



صندوق حي دبي للمستقبل
DUBAI FUTURE DISTRICT FUND

Annual Report 2022

Investing in the Future:
A Year in Review



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"The future belongs to those who can imagine, design, and execute it. It is not something you await, but rather create."

His Highness Sheikh Mohammed bin Rashid Al Maktoum

Vice President and Prime Minister
of the UAE and Ruler of Dubai





From left to right: His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, His Highness Sheikh Mohammed bin Rashid Al Maktoum, His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum.



"We seek to develop a new model for the development of technology and futuristic sciences with a special focus on digital technologies and the metaverse as part of our broader strategy to promote digital growth and innovation."

His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum

Crown Prince of Dubai, Chairman of the Dubai Executive Council

Letter from the Chairman of the Oversight Committee





H.E. Omar bin Sultan Al Olama

Minister of State for Artificial Intelligence, Digital Economy, and Remote Work Applications
Chairman of the Oversight Committee

The United Arab Emirates (UAE) aspires to become a global hub for startups. Achieving this goal will enable high-growth, innovative startups to thrive in a supportive trading environment and innovation ecosystem that will nurture them in creating platforms on which they can achieve a global scale. As part of the new Digital Economy Strategy, we are committed to doubling the digital economy's contribution to the UAE's non-oil GDP from 11.7 percent to over 20 percent within the next 10 years.

We understand that obtaining the correct type of financing, at the right time, is critical for enabling innovators to develop their ideas, take these through commercialization and scale up their businesses. The UAE already boasts a robust startup ecosystem, having MENA's most mature venture capital market. At least \$1.2 billion was raised in 2022 to start and grow innovative startups, more than the amounts raised in Saudi Arabia and Egypt combined.

However, we recognize that startups in the UAE require additional support to access capital compared to their global counterparts, particularly at the early stages of their growth for larger deal sizes. Future technology startups tend to experience this funding gap even more acutely. A shortage of scale-up support can hold companies back and lead to some of the most innovative, high-potential firms to relocate to other markets to secure the growth capital they need.

We want to see these startups remain in the UAE, grow into market leaders, and attract global talent so that the economic benefits of their

innovation can be realized here. The UAE is the perfect place to dream big, and its future will continue to thrive by embracing the limitless potential of local and global talent.

The Dubai government is already addressing this funding gap in various ways. The Dubai Future District Fund (DFDF) is the most ambitious initiative so far to address this gap through a groundbreaking AED 1 billion anchor investment committed by Dubai International Financial Center (DIFC) and Dubai Future Foundation (DFF). Initiated by His Highness Sheikh Maktoum bin Mohammed Al Maktoum, the fund supports national efforts and strategies aimed at

- Enabling entrepreneurs to reach new horizons
- Realize Dubai's aspirations for the new economy
- Enhancing the emirate's status as a preferred destination for global talent that offers an integrated investment environment and exceptional facilities.

We are working collaboratively with the industry to

- Remove barriers to making private early-stage investments in the UAE
- Unlock institutional capital
- Drive long-term investment into innovative tech startups.

The DFDF is keen to provide the best ecosystem to create the newest generation of startups and global unicorns, reflecting the UAE leadership's visions and directives in driving robust economic growth and enhancing the country's global competitiveness.

It is my pleasure to present to you the inaugural report of the Dubai Future District Fund (DFDF). As we look back on 2022, allow me to revisit with you the DFDF's clear ambition. Established in late 2021 as a means for Dubai government and quasi-governmental entities to participate in the startup industry, the Fund has an ultimate goal to accelerate Dubai's digital transformation into a prominent global city of the future, while simultaneously improving the city's economic contribution to the UAE.

2022 has been a dynamic year for the Fund, and I am proud to say that we have made momentous strides in our mission. Throughout the year, more than 1,000 requests have been received from local, regional, and global startups and venture funds looking to expand their capital base. At the time of writing this letter, the Fund has made 16 investments since inception,

committing a capital of \$28 million.

Our bold vision for the future of Dubai, and the wider region, is built on promising ambitions that recognize innovative technologies. We know that expert advancement and implementation of this technology will play a key role in driving economic growth and furthering human progress. While Dubai is proud to have already established itself as a global leader in technology and innovation, our inspirational city wishes to build on its cutting-edge systems and world-class infrastructure – continuing to reinforce its position as a launchpad for startups and venture capital funds from around the world.

DFDF demonstrates how we are reimagining, inspiring and designing Dubai's future in collaboration with public and private sector partners. The

Fund is a key driver of the startup ecosystem as it enables local and global talent to embrace the Fourth Industrial Revolution's solutions. Acting as a catalyst, our aim is to empower entrepreneurs and fund managers to build a more sustainable future, based on innovation.

While the Middle East and North Africa region is undergoing a major shift in private company valuations and governance within startups and venture capital funds, DFDF is dedicated to propagating favorable governance throughout the ecosystem. This is not only critical for preventing negative outcomes and protecting our shareholders, but it will also lead to better investment outcomes and ultimately, higher returns.

We apply rigorous cautionary measures to ensure that startups and venture capital funds have

Letter from the Chairman of the Board

robust corporate governance structures in place, helping us mitigate risk and maximize the chances of success for our investments. Our aim will be to spearhead this in the ecosystem and set the right precedent for all to enjoy a healthy and prosperous innovation economy.

I wish to take this opportunity to express my gratitude to His Highness Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai, for his wise, visionary leadership and for directing the launch of this Fund. I would also like to express my sincere appreciation to His Highness Sheikh Hamdan bin Mohammed, Crown Prince of Dubai, for his foresight in overseeing the future of Dubai, and to His Highness Sheikh Maktoum bin Mohammed, Deputy Ruler of Dubai, for his

dynamic leadership of the Dubai International Financial Center that played an integral role towards our success.

We are honored to be a part of our leadership's vision for DFDF to diversify the UAE economy and we remain incredibly optimistic about the future.

Through the Fund, we have taken ambitious steps towards a prosperous, thriving future, and I believe these steps present significant opportunities for partnership with likeminded businesses and individuals within Dubai's public and private entities. This is a journey to be shared, with impacts to be amplified.

Thank you for your continued trust and support, and I look forward to sharing the progress of our Fund with you in the coming years.



H.E. Khalfan Belhouli
Chairman of the Board, Dubai Future District Fund





CEO's Message



Sharif El-Badawi
Chief Executive Officer
Dubai Future District Fund

Dear Shareholders,

Dubai Future District Fund was launched in late 2021 with an ambitious mission of making Dubai the regional startup and venture capital hub by anchoring leading regional and international venture capital funds to Dubai and backing promising innovators, talent and technologies in the region.

As the first early-stage evergreen fund in the region, DFDF is uniquely positioned to invest with a patient long-term vision to redefine the investment landscape. By acting as a startup and VC enabler, we intend to foster a scalable innovative ecosystem for them to operate in. Simultaneously, we aim to strengthen the MENA venture capital investment asset class, delivering attractive returns for our investors by being performance-driven and backing hyper-growth MENA entrepreneurship stories.

