



THE GROWING BUSINESS OF FOODTECH

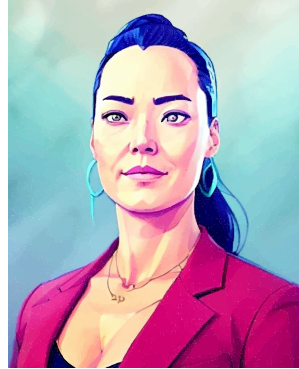
There are over 124 foodtech unicorns around the world worth over US \$1.3 trillion. The Foodtech market itself surpassed US \$260 billion last year alone. Alt-Proteins, 3D Printing Food, and AI integrated Restaurant SaaS: The future of food has arrived.



TABLE OF CONTENTS

Editor's Note	3
Foreword	5
Demystifying Foodtech and Why it Matters	7
Data Points That Help Explain the Emergence of Foodtech	11
Global Foodtech Unicorn Success Stories	27
Foodtech in MENA	35
6 Graphs that Map Out Foodtech in MENA	37
Meet the Region's Most Innovative Foodtech Players	45
FOODICS: The Region's Most Prominent Foodtech-Meets-Fintech Player	47
KLC Virtual Restaurants: Cloud Kitchen's Re-Imagined	55
Yango Tech: Tech Stack for Profitable E-Grocery	61
KASO is reshaping the food procurement industry, looking to achieve \$1 billion GMV by 2024	67
Yango Delivery: The First Choice for Last Mile Delivery	71
Pure Harvest Smart Farms: MENA's next AgTech 'uni-camel'	75
Delivery Hero Completes Acquisition of Saudi's HungerStation	79
Conclusion	81

EDITOR'S NOTE



A handwritten signature in black ink that reads "Erika Masako Welch".

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The first rule of entrepreneurship taught at Ivy League schools like Stanford and MIT is: State the problem you are attempting to solve for and quantify it. Foodtech players around the world are trying to solve for a multitude of wide-reaching problems, not least of all being food security. Our global population is still growing, with forecasts expecting our global population to expand by 20% to reach 10 billion by 2050. This means that there is significant and growing demands being placed on our global food systems to produce enough food to meet this growing population, while there exists 1 billion people in the world that are going to bed hungry each night.

Food wastage is another challenge; over 30% of the food we currently work so hard to produce is wasted and thrown into the bin. Climate change, sustainability implications and supply chain issues are all variables in the overarching foodtech challenge as well. 26% of global GHG emissions are linked to our food systems, driven by land use, livestock, fisheries, crop production and our supply chains.

Startups working on alternative proteins like lab-grown meat and agtech's involved in vertical farming using predictive analytics – are just some of the solutions on offer. These solutions are helping to reduce the strain on our arable land and provide

scalable solutions for our growing appetites, while using the most efficient amount of water, energy, and fertilizers to do so. AI and ML-enabled agtech companies around the world are helping farmers to utilize data to help embed efficiencies into old-school farming techniques, and increase crop yields too.

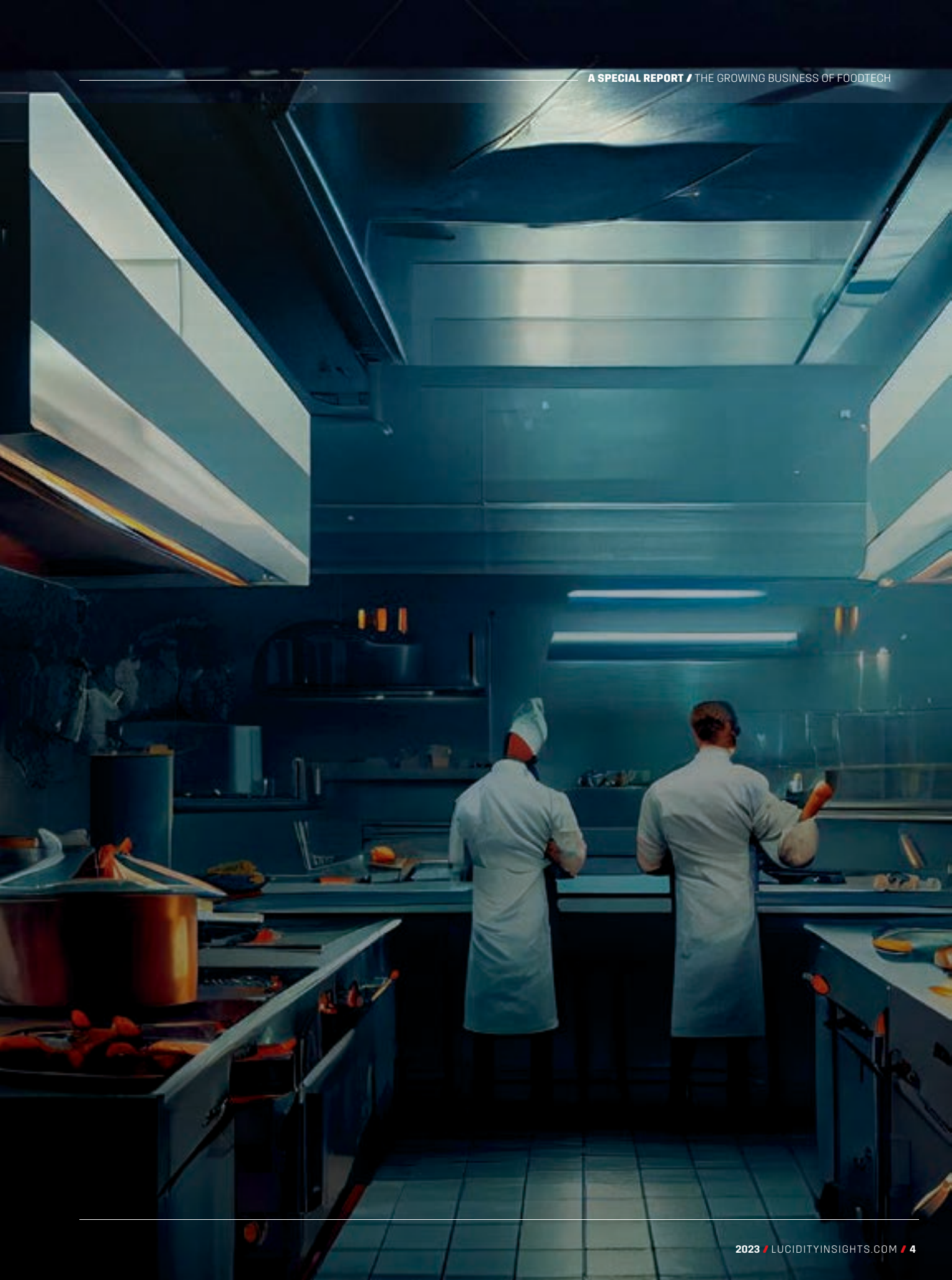
Then there is the challenge of entire downstream industries, like F&B, which is notoriously one of the hardest industries to survive in, as a business owner. Back-office systems from procurement to staffing, are largely stuck in the dark ages of fax machines and phone-orders. Customers are also increasingly demanding and expecting every restaurant to have an e-commerce and online delivery channel, while expecting to have seamless digital payments experiences in-house. Quick commerce food delivery is expected, and has largely become a requirement for restaurants to survive. What's more, customers expect most orders to be delivered in under an hour, with some cities having grown accustomed to orders reaching their door in under 30 minutes. There are foodtechs working on all of these challenges and solutions as well.

All in all, foodtech is an exciting tech-space to be in at the moment. Personalized nutrition is becoming more available, kitchen robotics are

enhancing speed and consistency of food output,

But foodtechs have not been unscathed from the current VC winter the world is experiencing. After the pandemic created a blockbuster fundraising year for foodtechs in 2021, funding has been drying up for the sector since the early part of 2022. Q1 2023 funding for foodtech globally hit a near five-year low. Exits are slowing down, from IPOs to M&A – with analysts expecting things to slow down further in 2023. The market landscape is expected to look quite different in a year or two's time, as profitable businesses work on efficiencies, and startups put to the profitability stress-test are left to the wayside.

Here in the Middle East, our data analysis shows that foodtech funding has largely remained stable during this time, with declines in funding being very low, to date, in comparison to global figures. Food delivery, q-commerce, cloud kitchens and B2B Marketplaces being the driving sectors in the region. But we have reasons to be proud, some of the world's top emerging foodtech startups, based on the amount of funding raised, come from this region, including Kitopi, Believer, Pure Harvest, nana, and Foodics. Read on to learn about their stories.





FOREWORD

Globally, the F&B industry is a risky business with the failure rate in the first year being around 50%. However, our region is one of the fastest-growing F&B markets in the world. With the Kingdom's Vision 2030 and other countries' visionary goals and plans, transforming economic and social reforms, this is also opening the region up further to the world.

Plenty of global restaurant brands are now flocking to open in the region, while homegrown eateries are welcoming the competition and taking this opportunity to up their game. These factors are further cementing the need for digitization in the F&B industry, as more and more outlets are scaling up and growing their businesses.

In fact, GCC countries have been consistently embracing technology-driven solutions to enhance the efficiency and sustainability of their agricultural and food sectors. Several key factors have contributed to this technology evolution,

from government support and strategic initiatives, increased focus on food security and the boosting of domestic food production, technological advances through to the increase of growth prospects for startups and entrepreneurship.

As the CEO and co-founder of Foodics, MENA's leading restaurant and payment tech provider, I am proud to be able to deliver a one-stop-shop restaurant management ecosystem that enables restaurateurs to effortlessly control, streamline, and grow all their operations, anytime and from anywhere, and that also incorporates payments in every touchpoint to enhance check-out experience and bring more efficiency to the point of sale. Our approach is unique in the fact that we design human-centric solutions - we think of how our products will impact restaurant owners, how they will be used by restaurant teams and how they will impact the customer experience.



The fast-growing pool of local talent has all the digital skills required to prosper in new industries like FinTech across Saudi Arabia and the GCC. The natural skills of today's youth, combined with their passion for technology is driving the transformation of businesses. The expectation for the next 5 to years is more growth, investment in tech and sustainable solutions.

Innovation is indeed at the core of many business functions. We listen to our customers and ecosystem partners, and convert insights from them into new products. But innovation and success in F&B Tech and Fintech relies on multiple angles, one of which is to have

a compelling value proposition to market and the other a compelling ecosystem.

We are equally proud to be sharing this stage with Kitopi, Pure Harvest, nana, Impossible, Farmers and many others; and I look forward to a bright future as industry leaders in our field.

Entrepreneurs have everything they need here in this region and nothing to envy Silicon Valley. With a good idea, good execution, and a good growth curve, there is a way to make it on a global scale. The opportunities that the tech revolution has provided the industry are unlimited, and together we also need to ensure that it is a sustainable one.



Ahmad AlZaini
Founder & CEO of Foodics

DEMISTIFYING FOODTECH: WHY IT MATTERS

With the world's population set to reach a staggering 10 billion by 2050, the demand for food continues to rise. But in the face of this mammoth task of being able to feed the world, we must deal with unprecedented challenges like climate change and food security, food wastage, and resource depletion. Enter foodtech, stage right - the powerful convergence of food and technology that holds the key to our future. This thriving sector that is revolutionizing the way we produce, distribute and consumer our food, boasts over 10.5K+ startups and 124 unicorns, worth a staggering US \$1.3 trillion. From next-generation foods to cutting-edge agtech that boosts yields, IoT-enabled appliances, game-changing SaaS solutions, and the rise of dark kitchens and food delivery players, foodtech is paving the way for sustainable and efficient solutions across the entire value chain. As of 2022, the foodtech market had already surpassed US \$260 billion market value, and it's only just the beginning. The future of food starts here.



Re-inventing an Industry on the Brink

As our global population hurtles towards the 10 billion mark by 2050, the hunger for food is reaching unprecedented levels. It's no secret that the food and agriculture industry reigns supreme as the largest on our planet, catering to a loyal customer-base of 7.9 billion people.

But with this soaring demand comes a cascade of challenges that threaten to shake the very foundations of food production. From population growth to climate change impacts, food wastage in the supply chain to the environmental toll of production, and farming industries on the decline around the world driven by younger generations opting for non-agricultural career paths – the stakes have never been higher. That's why the convergence of food and technology has become an urgent imperative.

Welcome to the world of Foodtech, where cutting-edge technologies are reshaping agriculture and food from the ground up. From farm to fork, Foodtech embraces innovation, sustainability, and efficiency, revolutionizing every aspect of the industry. It's about harnessing technology's mighty arsenal to select, preserve, process, package, distribute, and ensure the safety of our food. It's about adapting to evolving consumer habits and creating a modern food ecosystem.

With transformative technologies like the Internet of Things (IoT), big data, and Artificial Intelligence (AI) at our fingertips, the potential is staggering. Foodtech is breaking down barriers and integrating seamlessly across industries. From traceability in ingredient sourcing to lab-grown meat production, frozen food processing to smart packaging and cold-chain logistics, from tech-enabled grocery store innovation to advanced inventory management – the possibilities are endless.

In this era of disruption, technology becomes our greatest ally in overcoming the formidable challenges faced by the food industry. Join the Foodtech revolution and be part of the solution that will feed the world, sustainably and deliciously.





FOOD TECH CONSTITUTES A VAST ECOSYSTEM OF TECHNOLOGIES

that span across various domains:



AgTech:

With enhanced data and automation, AgTech enables regenerative agriculture, which not only helps combat climate change but also restores biodiversity and improves working conditions for farmers. It includes precision agriculture, utilizing GPS tracking systems and satellite imagery, and plays an important role in enhancing farm efficiency by monitoring crop yields, soil levels, and weather patterns.



Food Science:

By leveraging technology, food science brings together innovative methods to develop products that are environmentally friendly and address rising health concerns in consumers.



3D Printed Food:

Over the past few years, 3D printing has gained significant traction across multiple industries, including the food sector. Its applications range from NASA printing pizzas to creating soft foods for individuals with chewing difficulties.



Industrial Food Tech:

Industrial food tech specifically addresses fundamental business model and B2B pain points within the food industry, encompassing novel processing and packaging technology, as well as new and functional ingredients that boast improved nutritional, labelling, or formulation characteristics.



Robotics and Machinery:

The rising usage of robotics, tracking sensors, and machines in the food sector leads to cost reduction and increased productivity.

Food Safety:



Technology aids restaurants, grocers, and other food suppliers in managing the shelf life of food. For example, Blockchain technology is being employed by some businesses to streamline supply distribution.

Food Service:



Automation is increasingly being adopted by food-related businesses, including restaurants, cafeterias, hotels, and cafes, to enhance operational efficiency.

Food Delivery:

Technology plays a vital role in tracking and ensuring the safe packaging and delivery of food products, catering to the growing demand for direct-to-consumer services such as restaurant and grocery deliveries.



Consumer Food Tech:

This segment caters to the demands of consumers seeking alternatives such as plant-based meats, novel distribution systems, or nutrition-based tech. Notable innovators in this space include companies working on alternative protein and dairy, nutrition, and meal kit distribution.



Surplus and Waste Management:



Technological advancements have given rise to innovative options such as edible packaging, micro-packaging, and packaging designed to combat bacteria. Furthermore, technology is playing a crucial role in the creation of sophisticated food waste reduction dashboards. These dashboards serve as a platform to connect businesses with surplus food to local shelters, after-school programs, and non-profit organizations. By employing efficient management and tracking systems, analytics software is helping save money and significantly reduce overall food waste.

Tracing the Remarkable History of Foodtech

The intriguing journey of Foodtech spans far beyond its modern moniker, delving into the annals of history where food and technology have continually intersected. The evolution of food processing techniques can be traced back through the ages, beginning with primitive tools and ancient methods of preservation.

As early as the late 18th century, notable advancements emerged in response to pressing challenges. In 1795, Napoleon Bonaparte ignited a quest for food preservation solutions by offering a prize to innovators. The goal was to sustain his troops during arduous sea voyages and military campaigns. It was in 1810 that Nicolas Appert made a groundbreaking breakthrough with the invention of canning, forever transforming food science.

Building on these foundations, Louis Pasteur's groundbreaking discoveries in 1864 unveiled the role of microbial contamination in food spoilage. This revelation led to the development of sterilization techniques, ensuring the safety and longevity of food products. The mid-20th century witnessed a surge in packaging technology, driven by the need to safeguard products beyond transportation and storage. Materials like paper, metal, plastics, and glass found their

place in the food packaging industry, enhancing product shelf life and protection.

The turning point arrived with the advent of the industrial revolution, which ushered in a new era for the food processing industry. This transformative period witnessed the rise of industrialized agriculture, characterized by pivotal advancements aimed at increasing food production and improving the quality of harvests. Artificial fertilizers, pesticides, the harnessing of electric power, and the introduction of horse-powered and steam-powered machines revolutionized farming practices.

Today, Foodtech stands on the shoulders of these historical achievements, fueled by cutting-edge technologies, data-driven innovations, and an unwavering commitment to reshape the future of food. The fusion of culinary expertise, scientific discoveries, and technological prowess continues to propel the industry forward, unlocking extraordinary possibilities to address the complex challenges of our time. From farm to fork, Foodtech embraces a legacy of ingenuity and promises a future where food production, sustainability, and culinary delight intertwine harmoniously.



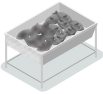
Courtesy of wikipedia

A BRIEF HISTORY OF INNOVATIONS IN FOOD

Raw & Minimally Processed Food (200,000 BP – 1800 AD)



Nomadic Hunter-Gatherer lifestyle



Sun drying



Cooking



Grinding



Cutting

Bread was the first foods made by humans over 30,000 years ago

12,000 years ago the Neolithic Revolution was spurred on by agriculture

Industrial Food Processing (1800 AD – 1945 AD)

1934

First modern-day pesticide, Thiram, was developed (Paul Müller)



1913

First electric fridge for homes invented (Fred Wolf)



1864

- Margarine becomes the first man-made artificial food
- Glass, Plastics and Metals begin to be introduced as food packaging materials

1864

Pasteurization discovered (Louis Pasteur)

1854

First Ice-Making Machine Invented (James Harrison)

1810

Canning Invented (Nicolas Appert)



High Intensity Industrial Food Processing (1945 AD – 2023 AD)

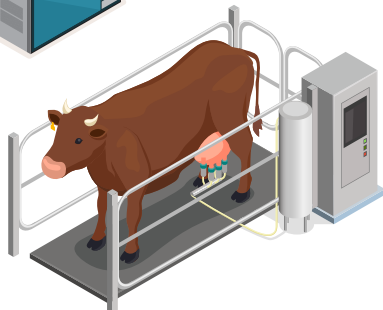
1945

Microwave Invented (Percy Spencer)



1946

First vacuum sealed sterilised packaging used to package milk (Ruben Rausing)



1963

- Agricultural crops were genetically modified to become more resilient (Norman Ernest Borlaug, Herbert Boyer, Stanley Cohen)
- First biopolymer and edible food packaging appears

2007

First 3D printed food is tested, including Nutella, Chocolate and Processed Cheese



2009

First plant based meat company, Beyond Meat, established. Goes public in 2019.



2013

Scientists grow meat in a lab using cow muscle cells





The Foodtech Frontier

The world of food and technology is experiencing a remarkable transformation, giving rise to a plethora of innovative sub-sectors that are revolutionizing the way we grow, produce, distribute, and consume food. From farm to fork, startups are harnessing cutting-edge technologies and novel approaches to address pressing challenges and shape the future of the food industry.



From Bugs to Burgers

One area of exploration within foodtech is the realm of alternative protein sources. With the rising demand for sustainable and ethical food options, startups are delving into plant-based proteins, cultivating alternatives to traditional animal-derived products. These innovative ventures are utilizing ingredients like peas, soy, and mushrooms to create plant-based burgers, milk alternatives, and even seafood substitutes. Alongside this, another groundbreaking sub-sector is edible insects, which offer a highly sustainable and protein-rich alternative to conventional livestock farming.



Turning Waste to Feast

Sustainability is a key driver for many foodtech startups. In line with the principles of a circular economy, companies are focusing on upcycled food production, transforming food

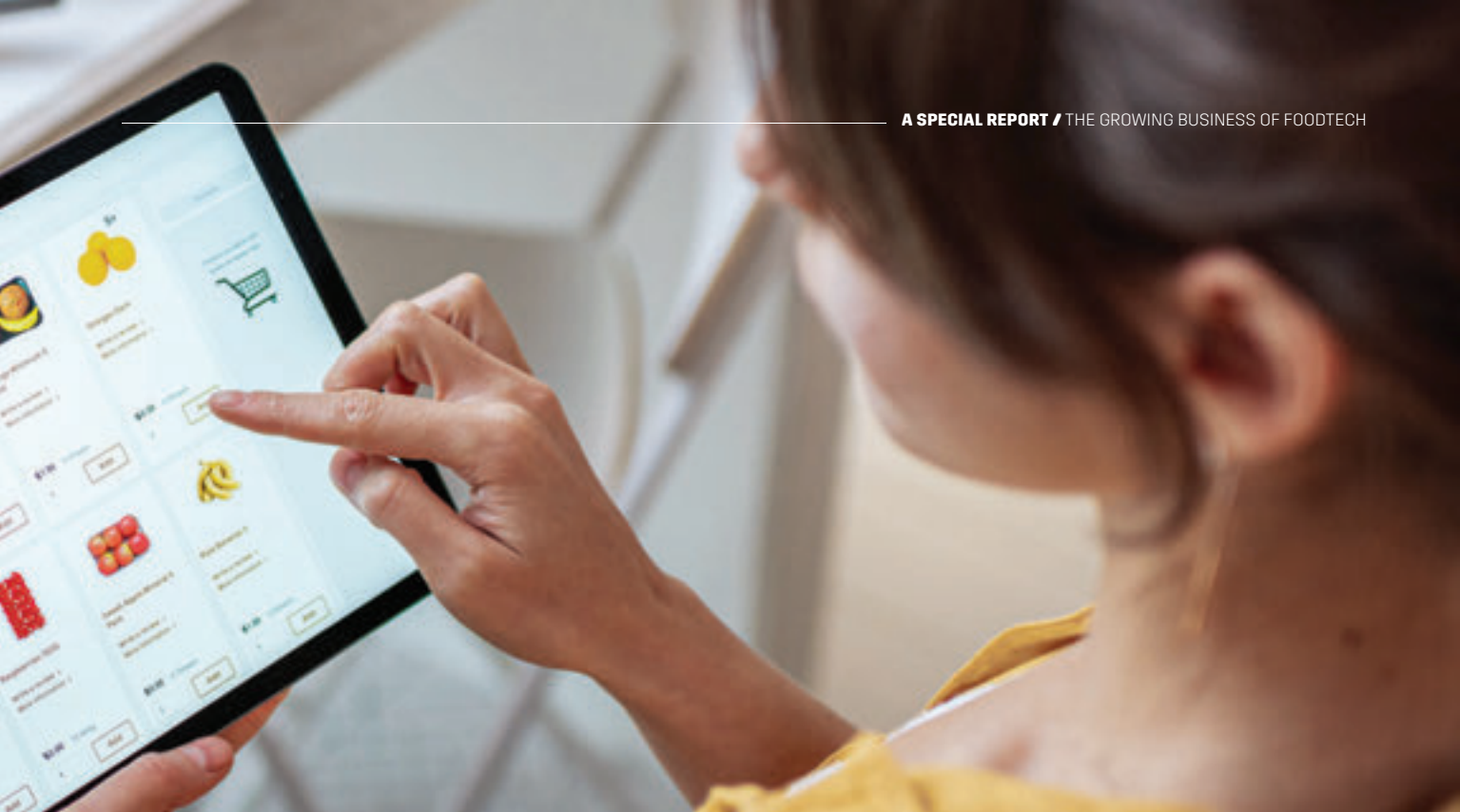
waste and by-products into valuable products. These startups repurpose surplus ingredients, spent grains from breweries, or "ugly" fruits and vegetables, transforming them into nutritious and delicious food items, minimizing waste and maximizing resource efficiency.

