

2020

# ECOSYSTEM REPORT



**Oman Startup Hub**

An Initiative led by IDO  
Investments

Report by:  
Sara Al Lamki  
Sarrah Al Saadi



## ABOUT OSH (Oman Startup Hub)

OSH (Oman Startup Hub) is a platform for startups, investors, advisors, and entrepreneurs to connect, discover and learn about the innovation ecosystem in Oman.

Launched in February 2020 by IDO Investments (a wholly owned subsidiary of Oman Investment Authority), its goal is to become the main resource for startups and investors alike to understand the current activity in the Omani startup ecosystem. It is the only platform to consolidate events, news and resources in one place, and now includes the majority of active startups and supporters operating in Oman.

OSH also runs a series of webinars conducted for the ecosystem, by the ecosystem, on topics chosen by its viewers, actively engaging with its participants, and producing one-page summary documents for ease of reference. The majority of webinars are recorded and placed on OSH for future viewing.

## ECOSYSTEM 2020 REPORT

OSH strives to consolidate the ecosystem, but also to participate actively in building its knowledge base. This report is an annual report that provides a snapshot of the ecosystem's annual activities, as captured by the OSH platform.

Although some funding information is available, most startups and investors shy away from disclosing funding amounts. Where information is available, the report creates a picture of the amount of funding deployed in 2020 and aims to demonstrate notable and main startup activity, and highlight in more detail the prominent supporters of the ecosystem in 2020.



## A YEAR OF GROWTH 2019

### 2019 at a glance

#### VC Deals

5

#### Capital Raised by Deals

2.8 M

#### Companies Accelerated by OTF

29

#### Companies Incubated

14

#### Mergers & Acquisitions

1

Oman's journey towards becoming a startup hub in the region has begun with a strong emphasis on supporting startups and SME's in addition to promoting growth in the technology and innovation sector. Released during The Oman 2040 Future Vision National Conference in January this year, the draft plan of Oman's vision 2040 envisages the development of a competitive, globally connected private economy. In its ambitious long-term vision, Oman places specific emphasis on SMEs and the non-hydrocarbons sector. SMEs, which include startups currently account for around 15 per cent of Omani GDP – a figure the Public Authority for SME Development has forecast will double in the next decade as opportunities are created.

2019 saw admirable achievements in Oman's startup activities, with a record 5 Venture Capital (VC) deals worth 2.8 million USD. These numbers previously were not heard of in Oman, and more notably, not discussed in public news platforms - thus starting a culture shift of startup growth and transparency.

An Omani startup, eMushrif, which was on the growth trajectory also acquired a company in Kuwait, setting an example for regional startups on mergers & acquisition and seeking growth opportunities in the Gulf and beyond.

# OMAN'S STARTUP ECOSYSTEM

for 2020

2020 was all set as a year for continued growth in the startup ecosystem. Riding the wave of 2019, regional media took interest in the Omani ecosystem becoming a regional leader. Oman's newly formed Ministry of Technology's SAS Incubator partnered with Google for startups to work with unique startups, and began a trend of partnerships, and cultivating a spirit of innovation amongst young startup hopefuls.

With the COVID-19 pandemic bringing the world to a standstill in March, Oman has witnessed a shift in perception and an increased interest in supporting, creating and learning about startups. The outbreak of the pandemic also encouraged more online interaction with a sudden increase in online meetups, events and workshops. This in turn resulted in a number of 'relief programs' and an increase in funding deployed to startups, especially in the early stages.

Though growth stage startups have secured funding from various local and regional investors, data on funding rounds remains largely undisclosed and amount of funding available to startups in the ecosystem is uncertain.

However, monitoring the activity of funding announcements in the region, there is greater emphasis in disclosing data, such as capital raised, as it draws more attention to the success of the startup. We believe Omani startups will begin will follow suite and begin to disclose. What is evident is the eagerness for organizations, local and international, to support Omani startups with growth potential, especially innovative technology companies, and the increase in number of startups and their maturity seen in incubator and accelerator programs.

## STARTUP HIGHLIGHTS FOR THE YEAR

**10.9**

Million USD total committed funding to startups

**5**

Growth Stage startups conducted funding rounds at an aggregate raise of

**8.5**  
million USD

**45.7k**

Total SMEs registered with Ministry of Commerce and Industry

**78**

Published startup related news

**55**

Events conducted



# OMAN TECHNOLOGY FUND

## In Depth

Oman Technology Fund (OTF) has a total committed capital of up to 200 million USD and invests via its 2 accelerator programs - Techween and Wadi and global VC program - Jusoor Ventures.

In 2020, OTF adopted a "Lean Accelerator" model which allows them to run the programs virtually and in parallel, thus supporting the largest number of startups to date, offering continuous support and opportunity.

### Techween

Typically, Techween accelerator runs for pre-seed stage startups that started as a 3 month program but has extended to 9 months. OTF has concluded its 6th cohort, and begun the 7th cohort in December 2020. The Techween program involves an investment of 50,000 USD for an equity share of 7%, and access to countless resources, workshops, fireside chats, professional and peer mentors. Each cohort accepts and accelerates 10 startups.