2022 Progress:

As we reflect on 2022, completing year one of operations is a momentous occasion for the fund. Anchored with an initial committed capital base of AED1 Bn, we are pleased with the rate of deployment and interest from the community. In the past year, we evaluated over 1000 transactions and acquired investment positions in 13 companies via direct investments in startups and LP positions in funds.

What makes this milestone significant in our journey, is the turbulent market we had to navigate along the way. The year of 2022 started as a venture hype period where valuations were based on sentiments and future outlook, rather than fundamentals and good governance. In addition, the public market down-cycle reduced the overall tech market sentiment, reducing the total capital available for startups and funds alike. Our approach to investing has always been predicated on fundamentals, good governance and sustainability. An additional benefit of investing in early-stage venture deals lies in our expected hold period for pre-seed/ seed deals of 6-7 years, allowing our portfolio to ride the downcycle in their path to achieving their long term growth targets.

We invested in 9 startups in 2022, enabling \$50m in total funding and addressing a roughly \$500Bn total market opportunity. The majority of this portfolio is in its initial stages of making a significant impact on their sizable addressable markets and, considering the key trends driving the company's portfolio, we anticipate these companies to scale up considerably with time. In the short term, we think that DFDF's portfolio is well placed to weather any macro-economic challenges that may lie ahead with our portfolio companies remaining well capitalized.

As a fund, we believe our investment philosophy

and performance are strengthened by diversity of perspectives, and this is reflected in the composition of DFDF's 13-member team, including 5 women and 10 nationalities. We are also proud of the fact that our portfolio of startups and VC funds are led by 3 female and 2 Emirati founders.

Commitment to the Dubai Venture Ecosystem:

- We laid the groundwork for DFDF's Venture Fellows program, the first VC-focused program of its kind in the UAE that aims to empower future Emirati tech and venture capital leaders with a focused curriculum designed to equip them with the tools and resources needed to build and nurture their own ventures. The inaugural cohort of the program included six Emirati men and six Emirati women, and commenced on 1 February 2023.
- Our investments and initiatives have laid a strong foundation for DFDF to be an active contributor to Dubai's growth story as a catalyst for technological transformation.
- We launched our new digital platform to support tech talent and startup value creation through a talent portal, partnership hub and preferred rates on products and services used most widely in the startup community.

Acknowledgements:

I wish to express my sincere gratitude to the leadership of Dubai and H.E. Minister Omar bin Sultan Al Olama, Chairman of the Oversight Committee, His Excellency, Essa Kazim, Governor of DIFC, H.E. Khalfan Belhouli, Chairman of our Board of Directors, and Mr. Arif Amiri, Chairman of our Investment Committee, along with the Board of Directors, and Investment Committee members for their leadership and support in delivering a great first year in 2022.

About Dubai Future District Fund

The Dubai Future District Fund was established with a clear mandate and investment thesis, developed in collaboration with our anchor investors and a higher board comprising H.E. Minister Omar bin Sultan Al Olama, His Excellency, Essa Kazim, Governor of DIFC, H.E. Khalfan Belhoul, and Mr. Arif Amiri.

The focus for our first phase of growth is to identify and invest in innovative technologies and businesses that will shape the future of Dubai. As we enter our second phase and broaden our network of investors to include more entities from Dubai, our allocation and investment strategy will be enhanced to better serve the needs of the evolving market.

Our aim remains to catalyze progress and promote innovative growth in Dubai and beyond, and we are thrilled to continue pursuing this mission.



Our Mandate

The fund aims to support the early-stage venture ecosystem in Dubai through a comprehensive and balanced investment strategy.

This is executed through three key pillars that govern the investment mandate and strategy across Fund of Funds and Direct Investments:

Anchor

Stage:

Indirect investments across all stages

Our Anchor strategy supports the wider venture capital ecosystem by investing in venture capital funds operating and investing in the region. While the majority of local and regional funds are predominantly sector-agnostic and cover investments across Seed to Series A stages, we look towards international funds to add vertically specialized capital, bringing more plurality to the region and optionality for founders. In particular, international funds will be expected to by having expertise in deeper technologies within our Future of Finance and Future Economies pillars.

Build

Stage:

Pre-Seed to Seed

Follow on:

Seed to Series A

The Build strategy is essential to support the venture ecosystem in Dubai at the grassroots level. The focus is on pre-Seed and Seed stage investments that are sourced from entities or programs run through the funds affiliates such as Dubai Fintech Hive, Dubai Future Accelerators, other Dubai accelerators such as in5, MBIRF, and companies operating out of the Dubai Future District.

Geography focus: 100% Dubai

Catalyze

Stage:

Series A to Series B

Follow on:

Series B to Series C

The Catalyze strategy focuses on direct investments in the Series A and B stages. We expect about half of the investments to be sourced as co-investments through the fund's indirect portfolio companies (companies invested in by our Fund of Funds portfolio), while the other half will be directly sourced through outbound efforts to fill funding gaps in the ecosystem.

Geography Focus: 75% Dubai, 25% regional (startups expected to have a presence in Dubai)



Our Thesis

Our investment thesis is predicated on building a pre-eminent venture platform for startups and VC funds tackling the Future of Finance and Future Economies with local commitment and global ambitions to shape the next chapter of Dubai and the region.

Our ultimate aim is to enhance value-add to the Dubai technology ecosystem and generate meaningful returns to our shareholders allowing them to reinvest in the economic growth of the UAE.



Future of Finance

Digital Banking

Financial services for individuals and companies will be much more personalized. Communication across many channels, enabling banking activities outside of traditional banking apps will become extremely important. Consumers will expect solutions that are congruent with their daily lifestyles. BaaS will make digital infrastructure accessible to a wide variety of companies which will drive embedded finance.

RegTech

RegTech solutions that integrate with IoT devices can help automate compliance monitoring and reporting and provide real-time feedback. Identity management will become more digital as biometrics data grows in availability. Utilities that support financial institutions with immediate KYC and AML data will become a norm. NLP will identify risks from speech and text recognition. ESG regulations are likely to become more popular.

Blockchain

Distributed ledger technology will enhance real-time communication among financial institutions. Digital currencies will enable faster, more secure and cost-effective cross-border transactions, and can be used for a variety of financial applications, including payments, remittances, and peer-to-peer transfers. Asset tokenization will bring real-world assets on to the blockchain for immediate trading and transfer.

Real Estate Tech

Large sets of data will enable buyers and sellers to make more informed financial decisions. Digital mortgage platforms will offer end-to-end solutions that allow borrowers to complete the mortgage process entirely online, from pre-approval to closing. Automated underwriting systems can also reduce the risk of human error and increase efficiency.

Trading & Capital Markets

Cloud computing can help to reduce the cost of data storage and processing and can provide greater scalability and flexibility for capital markets firms. Electronic trading platforms will increase liquidity and reduce costs. Digital securities will be issued and traded using blockchain technology. AI will augment risk management practices and drive greater accuracy.

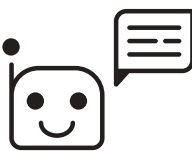
Wealth Tech

Asset management is increasingly becoming more personalized. It's no longer enough to sell funds or allocate capital to a basket of investments. The money managers of the future will be augmented by AI and will utilize large data sets to make sense of markets in an attempt to outperform major indices. The general public will also gain access to investments typically reserved for the wealthy. Asset classes like real estate, private equity, and hedge funds will be democratized and provide wealth building opportunities for the masses.