There are also many foodtech startups focused on reducing the amount of food wastage there is in the process of getting food to consumers. These innovative companies are leveraging cutting-edge technologies and smart solutions to tackle the challenges of transportation and cold-storage. By implementing advanced temperature control systems, real-time monitoring, and intelligent packaging, they are extending the shelf-life of perishable goods and reducing food waste along the entire supply chain. Data analytics and algorithm optimizations allow last-mile delivery players to streamline routes to ensure timely and precise deliveries.



AI: the Sous Chef Substitute?

Advancements in technology have also propelled the development of kitchen automation and artificial intelligence (AI) integration. Startups are creating kitchen bots and AI-powered systems that streamline food preparation, improve efficiency, and enhance the overall dining experience. From automated cooking appliances to intelligent recipe recommendation platforms, these innovations are revolutionizing the way we cook, order, and enjoy food.



As the foodtech ecosystem continues to expand, the convergence of AI and foodtech is becoming increasingly evident. AI algorithms are being integrated into various aspects of the food industry, from optimizing crop yields through predictive analytics to improving supply chain efficiency and enhancing personalized food recommendations. Startups are at the forefront of this integration, leveraging AI's capabilities to drive innovation and solve complex challenges across the food value chain.



When It Gets Personal

Personalized nutrition and meal kits have gained significant traction in recent years. Startups in this sub-sector are leveraging data-driven insights and AI algorithms to tailor meal plans and nutritional recommendations based on an individual's unique dietary needs, preferences, and health goals. By combining convenience, customization, and healthy eating, these startups are reshaping the way we approach food consumption.

Advanced vending machines are also making waves in the foodtech landscape. These high-tech machines offer a diverse range of fresh, healthy, and customizable options, providing convenient and on-the-go access to nutritious meals and snacks. By incorporating AI, touch screens, and cashless payment systems, these vending startups are reinventing the traditional concept of vending and catering to the evolving demands of consumers.

Furthermore, the integration of 3D printing technology with food production has unlocked new possibilities for culinary innovation. Startups are exploring the realms of 3D-printed food, enabling the creation of intricate and customized food designs, textures, and flavors. This technology holds promise for personalized nutrition, culinary creativity, and efficient food production.









SaaSizzle

In the digital realm, kitchen enablement Software-as-a-Service (SaaS) platforms are gaining traction. These startups provide digital solutions for inventory management, recipe optimization, supply chain coordination, and menu planning, helping restaurants, food service providers, and hospitality businesses streamline operations and reduce waste.

The innovative sub-sectors within foodtech represent the dynamic and rapidly evolving landscape of the industry. Startups focused on edible insects, plant-based proteins, upcycled food, kitchen automation, 3D printing, personalized nutrition, meal kits, advanced vending, and AI integration are pushing the boundaries of what is possible in the world of food. By harnessing technology, sustainability, and consumer-centric approaches, these startups are shaping a future where food is not only nourishing but also sustainable, accessible, and delightful.

FOODTECH TECHNOLOGIES ALONG THE VALUE CHAIN

Value Chain	Foodtech Technologies	Across the Value Chain
 <p>Upstream Production</p>	<p>Agtech, predictive analytics, vertical farming, geospatial mapping, data-powered farming, edible insects, biological fertilizers, etc.</p>	 <p>Big data and digitization, ingredient traceability, food intelligence and data, artificial intelligence, food waste traceability, etc.</p> 
 <p>Manufacturing</p>	<p>Lab-grown foods, bio-engineered foods, cell technology, food R&D, nanotechnology, fermentation, future food forms, nano-scale ingredients, cultivation, molecular engineering, novel ingredients, upcycled food, functional foods, etc.</p>	
 <p>Processing</p>	<p>Novel processing techniques like high-pressure processing, durable and Fit-for-Purpose Packaging, Sustainable Packaging, Processing Bots, Freshness Control, 3D Printing Food, Cloud Kitchens, etc.</p>	
 <p>Downstream Consumption</p>	<p>E-commerce and marketplaces, personalized nutrition, meal kits, online grocers, restaurant marketplaces, food delivery aggregators, delivery robots, advanced vending, digitized menus, restaurant & retail tech, restaurant SaaS, etc.</p>	

Source: Lucidity Insights Research Team





The Dynamic Forces Fueling Foodtech's Rise

Hold your forks, because the foodtech industry is on a mission to transform the way we produce, distribute, and consume food. Why? Because a quarter of the world's greenhouse gas emissions, weighing in at a staggering 13.7 billion tonnes, can be attributed to our current food systems. As if that weren't alarming enough, one-third of all the food we painstakingly produce, package, and transport each year goes straight to waste, while a staggering 828 million people grapple with food security and hunger daily. The question stands: can foodtech come and save the day?

Picture this: cutting-edge startups worldwide are deploying the latest technologies to tackle the pressing issues plaguing our food cycle. They're generating jobs, combating hunger, and championing responsible production and consumption. But what's driving this foodtech frenzy, you ask? Well, it's all about meeting the evolving needs of today's discerning consumers.



Hungry for Change: The Rise of Healthier, Convenient Delights

Gone are the days when quantity took center stage. Today, it's all about quality, baby! We're witnessing a seismic shift towards healthier products that cater to individual nutritional needs and specific moments of indulgence. No longer are we subjected to the outdated notion of "one size fits all." Oh no, now we're feasting on an array of meticulously tailored products that satisfy our cravings and unique dietary requirements. It's a gastronomic revolution, my friends!



Supercharge Efficiency: Food Producers Enter the Innovation Arena

Food producers are on a mission to amp up their game and maximize efficiency. With major buyers like supermarkets and restaurant chains flexing their market muscle, there's immense pressure to ramp up production while slashing costs. How do they do it? By embracing innovation, scaling up production capacity, and streamlining operations. It's a fierce race to meet the growing demand for affordable, high-quality fare, and the foodtech industry is leading the charge.



Driving Change: Tech-ionic Shifts

Let's dish out the juicy details on what's propelling the foodtech revolution. Firstly, technology's expanding its tasty tentacles into previously unexplored territories, revolutionizing processes and products across the industry. And guess what? These tech wonders are becoming more affordable, allowing food producers to embrace advanced solutions without breaking the bank. Plus, consumers' insatiable appetite for premium, top-notch products is putting pressure on the industry to deliver consistent quality that satisfies their discerning palates.

But that's not all! Rising labor costs and a scarcity of skilled personnel are throwing curveballs at the food industry. Thankfully, technology and automation are stepping in to save the day, streamlining operations and ensuring that our plates stay filled with delectable delights.



A Recipe for Change: Climate, Health, and the Food Industry's Evolution

Hold your eco-friendly forks high because the food industry is embracing sustainability like never before. Governments and social organizations are pushing for food safety, health, animal welfare, climate protection, and environmental sustainability. Laws and agreements are sprouting like mushrooms, aiming to reduce sugar, salt, and fat in our beloved treats, and address climate change concerns. According to research published in the Scientific Journal, "Science" in 2022, global food production contributes to 26% of our global emissions. The breakdown can be seen in the chart below.

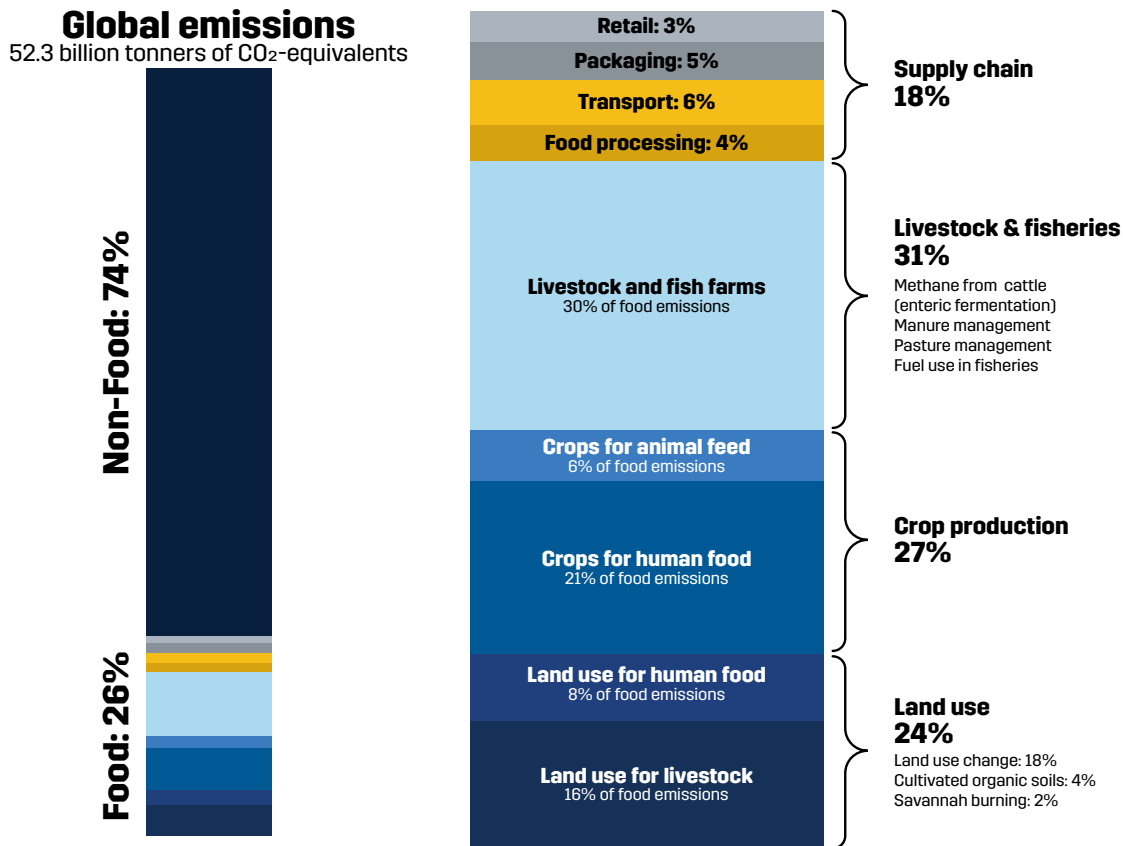


Joining Forces: Collaborations for the Win

The food industry is serving up a delightful fusion of big and small. Imagine large food producers embracing elements of smaller, specialized brands or product ranges, creating a mesmerizing blend of flavors. Picture bread producers investing in traditional production lines while lending support to craft breweries. It's a tantalizing middle ground, where industry giants embrace the essence of smaller-scale brands, crafting unique marketing strategies to win over our taste buds.

So, buckle up, food enthusiasts, because the foodtech industry is cooking up a storm. With its mission to revolutionize how we grow, distribute, and savor our meals, it's an epic feast that promises to leave no plate unturned. Bon appétit!

GLOBAL GREENHOUSE GAS EMISSIONS FROM FOOD PRODUCTION

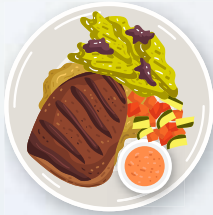


Source: Joseph Poore & Thomas Nemecek (2018), "Reducing Food's Environmental Impacts through Producers & Consumers." Published in Science.



DATA POINTS

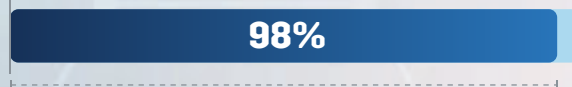
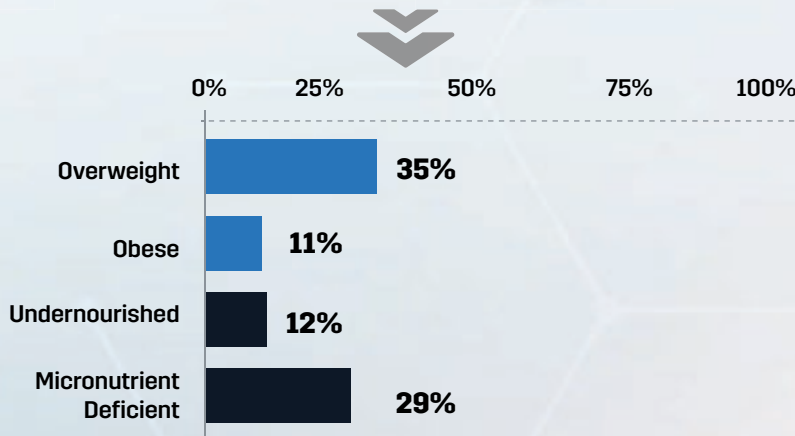
THAT HELP EXPLAIN THE EMERGENCE OF FOODTECH



In 2022, more than **1 BILLION PEOPLE ARE OBESE**



In 2022, more than **789 MILLION PEOPLE ARE UNDERNOURISHED**



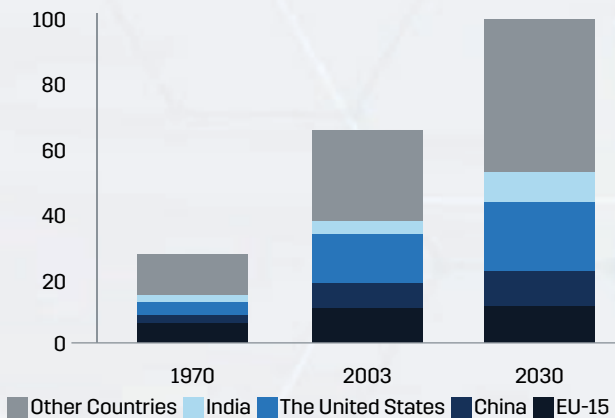
98% OF THE UNDERNOURISHED

live outside of high-income countries

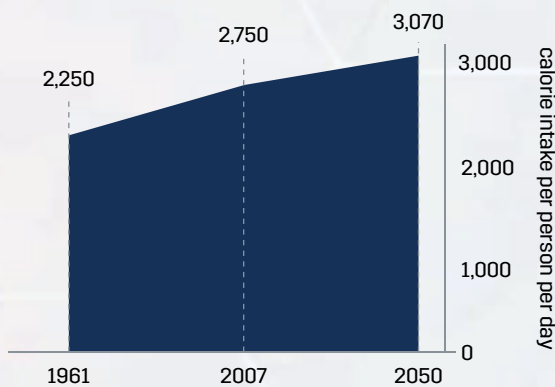


01 Food Security Issues that Foodtech Could Help Us Address

Demand for animal protein is increasing



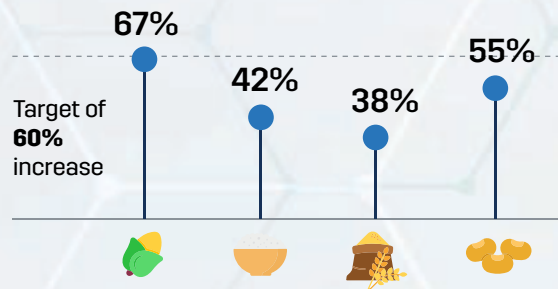
Average calorie consumption is rising



ALMOST A BILLION PEOPLE are going hungry, while we waste **1/3 OF THE FOOD WE PRODUCE**

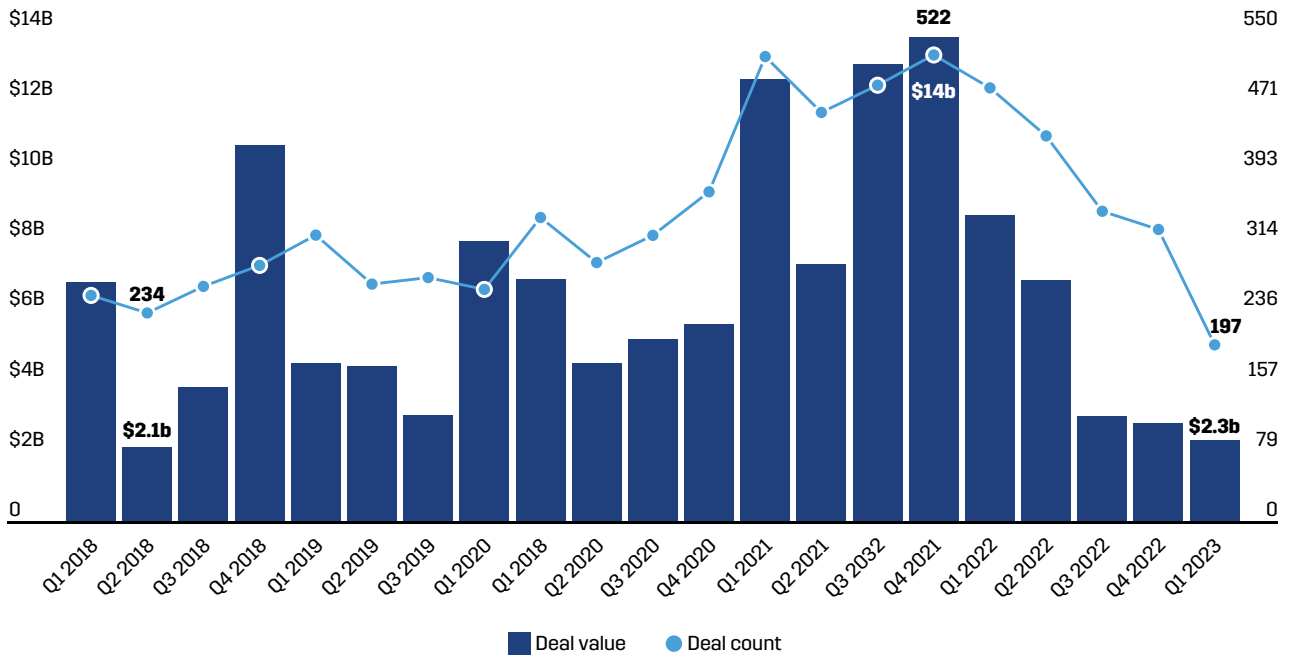
Yields of maize, rice, wheat, and soybean all need to **INCREASE BY 60%**

by 2050 to meet demand but current growth in yield are falling short of the target.



02 The VC Winter is hitting Foodtech just the same as every other sector

GLOBAL FOODTECH DEAL ACTIVITY BY QUARTER (2018 - 2023)



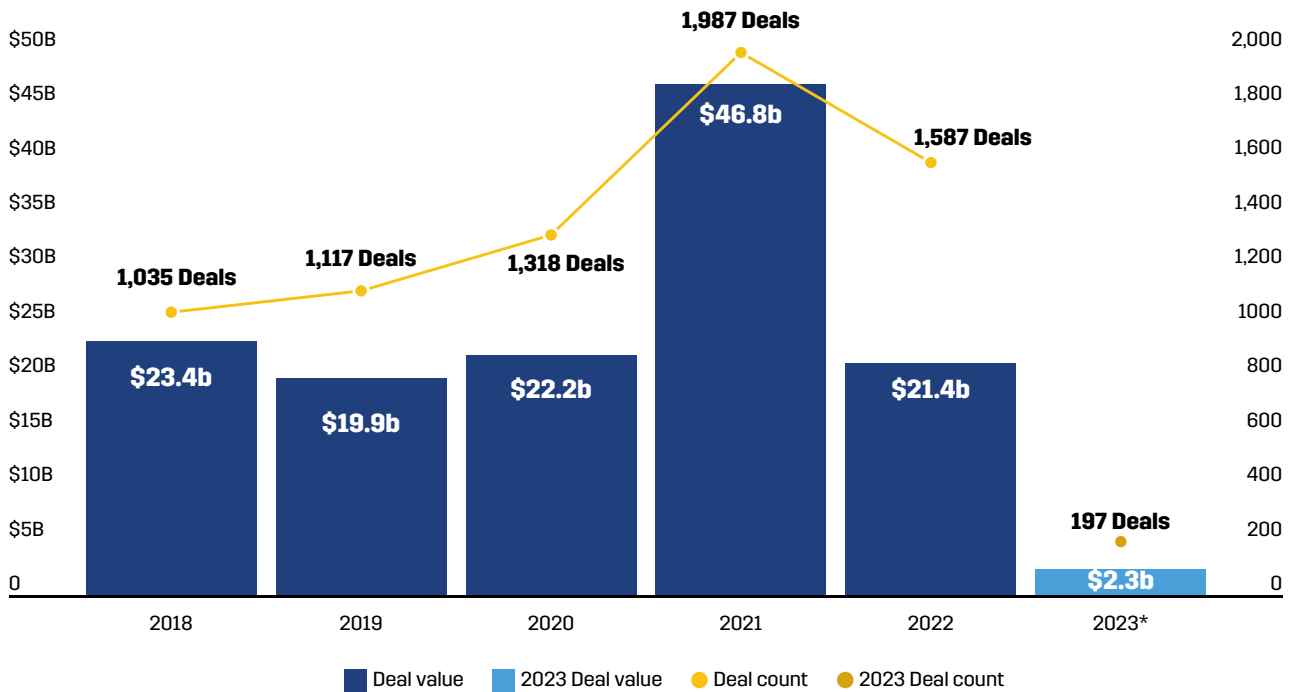
Source: PitchBook, Lucidity Insight Research & Analysis

Foodtech fundraising has been on a decline since Q1 2022, after the sector fundraised a landmark US \$14 billion in Q4 2021. Every quarter in 2022 saw a shrinking in funding, and the “VC winter” of 2023 is not slowing this funding freeze down. Q1 2023 saw the lowest investment into foodtech since Q1 2018, and the lowest number of deals signed since 2017.