### Wadi

The Wadi accelerator offers seed stage startups 100,000 - 150,000 USD for 7% equity in a 10 week program which runs over the course of 4 months. The more intensive program can serve a greater number of more mature startups which are ready, or have started, commercialization. Depending on the growth of these startups during the program, and their readiness to pitch, the startups go on to participate in either of the 2 demo days that take place throughout the year, and target VC or similar investment from local and regional firms.

In 2020, in addition to the 2 accelerator programs, OTF also ran a hackathon with UNICEF which resulted in funding for 2 startups and ran a relief fund of 2,580,000 USD which resulted in funding for multiple startups. These investments are considered as part of the Wadi acceleration funding and activities.

## 2020 FACTS & FIGURES

89

Startups Accelerated

59

Techween  
Stage

30

Wadi Stage

3.8

Million USD deployed



123

Active Workshop  
Days

2.1k

Mentor Sessions

4

Large external events  
hosted



## 2020 FIGURES

## INCUBATOR

24

Startups

8

Graduated

130

Employed in  
startups

## ACCELERATOR

23

Startups

2

Programs

17

Pitched

2

Received  
InvestmentSAS CENTRE FOR  
ENTREPRENEURSHIP  
In Depth

SAS Centre for Entrepreneurship is a centre by the Ministry of Transport, Communications and Information Technology that encourages entrepreneurship and development of Technology and Digital Content Startups and SMEs in the Sultanate in collaboration with private & public sectors. The centre offers various services via its incubation and accelerator programs. It does not provide funding to startups.

**Incubator**

The centre runs a 3 year incubation program, accepting application all year round. In 2020, services included coaching, mentoring, legal services, business management services, marketing service, investment readiness, access to finance, client networking, advisory board.

Companies that graduate from the program are offered a paid service to continue receiving support from SAS.

**Accelerator**

SAS runs a multi-week accelerator program with Google for Startups, which concludes in a virtual demo day, targeting investors. The 2020 cohort ran for 5 weeks, and is the second cohort run with Google for Startups. In addition, SAS launched a 12 week accelerator program in collaboration with OTF Techween focusing on cybersecurity startups, to generate and validate ideas.



## IDO Investments In Depth

IDO Investments is the technology investment arm of Oman's Investment Authority, mandated to discover technologies globally with the greatest potential to benefit the people and society of Oman.

The company's portfolio is largely focused around the world; however, it also invests in growth stage Omani startups who are ready to expand globally.

In response to the COVID-19 pandemic, IDO also launched an Emergency Relief Investment Program (ERIP) to speed up investment timelines, and give smaller ticket investments to aid the Sultanate's startups either responding to crises, or contributing to its alleviation. As part of this, IDO invested in 2 Omani startups in the form of convertible debt.

In addition, IDO Investments lead the Series A round of an emerging Omani startup, bringing its Omani portfolio outside of the ERIP program to 3 companies. IDO Investments also participated in a follow on investment for one of the existing Omani companies in its portfolio.

The diverse investment team actively participate in the Omani ecosystem by hosting webinars, workshops, judge competitions, both relating to COVID-19 and outside of the pandemic. The team also aid in Omani startups development by introducing them to international innovators in their portfolio, and facilitating relevant discussions with external stakeholders.



## 2020 FACTS & FIGURES

**2.4**

Million USD funding committed

**4**

Startups supported

**4**

Webinars conducted



## PHAZE VENTURES

### In Depth

Phaze Ventures is a private venture capital firm which invests in early stage startups locally and globally with a focus on the energy and logistics sectors. Phaze also runs the Sparklabs Energy accelerator in partnership with Petroleum Development Oman (PDO), with the top company from the program receiving an investment from Phaze and a contract from PDO.

Though Phaze did not add any Omani companies to their portfolio in 2020, they participated in follow on funding in 3 of their existing companies. The amount of funding deployed is undisclosed.

### OmanX Challenge

In 2020, Phaze also launched the Oman X Challenge. An opportunity for individuals and teams to test and validate ideas for software solutions to solve some of the most difficult challenges facing their corporate partners, particularly the energy companies PDO and OQ. The winning team of the OmanX Challenge has an opportunity to join the third cohort of the SparkLabs Energy Accelerator Program where they will be supported to take their concept to the next level into a minimum viable product alongside commercial partners. In addition, they will be awarded a grant of RO 10,000 to fund continued business development, as well as opportunity to receive up to RO 100,000 in equity investment at the end of the Accelerator Program.

The winner of the first OmanX is a promising fintech startup called Mamun ai.

3

Omani follow-on  
Investments

1

Grant Awarded

2

Hackathons conducted





## NEW & NOTABLE FOR 2020

### NEW SUPPORTER

#### Oman Angel Investments

The latest investment firm to the Omani ecosystem with an ambitious role to create the first Angel Investor Group in Oman. The company has 3 founders, with various backgrounds, and a mandate to invest in seed stage Omani technology companies and participate in their growth and development.