InsurTech

Processes, distribution, and risk management practices will look different in the future within the insurance industry. Automation and AI will streamline processes and reduce costs. With the increasing amount of data available, Insurtech companies will be able to offer personalized insurance products and services that are tailored to each individual's needs and risks. IoT technology will provide insurers with valuable data on customers' behavior and risks.

Future of Finance in Numbers

People Estimated to Be Using Digital Banking Services in 2024	Global Adoption Rate of Fintech	of Fintech Users Use Payment Apps	Transaction Value of the Global Digital Payments Market by 2026
3.6 Billion	64%	70%	\$11.3 Trillion
			
Value of Global Real Estate Asset Class	Global Spend on Regtech by 2026	Global Robo- Advisor Users by 2027	IoT Devices Will Inform Insurance Companies in 2025
\$217 Trillion	\$204 Billion	234 Million	1.0 Trillion
			

Source: Bankrate, Bankless Times, Brimco, Adfenix, Juniper Research, Statista, McKinsey & Co.

Future Economies

Future of Work

Work will be defined by technological innovations that revolve around talented individuals, within and outside the office. Jobs will involve more strategic work, focused on scaling the enterprise and less on repetitive tasks. Technology will enable creativity, communication, and efficiency.

Future of Food

The essential nature of food will drive a global shift towards sustainability and generational preferences. Software and hardware will enable predictive analytics, supply chain management, and novel production methods. Scientific advances will focus on the nutritional needs of the individual relative to their genetic makeup and environment.

Future of Health

Healthcare will be significantly geared towards preemptive solutions for humans and animals. Technology combined with vast amounts of data will give rise to precision medicine and predictive analytics. AI and robotics will elevate medical professionals in order to increase quality and accuracy of care.

Future of Education

Novel education technologies will enable individuals to approach learning through multiple methods and senses. The democratization of knowledge will facilitate learning at scale. AR/VR/XR technologies will create immersive learning experiences and open up new possibilities for distance learning.

Future of Security

As the reliance on digital technology expands to multiple aspects of human life, cybersecurity risks become a challenge for individuals, enterprises, and governments. Vehicles, robots, machinery, buildings, and infrastructure will all be online, with the ability to collect vast amounts of data. Novel tools and platforms will address these challenges in an invisible world.

Future of Logistics

Production and distribution on a localized level will lead to mass consumer personalization, driving new consumption trends. Transportation of people and goods will be automated on a micro and macro scale, leading to increased accuracy and minimized delays. Sustainability will play a key role in this space as governments and corporations race to reduce their environmental footprint and develop fair trade practices.

Future of Entertainment

Immersive experiences utilizing AR or VR will bring stories to audiences in new ways. Graphics engines will become increasingly important as the metaverse takes shape, blending physical and virtual worlds. Wearable technology will enable users to experience the virtual. Robotic journalism will provide readers with real-time and concise content.

Future Economies in Numbers

Cumulative Global GDP Growth Between 2016 and 2050 130% Billion 	World Population in the Year 2050 9.8 Billion 	Current Number of People With Internet Access Globally 5.2 Billion 	Quintillion Bytes of Data Generated per Day >2.5 Quintillion 
Number of IoT Connected Devices Worldwide by 2025 75 Billion 	Portion of the World Covered by 5G by 2025 33.3% 5G 	Global Cost of Cybercrime per Year \$8.4 Trillion 	Value of the Metaverse by 2030 \$5.0 Trillion 

Source: PWC, United Nations, Statista, GSMA, McKinsey & Co

Our Vision & Mission

The Fund's mission is to boost startup and venture capital investment in Dubai and the region to develop long-term capital growth, diversified GDP growth and job creation for the next generation of industries and technologies.

The aim of the fund goes beyond typical venture capital fund objectives as it seeks to deliver a holistic impact to the economy of Dubai and subsequently the UAE."



Investor Returns & Sustainability

Deliver investment returns of 3-5x in 10-15 years enabling the sustainable growth of the fund and positive economic impact of Dubai and the region.

Job Creation

Support high-impact, regional startups that create jobs and demand for specialized talent thus boosting the knowledge economy and increasing pool of expertise.

GDP Contribution

Support innovative companies and technology to unlock high productivity sectors and diversify the economy with a goal to transform Dubai into a future economy.

Sector Development

Develop the local venture capital ecosystem by increasing know-how and bringing in best practices for governance. Contribute through thought leadership and sector knowledge especially across the key verticals of Future of Finance and Future Economies.

Growth of Dubai and the UAE

Become instrumental in the growth story of Dubai and the UAE by supporting investments that directly impact the growth trajectory of the country. Bridge the gap between public and private sector in the country to boost the startup ecosystem.



Investment Highlights

Anchor Fund Size	AED 1 Bn
Target Fund Size:	\$1Bn
Total Investments Committed to Date:	\$28m
Total Enabled Fund Liquidity to Date:	\$500m
No. of Investments in Portfolio:	16
Expected Equity Value of Portfolio Co. by 2025:	\$1.7Bn
No. of Founders Supported:	184

Team Diversity:

Women Representation	Team Members	No. of Nationalities
38%	13	10



Schedule of Investments

Direct Investments

Company Name	HQ	Sector/ Vertical	Investment Date	Stage of Initial Investment
 FinFlx	UAE	HR Tech	16-Mar-22	Pre-Seed
	UAE	WealthTech	15-Apr-22	Pre-Seed
	UAE	FinTech	08-Jun-22	Pre-Seed
	UAE	Media & Entertainment, AR/VR	06-Jul-22	Series B
	UAE	FinTech	06-Jul-22	Pre-Series B
	UAE	Data	29-Sep-22	Pre-Seed
	UAE	HealthTech	19-Oct-22	Series A
	UAE	PropTech	25-Oct-22	Seed
	UAE	HealthTech, InsurTech	27-Dec-22	Pre-Seed
 DAXWAND*	UAE	Artificial Intelligence	10-Mar-23	Pre-Series A

*completed in Q1-2023

Fund Investments

	Fund Name	GP Name	Fund Size	Vintage	Sector Focus	Stage Focus	Geography Focus
	COTU Champions Fund I	COTU Ventures	\$50M	2021	FinTech, EdTech, Software, AgriTech, Platform	Pre-Seed, Seed	MENAPT
	Bedaya Fund II	Shorooq Partners	\$150M	2022	FinTech, Platform, Software, Blockchain	Pre-Seed to Series A	MENAP
	Outliers Ventures Fund I	Outliers VC	\$35m	2020	FinTech, Retail, Cybersecurity	Pre-Seed, Seed	MENA, US Africa
	Byld Ventures Fund I	Byld Ventures	\$10M	2022	FinTech	Pre-Seed	Africa
	MEVF IV	Middle East Venture Partners	\$150m	2023	AI enabled business models, FinTech, HealthTech, SaaS, Logistics, Web 3	Series A, Series B	MENA
	Nuwa Venture Fund I	Nuwa Capital	\$100m	2021	FinTech, HealthTech, EdTech, E-commerce, FoodTech, SaaS	Seed, Series A	MENA/GCC, Turkey

*completed in Q1-2023

Portfolio Overview





Direct Investments





FinFlx

All-in-one gratuity management and workplace savings scheme for SMEs in the MENA region.