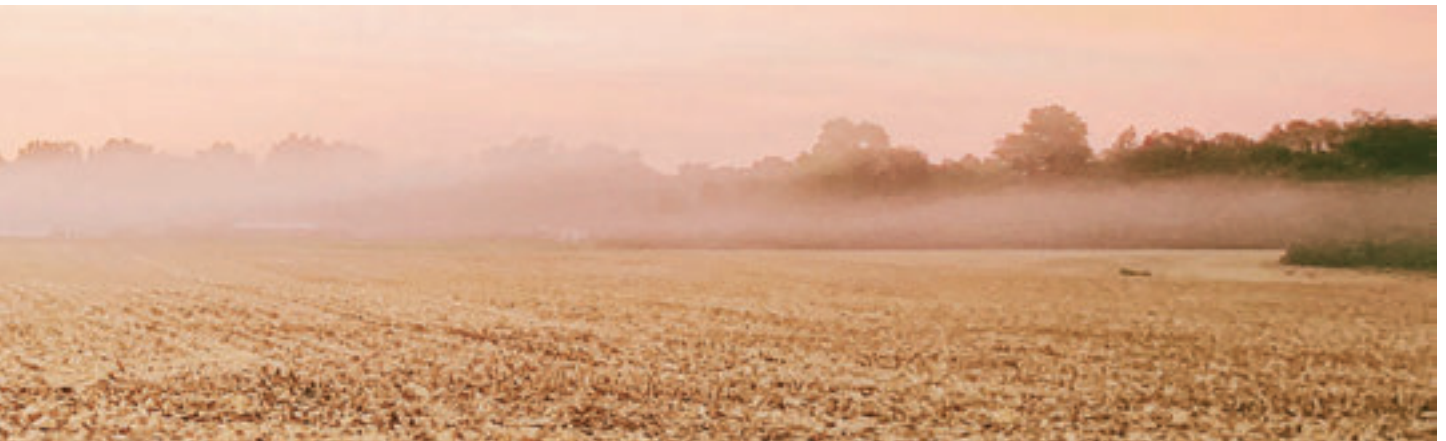
03 Fewer Foodtech Deals Signed, but Deal Sizes are Getting Larger

GLOBAL FOODTECH DEAL ACTIVITY BY YEAR (2018 TO Q1 2023)



Source: PitchBook, Lucidity Insight Research & Analysis

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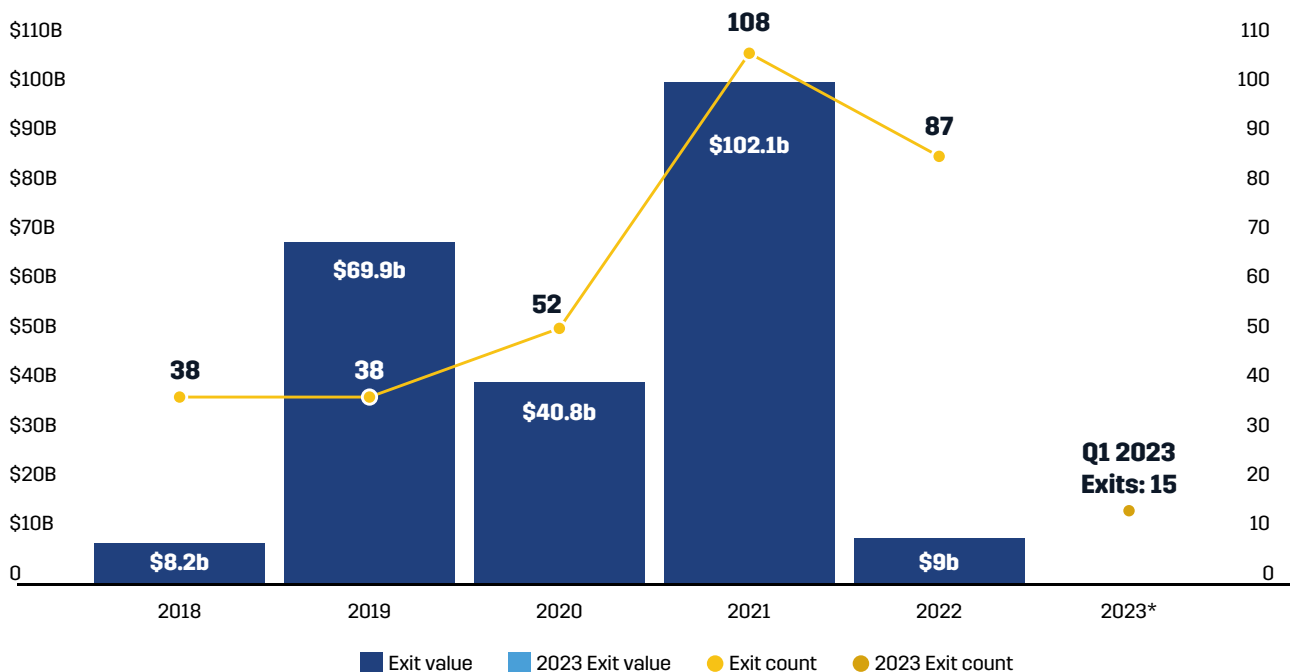


04 Foodtech Exits Slowdown



There were a total of 15 exits for VC-backed foodtech startups worth less than a combined \$1 billion in Q1, continuing the trend seen in Q4 2022. There were no IPOs and only one buyout, leaving M&A deals to make up the majority of exits during the quarter. The M&A market remains bearish due to higher interest rates. Exit activity is expected to remain subdued until the IPO markets heat up again.

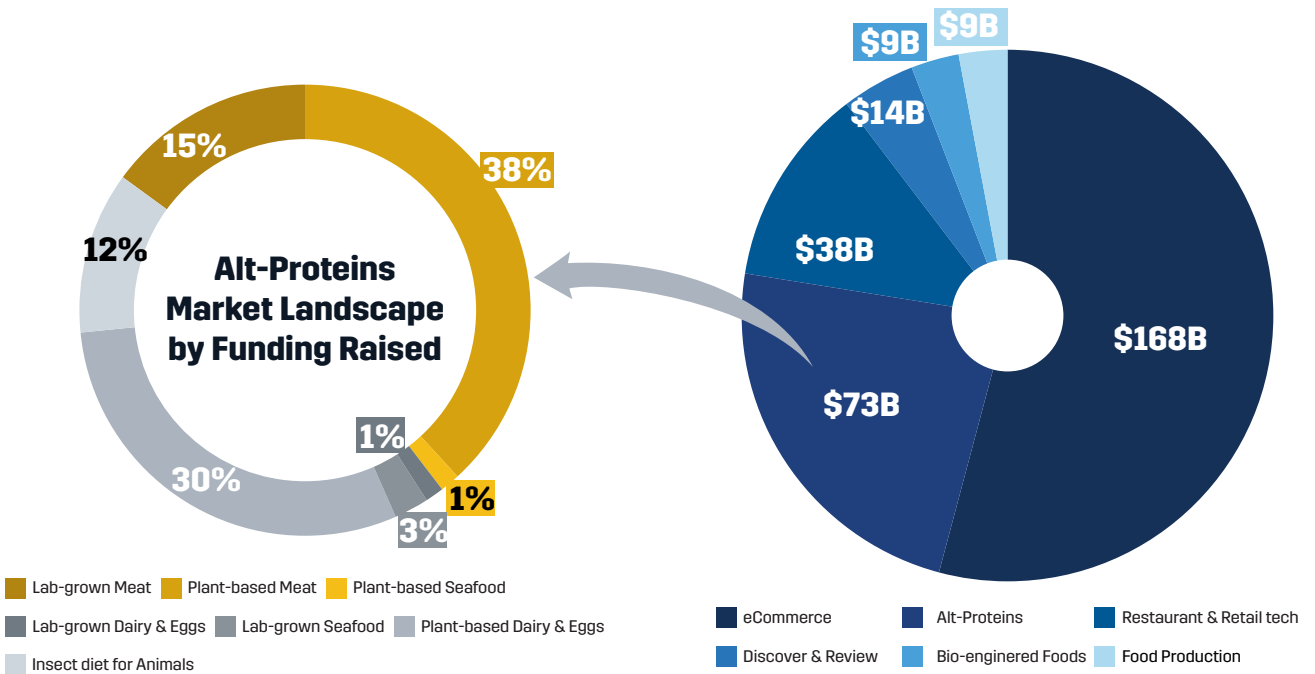
GLOBAL FOODTECH EXIT ACTIVITY BY YEAR (2018 TO Q1 2023)



Source: PitchBook, Lucidity Insight Research & Analysis

05 Alternative Proteins is the Foodtech Sub-Sector to Watch

GLOBAL FOODTECH DEAL ACTIVITY BY SECTOR



Source: PitchBook, Lucidity Insight Research & Analysis



Ecommerce foodtech startups continue to raise the most, but Alt-Proteins is the fastest growing segment today. Alternative proteins are plant-based and foodtech alternatives to animal proteins. This includes plant-based meat, plant-based seafood, and plant-based dairy and egg replacements. It also includes lab-grown meat, seafood, dairy and eggs. Foodtech players are using plants like grains, legumes and nuts, fungus (mushrooms), algae, and insects, and even fermented proteins too.

Investors are keen to fund this sector, as the United Nation's Food and Agricultural Organization (FAO) claims that food production will need to increase by 56% if the population reaches 9.7 billion by 2050. Meal replacement protein players and niche segments like fermented proteins have started to make their mark with notable raises over US \$200 million in Q1 2023.



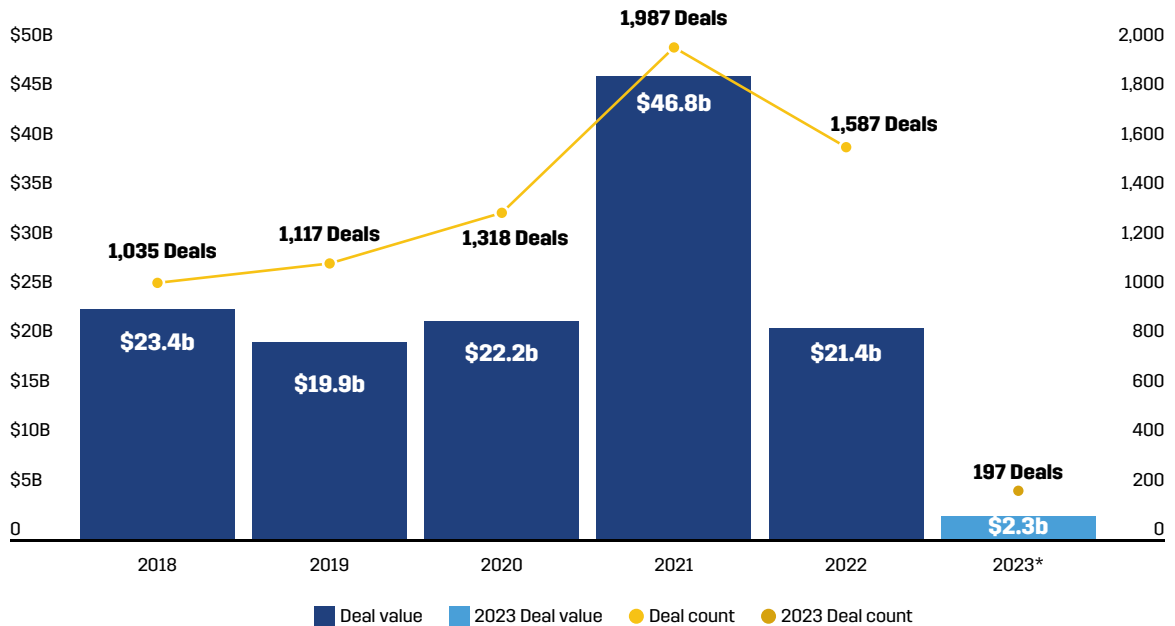
SPOTLIGHT

GLOBAL FOODTECH UNICORN SUCCESS STORIES



Foodtech is sizzling with over 10.5K+ startups vying to revolutionize our eating habits. These companies cover everything from online food platforms and IoT-enabled appliances to SaaS solutions. With a whopping \$47B in funding across 2000 companies in its 2021 banner year, this sector is attracting major investments. Deal values in 2022 fell in line with five-year historical medians, but the deal count – though lower than 2021, was still the second largest on record in 2022. The industry is clearly suffering the same systemic challenges faced by other tech industries – from inflationary pressures to the drying up of VC capital injections throughout the VC winter that’s taking hold – however foodtech investors expect investment activity to recover as broader market conditions improve.

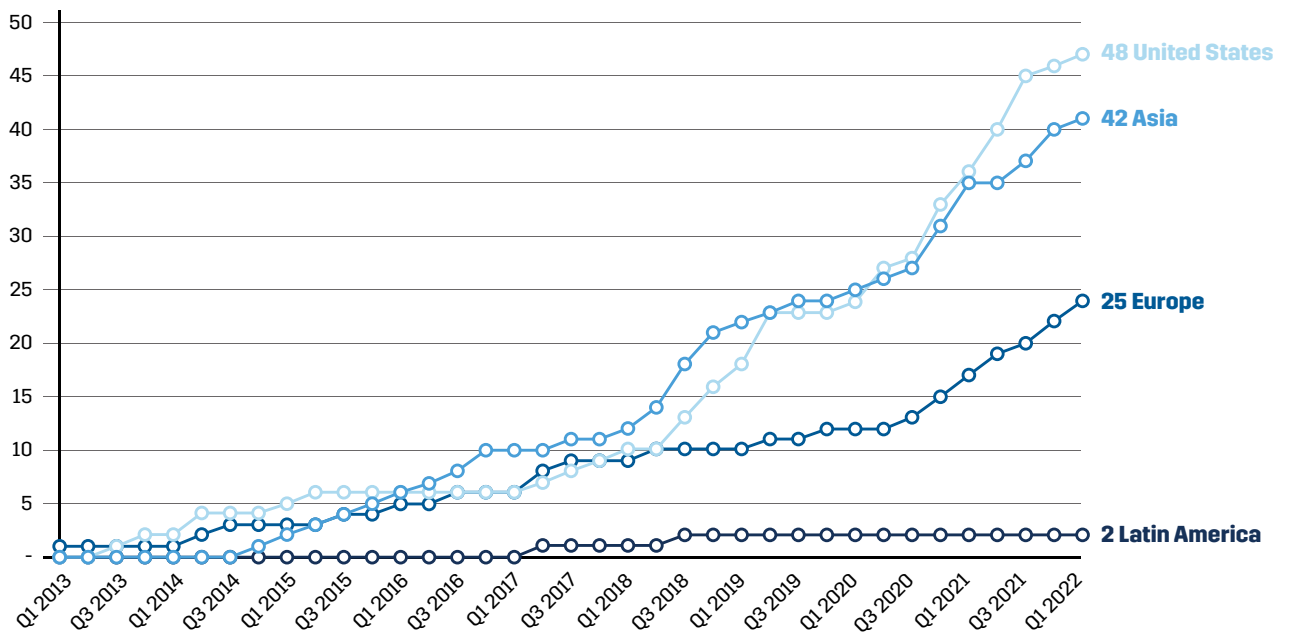
GLOBAL FOODTECH DEAL ACTIVITY BY YEAR (2018-2022)



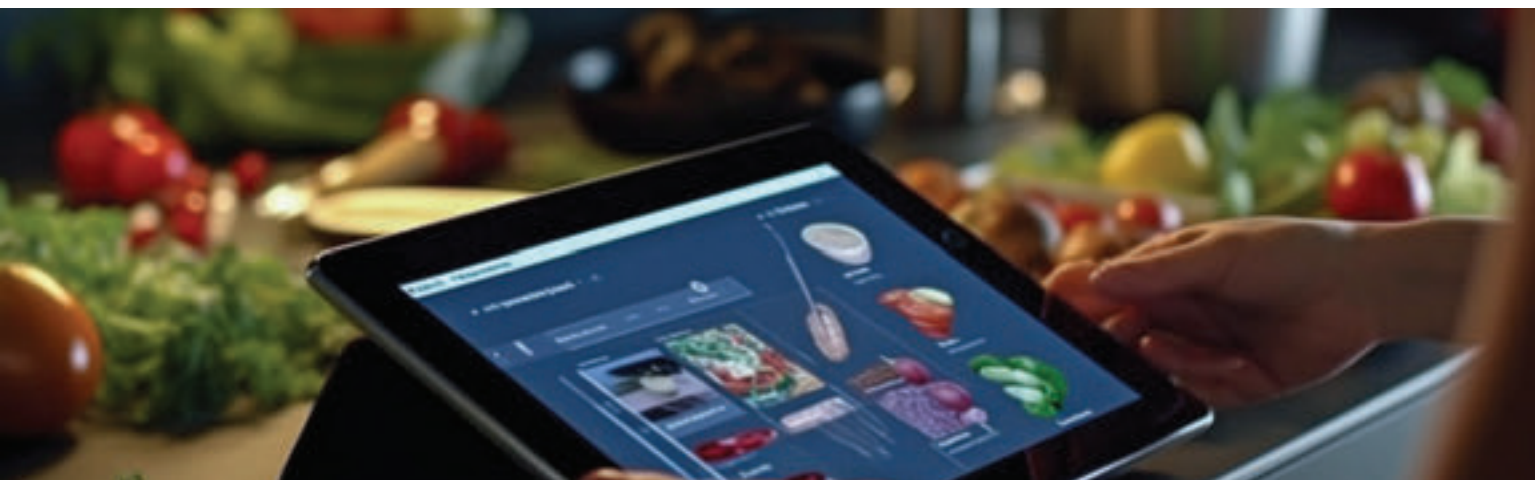
Source: PitchBook, Lucidity Insight Research & Analysis

In 2021, more than half of fundraising deals sealed went towards online grocers, foodtech apps and marketplaces. In 2022, the only segment to see positive deal value gains YoY was the bioengineered foods segments – which includes functional foods, future food forms, molecular engineering, novel ingredients and upcycled foods. This might also explain why only 9 new foodtech unicorns were minted in 2022, compared to 35 in 2021. At the end of 2020, there were 64 foodtech unicorns, with half of them being food delivery players. The number of unicorns has nearly doubled in the past two years; by the end of 2022, the world was home to 124 foodtech unicorns. The US and Asia are home to a disproportionate number, with 75% of all foodtech unicorns calling these markets home.

CUMULATIVE NUMBER OF FOODTECH UNICORNS (TO Q1 2022)



Source: Dealroom



SPOTLIGHT

NOW, LET'S MEET SOME OF THE BIGGEST FOODTECH UNICORNS

THAT ARE MAKING
WAVES IN THE
FOODTECH
INDUSTRY, FROM
AROUND THE WORLD






Founded:
**2015, Istanbul,
Turkey**



Total Funding:
\$2.5B



Valuation:
\$11.8B



Segment:
Grocery Delivery



Getir emerges as a leading force in the Turkish grocery market, thriving in an industry that is projected to reach new heights. Established in 2015, this Istanbul-based “ultra-fast” grocery-delivery player quickly gained momentum, revolutionizing the way people shop for essentials. With its innovative ultrafast delivery model, Getir has garnered a loyal customer base and transformed the grocery shopping experience. Serving millions of households, Getir connects users with a wide range of products and delivers them straight to their doorsteps. Presently, Getir operates across over 80 cities in Turkey, offering a swift and convenient service that

customers have come to rely on. The team have also led expansion efforts bringing their grocery service to over 50 cities across Europe and the U.S. Currently, the company has managed to attract over 40 million app downloads across 9 countries. Getir also manages 1,100 dark stores – which is part of its micro-fulfillment network strategy that allows it to deliver groceries to customers within 20-40 minutes.

Getir has secured a total funding of \$2.5 billion, demonstrating investors' confidence in its disruptive approach. It's largest fundraising round was US \$768 million Series E raise in 2022.

By leveraging advanced logistics and embracing technology, Getir has not only met but exceeded the expectations of its customers, earning their trust and loyalty. With its ambitious growth plans and commitment to customer satisfaction, Getir is poised to reshape the grocery industry. By simplifying the shopping experience and providing unparalleled convenience, Getir has become an integral part of countless households, revolutionizing the way people get their groceries. As it continues to expand its reach and offerings, Getir is paving the way for a future where grocery shopping is effortless and accessible to all.

SPOTLIGHT



Founded:
**2013, London,
United Kingdom**



Total Funding:
\$1.7B



Valuation:
\$10.46B



Segment:
**Online Food
Delivery**



Deliveroo stands tall in the global online food delivery market, projected to reach \$190B by 2028. Born in 2013, this British delivery service swiftly grew into a major player, connecting 140,000 restaurants with 110,000 riders and serving 7.5 million hungry users. Their logistics-enabled marketplace model has transformed the industry, expanding restaurant reach and customer convenience. Deliveroo's hyperlocal strategy and foray into on-demand grocery delivery have further solidified its position in the market.

