

# Announcing the First Closing of Ibtikar Fund

## Palestine's First Early-Stage Venture Capital Fund



By Ambar Amleh

Ibtikar Fund is pleased to announce the closing of our fund – a US\$ 10 million fund to support Palestinian tech start-ups at the earliest stages.

### Why we launched Ibtikar

Ibtikar Fund was developed in response to a real need witnessed by our founders after several years of working in various settings with Palestinian entrepreneurs. We realized two things: One, entrepreneurs with good ideas were struggling to find funding; and two, funders were struggling to find good companies in which to invest. After years of working with entrepreneurs, we realized that although there were good ideas emerging through various competitions, incubators, and accelerators, all founders were struggling to find funding to transform those ideas into businesses. Because they had very little to prove their business model, most entrepreneurs were unable to



access loans from banks: microfinance loans were too small for them, and angel investors (individual investors willing to invest small amounts of money plus their expertise to support start-ups) were virtually nonexistent. So start-ups would die before being able to build a product and make any sales. On the other hand, there were funds present in Palestine, yet funders were interested mainly in investing large amounts of

money (approximately US\$ 500,000 or more). At an early stage, founders are not able to take large investments as they would have to give up too much of their company's ownership. Ibtikar Fund addresses the problem by investing in companies at the seed and early-growth stage through smaller, incremental investments coupled with mentorship, thus filling the gap that so far had constituted a fatal



stumbling block for a good number of aspiring entrepreneurs. As Ibrahim Abu Kteish, former CEO of AidBits explains, “The lack of suitable finance mechanisms used to be a major challenge for most start-ups in their early stages. Ibtikar has filled this gap by funding and supporting potential start-ups in moving to the next phase, allowing them to turn an idea into a

viable business. In addition, Ibtikar gives the start-ups the required skills and technical and managerial knowledge to boost their development and their advancement into the market.”

### Our investors

With the help of our anchor investors, Hashim Shawa, chairman and CEO of the Bank of Palestine, and Zahi Khouri, chairman and CEO of the National Beverage Company, we have fundraised nearly US\$ 9 million. We are proud that 80 percent of that funding is from Palestinian investors, both within and outside Palestine. The majority of these investors are investing in Palestinian start-ups *for the first time*, and they are very excited to help our start-ups not only with their funding but also with their expertise and networks. We have built a group of limited partners that incorporates investors from Palestine, the Arab world, Europe, the United States, and Latin America. We have investors in various industries and with different sets of expertise that can help our companies grow. And we have several seasoned investors who are interested in taking our companies further by providing greater investment and support, for example, Ibrahim Barham, Fadi Ghandour, Seth Levine, and Brad Feld.

### Our investment strategy

Ibtikar looks for motivated and skilled Palestinian entrepreneurs, from both within and outside Palestine

(however, we do expect that the majority of the operations of the companies we support are located in Palestine). We look for ideas and start-ups that are scalable and that serve a MENA-region or global need.

Ibtikar Fund supports companies in two stages – seed and early-growth stage.

At the seed stage, Ibtikar invests in good ideas through seed investments in partnership with accelerators.<sup>i</sup> At this stage, we look for highly motivated, skilled teams of entrepreneurs that reflect a balance between managerial and technical skills and can develop regionally/globally oriented ideas into scalable businesses. During the acceleration period, entrepreneurs receive active support from Ibtikar’s management team and benefit as well from the services and assistance that are provided by the accelerator staff. At the end of the acceleration period, the teams that are able to prove their concept are considered for further funding from Ibtikar.

At the early-growth stage of investment, Ibtikar invests in companies with a proven concept that shows a sustainable competitive advantage. We evaluate companies based on their vision, their ability to succeed, the scalability of the business models, and their response to local market needs with high-growth opportunities either at the MENA-region level or globally. We invest in a diversified portfolio of companies in terms of stage, target markets, and technologies to mitigate risk and maximize profitability.

Ibtikar strongly believes in cooperation with other funders and support organizations and is therefore open to co-investment opportunities. In addition, while we seek equity investments in portfolio companies, we consider, where appropriate, convertible loans and other financial instruments in form of debt, equity, or hybrid securities in our investment activities.<sup>ii</sup>

### Not just money...

As Peter Abualzolof, CEO of Mashvisor, our first early-growth-stage investment recently said, “Ibtikar is an extension of our team. Not only have they funded our start-up, they work on providing us with services, connections, and much more based on our needs and requests.” We are not an investor that provides funds and sits back to wait for returns. Our management team, CEO Habib Hazzan, senior advisor Marcelo Diaz (a Palestinian based in Chile), and myself, meet at least an hour a week with each start-up – helping them work through challenges, providing advice, and opening doors for them.

### Our investments to date

Since we began working in March 2015, we have made nine total investments, are currently negotiating several others, and will continue our partnership with accelerators. Below are some of our investments.

### Acceleration level investment

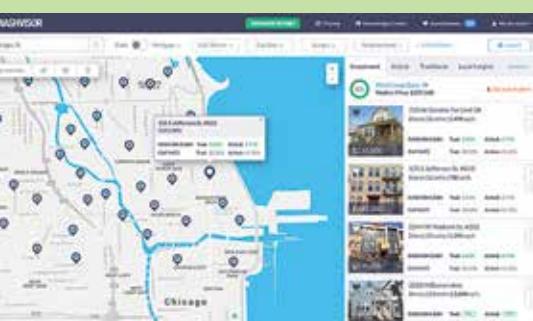
Wirez is a promotional marketplace where freelance journalists and filmmakers can share and sell their video work, and where interested media publishers and outlets can buy stories to fulfill their coverage needs. Minimum Viable Product (MVP, which is first launch of the product, testing, and ongoing refining) at [www.wirez.co](http://www.wirez.co).