Founded: 2022
Stage*: Pre-Seed

Vertical: HR Tech
Thesis Fit: Future of Finance

HQ: 
Website: <https://finflx.com/>



Amr Yousef
Chief Executive Officer
Co-Founder



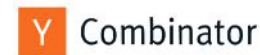
Ahmed Shokr
Head of Product

Notable Investors:

- YC
- 500
- FOX Ventures



500



Impact on Dubai/UAE:

- Democratizes access to pension schemes with a \$100 billion gratuity market in UAE
- Improves employee welfare and increases Dubai's attractiveness to hire global talent

Investment Rationale:

- The UAE is ripe for innovation in the space with limited offerings for managed pension schemes
- The team has developed an intuitive in-house developed UX interface for the target market with strong back-end infrastructure
- Private sector employees lack or are unaware of "accessible" and "risk understandable" options for pension savings
- The company has access to a portfolio of global ETFs and fixed deposit schemes to ensure low risk exposure.

*at the time of investment



Zest Equity

End-to-end equity management solutions platform enabling secondary liquidity for shares and ESOPs.

Founded: 2021
Stage*: Pre-Seed

Vertical: WealthTech
Thesis Fit: Future of Finance

HQ: 
Website: <https://zestequity.com/>



Rawan Baddour
Co Founder



Zuhair Shamma
Co Founder

Notable Investors:

- Nuwa Capital
- 500



Impact on Dubai/UAE:

- Delivers an essential tool for the MENA venture ecosystem to democratize access to startups and create liquidity in private markets
- Empowers founders to streamline fundraising from angels and simplifies their Cap Tables

Investment Rationale:

- Zest offers an exposure to the first of a kind solution built for MENA. The solution will continue to see increased demand as the local venture ecosystem grows
- Strong product market fit and predictable demand with use cases for all direct and indirect portfolio companies
- Allows founders to de-risk executive and management team members by providing them with ESOP liquidity opportunities ahead of an exit, which is a key enabling element in long term ecosystem sustainability and longevity

*at the time of investment



Zywa

First NeoBank in the region tailored for Gen Z users. The social banking app and prepaid cards allow Gen Z users to receive money, manage it and make payments conveniently in line with parents.

Founded: 2020
Stage*: Pre-Seed

Vertical: FinTech
Thesis Fit: Future of Finance

HQ: 
Website: <https://www.zywa.co/>



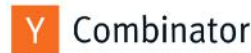
Nuha Hashem
Chief Technical Officer
Co-Founder



Alok Kumar
Chief Executive Officer
Co-Founder

Notable Investors:

- YC
- Goodwater
- Rebel Fund



Impact on Dubai/UAE:

- Encourages financial literacy and money management in young users in UAE who will eventually go to be high spending category within the economy
- Positions Dubai as a supporter of new-age and innovative FinTech companies in the region

Investment Rationale:

- The team delivered on a highly innovate GTM strategy with gamified financial literacy content even before launch by tapping schools in the UAE
- Zywa will be well placed to capture the monetization potential as teens become adults and demand more financial products

*at the time of investment



Vuz (previously 360VUZ)

Social app that allows users to stream and experience immersive content and metaverse digital experiences. The platform offers more than 20,000 hours of content covering entertainment, creators, sports and XR, VR and AR experiences.

Founded: 2015
Stage*: Series B

Vertical: Media & Entertainment, AR/VR
Thesis Fit: Future Economies

HQ: 
Website: <https://vuz.com/>



Khaled Zaatarah
Chief Executive Officer
Founder

Notable Investors:

- e& Capital
- Caruso Ventures
- Vision Ventures
- 500 Global
- PalmDrive Capital



Impact on Dubai/UAE:

- Establishes Dubai at the center of new-age entertainment capturing and promoting events globally
- Enables content creators across UAE to leverage their cutting-edge virtual reality technology to generate income and get a wider reach

Investment Rationale:

- VUZ's cutting edge technology is supported by a subscription model that promotes recurring revenues and reduced dependency on advertisement led sales
- Strong industry tailwinds with leading firms like Meta and Google investing in the virtual reality space

*at the time of investment



NymCard

Cloud-based modern payment issuing and processing platform allowing FinTech companies, large enterprises, and banks with legacy platforms in MENA to issue virtual or physical payment cards.

Founded: 2018

Stage*: Pre-Series B

Vertical: FinTech

Thesis Fit: Future of Finance

HQ: 

Website: <https://nymcard.com/>



Omar Onsi

Chief Executive Officer
Founder

Notable Investors:

- Shorooq Partners
- VentureSouq
- ADQ
- Oman Technology Fund



Impact on Dubai/UAE:

- Facilitates digital payments and embedded financial products for consumers in across UAE
- Delivers a complex made-in UAE tech stack for the region that will drive financial inclusion

Investment Rationale:

- COVID-19 has accelerated the digital transformation within the payments ecosystem towards an increasingly cashless economy. As a result, multiple consumer-facing enterprises are looking to extend card (physical and virtual) payment solutions to consumers
- There are several emerging FinTech categories in UAE such as youth banking, corporate expense management, travel, employee payrolls, etc which have card issuance at the heart of the business model
- NymCard simplifies the card issuance process in the region which has historically remained a complex multi-layer process for all players in the ecosystem

*at the time of investment



Lune Technologies

Software to enrich, categorize, and cleanse financial data into user-friendly insights targeting banks and FinTech companies in the MENA region.

Founded: 2020
Stage*: Pre Seed

Vertical: Data
Thesis Fit: Future of Finance

HQ: 
Website: <https://www.lunedata.io/>



Alexandre Soued
Co-Founder



Helal Lootah
Co-Founder

Notable Investors:

- Flat6Labs
- Chalhoub Group



FLAT6LABS

Impact on Dubai/UAE:

- Supports and aligns with the goals of UAE regulators to digitize banking and payment services
- Grants consumers more control over their data through visibility on their spending habits by simplified categorization of transactions
- Provides analytics within the reach of financial firms to make more compelling products and services for consumers

Investment Rationale:

- Lune delivered encouraging results and tractions with major banks and retailers in UAE within a short period from launch
- The growth in FinTech companies and online banking solutions is driving the need for a more accurate representation of purchases and transactions to build layers of financial analytics over them

*at the time of investment



Valeo

Personalized health and wellness platform offering users access and insight into their wellness data. Consumers can purchase packages through the app, combining 'at-home' wellness tests and personalized advice from certified coaches.

Founded: 2022
Stage*: Series A

Vertical: HealthTech
Thesis Fit: Future Economies

HQ: 
Website: <https://feelvaleo.com/>



Sundeep Sahni
Chief Executive Officer
Co Founder



Nadine Karadag
Chief Operating Officer, Chief Financial Officer
Co Founder

Notable Investors:

- Nuwa Capital
- Global Ventures
- Global Founders Capital



global.ventures

GFC

Impact on Dubai/UAE:

- Provides a one stop solution for UAE's population to manage and prevent rising health issues and promote a healthier living

Investment Rationale:

- Valeo has a world class team with the CEO having previously been part of the founding team of three unicorns
- First platform in the region that tailors medical health products and supplements to their consumers
- Preventative healthcare is a rapidly growing vertical within the broader HealthTech vertical both locally and internationally

*at the time of investment

Holo

Holo

Online platform digitizing the traditional mortgage and subsequently home-buying process in UAE.