Today, Deliveroo operates in the United Kingdom, Ireland, France, Belgium, Italy, Singapore, Hong Kong, the United Arab Emirates, Kuwait and Qatar. It has raised over US \$1.53 billion across eight funding rounds. On March 31, 2021, the company IPOed on the London Stock Exchange, raising an additional US \$2.1 billion.

IMPOSSIBLE

Founded:
**2011 in Redwood
 City, California**



Total Funding:
\$1.9B



Valuation:
\$4B-7B



Segment:
Alt-Proteins



Impossible Foods, the plant-based meat producer, burst onto the scene in 2011. They revolutionized the market with the Impossible Burger, a vegan patty that "bleeds." By targeting flexitarians and omnivores, they tapped into a larger market and experienced over 50% retail sales growth last year. Impossible Foods quickly became the top-selling plant-based meat brand in the U.S. food service sector, surpassing all

competitors. With celebrity endorsements and investments from giants like Microsoft, they're valued at around \$4B and show no signs of slowing down. They have managed to fundraise just over US \$1.68 billion over the course of 9 funding rounds, and are making preparations for an IPO, though the CEO has indicated that they will wait until market conditions improve.

SPOTLIGHT



Founded:
**2014 in
San Carlos,
California, USA**



Total Funding:
\$918M



Valuation:
\$4B

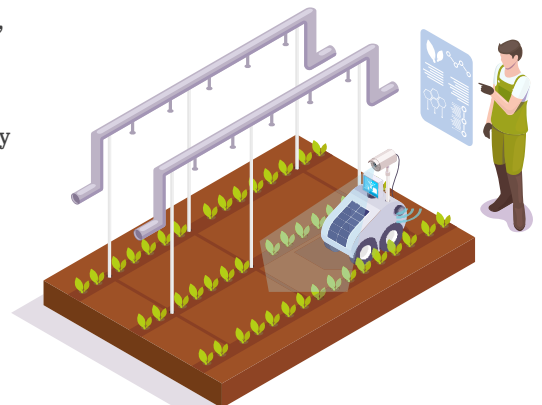


Segment:
Agtech



Farmers Business Network (FBN) is a farmer-to-farmer network that connects farmers, ranchers, and agricultural entrepreneurs with both capital investors and other established farmer-entrepreneurs across the United States. With its innovative technology and data-driven approach, FBN empowers farmers by providing them with valuable insights, market intelligence, and a supportive community. By leveraging the collective power of its network, FBN

helps farmers make informed decisions, optimize their operations, and achieve better financial outcomes. In a recent example of FBN's influence, the group partnered with Boveta Nutrition in early 2023, launching a proprietary feeding system for beef cattle to reduce feed costs. With significant funding and a growing valuation, FBN continues to revolutionize the agricultural industry and support farmers in their quest for success.





Founded:
**2018 in Dubai,
UAE**



Total Funding:
\$804M



Valuation:
\$1B-5B



Segment:
**Cloud Kitchens /
KaaS**



In the fast-paced food delivery realm, Kitopi has emerged as a key player. With \$804M in funding, this tech-powered food company has transformed kitchen operations. Kitopi's Kitchen as a Service (KaaS) platform allows restaurants to easily open delivery-only locations, minimizing capital expenditure and time. Their Smart Kitchen Operating System optimizes cloud kitchen operations, managing multiple brands in a single kitchen for maximum efficiency. Kitopi's remarkable growth and partnerships with renowned brands have solidified its status as a unicorn, marking its presence in the Middle East.

Since raising its now infamous US \$715 million Series C in 2021, Kitopi has been on an acquisition spree, expanding from a KaaS player, to an owner and operator of its own virtual restaurant brands, meal kit and personalized nutrition players across the region. The question remains, what's next?

These unicorns are shaking up the foodtech industry, each bringing their unique flavors to the table. From delivering mouthwatering meals to creating plant-based wonders, they're revolutionizing how we eat. Keep an eye on them as they continue to shape the future of food delivery, one order at a time.

FOODTECH IN THE MIDDLE EAST & NORTH AFRICA

Foodtech innovations are particularly important to the Middle East and North Africa (MENA) region; this is primarily because of the region suffering from the effects of increasing desertification. This translates to increasingly shrinking plots of arable land and water scarcity. These environmental factors have meant that the MENA region has increasingly become more dependent on food imports, especially in the GCC markets - which include Bahrain, Kuwait, Oman, Qatar, the United Arab Emirates, and Saudi Arabia. On average, the GCC countries import anywhere between 80-90% of their total food consumption. The region is investing heavily in agtech such as vertical farming, hydroponics, precision agricultural technologies, supply chain traceability, alt-proteins, and cold-chain logistics and infrastructure for reliable food distribution networks.





6 GRAPHS THAT MAP OUT FOODTECH IN MENA

(Including Israel)

We take a look at 19 countries in the MENA region and their Foodtech startup and scaleup activity over the past 13+ years since January 1 2010. Geographies covered includes, Israel, the United Arab Emirates, Saudi Arabia, Egypt, Kuwait, Bahrain, Qatar, Oman, Jordan, Lebanon, Algeria, Morocco, Tunisia, Iraq, Iran, Syria, Palestine, Libya, and Yemen.

01

There are 138 Foodtech Scaleups across MENA that have fundraised US \$1 million or more

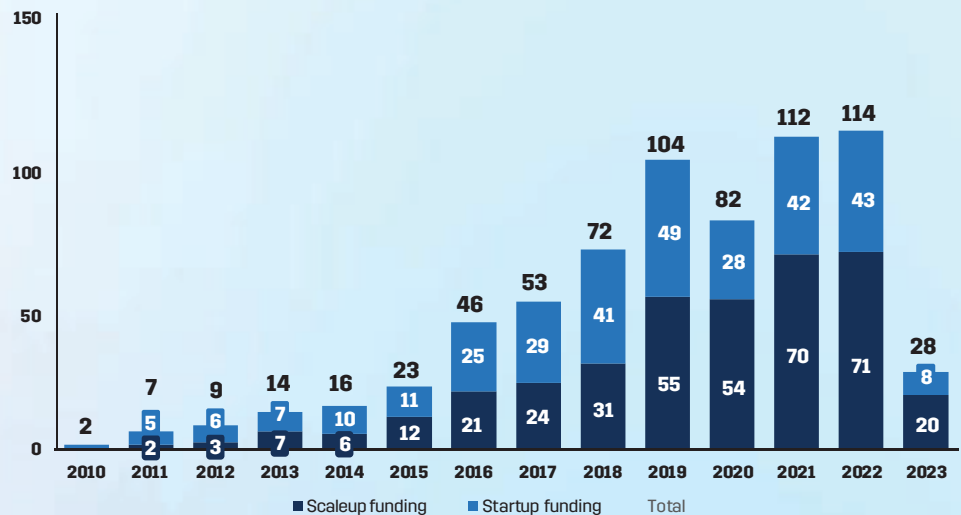
356 foodtech startups in MENA have received some form of funding since January 2010. Of these, 138 are scaleups that have raised US \$1 million or more. The remaining 218 startups have either participated in rounds where funding value was undisclosed, or in funding rounds where the total amount raised was less than \$1 million or raised funds through non-equity funding rounds such as grants and debt-financing.

FOODTECH & F&B INDUSTRY
NUMBER OF FUNDING ROUNDS SPLIT BETWEEN SCALEUPS AND STARTUPS

138
of scaleups since 2010

356
of companies received equity funding since 2010

39%
% of rounds accounted for by scaleups



Source: PitchBook, Lucidity Insight Research & Analysis
Note: Data Analyzed from 1 January 2010 to 30 June 2023

02

MENA Foodtech Scaleups have raised more than US \$2.9 billion since 2021

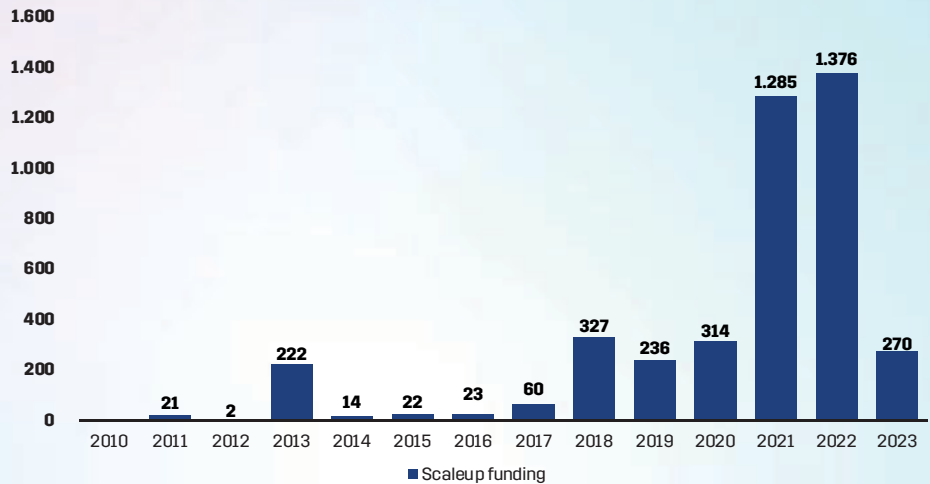
MENA Foodtech scaleups have raised over US \$4.2 billion since 2010, of which 70% has been raised in the past two and a half years. Both 2021 and 2022 were years that saw Foodtech Startups raise over \$1 billion across the MENA region.

FOODTECH & F&B INDUSTRY NUMBER OF FUNDING ROUNDS SPLIT BETWEEN SCALEUPS AND STARTUPS

2022
Foodtech scaleups highest funding year

2 years
Foodtech scaleups raised more than US\$ 1 billion in 2021 and 2022

US\$4.2 bn
Scaleup funding since 2010



Source: Crunchbase, Lucidity Insight Research & Analysis
Note: Data Analyzed from 1 January 2010 to 30 June 2023

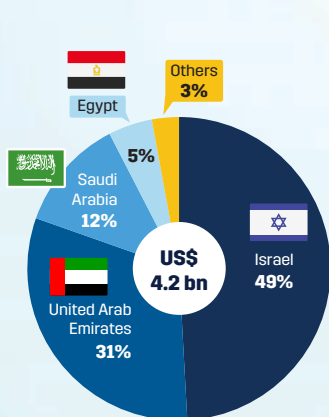
03

Israel and the UAE based startups account for 80% of all MENA Foodtech Fundraising

Israel based foodtech scaleups raised approximately half of all regional funding (49%) followed by UAE-based scaleups, which raised 31% of all funding from across the region. UAE based foodtech scaleups account for 70% of all funds raised by GCC-based companies followed by Saudi Arabia and Egypt

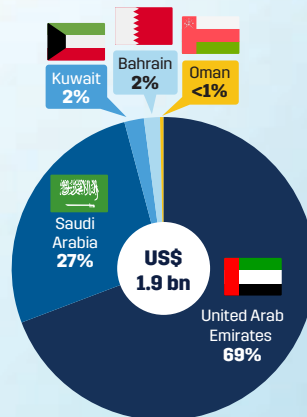
Foodtech & F&B Scaleups across MENA

Which countries account for largest funding raised by scaleups?



Foodtech & F&B Scaleups across GCC

Which countries account for largest funding raised by scaleups?



Source: Crunchbase data, Lucidity Insight Research & Analysis
Note: Data Analyzed from 1 January 2010 to 30 June 2023

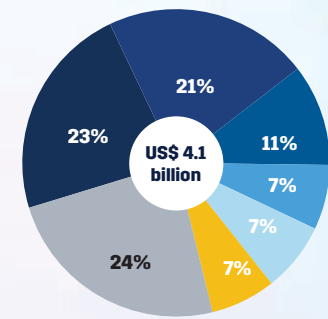


04

Food Delivery, Q-Commerce, B2B Marketplaces and Cloud Kitchens are the Most Common Foodtech Segments in MENA getting investor attention

Food delivery scaleups are the most common foodtech startup across the MENA region, that have managed to raise over US \$1 million. Q-commerce follows, which stands for “quick commerce”, or rapid fulfilment orders. Think of ultra-fast delivery of goods and services to consumers on-demand. Cell-cultivation based foods production startups are not very across MENA, but the few that exist in the region are garnering a significant chunk of the foodtech funding being distributed across the region.

FOODTECH & F&B INDUSTRY NUMBER OF FUNDING ROUNDS SPLIT BETWEEN SCALEUPS AND STARTUPS



- Food Delivery
- Cell cultivation based foods
- AgriTech
- Food Production
- Q-Commerce
- Restaurant SaaS
- Others



Source: PitchBook, Lucidity Insight Research & Analysis
Note: Data Analyzed from 1 January 2010 to 30 June 2023

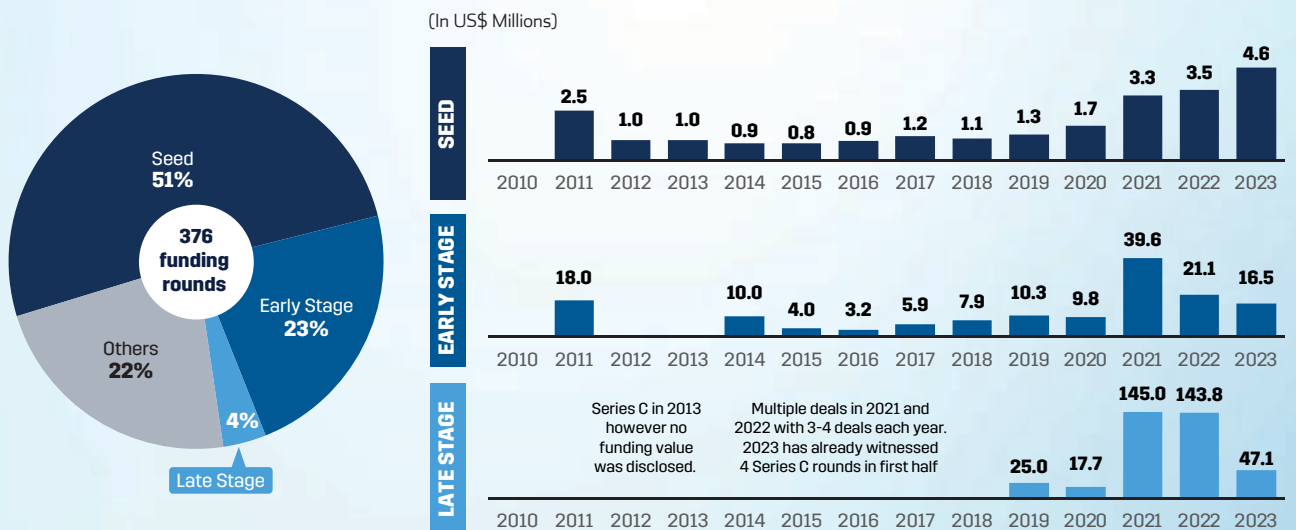


05

Average Funding Round Sizes have grown consistently across Seed, Early Stage and Late Stage

MENA Foodtech Scaleups have had 376 funding rounds since 2010, of which seed stage rounds accounted for the majority at 51%. The average funding round size has grown across each stage over the past 13 years. Seed stage funding round has grown from an average \$1 million through the 2010's to reach \$4.6 million in 2023. Early stage foodtech funding sizes have varied over the years in MENA, starting with a high of \$18M in 2011, but then dropping to an all-time low of \$3.2M average round in 2016, to reaching an all-time high of \$39.6M in 2021. Early stage round sizes have stabilized back down to \$17-20 Million in recent years. Late stage funding rounds didn't begin until 2019, and has varied in average funding round sizes from \$18M to \$145M in the past 5 years.

FUNDING TYPE SPLITS & AVERAGE FUNDING EVOLUTION FOR FOODTECH AND F&B SCALEUPS ACROSS MENA (2010 TO H1 2023)













Source: Crunchbase data, Lucidity Insight Research & Analysis
 Note: Data Analyzed from 1 January 2010 to 30 June 2023

06

UAE & Saudi Startups Dominate the Top 5 Most Funded Foodtech Scaleups in MENA List

The most funded Foodtech startup in MENA is Dubai-based KITOPI, having raised over US \$800M. Second placed Believer Meats from Israel raised less than half of KITOPI, at \$388M. Abu Dhabi's Pure Harvest is among one of the world's most well-funded agtech players.

MOST FUNDED FOODTECH SCALEUPS IN MENA (2023)

Company Name	Country	Total Funding	Stage	Status	Sub-Industry
1 		US\$ 804 Mn	Late Stage	Unicorn	Food Delivery
2 		US\$ 388 Mn	Early Stage	Soonicorn	Cell Cultivation
3 		US\$ 334 Mn		Soonicorn	Food Production
4 		US\$ 212 Mn	Late Stage	Soonicorn	Q-Commerce
5 		US\$ 198 Mn	Late Stage	Soonicorn	Restaurant SaaS

Source: Crunchbase data, Lucidity Insight Research & Analysis
 Note: Data Analyzed from 1 January 2010 to 30 June 2023





Revolutionizing the Foodtech Industry: EMERGING TRENDS IN 2023

The food industry is undergoing a remarkable transformation driven by emerging trends that are shaping the way we produce, consume and experience food. From alternative proteins and cloud kitchens to Agtech advancements and the disruptive power of Generative AI, these innovative technologies are revolutionizing the foodtech landscape. Read on to explore how these fascinating trends are impacting the restaurant, agriculture and personalized consumer food experience.

Alt-proteins, for instance, have the potential to play a crucial role in meeting the needs of a growing global population. As the world's population increases by an estimated 7.3 billion

people by 2050, traditional animal-raised protein sources face challenges in terms of sustainability and resource requirements. Alternative protein sources, which have been available for over 25 years, have gained traction recently, with startup producers and brands finding success. The category has become part of a broader movement in alternative options, including milk, sugar, and flour. To ensure continued success, investments in product development and supply chain innovation are essential to meet consumer demands for healthy, sustainable alternatives at reasonable prices.

Cloud kitchens have also emerged as a significant focus for food tech startups.

These establishments prioritize the delivery of delicious food at reduced prices, eliminating the need for physical seating space for customers. By operating delivery-only establishments, cloud kitchens can lower operational costs such as labor and rent while expanding their customer base and diversifying their offerings. Many argue the ability for cloud-kitchens to cater to service multiple menus and “digital restaurants” means that there should be less food wastage – in theory, as companies can bulk order ingredients and use them across their multiple kitchens and clients.

Technology also plays a vital role in customer acquisition, equipping cloud kitchens with efficient digital platforms

and well-trained staff to provide excellent customer experiences. Therefore, ghost restaurants receive online orders since they don't have storefronts. Many giant food-tech firms are expanding into the cloud kitchen niche because it allows them to lower operational costs such as labor and rent, expand their customer base as well as diversify. Further investing heavily in technology help cloud kitchen in customer acquisition on digital platforms, have a well-equipped kitchen infrastructure and well-trained workforces such as delivery drivers and chefs.

Agriculture Tech or Agtech is another promising area, with numerous near-term applications and use cases. However, challenges exist, including the availability of quality data and the ability of AI models to adapt to diverse conditions. Generative AI can contribute to:

- **Crop disease diagnosis:** Identifying early signs of diseases, enabling timely interventions to protect yields and reduce losses.
- **Yield Prediction:** Using AI-driven models to analyze historical data and real-time conditions to accurately forecast crop yields, aiding farmers in making informed decisions about crop management and marketing.
- **Precision Agriculture:** AI-driven systems could help farmers determine the ideal watering schedules and the type, amount, and timing of fertilizer and other chemical applications based on soil properties, crop requirements, and environmental factors.
- **Livestock Monitoring:** AI-powered sensors could continuously monitor animal health and behavior, enabling early detection of illness, improved animal welfare, and more efficient livestock management.



Generative AI also holds potential in various aspects of the food industry. Here are some of the ways in which Generative AI is already creating a huge disruption in the food tech industry:



Interactive Cooking Applications: AI-driven cooking applications offer recipe suggestions based on available ingredients, user preferences, and skill levels. The quality of suggested recipes may be dependent on the AI's understanding of user preferences and the accuracy of available ingredient data.



Smart Shopping Lists: Helps customers create intelligent shopping lists that consider dietary preferences, nutritional goals, and existing pantry items, streamlining grocery shopping and meal planning.



Menu Optimization: Helping restaurants create unique and appealing menus by analyzing customer preferences, local trends, and seasonal ingredients to maximize customer satisfaction.



Personalized Meal Planning: AI-driven platforms could provide individualized meal plans based on user preferences, dietary needs, and health goals, making it easier for consumers to adopt healthy eating habits.



Hyper-personalization: Generative AI could enable unprecedented levels of personalization in food offerings catering to individual tastes, dietary restrictions, and nutritional needs across restaurants, grocery, and e-commerce platforms.



Increased efficiency and automation: The integration of AI in food service and retail will lead to greater efficiency, reduced labor costs, and increased automation in tasks such as food preparation, order fulfillment, and inventory management.



Enhanced customer experience: The AI-driven systems could provide seamless, convenient, and engaging experiences for customers, from personalized meal recommendations to streamlined ordering and checkout processes.



Reduced Food Waste: With its strength in optimizing inventory management, pricing, demand forecasting, AI will lead to significant reductions in food waste throughout the food service and retail sectors.



In conclusion, the foodtech sector is undergoing disruptive changes driven by evolving consumer preferences, sustainability concerns, and technological advancements. Alternative proteins, cloud kitchens, and Agtech are just a few of the emerging sectors that hold significant potential for reshaping the industry. These sectors are driven by innovative startups and investments in research and development. By leveraging technology, data analysis, and strategic planning, the food tech industry can create a reimagined food system that addresses the challenges of today and meets the needs of future generations.