Structured as a member network with each member handpicked for specific expertise valuable for the development of startups in their portfolio. Each member will contribute 50,000 USD with a maximum of 30 members, thus establishing a fund of 1,500,000 USD.

The company was established in 2019 and quickly invested in 2 up and coming startups.

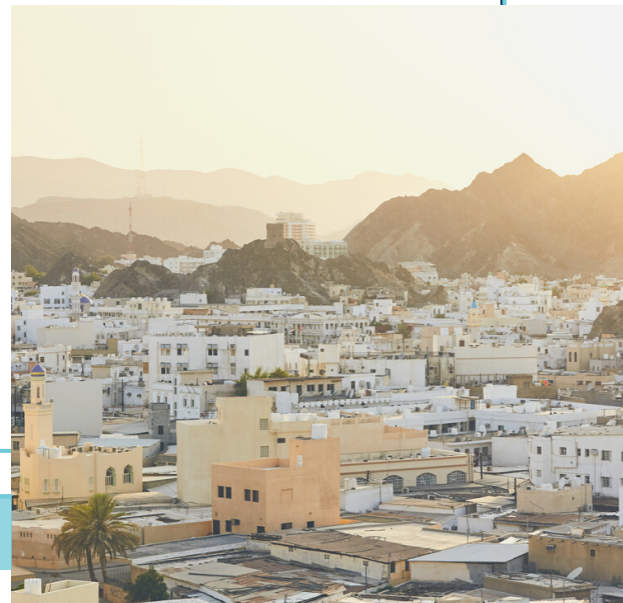
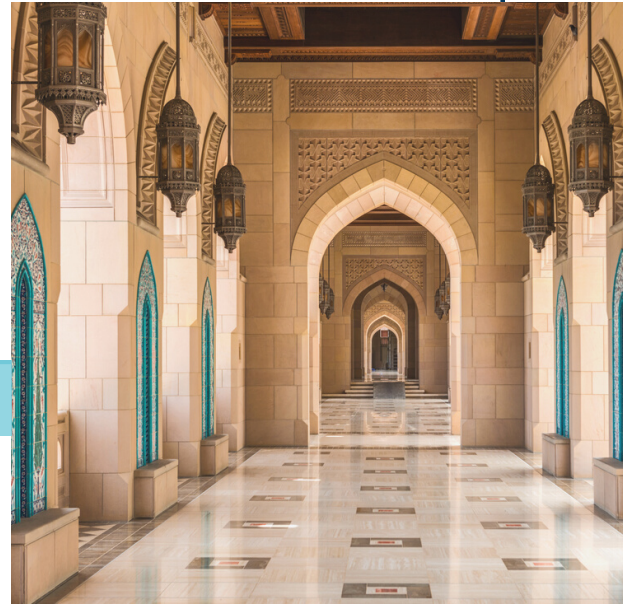
### CULTIVATING STARTUPS

#### EBDA

EBDA is a startup development program by Al Rudha, designed for entrepreneurs at the concept stage of developing their startup.

The program is designed to take the participating teams through multiple stages starting from idea affirmation, business readiness, and market deployment preparation, and is sponsored by BP Oman. The program is running its 3rd cohort in 2020 with 18 teams graduating.

6 out of the 17 previously graduated companies have gone on to receive funding.



## ENVIRONMENTAL FOCUS

### NEW ACCELERATOR

#### Eco-Innovate

The Oman Environmental Services Holding Company (be'ah) launched the Eco-Innovate Oman (EiO) accelerator program to startups with a focus on commercialization of natural and artificial resources.

The EiO was launched at the end of 2019 and received the first batch of startups in March 2020. 14 startups were accepted to the program based on their specialization in resource management and environmental sustainability. The program will conclude with a pitch competition.

The program ran both physically and virtually to accommodate all startups given the pandemic.

1 startup has already received 65,000 USD in investment.

### PRE-INCUBATOR

#### Carbon Lab

Powered by TEDx Muscat & Innovation Factory, with support from the embassy of the Netherlands, Carbon is a Social Innovation lab aims to introduce essential topics that will assist social innovators in creating tangible and quantifiable impact to improve the community by supporting the development and transfer of practical solutions.

Launched in 2020, the social initiative acts as a pre-incubation program targeting entrepreneurs in Oman that have ideas/solutions that tackle a social or environmental challenge.





## CONCLUSION



### 2020 - THE YEAR OF RESILIENCE

The first half of 2020 attracted investments of 659M USD from MENA-based startups in total. According to MAGNiTT, Oman secured 12 per cent of MENA's total deals in that period in 2020. Subsequent data is difficult to find, and Oman has yet to develop a startup culture that is open to sharing information related to funding. Despite this, the 2030 Digital Oman Strategy or "eOman" shows Oman's focus on technology adoption and progress.

With the increase of supporter companies, especially those offering funding, and an increase in startups formation, the Omani startup ecosystem is sure to become more open when publishing information, and more data can be generated to compare annual growth.