Founded: 2020
Stage*: Seed

Vertical: PropTech
Thesis Fit: Future Economies

HQ: 
Website: <https://www.useholo.com/>



Michael Hunter
Chief Executive Officer
Co Founder



Arran Summerhill
Chief Operating Officer
Co Founder

Notable Investors:

- Wamda
- Oryx Fund



Impact on Dubai/UAE:

- Promotes home ownership across in UAE which has long term benefits to the economy
- Changes the current trend of all-cash home purchases to leveraged home purchases, adding to the discretionary spending power of individuals in UAE
- Drives digitization in two key verticals of Dubai - banks and real estate

Investment Rationale:

- The UAE mortgage market is significant in size, while the brokers are highly fragmented and traditional, making it ripe for disruption
- Holo comes with a strong founding team with 25+ years' experience in the mortgage space and proven capability to deliver on partnerships at the early stage
- High barriers to entry with multiple professional licenses required to operate as a qualified Mortgage Consultancy in the UAE

*at the time of investment



Wellx

Lifestyle-based corporate wellness and rewards platform with an insurance solution that incentivizes users to take better care of their health and wellbeing

Founded: 2021

Stage*: Pre-Seed

Vertical: HealthTech, InsurTech

Thesis Fit: Future of Finance

HQ: 

Website: <https://www.wellxai.com/>



Vaibhav Kashyap
Co Founder



Javed Akberali
Co Founder

Notable Investors:

- 500 Global

500

Impact on Dubai/UAE:

- Enables insurance sector to innovate and reward healthy users with a lower premium charge, thus improving insurance coverage and effectiveness
- Grows the corporate wellness market in UAE and improves talent retention

Investment Rationale:

- A product with multi-channel distribution backed excellent user experience that can help gamify health insurance and help people stay healthy
- First mover in the MENA for usage-based pricing of premiums through rewards; the model has previously worked for motor insurance across different geographies and was ripe to launch in UAE for the health segment with increased penetration of connected health devices

*at the time of investment



DXwand

Conversational AI platform for the Arabic language that enables businesses and governments to automate conversations as well as provides analytics to improve processes and customer service. The platform's current functionality is an AI-powered customer service chatbot, available on Facebook Messenger, WhatsApp, SMS, or on a website.

Founded: 2018
Stage*: Pre-Series A

Vertical: Artificial Intelligence
Thesis Fit: Future Economies

HQ: 
Website: <https://dxwand.com/>



Ahmed Mahmoud
Chief Executive Officer
Co Founder



Mahmoud Gomaa
Chief Green Officer
Co Founder

Notable Investors:

- Plus VC
- SOSV
- Huashan Capital



Impact on Dubai/UAE:

- Enables significant automation, cost reduction and efficiencies in servicing customers across key industries such as healthcare, financial services, telecom and retail
- Positions Dubai as a leading hub of conversational and generative AI in Arabic language which will be a significant aspect of daily-life in the next decade

Investment Rationale:

- Untapped market demand held by lack of an enterprise-grade solution for the Arabic language
- First mover advantage (Arabic conversational bot) with clear tech advantages and capabilities to move from conversational to generative AI
- Proven market fit with marquee clients across private and public sectors

*at the time of investment

Fund Investments





COTU Champions Fund I

GP: COTU Ventures

Fund Size: \$50m

Vintage: 2021

Sector Focus: FinTech, EdTech,
Software, AgriTech

Stage Focus: Pre-Seed and Seed

Geography Focus: MENAPT

Portfolio Includes: Huspy, Cassbana, MoneyHash, Kingpin,
Supy, Englease.com, Zenda, Adalfi, Aydi, LiveBazaar, Sirdab,
Mazadat, Qureos, Nomo, and Stitch



Amir Farha
Founding Partner

"We're excited to partner with DFDF as they look to elevate the regional ecosystem for fund investing and more. The team comes from the industry and has a deep understanding of the needs of emerging VC funds managers like ourselves. Their attitude, empathy, responsiveness and supportive nature sets a benchmark for many other Limited Partners to follow. We are grateful to have them alongside us in our journey and look forward to building the MENA ecosystem together."

Amir Farha
Founding Partner



Bedaya Fund II

GP: Shorooq Partners

Fund Size: \$150m

Vintage: 2022

Sector Focus: Fintech, Platform, Software, Blockchain

Stage Focus: Pre-Seed to Series A

Geography Focus: MENAP with focus on UAE, KSA, Egypt and Pakistan

Portfolio Includes: The Food Lab, Colabs, Proteinea, Amwal, Pemo, ZenLedger, OneLoad, Khazenly, DealCart, Agroshift, Tamara, Levers, and Santecture



Shane Shin
Founding Partner



Mahmoud Adi
Founding Partner

"DFDF's focus on supporting the region's development into a destination for global technology startups and boosting UAE's position as a hub for talent could not be more aligned with our vision as UAE-based investors. We are proud of our strategic partnership with DFDF, one of the most sophisticated investors regionally, to achieve our common mission of backing the brightest founders and invest in leading startups."

Mahmoud Adi & Shane Shin
Founding Partners



Outliers Ventures Fund I

GP: Outliers VC

Fund Size: \$35m

Vintage: 2020

Sector Focus: Future of Finance,
Future of Retail and B2B Cybersecurity

Stage Focus: Pre-Seed and Seed

Geography Focus: MENA, US

Portfolio Includes: Lean, Noon Academy, Breadfast, Tabby,
Kingpin, Homzmart, Penny, Soum, Amwal, Flapkap, Kenzz,
Stealth FinTech



Mohammed Almeshekah
Founder Partner



Sara Alsaleh
Partner



Byld Ventures Fund I

GP: Byld Ventures

Fund Size: \$10m

Vintage: 2021

Sector Focus: FinTech

Stage Focus: Pre-Seed

Geography Focus: Africa

Portfolio Includes: Ceviant, Apata, Thepeer, Anchor, Waza Technologies Inc. and Bani Inc.



Youcef Oudjidane
Managing Partner

“United by our mission to support innovative early-stage FinTech startups in the Middle East and Africa, Byld ventures is proud to be joining hands with DFDF in the quest for finding and backing the region’s most relentless founders who are changing the Future of Finance.”

Youcef Oudjidane
Managing Partner



MEVF IV

GP: Middle East Venture Partners

Fund Size: \$150m

Vintage: 2023

Sector Focus: AI enabled business models, Fintech, HealthTech, SaaS, Logistics, Web 3

Stage Focus: Series A and Series B

Geography Focus: MENA

Portfolio Includes: Stake, Nifty Craft, Designhubz, Keyper



Rabih Khoury
Partner and Chief Exit Officer



Walid Hanna
Chairman and Co-CEO



Walid Mansour
Co-CEO

"DFDF's focus on supporting the growth of tech startups in Dubai aligns well with MEVP's investment strategy and expertise. A collaboration between MEVP and DFDF could drive the development of the Dubai's startup ecosystem and foster innovation across the MENA region and beyond."