MEET THE REGION'S MOST INNOVATIVE FOODTECH PLAYERS

As we saw in the last chapter, the MENA foodtech industry has seen a massive explosion of up and coming foodtech players since 2021. The region's cloud kitchen industry, online grocery and quick-commerce industries, restaurant SaaS and agtech segments are all propelling the region to contribute to the growing global foodtech market which hit a market value of US \$260 billion in 2022.



FOODICS: THE REGION'S MOST PROMINENT FOODTECH-MEETS-FINTECH PLAYER



NEARLY A DECADE

Nine years. That's how long one of Saudi's most prominent Fintech-meets-Foodtech startups has been operating out of the Kingdom, offering point of sale (POS) and restaurant management platform and payment systems that caters to F&B establishments. Foodics partners with everyone from the traditional dine-in restaurant, café, quick-serve or fast-food restaurants, bakeries, food trucks, cloud kitchens, and even non-food micro-retailers. Nine years and US \$198 million+ in fundraising later, Foodics is a well-known brand born out of

Saudi Arabia's startup ecosystem. The foodtech x fintech also ranks 3rd overall, based on the total amount fundraised by a Saudi startup.

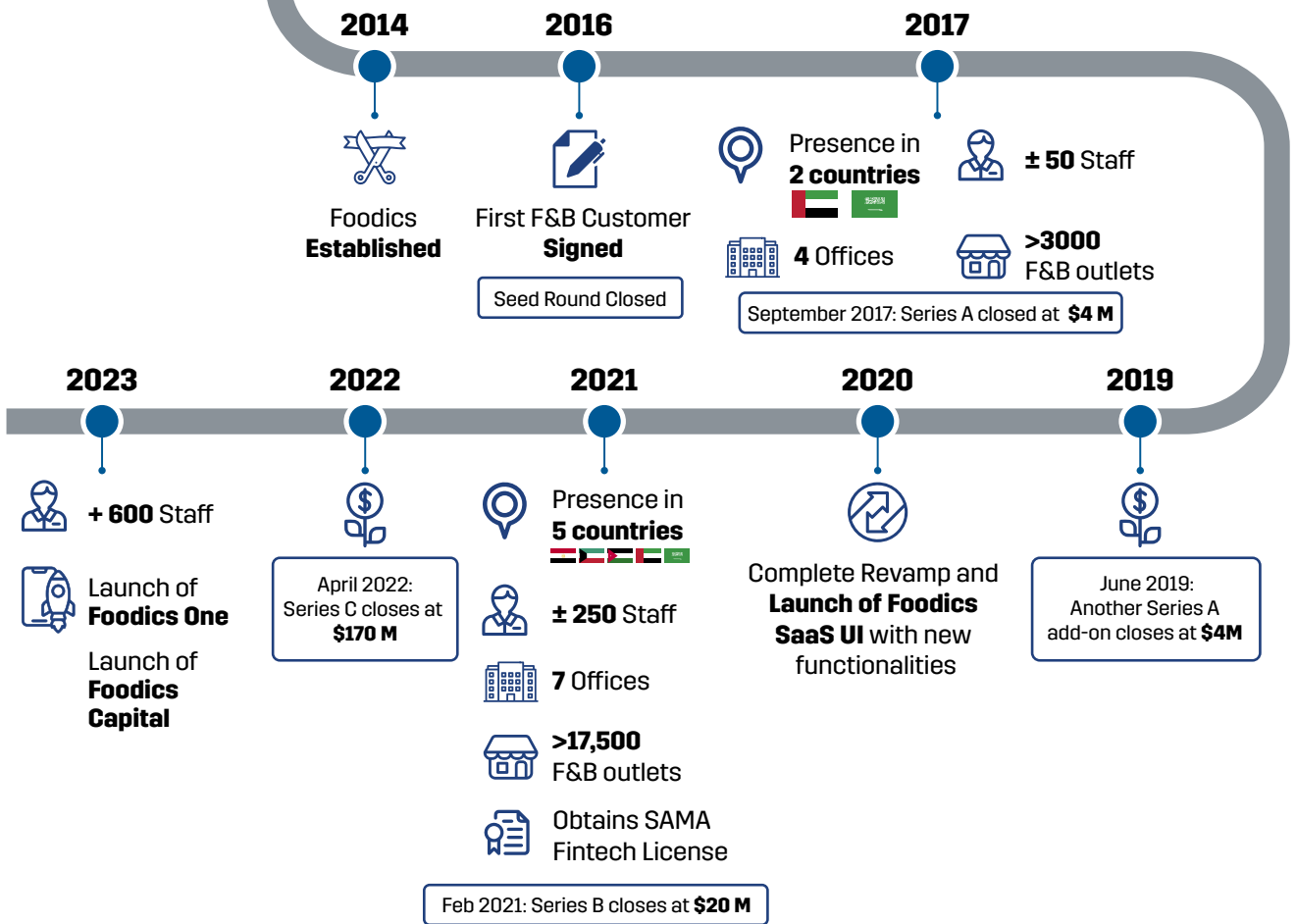
FINTECH MEETS FOODTECH

Foodics is well-positioned working at the cross-section of two indelible and high-growth segments: Fintech and Foodtech. The two Saudi startups that have raised more than Foodics thus far, Tamara and STCpay, are both Fintech players; and the Kingdom's only unicorn to date, Jahez, is a q-commerce food delivery player that successfully IPO in 2022. Just



FOODICS® Growth Story

in numbers (2014-2023)



SPOTLIGHT | FOODICS



this past July 2023, Germany's food delivery conglomerate Delivery Hero completed its acquisition of HungerStation, Saudi's other local food delivery giant, for US \$298 million.

Foodics is at the forefront of F&B digital and payment solutions in the region, operating in over 35 countries. When you ask Omar Knio, Foodics' Marketing Director, he says, "we're a restaurant management solution with payments at the heart of our business." Their payment solutions combine both hardware and software solutions, and include self-ordering and payment kiosks, mobile payments such as mobile-POS, and split pay – allowing for faster checkouts and faster table turnovers.













Ahmad Al-Zaini, Foodics Co-founder and CEO commented last year in April 2022 when the startup closed its US \$170 million Series C funding round that Foodics had come a long way since their early days. "We are proud to have been able to secure capital from premium international tech investors to further power our journey," he had said. "This latest investment will enable us to accelerate the development of our end-to-end tech stack ecosystem to better support the F&B entrepreneurs and owners who make up the majority of our client community." Fifteen months after those words were spoken, it seems that Foodics has indeed been working to support their clients in a variety of new ways.

MICROLENDING & FOODICS CAPITAL

Since its inception in 2014, Foodics has successfully processed over 6 billion orders through their platform and has been focused on significant regional expansion plans and doubling-down on becoming "the best partner we can be to our F&B clientele," says Knio. He is referring to Foodics' fintech and micro-lending products which were officially re-launched in pilot mode this past month. Foodics Capital is a micro-lending platform that allows Foodics' F&B clients to apply for anywhere between 50,000 Riyals to 2 million Riyals in financing.



TOP 10 FUNDED KSA-BORN STARTUPS TO DATE + HONOURABLE MENTIONS

#	Company	Top Saudi startups by amount fundraised (US\$ Million)	Industry
#1	 tamara	215.6	Fintech
#2	 stc pay	200.0	Fintech
#3	 FOODICS	198.0	Foodtech
#4	UNIFONIC	146.0	Enterprise Saas
#5	 Sary	112.1	B2B Commerce
#6	 nana	79.0	eGroceries
#7	 zid uj	58.9	eCommerce SaaS
#8	 HYPER FAT	50.5	Fintech
#9	Most Caffeine	50.0	Blockchain
#10	 retaile	45.0	B2B Retail Saas
#11	 PMO Saas	40.0	PMO Saas
#12	 Agtech	38.8	Agtech
#13	 LEAN	36.5	Fintech
#13	 jahez	36.5	Food Delivery

Crunchbase, Lucidity Insights Research & Analysis

When asked why Foodics Capital is so important, Knio stressed that Foodics is striving to become a real business partner for its clients. "Our clients' success, is our success," he says. "It's no secret that the restaurant industry is one of the toughest businesses to run, especially in a post-pandemic market. Restaurants are vulnerable, and it's an industry where restaurant owners are constantly having to worry about cash-flow." Foodics Capital provides an opportunity for those F&B businesses that wish to grow, but don't have access to capital to do so – to give them a leg-up. "Our payments data off of our Foodics restaurant management system give us unique insights into our customers' revenues, cash flow, and credit history, and our proprietary algorithms help us to assess risk much more effectively and efficiently compared to traditional banks," he says.

Foodics says it has always been customer-obsessed, and when you're customer-obsessed you realize how big an issue cashflow is for restaurant and F&B operators. That's why Foodics helps to expedite their customers' cash flow cycles by having their payment solutions settle payments twice per day, unlike some fintech players that only settle payments a few times per week. The same thoughtfulness was put forward in designing Foodics Capital, alongside their Capital partners, Tenmia. Foodics Capital decided to streamline all processes where possible, and work to remove all repayment plan stress from their customer's shoulders. They have done this by simply automating payments, by paying itself back through the Foodics Restaurant Management platform. In essence, every time the restaurant completes a sale, Foodics deducts a small percentage from every payment until the loan is paid back in full.

SPOTLIGHT | FOODICS

Once the pilot testing amongst a select group of Saudi customers is completed, Foodics Capital intends to go live to the broader Saudi public in October 2023. "We're going to do something massive to help Saudi F&B businesses finance themselves," says Foodics COO, Djamel Mohand.

STOREFRONT ASSISTANCE

Foodics is also launching various new features and solutions this year, off the back of its US \$170 million Series C funding closed in 2022. The first of which is Foodics One, which targets retailers through an innovative handheld device that simultaneously acts as a payment terminal, cashier, and printer. It is being presented to Foodics' customers under the banner: "One Device is All You Need." The brilliance of Foodics One lies in its versatility as

it eases the retail experience, especially for micro and small service businesses. The simplicity of having everything in one device significantly diminishes the likelihood of operational errors, providing a seamless experience for staff, increasing productivity, and leaving clients more satisfied.

Foodics One also integrates with various Foodics partner apps for inventory management, accounting, and business intelligence. Through the intuitive and comprehensive dashboard, one can manage products, set prices, issue reports, and keep track of your business affairs, all from the comfort of your device. Foodics One is the ultimate multifunctional device that not only simplifies sales operations but also enhances the checkout experience, provides quick payment settlements,

and ensures regulatory compliance. The future of retail is here, and it fits right in the palm of your hand.

Foodics Online is another new product Foodics is launching this year. Foodics Online allows restaurant and café owners to run an online store through their own website. Foodics says all that's required is filling-out an application which gets approved in record time. The idea is that F&B establishments yet to have an online presence will be receiving orders online in no time, expanding their service reach beyond their local vicinity. Foodics Online isn't just about sales, though; it's about strategic growth. Equipped with a diverse range of advanced marketing tools, restaurants can highlight profitable items, launch loyalty programs, target different

FRONT OF HOUSE



Foodics POS



Foodics Printer



Foodics Kiosk

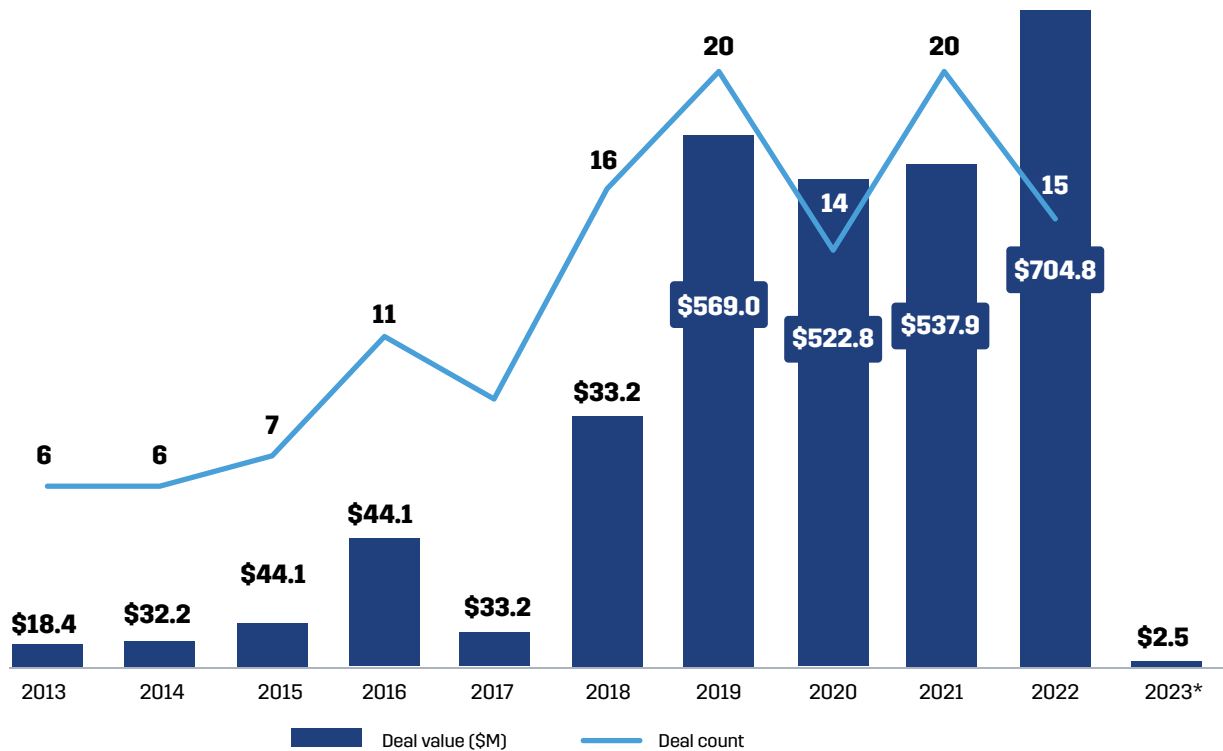


Foodics Notifier



Foodics Pay

RESTAURANT MANAGEMENT SOFTWARE VC DEAL ACTIVITY



Source: Pitchbook

customer segments, and even broadcast attractive discounts.

Foodics Online also revolutionizes the dine-in experience. The platform's QR code feature enables customers to order directly from their tables using their phones, automatically relaying the order, table number, and branch source to kitchen staff. By being a commission-free platform, Foodics Online saves restaurants money on every order compared to third-party aggregator apps. Additionally, the platform's seamless integration with Foodics'

POS eliminates third-party errors to track every order's status efficiently. The platform also enables marketing teams to understand their customers better, collecting data to help target them effectively with tailored offers and well-crafted campaigns. Foodics says that "Foodics Online is the friend every restaurant needs nowadays, as an online ordering system powered by centralized tools to maximize profits. It provides complete control over takeout and delivery orders from a single screen on the POS."

In the last decade, VC investments in Restaurant Management Software have seen an impressive upswing, reflecting a growing global interest in this sector. This trend is a testament to the transformative impact these platforms have on the F&B industry, bringing digitization, efficiency, and innovation to the forefront. Having raised over \$198 million in funding over the past nine years places Foodics squarely within the top 10 global restaurant management software companies, by fundraising. There are over 2,600 companies globally in the

SPOTLIGHT | FOODICS

restaurant SaaS space, of which over 450 have been funded with a collective US \$6.6 billion of investment. Investors are expecting some major winners to come out of this industry, and Foodics' can count itself among a small group of under 100 companies across the globe that have raised beyond a Series A funding round.

The surge in VC investments globally not only demonstrates the burgeoning potential of the Foodtech-Fintech intersection but also underscores Foodics' prominence and growth potential in this dynamic landscape.

Foodics recently partnered with virtual drive-through start-up, n.go which has been a pioneer in the field. n.go offers an innovative platform that enables customers to order from their favorite F&B brands and pay directly through the app, receiving their orders seamlessly without the need to exit their vehicles. Together, they aim to streamline the customer experience, reduce manual labor for restaurants, and provide valuable customer insights to improve services.

"By integrating n.go onto our platform, Foodics' clients will be able to serve existing customers, and also acquire new customers, who prefer in-restaurant or curbside pickups seamlessly through the Foodics cashier app. We are proud to welcome homegrown pioneers such as n.go to the extended Foodics family," says Foodics' CEO Ahmad. Mazen Ghalib Al-Abdullah, n.go CEO and founder, expressed that the partnership is a "win-win situation for both n.go and Foodics," noting the opportunity for increased customer convenience and growth for both companies.

All in all, Djamel anticipates that Foodics' diverse payment solutions will account for nearly 50% of total revenue and could triple annual earnings. They aim to have at least 70% of current customers using these payment solutions within the next six months to a year.

A dominant player in Saudi Arabia's startup ecosystem, Foodics is revolutionizing the intersection of Foodtech and Fintech, across multiple geographies across the globe. The company has truly solidified its role as a pioneer and leader in the F&B digital solutions and payment systems space, but insist that they are only getting started.





SPOTLIGHT | KLC VIRTUAL RESTAURANTS



KLC VIRTUAL RESTAURANTS: CLOUD KITCHEN'S RE-IMAGINED



In the dynamic world of cloud kitchens in the GCC, one name that has been at the forefront is KLC Virtual Restaurants. What started as a humble family business has grown into a thriving enterprise driven by a passionate team with over a decade of experience working together. The Co-Founder & CEO Mubarak Jaffar and Managing Partner Mohammed Al Besharah firmly believe that the core belief systems ingrained in each KLC team member have been fundamental to KLC's success.

Over the past decade, KLC Virtual Restaurants has undergone a remarkable transformation, honing its business model and forging a strong identity. Today, the company operates as a multi-brand virtual restaurant enterprise, delivering delectable cuisines from various corners of the GCC region. Recognizing the rising demand for high-quality yet affordable food in the home delivery segment, KLC's virtual restaurants have successfully captured the online market's cravings. With over 75 locally developed brands spanning the UAE, Qatar and Kuwait, KLC proudly stands as a vertically integrated cloud kitchen restaurant company. "We create and develop brands

in-house and operate them. Every aspect of brand creation and execution is handled internally," asserts Mubarak, a seasoned veteran in the regional foodtech landscape, having previously been a partner at Talabat, one of the region's largest online food delivery platforms.

KLC began its expansion into the UAE by first using a partnership model. "We had a lot of success with our partners at the beginning," remarks Mubarak. "But after a few months, as we began to expand across multiple GCC markets, it was clear that KLC owning and operating all our own cloud kitchens would play to our strategic advantage." Owning and operating their business from front to back seems to be in KLC's DNA; it's simply how they've run their Kuwait business for the past decade.

But maneuvering a transition from a partnership model to an own-and-operate model in tandem, while not disrupting consistent and seamless customer ordering through the same time period was no small feat. It involved building out, not just one, but three of their own kitchens across the Emirate

in order to continue the level of service their customers had learned to expect from KLC’s virtual restaurant brands. “It was not an easy transition, to say the least,” says Mubarak. “It took us 6 to 9 months to complete the transition, but we now have three kitchens operating fully by us under our own management with over 75 live virtual brands across Dubai,” he added. Two out of three of these kitchens were built and assembled from scratch, which of course comes with its advantages, but was also a massive undertaking.

Aiming to become one of the top virtual delivery restaurants in the region, KLC successfully operates some of the most loved brands in the region, such as Project Pasta, Taco Eataco, Thrive Salad and at least 72 more. In the past 6 to 9 months, the company has been focusing on rapidly expanding its presence in Kuwait, Qatar and the UAE.

While about 30% of the restaurant's orders were initially fulfilled by their fleet, it has now reduced to 20%. "Our in-house fleet has decreased since 2021 due to the shift in the food delivery landscape," he says. He explains that there are a lot of on-demand delivery companies in the market today, and aggregators have also built much larger fleets than before. Today 100% of KLC’s deliveries in the UAE and Qatar are

executed by aggregators. “It’s no longer worthwhile for us to invest in maintaining our own delivery fleets when there are players in the market that specialize in this,” Mubarak explains. KLC only maintains a small in-house delivery fleet in their home market of Kuwait, where they currently operate 15 kitchens across the country.

Qatar was the other major market expansion KLC undertook in the past year. “It’s been the busiest 9 months of my life,” says Mubarak with a proud smile. While the business expansion in Qatar wasn't always meant to happen in the middle of the hustle and bustle of the 2022 FIFA World Cup,

“It is interesting to note that the top 3 best-selling cuisines in KLC’s portfolio remain consistent across the UAE, Kuwait and Qatar. Namely, Mexican, Italian and Healthy Foods”.

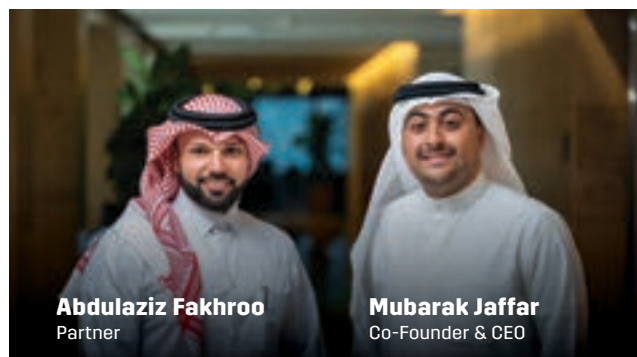


SPOTLIGHT | KLC VIRTUAL RESTAURANTS

the decision led to the opening of three virtual kitchens in Qatar's Muaither, Abu Hamour, and Umm Salal areas. "We capitalized ourselves to invest in and set up our business in Qatar, building kitchen sites from scratch." Luckily he adds that Abdulaziz Fakhroo, KLC's Partner in Qatar introduced them to their first two kitchen locations. They will now soon be expanding into their fourth location. "We feel delighted with our expansion and performance in Qatar," he says.

