure Harvest Smart Farms	United Arab Emirates	Agribusiness	Late-Stage	180.5	Jun-22
Endeavor Catalyst, Prosus Ventures, Sanabil Investments, Saudi Technology Ventures, Sequoia Capital, Vision Ventures	FOODICS	Saudi Arabia	Software	Late-Stage	170.0	Apr-22
SHUAA Capital	Allianz Marine Services	United Arab Emirates	Marine Transportation	Buyout	160.0	Jun-22
Riyada Managers	Cleopatra Hospital	Egypt	Healthcare Providers	Replacement Capital	148.0	Feb-22
Cadenza Ventures, CMT Digital, Coinbase Ventures, Global Founders Capital, Jameel Investment Management Company, Kleiner Perkins, Middle East Venture Partners, Paradigm	Rain	Bahrain	Investment Services	Early-Stage	110.0	Jan-22
Acrew Capital, B&Y Venture Partners, Defy Partners, Dragoneer Investment Group, Indus Valley Capital, Tiger Global Management, Wavemaker Partners, Zayn Capital	Bazaar Technologies	Pakistan	Food Retailers & Wholesalers	Early-Stage	70.0	Mar-22

Notable Exits and IPOs in MENA, 2021-1H 2022

COMPANY	COUNTRY	SECTOR	INVESTOR(S)	YEAR(S) OF INVESTMENT	CAPITAL INVESTED (USDMM)	EXIT DATE	EXIT AND RETURN DETAIL
VFS Global	United Arab Emirates	Business/Professional Services	EQT	2016	N/A	May-22	Secondary sale to Blackstone for reported USD1.12b at USD2.5b valuation
Swvl	Egypt	Travel, Leisure & Mobility	Arzan Venture Capital, BECO Capital, DASH Ventures, DIGAME, Endeavor Catalyst, MSA Capital, Oman Technology Fund, Sawari Ventures, Silicon Badia, Vostok New Ventures	2018-2020	50.0	Mar-22	Merger with NASDAQ-listed SPAC Queen's Gambit Growth Capital, raising gross proceeds of USD165m, including USD112m PIPE transaction
Cleopatra Hospital	Egypt	Healthcare Providers	Actis, DEG, European Bank for Reconstruction and Development, Proparco, Riyada Managers	2014	N/A	Feb-22	Secondary sale to RCare, a USD148m single-asset continuation fund, valuing the company at USD500m
Anghami	Lebanon	Media & Entertainment	Endeavor Catalyst, Middle East Venture Partners, Samena Capital	2013-2019	1.3	Feb-22	Merger with NASDAQ-listed SPAC Vistas Media Acquisition, including USD140m PIPE transaction
Fresha	United Arab Emirates	Consumer Digital Services	Middle East Venture Partners	2015-2017	N/A	May-21, Dec-21	Secondary sales through BECO Capital-led USD100m Series C and USD52m extension rounds; partial exits generated 39x and 52x cash-on-cash multiples, respectively
Alcazar Energy Partners Portfolio	Middle East Regional	Renewable Power	Alcazar Energy Partners	2016	N/A	Aug-21	Sale to China Three Gorges South Asia Investment for a reported USD500m
Tamara	Saudi Arabia	Consumer Finance	Hala Venture Capital, Impact46, Khwarizmi Ventures, Nama Ventures, Seedra Ventures, Vision Ventures, Wealth Well	2020-2021	7.1	May-21	Strategic sale through USD110m Checkout.com-led Series A
Cambridge Medical and Rehabilitation Center	United Arab Emirates	Healthcare Providers	TVM Capital Healthcare Partners	2012	N/A	Mar-21	Sale to Amanat Holdings for USD232m, representing a 25% net IRR and 4.6x MOIC



Methodology

GPCA's reporting covers activity by long-term, private direct investment funds that are backed by institutional investors — along with their co-investors — across the following asset classes: private equity, venture capital, private credit, infrastructure and natural resources. For more information on research methodology, please refer to the Data Methodology webpage or contact research@GPCCapital.org.



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