Walid Hanna & Walid Mansour
Chairman and Co-CEO, Co-CEO



Nuwa Venture Fund I, L.P.

GP: Nuwa Venture I GP Limited

Fund Size: \$100m

Vintage: 2021

Sector Focus: FinTech, HealthTech, EdTech, E-commerce, FoodTech, and SaaS

Stage Focus: Seed to Series A

Geography Focus: MENA/GCC, Turkey

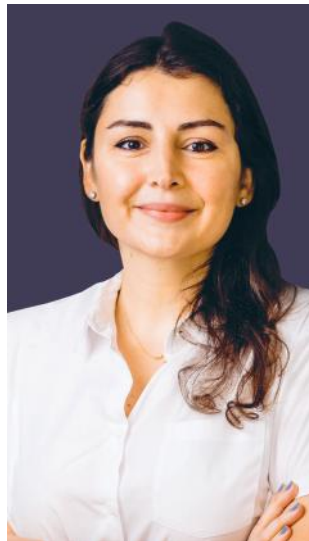
Portfolio Includes: Eyewa, Homzmart, Erad, Baraka, Calo, and Sylndr



Khaled Talhouni
Managing Partner



Sarah Abu Rishah
Partner



Stephanie Nour Prince
Partner



Nitin Reen
Partner

"The Dubai Future District Fund represents a significant milestone in the growth of the regional technology ecosystem. The DFDF team has rapidly become a partner of choice for founders and emerging VC funds, cementing the UAE's position as a global hub for tech companies and entrepreneurship. We believe the MENA/GCC region is at an inflection point: its strategic location, diverse talent pool, and supportive government policies have created a distinct environment for tech innovation and growth. This represents a unique opportunity for all stakeholders to double-down on their commitment to supporting founders who are creating economic value in our markets, and we are proud to count the DFDF team among our Partners on this journey."

Khaled Talhouni
Managing Partner

2022 Initiatives

To grow the local ecosystem, DFDF has launched several programs and initiatives aimed at supporting startup growth and strengthening venture knowledge:



DFDF Venture Fellows Program

The Dubai Future Venture Fellows program empowers Emiratis with the knowledge and skills to invest in technology startups, build innovation ecosystems, and manage and operate venture capital funds in the UAE and globally.

The program, consisting of tailored modules spread out over 12 months with virtual and in-person touchpoints, is led by experienced venture capital practitioners committed to empowering the next generation of Emirati investors and entrepreneurs.

Mission:

- Strengthen the venture capital ecosystem in UAE across the public and private sectors.
- Support the national mandate of Emiratization within the venture capital community, provide mentorship for emerging candidates and increase the talent pipeline of skilled Emiratis across VC firms and their portfolio companies.
- Empower Emiratis and UAE family offices with the knowledge and skills to manage and operate angel groups and venture capital funds.

Number of Applications Received: >200 applications

Acceptance Rate: 6%

No. of Fellows selected for First Cohort: 12



The DFDF Perks Hub and Job Portal

Most entrepreneurs and startup founders wrestle with stretching limited resources and making tough decisions about where to focus efforts on a tight budget. The DFDF Perks Hub was created to help alleviate some of that worry. The platform provides the DFDF portfolio startups with the resources to build their products and accelerate their businesses.

VC and Dubai Startup Ecosystem Building

DFDF is actively working towards establishing itself as a thought leader in the local and regional venture capital ecosystem. The fund has undertaken several initiatives towards this goal, such as publishing regular thought

leadership pieces on various topics related to the industry.

Throughout the year, DFDF published blog posts covering topics such as 'The Importance of VC Valuation Policies' and 'Negotiations of Limited Partnership Agreements' to educate founders and Additionally, the team has been actively participating in various events within the venture capital ecosystem. Over the past year, the DFDF team has attended a total of 56 events and participated in various panels, keynotes and round table discussion. By engaging in such activities, the fund is positioning itself as an influential player in the venture capital landscape and contributing to the development of the industry.

Sample Events Attended:



Governance

As a venture capital fund representative of the Dubai ecosystem, we recognize the importance of strong governance systems and strive to implement the best practices into our operations.

We aim not only to establish a robust governance framework but also to serve as a model for other funds in the region. By prioritizing transparency, ethical conduct, and accountability, we seek to foster a culture of responsible investing and drive sustainable growth in the region.



Meet the DFDF Board

Oversight Committee



H.E. Omar bin Sultan Al Olama
Minister of State for Artificial Intelligence, Digital Economy, and Remote Work Applications, Chairman of the DFDF Oversight Committee



H.E. Essa Kazim
Governor of DIFC, DFDF Oversight Committee Member



H.E. Khalfan Belhoul
CEO of DFF, DFDF Oversight Committee Member



Arif Amiri
CEO of DIFC Authority, DFDF Oversight Committee Member

Board of Directors



H.E. Khalfan Belhoul
CEO of DFF, Chairman of the DFDF Board



Arif Amiri
CEO of DIFC Authority, DFDF Board Member



Abdelaziz Al Jaziri
Deputy CEO of DFF, DFDF Board Member



Jacques Visser
Chief Legal Officer of DIFC Authority, DFDF Board Member

Investment Committee



Arif Amiri
CEO of DIFC Authority,
Chairman of the Investment
Committee



H.E. Khalfan Belhoul
CEO of DFF,
DFDF Investment Committee
Member



Jacques Visser
Chief Legal Officer of DIFC Authority,
DFDF Investment Committee
Member



Ziad Makkawi
Founder & CEO of EQUIAM,
DFDF Independent Investment
Committee Member



Nader Al Bastaki
Acting Chief Strategy Officer of DFF,
DFDF Investment Committee
Member



Sharif El-Badawi
CEO of Dubai Future District Fund,
DFDF Investment Committee
Member

Introduction to Our Anchor Investors



مؤسسة دبي للمستقبل
DUBAI FUTURE FOUNDATION

In 2021, the Dubai International Financial Centre (DIFC) and the Dubai Future Foundation (DFF) undertook the initiative to set up and anchor Dubai Future District Fund (DFDF) to execute on the vision of delivering a government-wide initiative as the unified venture platform of Dubai.

The two leading entities have played a critical role in shaping Dubai's regional and global positioning as a preferred hub for technology and innovation. As anchor investors in DFDF, both organizations have been pivotal in future-proofing our investment and operational activities.



About Dubai International Financial Center (DIFC):

Dubai International Financial Centre (DIFC) is one of the world's most advanced financial centres, and the leading financial hub for the Middle East, Africa and South Asia (MEASA), which comprises 72 countries with an approximate population of 3 billion and an estimated GDP of USD 8 trillion.

With a close to 20-year track record of facilitating trade and investment flows across the MEASA region, the Centre connects these fast-growing markets with the economies of Asia, Europe and the Americas through Dubai.

DIFC is home to an internationally recognized, independent regulator and a proven judicial system with an English common law framework, as well as the region's largest financial ecosystem of over 36,000 professionals working across over

4,300 active registered companies – making up the largest and most diverse pool of industry talent in the region.