When Mubarak is asked why KLC entered Qatar and UAE before entering the goliath that is the Saudi food delivery market, he chuckles. "You know, market expansion is not as easy as people think. We decided to take it one-step at a time – and we're glad we chose to flex our international expansion muscles in the UAE and Qatar first. Their proximity helps, and these are markets that are not too different from our home market, Kuwait. We think Saudi is an entirely different beast altogether – and quite frankly, we'd like to see a few other players try and expand before we do it ourselves." Mubarak also tells us that he believes KLC is now the only virtual restaurant company with more than 15 brands under their belt operating in Qatar. He says this is unquestionably one of the many reasons why KLC dominated in Qatar from day one. Mubarak also explains that Qatar aggregator commissions capped at 19% has helped the company to turn around profitable numbers rather quickly in the country. "There have been many lessons learned in Dubai and Doha that will be transferable as we look to expand into Abu Dhabi in the next 12 months," he says.

We strongly believe that having a brand that works in one market doesn't need to work in another



Abdulaziz Fakhroo
Partner

Mubarak Jaffar
Co-Founder & CEO



Mohammed Al Besharah
Managing Partner

KLC's business model is known as a fully-stacked multi-brand cloud kitchen model. It is a powerful and demanding model as it takes on all operations of running such a business in-house, from sourcing ingredients to making the food and delivering the various meals to the customers. In 2009, when the company set up its first delivery kitchen, KLC spotted a gap in the online delivery services market. Understanding the potential to create a restaurant brand that delivered quality food led to the setting up of their first brand, The Kitchen. This was when the team spotted a need to set up multiple virtual restaurant brands - noticing the customer demand for a variety of cuisines.

Today, KLC restaurants offer over 15+ cuisines, including Japanese, Arabic, Italian, Mexican, American, as well as healthy foods, desserts and much more. Within each cuisine, there are multiple brands to satisfy the rising customer demand of having specialized brands offering something new to order. "Dubai is an international hub which accommodates the diversity of food we offer. Having a diverse portfolio of brands suited our entry into Dubai due to the city's international customer-base," explained Mubarak. Today, the top 3 best-selling cuisines in KLC's portfolio remain consistent across the UAE, Kuwait and Qatar. Namely, Mexican, Italian and Healthy foods. KLC has also noticed that there is strong demand for their sweets and dessert brands in Dubai.

Even though KLC has over 75 brands, Mubarak points out that KLC's zero brand risk and zero emotion approach has been an intrinsic part of its growth strategy. "We strongly believe that

having a brand that works in one market doesn't need to work in another. Therefore, we don't obsess over how much a brand sells in the market. Overall, we look at the group level - which cuisine is doing the best in which market, and how can we serve each market better?"

Mubarak also comments on the differences and similarities between the Dubai, Kuwait and Doha markets. "Food delivery is gaining momentum in Qatar, and because of how nascent the market is, Qatari customers are keen to experiment and try new dishes and places." He also says the average ticket size is much higher in Doha than it is in Dubai. However, in Dubai and Kuwait, because food delivery has been well-developed, and existent for some time – consumers behave differently. We learn that people are very conscious of where they order from in Dubai. Dubai-consumers won't just order from some random new place. "It's too competitive and there are too many options for that," he says. He also explains that Dubai-consumers are also incredibly cost conscious and sales are driven by discounts and promotions – which has taught KLC a lot about how they market and position their brands in such a market.

Mubarak's remarks highlight the value they see in the Qatar market, despite it currently yielding lower revenue than other regions. They believe that being an early major player in this less saturated market can yield significant long-term benefits. The average ticket in both Kuwait and Qatar are comparable,

"The quality of food is the number one priority"

Says Mubarak

whereas in Dubai it tends to be somewhat smaller, necessitating more transactions to achieve similar growth.

However, the operational costs and revenue per customer, known as unit economics, are approximately equivalent across all three markets. Despite this, the heightened competition in Kuwait necessitates a more measured and strategic approach, honing in on a long-term perspective and precision in execution.

Also, since KLC's business model isn't country-specific, it holds the ability and flexibility to be molded according to the economics of another region, "The quality of food is the number one priority," says Mubarak, explaining how the reduced cost of rent (for a kitchen versus a kitchen plus full restaurant) becomes a reinvestment into the quality of food, service and delivery process. The savings from paying excessive rent towards a dining location gets put back into the product, which ultimately enhances its quality and ensures greater customer satisfaction.



SPOTLIGHT | KLC VIRTUAL RESTAURANTS

Unlike dining restaurants, delivery restaurants focus single-mindedly on tailoring the brand for delivery. In a concept such as this, packaging remains of utmost significance. While KLC focuses on using the best quality packaging for each brand and dish, setting up kitchens takes quite a lot of time and patience. While recruiting staff is not a significant issue for KLC in Dubai and Qatar, finding the right places to build a commercial kitchen with the minimum prerequisites, such as adequate electrical and gas supply and relevant licensing and approvals, remains a concern.

Mubarak also points out that everything is documented in such a data-driven industry. This means they can look at the orders, hourly and area sales and track every critical metric that helps make better business decisions. "At the end of the day, we see ourselves as a food business that is tech-enabled," says Mubarak, a firm believer in not entertaining any risk to their growth.

Despite successfully expanding in Dubai and Qatar over the past 6 to 9 months, challenges remain. The challenge that seems never-ending, lies in trying to ensure consistency, reliability, and a satisfactory delivery experience – every single time. "We are excited to share our food, culture, and quality with the countries where we want to be established. The challenge is correlation and consistency, ensuring that all our brands are prepared and served the KLC way, using the same ingredients and maintaining the same quality everywhere we go. This establishes trust and loyalty with our customers," says Mubarak. The process of delivering seamless similarity is more complicated than it sounds. It involves getting all things right, time and time again; this level of consistency requires training the team, making sure all brands are onboarded successfully,

introducing new team members to understand precisely how the restaurants operate, and especially being cognizant of the fact that each zone has their own particular popular cuisines and therefore rearranging kitchens accordingly.

With a focus on high-quality standards, KLC sends trained chefs to oversee the operations and ensure that the same quality and flavors are maintained throughout. As the restaurant grows and innovates its brands, the latest feather in its hat is the launch of Tule Bakery, a speciality cake brand launched during Ramadan. "Next, we plan to launch new brands focused on group orders and catering," he says.

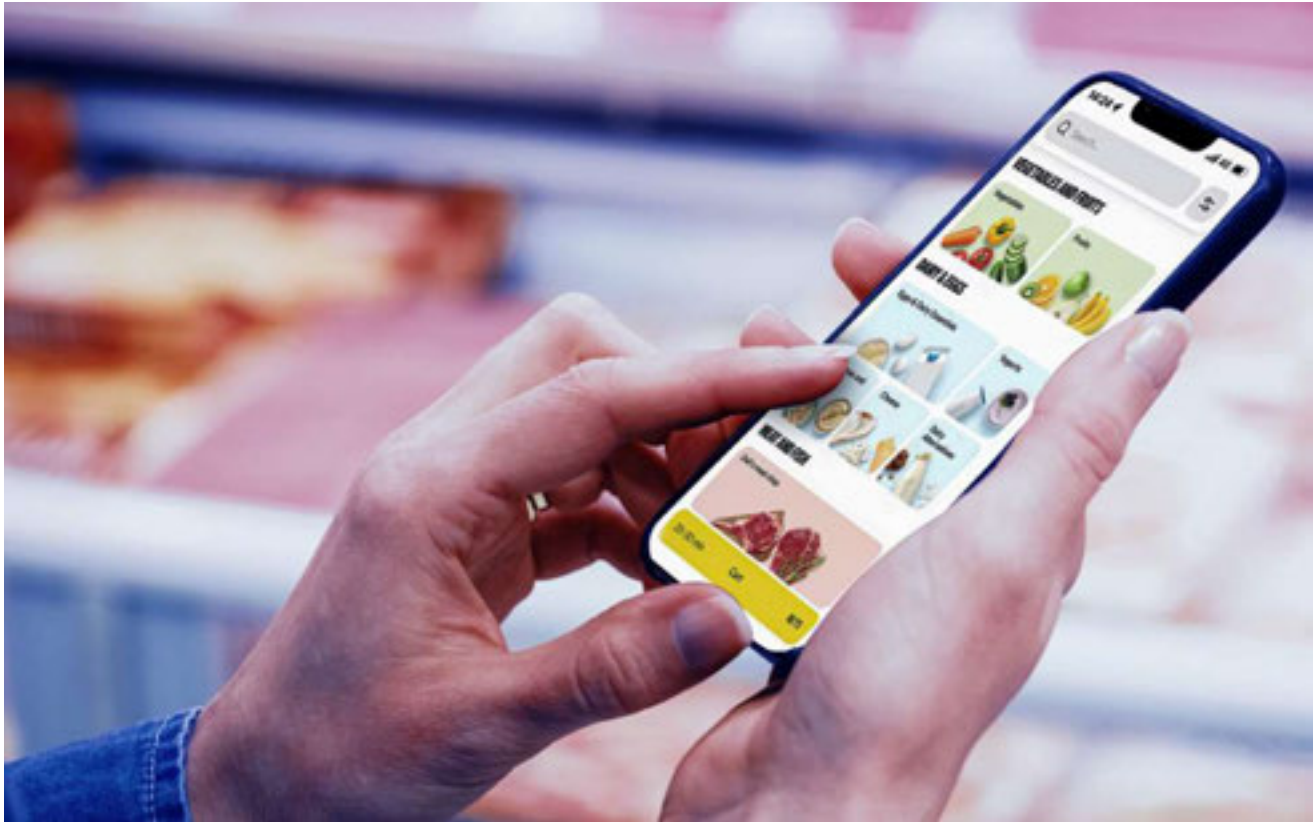
As long as KLC continues to identify gaps in the market, and creates brands to cater to everyone's cravings – the future seems bright and limitless for KLC. By the end of 2024, Mubarak says the company has its sights set on expanding into Abu Dhabi, Bahrain and Riyadh. When asked about the growing competitive environment, Mubarak says, "I think it has actually worked in our favour. Today, there are so many new channels and cloud kitchen support businesses that we don't even know about yet – that could significantly aid our business when entering new territories in the future. I'm actually excited to explore all of the new options that are being presented to us today to see how differently we'll do business tomorrow."

There continues to be a substantial entrepreneurial focus across the GCC, and KLC seems to be enjoying the innovation-oriented environment bubbling across the GCC. "We're the only model doing what we are doing today. It is something that doesn't exist otherwise. Different players are using one or two elements of our model, but how we have set ourselves up remains unique," concludes Mubarak.





YANGO TECH: TECH STACK FOR PROFITABLE E-GROCERY



The e-grocery industry is experiencing rapid growth as more consumers opt for online shopping to fulfil their grocery needs. The convenience of doorstep delivery and the ability to browse and purchase products from the comfort of your own home has fuelled the demand for e-grocery services.

Whereas many businesses succeeded in getting online in one way or another over the past few years – whether it be through social media, advertising, or via a website; the struggle to differentiate yourself in the market also moved to the internet, forcing small businesses to compete with everyone on the world wide web. Once you go digital, winning requires technology adeptness, whichever way you look at

it. In today's market which requires technology-advancing business moves, the key to success may lie in choosing the right partner to implement the technology behind a profitable e-grocery business.

ONLINE GROCERIES & THE OMNICHANNEL SHOPPING EXPERIENCE

Though recent market shifts have forced more people to try online grocery shopping, e-grocery isn't as new a concept as you might think. NetGrocer pioneered the concept as far back as 1997 – that's over 25 years ago. Then, FreshDirect in the US in 1999 was the first to start delivering perishable foods to consumers without maintaining a retail operation, catering to

socially conscious consumers that desired local organic foods. Even Amazon Fresh, Amazon’s broader e-grocery and delivery platform is fifteen years old.

Today’s significant growth has mostly been driven by consumer habits created during the pandemic restrictions – which enlightened customers to the convenience, 24/7 availability, efficient shopping planning, fast order fulfillment and delivery, re-ordering capabilities, and easily available product details that online grocery shopping offers. It’s been reported that over 7% of the world’s groceries are purchased online today, with online grocery sales expected to reach a whopping US \$250 billion by 2025.

The most common consumer profile is that of the hybrid shopper – the consumer who buys groceries both online and in-store. Hybrid shoppers are quickly becoming the norm, and it is these shoppers that grocery retailers must cater to by developing an omnichannel strategy. The challenge that omnichannel tackles is that grocers must meet the needs of those that wish to hand-pick their groceries, while also allowing for the flexibility of online ordering – which may seem like two entirely different business models. That, however, is not the case.

YANGO TECH: OVERCOMING E-GROCERY CHALLENGES

To compete with the world’s e-grocers, brick-and-mortar grocery chains have been busy coming online in the past few years around the world, to provide exactly what the hybrid shopper wants: a choice of an in-store and online shopping experience that is consistent. This is where the omnichannel experience comes in for grocers to cater to all types of customers – offline, online and hybrid, maximizing grocers’ market share along each channel.

Despite operational differences, all e-grocery operators face common challenges in inventory management and order fulfilment, which directly impacts the overall customer experience. Challenges include perishable goods with limited shelf lives, unreliable delivery, and missed items due to pressures in picking and packing orders within short time frames or stock inaccuracies. Robust inventory management and order fulfilment systems are required to address such challenges, as e-grocers focus on customer satisfaction, speed & efficiency and, ideally, zero wastage. Technologies such as warehouse management systems, inventory tracking software, and last-mile delivery optimization tools play a crucial role in overcoming these challenges and achieving success in the e-grocery market.

The most common grocer’s challenges Yango Tech provides solutions for



Stock Inaccuracy



Warehouse Operations Visibility



Real-time Updates



Missing Items from Orders



Delivery Time



Customer Retention



Replenishment

SPOTLIGHT | YANGO TECH

Yango Tech has emerged as a leading software solutions partner for e-grocery players in the dynamic MENA region, which brims with untapped growth opportunities. Yango Tech is working to bring these technological solutions to grocers across the region, to quickly get them up and running selling their groceries online so that they can quickly and easily offer this hybrid shopping experience to their users.

Yango Tech combines extensive expertise in technology and business to empower grocers striving to capture significant market share in the e-commerce domain. Their mission is to embrace innovative technologies and provide businesses with a comprehensive tech stack to excel in the e-grocery market.

Operating on a B2B SaaS model, Yango Tech enables retailers to enter the online market and open new revenue streams from e-commerce, and e-grocers to improve operational efficiency. By integrating an end-to-end solution into their operations, businesses can avoid the costs associated with maintaining non-core functions, such as IT support.

Grocers can also integrate specific modules with existing retailer systems, such as a warehouse management system supported by smart machine-learning algorithms to improve

fulfillment & warehouse operations, a solution that covers full order management from the website to the client's doorstep, or an immense data-supporting software to aid in logistics. The goal is to create the smooth flow of data, integration, and control required for successful e-grocery operations.

ENABLING E-GROCERY GROWTH IN THE MENA REGION

Yango Tech recognized the MENA region's potential early on. In 2022, the online grocery market in MENA reached a value of approximately \$4.5 billion, and projections suggest a robust compound annual growth rate (CAGR) of ~24%, and a market reaching an estimated \$25 billion by 2030. With e-commerce penetration at a mere 2-4% across the Middle East, advanced technologies serve as catalysts for further market expansion.

Having entered the UAE market in 2022, Yango Tech has already helped fuel growth for various companies. Their technologies power over 500 connected dark stores for clients like PtteM, Turkey's national post operator's e-commerce subsidiary, and nana, a leading e-grocery delivery service in Saudi Arabia. With evolving opportunities, Yango Tech addresses common issues faced in the MENA region, such as stock replenishment challenges, inventory inaccuracies,



“By implementing our Warehouse Management System, our client reduced the average number of missing items per day by 97% and its purpose-built dark store picker app decreased order preparation time by over 35% through smart in-store routing and intelligent batching.

Max Avtukhov
CEO and Cofounder of Yango Tech

sub-optimal utilisation of last-mile delivery teams, and lack of operational transparency.

“By implementing our Warehouse Management System, nana reduced the average number of missing items per day by 97% and its purpose-built dark store picker app decreased order preparation time by over 35% through smart in-store routing and intelligent batching,” says Max Avtukhov, Yango Tech’s CEO.

Technological solutions optimized operations, through the introduction of auto order and demand planning systems, enhanced visibility via the implementation of business dashboards with key metrics and resulted in improved business performance and success for its customers.

“Additionally, by integrating Yango Tech’s technologies, nana improved demand forecasting, eliminated expired goods, and provided comprehensive operational visibility and data-driven decision-making.” Max continued, “united with our partners, we are dedicated to empowering customers in the MENA region to redefine industry standards and revolutionize the e-grocery industry. Together, we aim to elevate the shopping experience and shape a new era in the world of online grocery shopping.”

THE NEW NORMAL IS TECH-ENABLED

Post-pandemic, retailers and e-grocers that embrace this shift, invest in technology, and prioritize customer experience, will be well-positioned to thrive in the future.

“Manual inventory management leads to a lack of transparency and often

results in discrepancies between reported inventory levels and actual stock availability. This results in poor customer satisfaction, particularly when orders are incomplete. Our data-driven inventory management and operations optimization solutions support demand prediction and accurate stock replenishment,” explains Max.

Another common challenge for e-grocers lies in the suboptimal utilization of the workforce for last-mile operations. Assigning one courier per order increases costs and delivery times, undermining the promised quick delivery and order unit economics. “To combat this, our tech stack provides real-time visibility of warehouse operations and automates order processing with ML-powered software designed for warehouse staff and couriers,” Max explains.

Continuing to address solutions for last-mile delivery, Max tells us that Yango Tech’s tech stack supports various delivery options, including ultra-fast delivery, while smart routing solutions and batching algorithms optimize fuel consumption, reduce CO2 emissions, and streamline the delivery process.

With the right technological tools, e-grocery companies can manage orders, inventory, and deliveries effectively, reducing costs and increasing margins. “For instance,” Max says, “our algorithms can automatically apply discounts to products predicted to remain unsold before their expiration dates. And during periods of high demand, the system can adjust the minimum basket value or increase the delivery fee to maintain supply and

demand equilibrium.” Moreover, the mentioned automatic discounts on short or close expiration dated products significantly support the decrease in food waste as well as saving on other costs included in the process of writing off expired products.

Apart from discounts, Yango Tech can help reduce food waste by using auto-replenishment. The system predicts the amount of goods to be sold and orders accordingly. By combining these two tools businesses can achieve up to a 40% reduction in food waste.



SPOTLIGHT | YANGO TECH

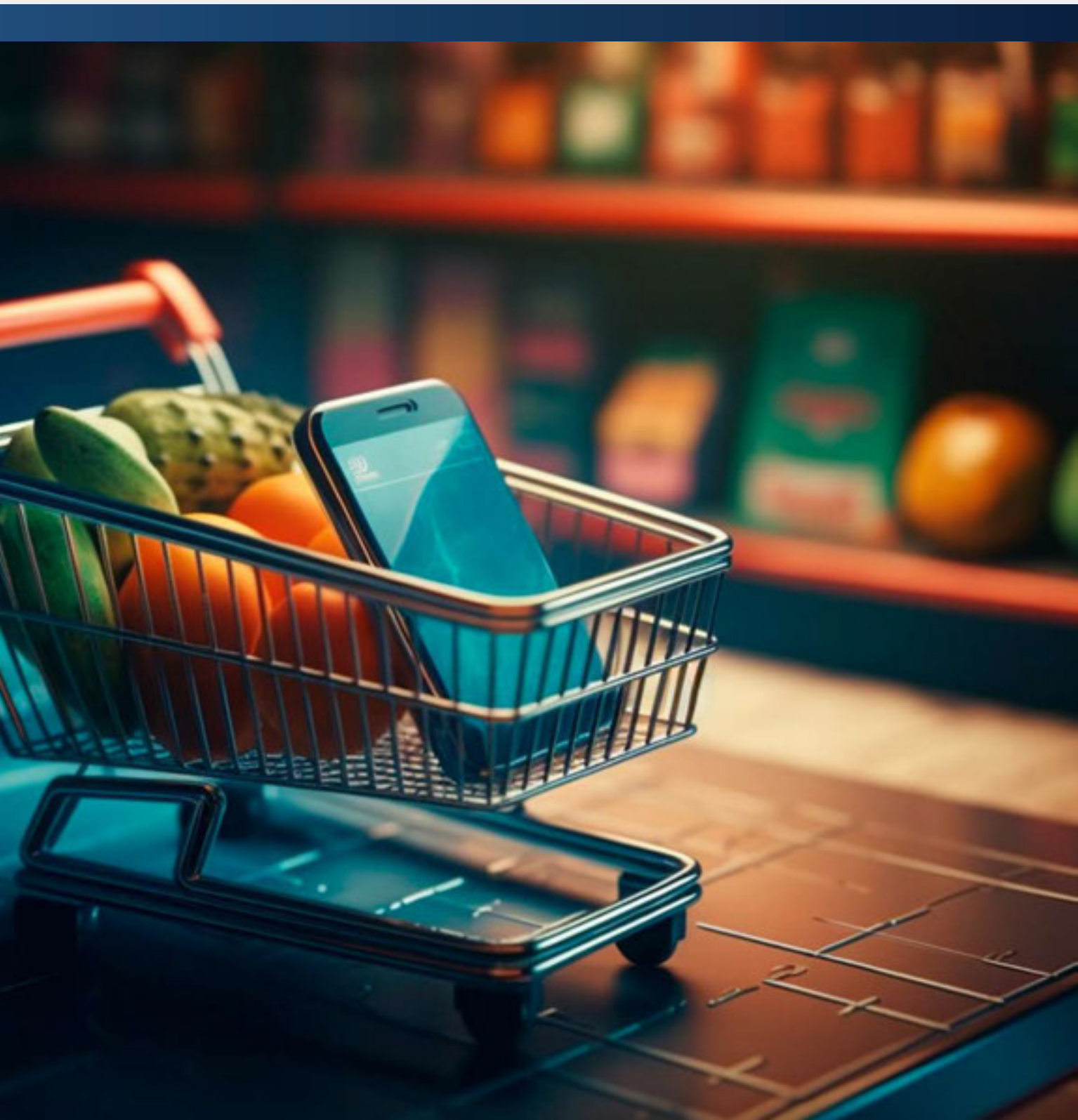
ADVICE TO OTHER BUDDING ENTREPRENEURS

Max's tip to budding entrepreneurs is to leverage the power of data analytics any way they can. He explains, "to thrive in today's digital age, leveraging the power of data analytics is vital. By collecting and analyzing data on customer preferences and purchasing behaviour, businesses can make informed decisions regarding menu offerings, pricing strategies, and inventory management."