ArabiAuto is an Arabic-language car portal, providing content, videos, and information for car owners and enthusiasts. MVP at [www.arabiauto.com](http://www.arabiauto.com).

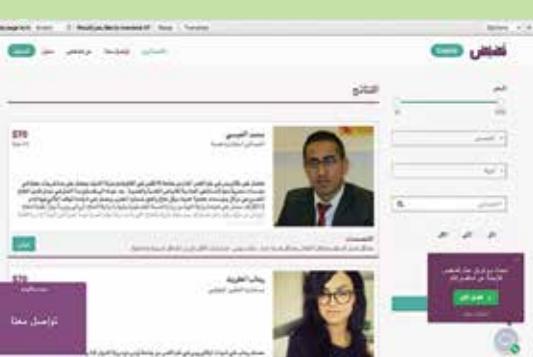
Tasameem is an online marketplace specialized in graphic design for individuals and small businesses, with a specific focus on the Arab market, where graphic designers can upload their designs, and customers can browse available designs, customize designs, and tender new designs. MVP at [www.tasameem.me](http://www.tasameem.me).



A screenshot of the ArabiAuto platform.



A screenshot of the Mashvisor platform.



A screenshot of the Fadfid platform.

*Worknizer* is a website that provides a space to organize files, notes, links, and to-do lists, all in one place and through one account, making them available anytime, anywhere. MVP at [www.worknizer.com](http://www.worknizer.com).



Peter Abualzolof, CEO of Mashvisor, an Ibtikar investment, pitches during the 2015 Celebration of Innovation event.



Mr. Farouk Shami announces his investment in Ibtikar Fund during the 2015 Celebration of Innovation event.



Mr. Hashim Shawa announces the launch of Ibtikar Fund during the 2015 Celebration of Innovation Event.

*MockApp* helps designers, UX/UI professionals, and developers manage their design process and client relationships. It enables people to create a working mockup of their mobile, Web, or other app and manage deadlines associated with such products. MockApp will ultimately integrate with task management systems such as Asana and communications tools such as Slack to promote collaboration among design teams and clients. MVP will soon be live at [www.mockapp.co](http://www.mockapp.co).

*5QHQB* is the 9GAG for the Arab world. The social Web and mobile app allows users to easily create and share jokes, comics, and other humor. It received more than 30,000 visitors in the first few weeks after its launch. MVP at [www.5qhqb.com](http://www.5qhqb.com).

### Early-growth-level investments

[www.mashvisor.com](http://www.mashvisor.com)

Mashvisor was established in 2014 with the aim of providing real estate investment data analysis to real estate investors. The mission of the company is to automate and analyze nationwide real estate data to empower investors to find traditional and Airbnb investment properties and optimize their rental performance. Mashvisor has built interactive property and neighborhood insights that include analysis of traditional and Airbnb pricing, occupancy rates, seasonality trends, revenue

potential, cost assumptions, cash flow calculation, and financial and purchase investment analysis to enable investors to overcome their limitations of making business intelligent investments. Our focus is on delivering informative real estate analytics so that investors can make informed decisions concerning their investments.

[www.fadfid.com](http://www.fadfid.com)

Fadfid is an online platform to facilitate the connection between therapy-seeking customers and licensed psychotherapists from around the Middle East. Fadfid currently targets the Middle East and offers customers consultation with therapists using their own time and space. Customers have an intuitive user interface, which makes it convenient to request a booking, and all times are maintained in a calendar, where customers can reschedule sessions. In addition, Fadfid sessions are currently conducted online using a browser, and offer a variety of options to make a payment. In the future, the plan is to add video and text sessions and expand the platform to mobile devices.

### Get involved

We believe in the strong potential of companies like the ones mentioned above and the many others to come. These entrepreneurs not only possess the skills to succeed but also are hungry for success. And they are not just doing it for the money; they truly want to have a *Palestinian* success. There are many ways to support these start-ups. If you have experience in building and managing companies (especially a Web-based business), or experience in marketing (especially through social and new media), please contact us at [info@ibtikarfund.com](mailto:info@ibtikarfund.com).

And, most importantly, these companies need to sell, so try out their products, like and share their pages, and make it a priority for your business to support and buy from start-ups.

We look forward to sharing our success with you soon.

*Ambar Amleh* is the chief operating officer for Ibtikar. Since 2012, Amleh has been directly involved in supporting Palestinian entrepreneurs. As the program manager for Palestine for a New Beginning (PNB), she organized the Celebration of Innovation as well as Global Entrepreneurship Week and negotiated a Strategic Alliance between PNB and Leaders Organization. Amleh has launched and managed donor-funded programs worth tens of thousands of dollars, including the Arab Women's Leadership Institute and the Queen Rania Award for Excellence in Education. Holding an international MBA from the Thunderbird School of Global Management and a marketing degree from Arizona State University, Amleh has experience in marketing and advertising, commercial banking, and legislative affairs.

<sup>i</sup> Note from the editor: The terminology used in this field is subject to fluctuation. Some authors differentiate between incubators and accelerators as supporting two successive stages with largely similar services. Here, the terms are understood as giving similar services in different spans of time, with incubators working more slowly than accelerators but arriving largely at the same result: a viable company. There is one major difference, however, as incubators typically provide mentorship but not funding.

<sup>ii</sup> Financial support comes in different forms. Very simply put: Grants are funds that do not need to be paid back, which may sound great but has its drawbacks for both a growing business and a start-up ecosystem. Loans are debts that must be paid back, equity denotes shares and stock in the budding business, and convertible loans are debt that may be turned into equity at some later stage. Hybrid solutions combine these options tailored to the start-up's best interest.