The Centre's vision is to drive the future of finance through cutting-edge technology, innovation, and partnerships. Today, it is the global future of finance and innovation hub offering one of the region's most comprehensive FinTech and venture capital environments, including cost-effective licensing solutions, fit-for-purpose regulation, innovative accelerator programmes, and funding for growth-stage start-ups.

DIFC FinTech and Innovation firms raised over USD 615m in 2022. In fact, FinTech and Innovation became the fastest growing sector in DIFC with 291 new clients. 686 technology and innovation firms, ranging from start-ups to global unicorns, are now based in DIFC.

The DIFC's Innovation Hub is also an integral part of the roadmap of His

Highness Sheikh Mohammed bin Rashid Al Maktoum Vice President and Prime Minister of the UAE and Ruler of Dubai's vision for innovation driven growth in Dubai, which is shaping the future of finance and the future economies in the UAE.

About Dubai Future Foundation (DFF):

Dubai Future Foundation (DFF) is a government organization in Dubai established in 2015 to shape the future of the city by promoting innovation, research, and development in emerging technologies. Its primary mission is to identify and address the challenges and opportunities facing Dubai and the world, and to create an environment that fosters innovation, creativity, and entrepreneurship. The foundation aims to create a sustainable future for Dubai and the wider region by supporting startups and entrepreneurs in various sectors, including artificial intelligence, blockchain, and robotics. DFF's mission is to collectively imagine, inspire and design Dubai's Future and whose vision is to make Dubai a leading city of the future and the guiding force behind the Museum of the Future.

Dubai International and Financial Centre (DIFC) and Dubai Future Foundation (DFF) are both key players in Dubai's innovation ecosystem, working to drive innovation and economic growth in the region.

We are proud to have DIFC and the DFF as our anchor shareholders and partners, and we look forward to continuing our successful collaboration with them in the years ahead.



Commentary on UAE's VC Ecosystem 2022

UAE Macroeconomics



Image courtesy: infive.ae

The UAE's strong economic performance and active government support for entrepreneurship have been driving growth in Dubai's startup ecosystem, positioning the city as a preferred hub for innovation. As of January 2023, the World Bank expects the UAE to register a 5.9% growth rate in GDP for 2022.

For a country that accounts for only 2% of MENA's population, the fact that the UAE received almost 40% of venture capital funding in the region is a testament to the country's talent prowess. The introduction of the five-year Green Visa and relaxation for Golden Visa requirements only further supports an influx of talent in the country.

The UAE is also continuing to strengthen its regulatory efforts to enable investor confidence in the ecosystem. In Q1 2022, the UAE took a major step by establishing the Dubai Virtual Assets Regulatory Authority (VARA) to regulate the digital assets and crypto industry and protect crypto investors. The last quarter of 2022 also saw the rollout of the much awaited Instant Payment Platform.

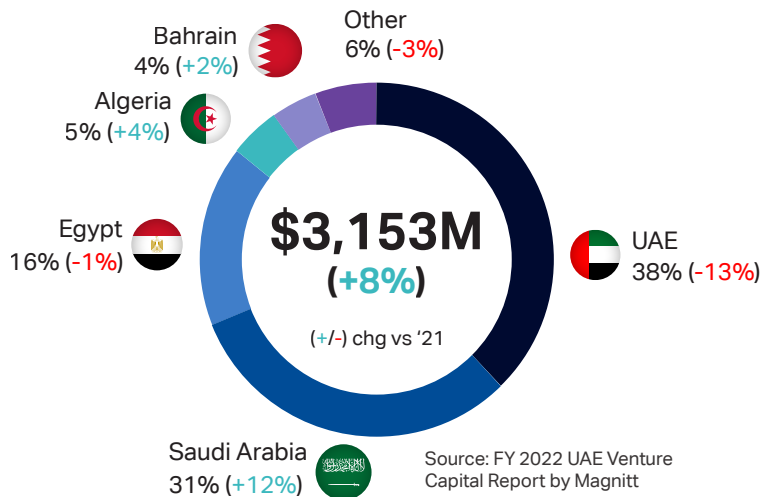
On the corporate structure front, we anticipate the move to introduce corporate tax will bring in a larger pool of revenue to the government and enables leveraged transactions, subsequently increasing M&A activity. This move may eventually

lower the regulatory fees being charged to startups today, with only larger profit-making companies being encumbered with a corporate tax responsibility.

Overall Direct Funding

Venture capital funding in the UAE crossed the US \$1 billion mark for the second year in a row in 2022. This is a testament to investor confidence in the country's market potential, despite severe global macroeconomic headwinds taking shape last year. Furthermore, the UAE continues to maintain its position as the leading market of choice in MENA, for both startup founders and investors. Aside from UAE-based

Funding (\$) - 2022 (%) Share per Country



startups receiving almost 40% of the total funding raised across the entire MENA region, and the UAE was home to a quarter of all deals signed across MENA in 2022.

Investor Participation

In 2022, the UAE also saw a record high in terms of investor participation and recorded exit transactions; we see these as strong signals of a maturing startup and investor ecosystem. The share of international investors increased to its highest level as well, reaching almost 50% by investor count.

Within the MENA region, the UAE was once again the preferred destination for major institutional foreign investors. Amidst the major global VCs, renowned VC fund Sequoia Capital marked its entry into the UAE by leading >\$30 million rounds. Furthermore, we have observed active inbound interest from renowned global investors who are now actively seeking to set up and deploy capital in the region has been observed.

While the total funding amount understandably dropped 20% from the previous year, a breakdown by stage and sector reveals positive insights for the region.

Stage breakdown

From a stage perspective, the drop in total value can be attributed to a significant fall (~50%) in larger funding rounds (>\$100m). Echoing global trends, the public market valuation

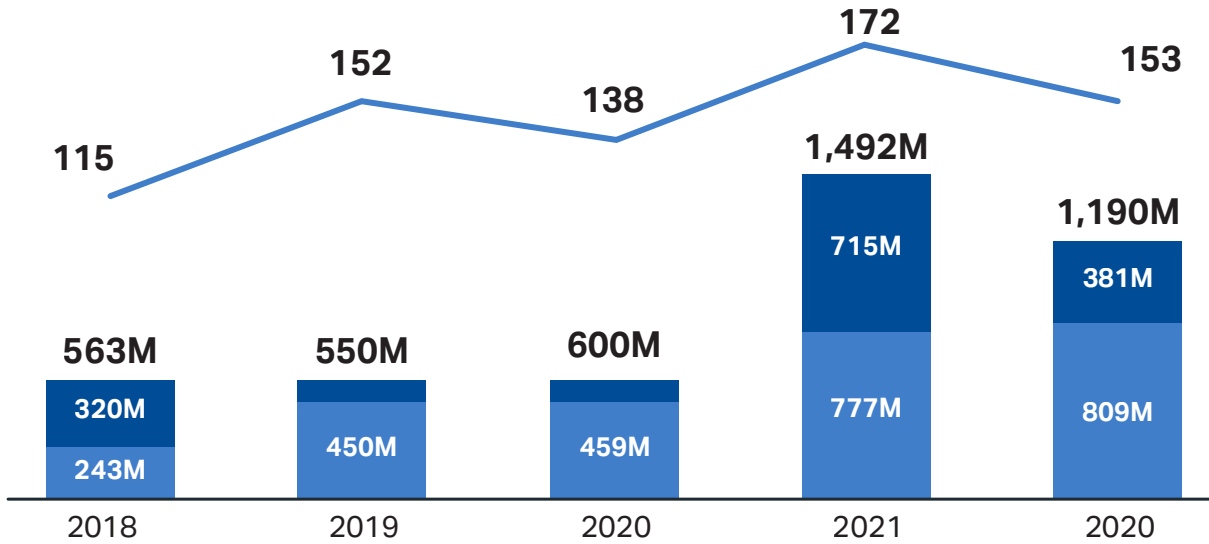
cuts spilled over into the private market, with the most significant impact for later stage companies that had the ambition to go public before long. Taking away the larger round deal impact, the funding in the UAE, in fact, rose by 4% in 2022 as compared to 2021. Furthermore, the early-stage funding between Seed and Pre-Series A rounds saw an increase in funding activity which are signs of a favorable market for new founders.