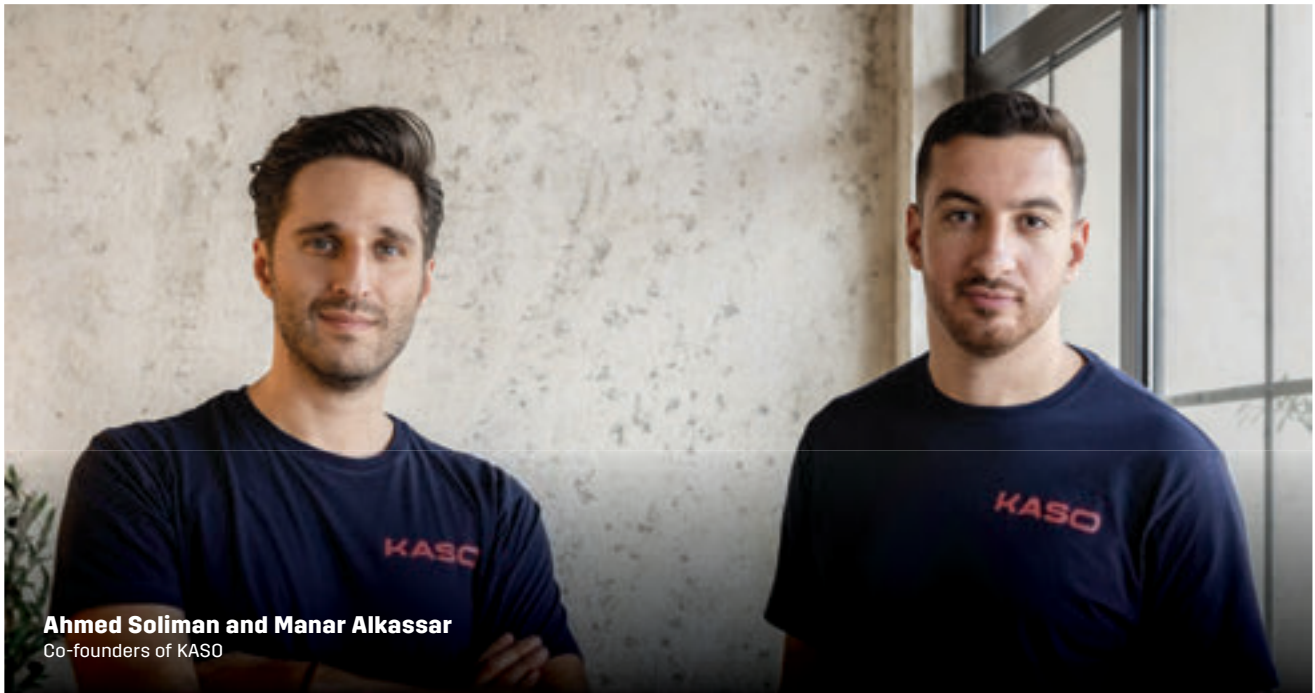
Personalizing services, providing exceptional customer care, seamless shopping experience and implementing referral programs foster strong customer engagement and loyalty. A further tip is to embrace a culture of continuous learning and improvement. This enables businesses to stay ahead of industry trends and evolving customer preferences. "In today's world everything is changing very fast, and to stay on the curve businesses need to improve constantly. Yango Tech is always working on improving products and embracing the latest tech innovations," he says.

So what's next for Yango Tech? As the team continues to expand its operations across the Middle East and Turkey, it says it also aims to extend its presence to other markets, including Africa, Latin America, and Asia. Its commitment to delivering exceptional technology solutions and expertise remains at the forefront of its global expansion plans.





KASO IS RESHAPING THE FOOD PROCUREMENT INDUSTRY, LOOKING TO ACHIEVE \$1 BILLION GMV BY 2024



Ahmed Soliman and Manar Alkassar
Co-founders of KASO

In a tale of two friends-turned business-partners, Manar Alkassar and Ahmed Soliman's entrepreneurial journey began over 13 years ago when the two connected at a young leaders' conference in Germany. Their shared love for technology and their Arab roots forged a bond that would eventually lead to the two creating and launching a digital B2B food supply ordering platform in Dubai that would help streamline the F&B industry's supply chain, minimize food waste and improve the overall sustainability of the MENA food industry. But we've skipped

a few plot points in this entrepreneurial story. Let's start from the beginning.

Manar was the first to move to Dubai in 2014, embarking on a mission to build new tech ventures for German tech incubator, Rocket Internet – which also happened to own online food delivery aggregator, Talabat, and fashion e-commerce player, Namshi. Manar eventually established Helping Middle East, an on-demand maid service tech company out of Dubai, and eventually became the CEO of this 'Uber for home cleaning services'. Having settled nicely

into life in Dubai, Manar persuaded his future co-founder Ahmed to join Hellofood/HungerStation, a leading food delivery startup in Saudi Arabia, which was later acquired by Delivery Hero. Delivery Hero is a German food-delivery giant making its presence known in the Middle East, with a growing foodtech footprint which includes players like Instashop, Zomato and Carriage in their regional portfolio. HungerStation's acquisition set the stage for Ahmed to take on senior roles at Talabat – another indirect Delivery Hero acquisition, before being

promoted to a VP role at Delivery Hero, overseeing logistics and operations across the growing MENA region.

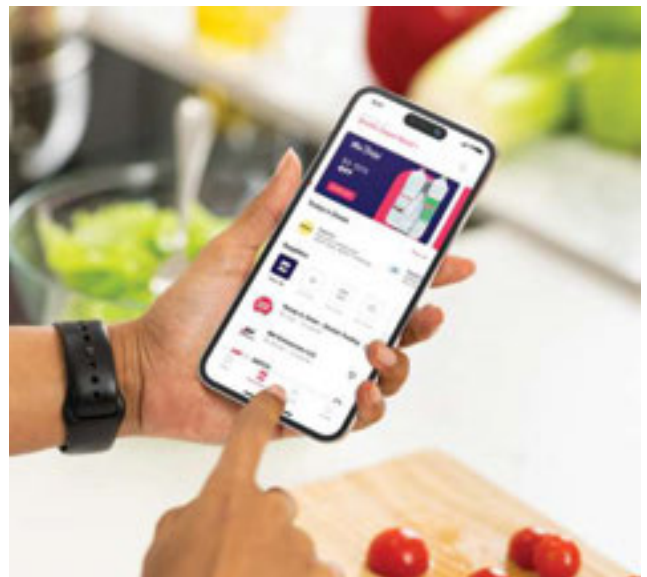
It wasn't planned, per se, for these two to gain so much experience in the foodtech, e-commerce, and marketplace industries; but after so many years immersed in it – it comes as no surprise that the startup they would launch was KASO, which seems to take a page out of each of these segments. But it wasn't as simple as it may look from the outside. The two co-founders admit that prior to launching KASO, they were in fact working on something else entirely together. The two initially were looking to build a tech-enabled q-commerce coffee-delivery startup that would work with existing restaurants to deliver coffee to consumers across various neighborhoods. As they were doing their market research and speaking to existing restaurant and café owners, the entrepreneurs discovered that procurement was a consistent major pain-point in the F&B industry, that was mostly still conducted on pen and paper, with orders being largely made over the phone, over whatsapp, or at worst – some were still using fax machines to submit weekly orders!

The startup originally launched under the brand name Elkaso in June 2021, when the first member joined the team, the first restaurant came onboard, and the first order was placed marking the inception of their journey. Within two months, the startup had achieved 100+ daily orders on their online B2B food procurement platform. The momentum continued with the announcement of their first round of pre-seed funding, raising \$2.1 million in September 2021. The pace of progress remained unyielding as they launched the marketplace in October 2021, attracting over 500 active customers.

KASO was accepted into the prestigious Y Combinator (W22) program in 2022, which was no small feat. Y-Combinator's acceptance rate is between 1.5% to 2%, with the program accepting only a handful of players out of 10,000+ startup applications in each funding cycle. During their time in Silicon Valley, they dived into financing and payment verticals, initiating the groundwork for growth. In February 2022 Elkaso officially rebranded to become KASO, signifying a new trajectory, and have not slowed down since. KASO has launched in Saudi Arabia, broadening their reach and impact. The team piloted a new fintech last year, and after witnessing success and the impact of this vertical, launched

it officially this year, for their F&B customers. “We unveiled restaurant credit facilities and KASO BNPL (Buy Now Pay Later), providing innovative solutions for our partners. With its fintech vertical, KASO offers digital payment tools and extended credit terms to restaurants while simultaneously ensuring suppliers are paid seamlessly and on time. “By providing extended credit terms, we enhance financial flexibility for restaurants, which can be crucial for their operations,” Ahmed explains. “Secondly we ensure timely payments to suppliers, improving their cash flow and reducing payment delays. The model is designed to simplify the payment process for both parties. Restaurants pay a nominal fee to secure extended credit terms and have all their payments handled by KASO, while suppliers received immediate payments.”

Today, KASO is an international force, active in four countries. They have proven successes with onboarding not just local restaurants, but also by going live with esteemed brands such as Burger King, Texas Chicken, Buffalo Wild Wings, Chili's, and Tim Hortons, which do high volumes. The company now has logistics and express delivery capabilities that, "further streamlining our operations", explains Manar. And earlier this year, KASO began with a strategic partnership announcement with Foodics, further expanding KASO's



SPOTLIGHT | KASO

network and influence. “Our outlook for 2023 indicates promising growth, with a projected GMV run-rate of AED 1 billion by year's end. The forecast for 2024 sets the bar even higher expecting to achieve a GMV of USD \$1 billion.”

KASO aims to create a larger impact that goes beyond numbers and financial success. The question of food waste arises, and KASO addresses it head-on. Their innovative ordering tool, combined with a transparent approach, empowers restaurants to avoid oversupply. Moreover, their marketplace offers a platform for suppliers to sell nearly expired items, leading to reduced waste and lowered costs. “Our approach not only benefits restaurants and suppliers, boosting profit margins by 15%, but also contributes to the fight against climate change. By tackling food waste, a major contributor to global greenhouse gas emissions, KASO aims to play a vital role in curbing environmental damage.” The company's efforts are directly in-line with the UAE's sustainability ambitions, and KASO's founders emphasize their desire to become a leading change-agent when it comes to reducing food waste.

But what the founders are most proud of so far is the transformations that suppliers have witnessed through their partnership with KASO. The marketplace, coupled with an active sourcing team, fosters connections between

suppliers and various food concepts, creating new business opportunities. “Monthly, around 1000 fresh connections are made, ranging from single-item orders to comprehensive basket deals. We don't stop generating new business while also focusing on strengthening existing customer relationships. The result is an enhanced customer experience and strengthened ties between suppliers and their clients.” Operational efficiency is a key highlight of KASO's impact on suppliers. The platform has saved an impressive 80% of the time previously spent on procurement. “Branch and purchase managers, who used to allocate around 2 hours each day to ordering from different suppliers, now accomplish the task in a mere 10-15 minutes. This time-savings allows them to focus on other crucial aspects of their business such as customer service and cleanliness.”

Though KASO has been growing and meeting successes on its entrepreneurial journey, expanding into new markets has not been without its challenges. “Each market presents unique characteristics that necessitate understanding and strategic adjustments,” says Ahmed. “For instance, when we ventured into Saudi Arabia, we encountered a market with a more manual operation and less organization compared to operations in the UAE. In response, we integrated WhatsApp into their system, leveraging its popularity in the region and making onboarding of customers easier in the Kingdom.”



"Our outlook for 2023 indicates promising growth, with a projected GMV run-rate of AED 1 billion by year's end. The forecast for 2024 sets the bar even higher expecting to achieve a GMV of USD \$1 billion"

Ahmed Soliman and Manar Alkassar
Co-founders of KASO

But the founders tell us that the recent shifts in consumer behavior, catalyzed by the pandemic and the resultant digital transformation in the restaurant industry have played a significant role in shaping KASO's expansion plans. Customers rapidly adapted to online ordering, creating increased competition among businesses. Furthermore, the challenges faced in the food supply chain prompted restaurants and F&B brands to improve their organization and adaptability.

Amidst inflationary pressures, KASO has successfully onboarded renowned brands like Caribou Coffee, Lorenzo Pizza, and 1/2 Million Coffee at a faster pace than anticipated. Their initial focus on restaurants has expanded to encompass coffee shops, catering services, and cloud kitchens. Currently, they are making inroads into the hotel segment as well. This evolving expansion strategy covers not only all GCC countries and the Middle East but also international markets, aligning with the dynamic nature of the industry.

Most recently, in July 2023, KASO closed a US \$10.5 million seed round. KASO's cap table includes both international and regional investors made up of VCs, family offices and angel syndicates from as close as Saudi Arabia and United Arab Emirates, and from as far away as the USA, Singapore, Germany and China. The future looks bright for this regional foodtech player, looking to streamline the MENA F&B supply chain and help alleviate customers' cash-flow challenges.



YANGO DELIVERY: THE FIRST CHOICE FOR LAST MILE DELIVERY



Few business transformations have been as instantly visible and impactful to consumers as the exponential growth of the UAE's last mile delivery sector. Whether it's the ever-growing number of riders on the roads, tasty treats being delivered to our homes and offices, or shopping parcels being dropped at our doorsteps, it's hard to miss this trend, and harder still to deny the incredible conveniences it brings. It's no surprise then that the GCC's Last Mile Delivery market was valued at US\$1.1 billion in 2020, and is set to grow to US \$1.9 billion by 2027 at an 8% CAGR.

THE NEED FOR A BETTER ROUTE

While the surging number of colorful delivery riders on the road might suggest that the UAE's last-mile delivery sector is advanced and robust, the reality on the ground reveals

a prevailing 'brute force approach' among most providers. Many are overlooking the benefits of leveraging technology to streamline tasks such as scheduling, routing, communication, tracking, and delivery confirmation. Instead, they are primarily relying on scaling resources and simply hiring more riders and buying more delivery bikes – a strategy which will prove to be untenable beyond a certain point. Consequently, the ecosystem functions but incurs substantial management overheads for companies and frustrations for customers – not to mention the impact on the environment and sustainability of the sector.

The truth, according to owners of restaurants, cafes, meal-prep, and confectionery businesses, is that thus far they have had to make do with subpar delivery partners. When

there's little in the way of innovation to differentiate between providers, price and timely delivery take precedence. It's an important part of any business after all; 84% of consumers report that they would not shop with a retailer again after having had a bad delivery experience. Furthermore, last mile delivery has been shown to account for more than 50% of total shipping costs.

But this sets a dangerous precedent. In a race to minimise expenses, companies may resort to alarming compromises such as engaging freelancers and unlicensed operators. This is particularly concerning F&B businesses, where regardless of the quality of their products, the value diminishes significantly if customers do not receive them on time or in the intended condition.

Fortunately, the tide is now turning, and technology – along with a host of benefits it brings – is starting to deliver results.

INFUSING INNOVATION INTO THE LAST MILE

Recognising this gap and the tremendous opportunity it presents, Yango Delivery decided to enter the UAE market in the summer of 2022, and by December 2022, the company had officially launched its solution for businesses.

The company's value proposition is built around its unique technology-focused approach to last mile delivery. By utilising advanced routing algorithms, Yango Delivery ensures on-time deliveries in the most convenient manner – a crucial advantage for F&B companies that must prioritise the freshness of their products. Moreover, the company's platform facilitates advanced features like real-time tracking of rider/drivers, empowering its customers to offer these conveniences to their end clients.

Explaining how this sets the company apart from the plethora of providers, Agam Garg, Yango Delivery's General Manager in the UAE says, "While other providers continue to rely on labour intensive, manual processes, Yango Delivery prioritises technology as the cornerstone of our value proposition. We have replaced cumbersome paperwork, phone calls, and endless spreadsheets with slick, streamlined digital dashboards accessible from any location and any device. With



a few simple clicks, our customers can effortlessly schedule deliveries, track delivery drivers in real-time, and enjoy a range of other convenient features."

GLOBALLY VETTED EXPERTISE

The company certainly has the pedigree to back these claims, having operations in over 20 countries and a client base that today exceeds 40,000. As a result, Yango Delivery has extensive expertise, developed over years of successfully expanding last-mile delivery operations for numerous high-growth start-ups across the world.

"On a daily basis, over half a million deliveries are powered by our technology platform worldwide," beams Garg.

SPOTLIGHT | YANGO DELIVERY

THE ALL-IN-ONE ADVANTAGE

Furthermore, Yango Delivery distinguishes itself by excelling in both forward and reverse logistics areas that have traditionally been fragmented. This fragmentation often creates additional complexities for organisations that must then engage multiple delivery partners, and for customers who must navigate the cumbersome process of arranging separate pick-ups, even when it becomes evident at the time of delivery that the product does not meet their expectations. By functioning as an all-in-one intelligent and efficient delivery provider, Yango Delivery has eliminated these complexities.

“The result is that our customers can confidently outsource this critical aspect of their operations to us. By doing so, they can allocate their valuable resources towards core activities such as business development, marketing, customer service, or product design, which are essential for scaling their businesses effectively,” says Garg.

CONVENIENCE AND CUSTOMIZABILITY

Garg sheds light on the three convenient delivery modes available on the platform that caters to the diverse needs of its clients. “Firstly, with Yango’s platform, a company can access express delivery which is an on-demand service that

assigns a courier as soon as the order for delivery is made. This ensures that the courier arrives at the pick-up point within minutes, and on average, deliveries are completed in less than an hour, depending on traffic and the district. The second mode is same-day delivery, which guarantees delivery within hours on the same day the order was placed. Finally, the platform has the next-day delivery option that allows packages to be collected at the sorting venue and delivered the following day,” he states.

DELIVERING PEACE OF MIND

By taking the hassle out of the delivery process for clients and also taking care of optimal routes to deliver more with fewer vehicles, Yango Delivery focuses on transparency in tracking, which ensures improved communication, easier analysis, and informed management decisions. “Our company ensures on-time delivery with an impressive success rate of 98%, and we provide real-time package tracking and proof of delivery by photo for corporate customers, thus increasing transparency and trust.”

These benefits make Yango Delivery the ideal partner for F&B businesses that are keen to focus on their core business, and trust the complexities of last mile delivery to a trusted third-party expert. “For start-ups without a delivery infrastructure or without plans to build one, as well as for major companies



with an internal, external, or hybrid fleet, we can serve as the primary delivery facilitator, or the backup option during periods of high demand,” says Garg.

THE PERFECT FIT BAR NONE

For these reasons, Yango Delivery has rapidly gained market share in the UAE’s crowded last mile delivery sector, earning the trust of market leading F&B brands. Among these is Fitbar, one of the country’s leading healthy meal planning services, which has partnered with Yango Delivery to ensure fresh and healthy meals are delivered daily and on-time to its customers across the Emirates.

Recognising that consistent, timely delivery plays an outsized role in customer satisfaction, Fitbar decided to combine its strengths in tailoring tasty, affordable, and healthy meals with Yango Delivery’s globally established expertise in last mile logistics. “Our customers tend to have very specific dietary requirements based on their health and fitness goals and our service is finely tuned to empower them to achieve these,” says Bothaina Yasser, Business Development Manager & Co-Founder at Fitbar. “Working with Yango Delivery, we give customers the peace of mind that their meals will be at their doorstep when they expect it, and in the condition and packaging that protects its freshness.”

On a daily basis, Fitbar now provides customised, healthy meals to nearly 400 clients across the UAE. “Yango Delivery has enabled us to deliver these meals with a 95% success rate and as our partnership grows, we are on track to achieve a near-100% success rate very soon,” says Bothaina. “We also have plans to launch our mobile

app, and Yango Delivery enables us to add a real-time tracking feature for a premium customer experience.”

THE RECIPE FOR SUCCESS

Highlighting pages from Fitbar’s playbook that could enable other F&B entrepreneurs to rapidly turn their dream into a success story, Garg says, “The F&B market in the UAE is highly competitive and entrepreneurs already have enough challenges growing their business based on their expertise. If your attention is spread thin by having to focus on other areas that aren’t within your core competence – such as last-mile logistics – it could prove overwhelming and ultimately compromise the success of your business.”

He also stresses that simply preparing the most delectable dishes isn’t a sure shot recipe for success either. “Even the most flavourful food will be of no value to customers who never receive their order. Ensuring such high-quality delivery can be supremely challenging to organisations that opt to have their own in-house fleet as it involves significant amounts of time and effort for planning, fleet management, customer service, and accommodating last minute changes and special requests. Choosing instead to work with a trusted third-party logistics provider such as Yango Delivery can save precious resources, and allow efforts to be rightly directed at areas of the business that play to the strengths of internal teams,” he says.

A CLEAR ROAD AHEAD

As Yango Delivery establishes its stronghold in the UAE, leveraging its expertise and business model, they are looking forward towards expansion. “Once we have solidified our presence

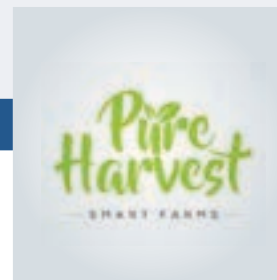
and attained consistent success in the UAE market, we might consider expanding into other GCC markets, following a meticulous and well-planned approach. The potential for expansion is significant, and we intend to capitalize on this by progressively building upon our strengths and achievements,” says Garg.

The region offers a tapestry of opportunities waiting to be woven, and Yango Delivery aims to capitalize on them. Their tale of technology-focused transformation of the UAE’s last mile delivery sector continues to unfold, and certainly has the potential to shape the future of the industry for the better.



SPOTLIGHT | PURE HARVEST

PURE HARVEST SMART FARMS: MENA'S NEXT AGTECH 'UNI-CAMEL'



In the heart of Abu Dhabi, Pure Harvest Smart Farms is pioneering the future of sustainable agriculture. Founded in 2016, the Agtech start-up is transforming the way we think about farming, leveraging high-tech hybrid growing systems to overcome the Middle East's greatest challenges: food security, water conservation, economic diversification, and sustainability.

AGTECH FOR THE DESERT

They couldn't have chosen a better ground-zero. Pure Harvest's operations are based just outside the capital city of the United Arab Emirates, a country that is prioritizing food security - as it imports roughly 90% of its consumed food from outside its borders. Furthermore, only 5% of the country's desert lands are considered cultivable. In 2019, the government of the UAE committed US \$272 million in financing and tax incentives to the development of a local agtech ecosystem. In April 2020, Abu Dhabi's Investment Office pumped US \$100 million of grant funding into startups,

including local controlled environment agriculture (CEA) grower and local Agtech poster child, Pure Harvest Smart Farms.

Pure Harvest is committed to delivering exceptionally flavorful, affordable and locally-grown fresh produce year-round. Using cutting-edge technology, the company has developed the Middle East's first semi-automated, high-tech hybrid growing system. As a result, they're capable of achieving 10-15 times the yield per square meter compared to traditional greenhouse farming methods, all while consuming a fraction of the water.

Pure Harvest currently produces over 20 commercial varieties of tomatoes, two varieties of strawberries, leafy greens, melons, capsicums, as well as blackberries and raspberries. Pure Harvest's products are typically 20-40% lower cost versus comparable European imports, but a modest premium to lower cost, lower quality, seasonal regional production. Of

this, Sky Kurtz, Co-founder and CEO of Pure Harvest says, “We’ve created a new ‘premium local’ category that did not exist in our markets previously.”

HIGH-TECH, HIGH YIELD

The key to Pure Harvest’s success is innovation. “We call our solution ‘veridical’ farming rather than ‘vertical’ farming – ‘veridical’ meaning ‘truthful,’ or ‘realistic,’” says Sky. “We are able to harness the tremendous amount of sunlight at our disposal, to deliver world-leading yields, which also results in a much more favorable unit cost of production versus similar high-tech growing systems in the US, Europe, and Australia, for instance.

Pure Harvest's revolutionary greenhouses are high-tech and over-pressurized climate-control system, which not only serves to maintain temperatures at optimal growing conditions, but also helps to keep insects and diseases from breaching the growing area. The pressurized air escapes from rooftop vents that resists entry from particles and insects. Their solution also recaptures condensation water, while carbon dioxide dosing is injected into the greenhouse to stimulate the photosynthesis process. Advanced hydroponic irrigation systems recirculate 100% of excess water, while sensors and advanced data analytics manage the greenhouse climate at all times. Today, Pure Harvest currently consistently produces over 17 million kilograms of fruit and vegetables annually.

“We generally achieve 10x to 15x the yield per square meter versus incumbent lower tech CEA solutions while using 1/7th to 1/10th of the water,” says Sky. Today, Pure Harvest operates 4 farms in the United Arab Emirates, another farm in Saudi Arabia, and aims to break ground on another farm in Kuwait by year-end.

The company currently employs a diverse group of 460 men and women, representing over 30 nations; and Sky says there is imminent growth on the horizon. “We aim to more than double our capacity over the next year,” he says, citing potential projects in the GCC region and South East Asia. He also anticipates a significant rise in produce sales, supported in partnership with UAE supermarket chains like Spinney's and new partnerships in Saudi Arabia.

Last year, Pure Harvest partnered with the Singapore Food Agency (SFA) to develop the city-state's inaugural hybrid greenhouse tomato farm to amplify sustainable food security, aligning with Singapore's "30 by 30" food security initiative.



With a population of approximately 5.5 million, Singapore is a regional economic powerhouse but faces challenges with food production due to limited natural resources and arable land. According to SFA data, over 90% of the country's food is imported from 180 countries, with only 1% of national land set aside for agriculture.

Singapore's "30 by 30" initiative was launched in 2019, aiming to bolster its agri-food industry and enable it to produce 30% of the nation's nutritional needs locally and

SPOTLIGHT | PURE HARVEST

sustainably by 2030. This initiative has sparked an increase in local farms, growing by about 18% CAGR to 260 in 2021, from 221 in 2019.

According to Sky, the hybrid greenhouse project is another critical step in the region's efforts to safeguard their communities against climate and food security threats. "We hope that this project pushes the boundaries of the Agtech industry, providing the Singaporean people with the benefits that innovative controlled-environment agriculture solutions can bring."

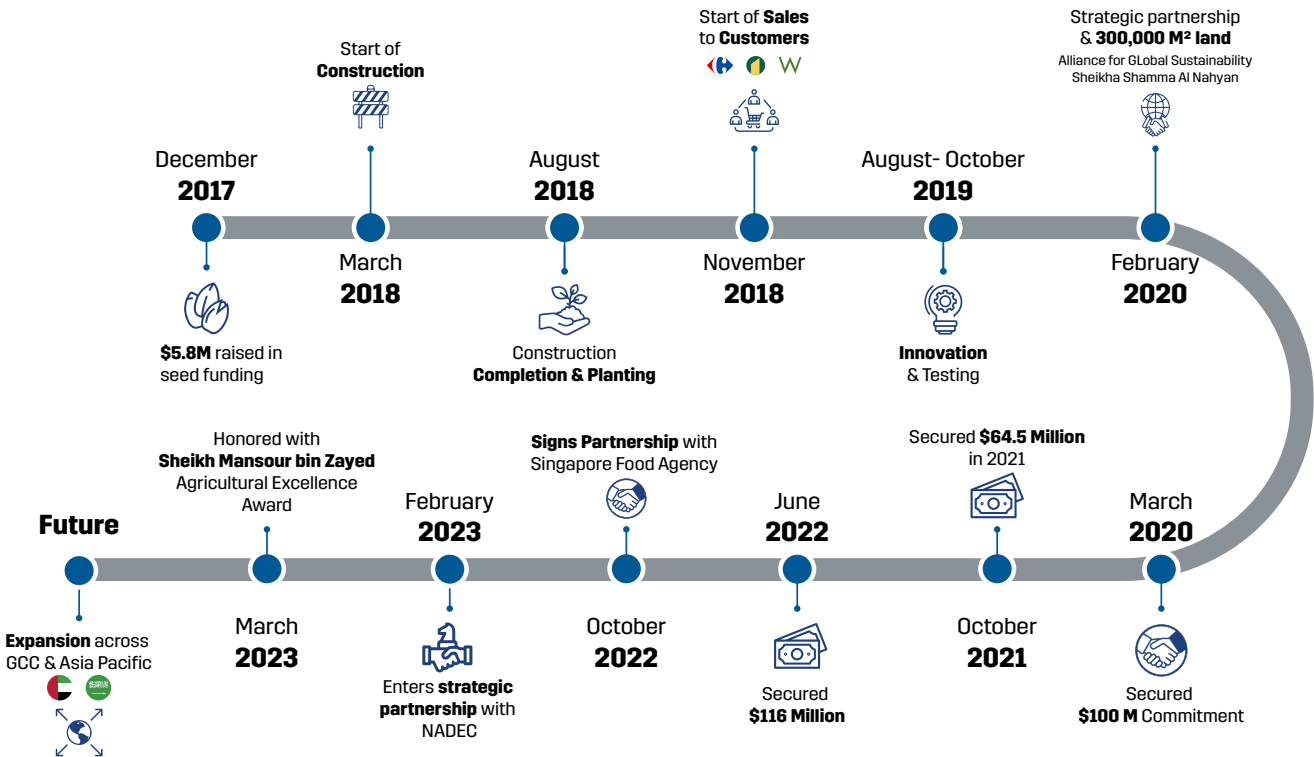
A major partnership more locally, however, would have to be Pure Harvest's strategic partnership with Saudi Arabia's National Agricultural Development Company (NADEC). NADEC isn't your run-of-the-mill agricultural company. It was the first of its kind to be listed on the Saudi stock market, produces a staggering 1.5 million liters of dairy and juice every

day, and serves over 40,000 GCC stores while employing more than 7,000 people.

"NADEC is a formidable incumbent food supplier with a sterling reputation and brand, sizable landholdings and enabling infrastructure, and an experienced leadership team. We greatly benefit from NadeC's strength, and together we are pioneering a new category of fresh produce for the Saudi people," said Sky on the partnership.

The powerhouse duo aims to deliver a food security project of national proportions, producing locally and sustainably grown fresh produce on a whopping 27 hectares of NADEC's lands. Pure Harvest is set to flex its green thumbs over the next five years, farming an array of crops, while NadeC steps in to market these fresh, sustainable goods to consumers, hotels, restaurants, catering partners, and more.

PURE HARVEST'S ENTREPRENEURIAL JOURNEY



Source: Pure Harvest, Lucidity Insights Research

With its state-of-the-art tech, Pure Harvest is no stranger to global recognition. The company has secured over US \$387 million in capital commitments to date, with a truly international investor base, including the UAE's Shorooq Partners, the UK's Metric Capital Partners, Saudi Arabia's Olayan Group, Korea's IMM Investment Corp, Kuwait's Wafra, the UK's Metric Capital Partners, and Archer Private Investments from the USA. Forbes recognized Pure Harvest as the #1 Most Funded Startup in MENA in 2022, and many claim it is the most funded Agtech in the Middle East, Africa and South Asia (MEASA) region.

Early on, it was a struggle to secure support, though, reminisces Sky. "I often got asked, why did such a promising young man leave Silicon Valley to grow tomatoes in the desert?"

"My wife's father thought I'd lost my mind."

In Sky's mind, it made all the sense in the world. For this to have great competitive advantage, you needed affordable land (outside of city centers), water, and energy - for the cooling systems and electrical equipment. Land was available out in the vast desert. Water was comparable to some of the more competitive global rates, and energy would effectively become off-set by using solar energy - an energy source that was available every day, almost 365 days a year in this part of the world.

But what is most important as an input to agriculture that is completely free of cost and in abundance in the Middle East is natural light! Harnessing this light, together with a proprietary growing system and cutting-edge agronomical practices, has made possible world-leading yields. Which Sky says makes the Middle East one of the best places to farm in the world, once you control for climate. Pure Harvest essentially de-coupled the relationship of food production from climate, and instead tied it to the cost of energy and capital. "This," says Sky, "opens up a new paradigm for where we can farm our fresh fruits and vegetables.

Today, Pure Harvest is far from being in a difficult fundraising position. The last round was oversubscribed, and though the team was targeting a US \$100 million raise, it managed to raise over \$180 million, with additional investors looking to jump on. That's exactly what happened when the billionaire Olayan family, who run one of Saudi Arabia's largest conglomerates, joined Pure Harvest's cap table.

With global expansion on its mind, Pure Harvest has its heart set on becoming the next Middle Eastern Unicorn and become a company valued at over \$1 billion. "I call it a Uni-camel, because of the region," he said with a smile, "and I believe it's a very real possibility if we continue to deliver on our vision." The startup is living proof that high-tech farming solutions can be successfully deployed across the GCC.

Their next big move is rolling out high-tech hybrid smart farms growing fruits and veggies across the GCC and Asia, fueled by the \$180.5 million from the latest funding round in 2022.

And the cherry on top? Pure Harvest snagged the "Product of the Year Award 2023" for Sustainable Agriculture Products in the Gulf Region. Their product range was voted a hit by nearly 4,000 consumers across the region.

This award is more than just a badge of honor for Pure Harvest. It's a landmark moment for the industry's efforts to champion sustainable production and reduce import dependency in the Gulf. As Sky puts it, the award acknowledges the rising tide of consumer preferences for sustainable, fresh, and environmentally friendly products.

As Pure Harvest continues to pave the way for sustainable farming, the vision of a world where fresh, local produce is available year-round, even in the harshest climates, becomes more tangible. The revolution in sustainable farming isn't just on the horizon - it's already here, growing tomatoes in the desert. Here's to greening the future, one harvest at a time!



SPOTLIGHT | DELIVERY HERO



DELIVERY HERO SCOOPS UP HUNGERSTATION, CONTINUES GLOBAL FOOD DELIVERY DOMINATION



Hold onto your hats, foodies! The food delivery world just got a little bit smaller, or bigger – depending on how you look at it... but in the best way possible. Delivery Hero, the Berlin-based giant in the online food ordering and delivery space, has just gobbled up the remaining shares of HungerStation, Saudi Arabia's leading food delivery service.

If you've been keeping track, this is the 28th addition to Delivery Hero's rapidly expanding portfolio of acquisitions. Yep, you read that right, they've swallowed up 28 companies since their

humble beginnings back in 2011. Talk about an insatiable appetite!

In 2015, Delivery Hero expanded its influence into the Middle East with a US \$589 million purchase of Turkey's Yemeksepeti. This platform was processing over 3 million orders each month across over 35,000 member restaurants, and is now present in 70 cities across Turkey and Northern Cyprus, representing a major win for Delivery Hero's growth ambitions. Today, they process north of 500,000 orders per day.

2016 was also a pivotal year for Delivery Hero as it acquired Foodpanda, a major player in the Asian food delivery market. This acquisition was a game-changer as it expanded Delivery Hero's reach to 20 additional countries, many across Asia, Eastern Europe, and the MENA region.

Perhaps the most significant deal of all, though, was the 2020 acquisition of South Korean giant Woowa Brothers. This massive deal, worth around \$4 billion, represented a strategic move specifically into the booming Asian food delivery market. Woowa Brothers had

been handling over 100 million orders per month at the time of the acquisition, providing Delivery Hero with another even more extensive foothold in Asia.

Today, Delivery Hero operates in over 70 countries, and partners with more than half a million restaurants. And, as if food delivery wasn't enough, they've branched out into all forms of quick commerce, or Q-Commerce for short. Think small batch orders, to your door, in under an hour. They even reported a whopping 791 million orders in Q3 2021 – a 52% increase from the previous year.

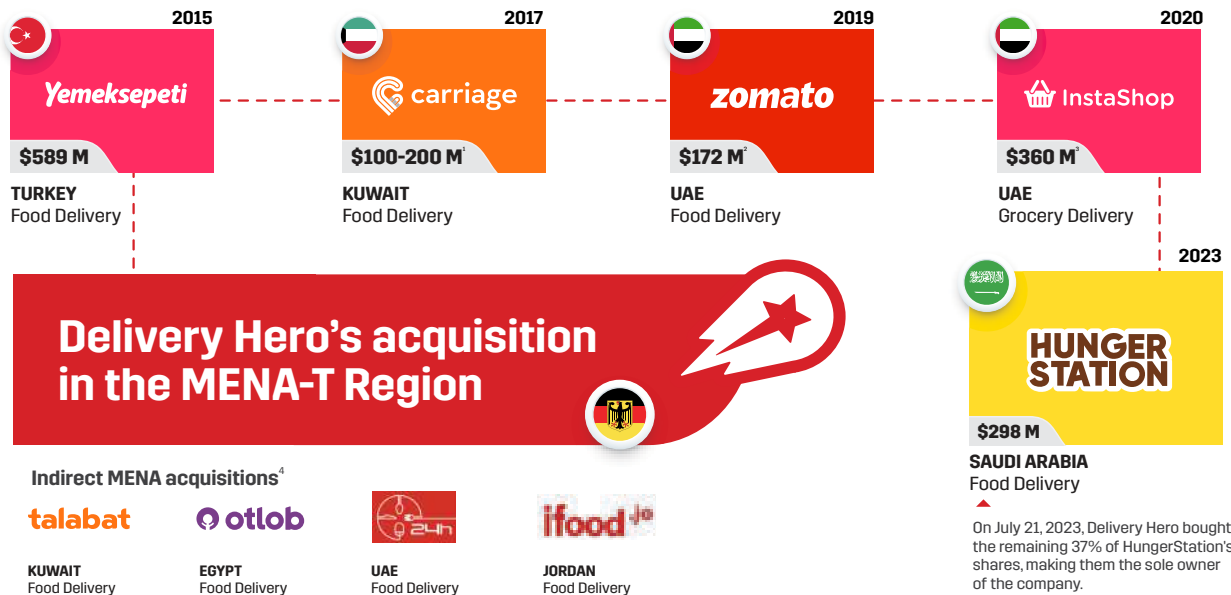
Delivery Hero's portfolio in the MENA region is extensive. Talabat, Carriage, Zomato, InstaShop, ifood and Otlab are just some of the players in its regional portfolio. Breaking News this past week was announcement of Delivery Hero's complete acquisition of Saudi Arabia's HungerStation for a whopping \$298 million.

Founded in 2012, HungerStation is a market leader for food delivery in Saudi Arabia and Bahrain. In 2022, HungerStation's revenue growth was a hearty 36%, raking

in \$672 million, and even turning a more than decent EBIT of \$55 million. Back in 2016, the majority of the company's shares were acquired by Foodpanda, so when Delivery Hero bought Foodpanda later that same year, it got a big piece of HungerStation, too. With their fresh \$297 million deal, Delivery Hero has polished off the rest, securing total ownership of the app.

Niklas Östberg, CEO and Co-Founder of Delivery Hero, had only positive things to say about this new chapter. "We believe in the Kingdom of Saudi Arabia's 2030 vision, ambition, and potential, and are committed to contributing to its ongoing success through HungerStation. I look forward to continuing to build great products and delivering an amazing experience for our Saudi customers."

With this latest acquisition, Delivery Hero can dig even deeper into its global ecosystem as it adds HungerStation to its vast network. Sharing experience, integrating tech, and, of course, delivering more meals to hungry customers around the world- we can't wait to see what tasty developments are on the menu for Delivery Hero next.



Carriage was acquired for \$100 million cash and another \$80-100 million was reportedly part of deal as earnouts
 Acquisition of Zomato's business in the United Arab Emirates only.
 \$90 million out of \$360 million is structured as earnouts linked with the performance of founders/team.
 Companies acquired as a result of acquisitions of Foodpanda (Rocket Internet's food delivery arm) and Yemeksepeti.

On July 21, 2023, Delivery Hero bought the remaining 37% of HungerStation's shares, making them the sole owner of the company.

Delivery Hero had indirectly acquired shares of the Saudi company earlier in 2016, when it acquired Foodpanda.

CONCLUSION

Food. It's an essential everyday requirement for us all. Our food security is also largely dependent on the planet we live on and our increasingly volatile environment, from climate change induced weather changes. The World Economic Forum's 2023 Global Risks Report identifies food supply crunch as one of the biggest risks to the world economy in the next two years. Bad weather conditions in countries like China and Pakistan have set the global rice market to log its largest shortfall in two decades in 2023. Food security is also affected by global supply chain crunches which came about from the pandemic and knock-on effects from the ongoing war in Ukraine.

And those are only the current realities based on current events. The reality is that 1 billion people go to sleep hungry every night, based on our food systems operating at their optimal levels. 30%

of all food we produce goes to waste, never nourishing a single person – either due to expiry and spoilage in the supply chain, health & safety requirements and a host of other issues. Here in the GCC, 11 million tonnes of food wastage is generated each year, according to the FAO. Now add to the equation an additional 2 billion more mouths to feed on the planet by 2050, and we've got a challenging conundrum the world must face together.

Many are hoping technology is the answer for some of these global challenges. Fortunately, there are many Foodtech startups that are attempting to address these issues head-on throughout the value chain already. Whether that's Agtech's aiming to increase food production utilizing a fraction of the inputs, or B2B SaaS players offering AI-integrated procurement marketplaces

that help move soon-to-expire goods to restaurants – there are intriguing solutions and offerings everywhere.

Some of the world's most well-funded foodtech startups are right here in the Middle East. Perhaps it's because food security is a major priority in this part of the world. The GCC markets import 85% of the food consumed from outside of their own borders. It's also likely because the GCC boasts a thriving and competitive F&B industry, with a high standard of living, which results in high consumer-spending known for their love of food-related experiences and penchant for convenience as part of everyday life. The GCC has some of the biggest spenders and loyal customers when it comes to food delivery and q-commerce, and that consumer-base is still growing.



Thankfully, across the Middle East, Lucidity Insights data analysis shows that foodtech funding has largely remained stable during this time, unlike the foodtech VC funding winter freeze being experienced across the rest of the world. Perhaps we owe thanks to players like Kitopi (UAE/Cloud Kitchens), Believer (Israel/AltProteins), Pure Harvest (UAE/Agtech), nana (KSA/qcommerce) and Foodics (KSA/B2B SaaS), which are not just the region's most funded foodtech startups, but some of the world's top emerging foodtech startups, based on the amount of funding raised. Food delivery, q-commerce, cloud kitchens and B2B Marketplaces are the driving sectors across the region, but more sophisticated biotech companies are also sprouting up in places like Israel, where the region's first Alt-Proteins startup, Believer, is growing meat in a lab.

There is also news of exciting new startups and foodtech partnerships being signed off in the region. Just one example is the Qatari government partnering with Eat Just to establish a US \$200 million cellular-cultured meat hub. Oman's sovereign wealth fund entering into a JV with mycelium solutions company MycoTechnology to produce high-quality mushroom-based protein from locally grown dates. Doha-based industrial biotech investor Gulf Biotech announced plans to build a 9,000 tonne capacity plant to convert methane into a valuable feed ingredient through continuous fermentation, in partnership with microbial fermentation company, Unibio. Crop One Holdings and Emirates Flight Catering announced the opening of a new vertical farming production facility in 2022, claiming it as the world's largest vertical farm. The United Arab Emirates has launched several

programs across the country, aimed at tripling its food production, including a major innovation district combining laboratories, research centers and prototype agricultural systems. Change Foods and Abu Dhabi Ports also announced plans to build a 1.2 million liter fermentation facility to produce animal-free cheese.

The point is, much is happening – everywhere, but certainly in this part of the world. Primarily because foodtech solves problems that hit close to home here, in the Middle East. But also because these are markets that have an insatiable appetite and love for food, and embrace technological advancement and innovations.

Entrepreneur

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