Sector Breakdown

If we look at the sector breakdown, high cash burn consumer sectors such as e-commerce and logistics saw a significant decline, with less than half the funding amount of 2021 going into 2022. This was reflective of the 'cash is king' narrative across the VC industry with a growing preference to back capital efficient businesses. On the other hand, FinTech not only maintained its position as the highest funded sector, but also increased its share of total funding from 16% to 30%, despite the absence of a >\$100m deal and the headwinds emerging from waning crypto sentiment. FinTech was also the only sector in the top five to see an increase in deals, a testament to the strengthening regulatory policies and supporting measures implemented by the government and other stakeholders.

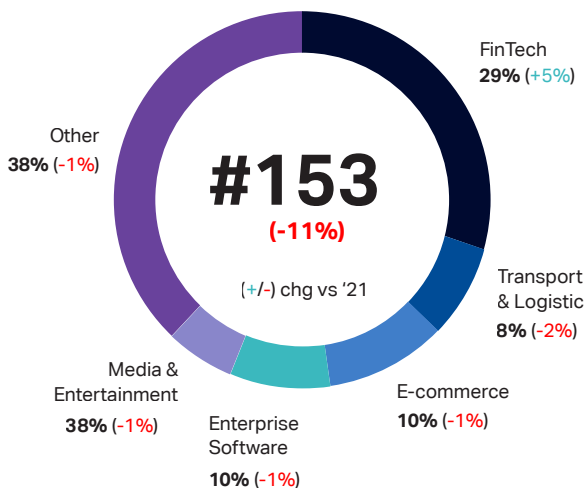


5-year Evolution by (\$M) And (#) Deals



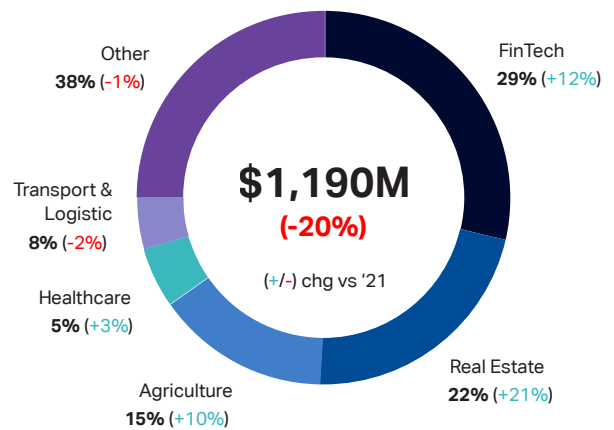
Source: FY 2022 UAE Venture Capital Report by Magnitt

Deals (#) - 2022 (%) Share per Industry



Source: FY 2022 UAE Venture Capital Report by Magnitt

Funding (\$) - 2022 (%) Share per Industry



Source: FY 2022 UAE Venture Capital Report by Magnitt



Management's Outlook 2023

We anticipate 2023 to be a year of market correction, adjusting from the hype in early 2022 where inflated valuations dominated the market. Investment decisions will return to being driven by business fundamentals. The due diligence process will encompass a critical review of top-line and bottom-line economics, in addition to governance structures and transparent reporting practices. Founders will need to be mindful of market dynamics as they look at hedging risks and hedging against unexpected turbulence in areas such as currency value, inflation and interest rates.

In the short-term outlook, we anticipate the less seasoned early-stage venture investment community adopting a "wait-and-see" approach. The time required to reestablish investor confidence will further drive a down market, which in turn

will create an 'investors' market' instead of a 'founders' market'. Historically, down markets have frequently presented experienced fund managers with the most opportune moments for investment, as investors have leverage to set balanced entry points. This is a marked departure from trends in 2020 to early 2022, where founders dictated terms to investors, possessing the option to walk away due to excess capital in the market globally. With this paradigm shift, we expect equilibrium in negotiating power dynamics, resulting in the upside to be shared more evenly by both founders and investors.

The market correction may initially pose challenges for founders, as founders in the region have become used to being the major beneficiaries in pricing their business on potential / future revenue multiples, typically

pricing revenues 8 to 12 months ahead of time. Those founders who raised on future multiples will now face an additional challenge in showing significant shareholder value growth ahead of their next round to entice new investors in backing their plans. This may result in market consolidation as healthy startups look to bolster their products through acquisition or more drastically, liquidation of underperforming assets if no buyers are found. In addition, we anticipate global startups to start looking at the market for geographical growth expansion opportunities. There is precedent to this proposition, such as Uber, Amazon, Checkout.com amongst others.

With regard to investment themes, with the world emerging out of the pandemic, we expect to see an increase of preventative care



startups and new preventative medicine technologies, overshadowing post-care investments in healthcare. We also expect the sustained prominence of Generative AI hype, as it continues to infiltrate the commercial ecosystem. With respect to B2B SaaS offerings, we anticipate continued evolution of enterprise solutions leveraging Advanced Analytics (AA), Artificial Intelligence (AI) as well as Machine Learning (ML), and a greater sophistication in how they are applied within business functions

Another sub-sector we are watching closely is the evolution of Blockchain offerings and their applications. "Crypto Winters," such as the current one, will tend to be a time of innovation and disruption in the Web3 space. We believe Blockchain technology will evolve to have more real-world applications across

industries. Gaming will likely be another industry being both disrupted and enhanced through strong Web3 collaborations currently being witnessed.

Dubai is increasingly becoming a preferred homebase for investors and entrepreneurs, even when their startups operate in other markets. This trend is further bolstered and supported by virtual working environments and the UAE's new visa schemes. The stability, quality of life and lifestyle are attracting serial entrepreneurs and investors to purchase property in Dubai, and we anticipate this to continue. Nonetheless, they may, in the medium term, end up building their next endeavor from the region to the globe.

We are also seeing a concerted effort applied by free zones and the Dubai

government as a whole to be more collaborative on data-sharing and cross-sharing of benefits. A future path for the creation of a unified free zone license for startups is possible.

It is our belief that with a more consolidated effort amongst Dubai Inc entities to pool resources together, Dubai can continue to be the leading innovation hub in the region. There are additional policy-based opportunities to consider and anticipate in 2023, such as the potential impact of tax incentives, similar to those adopted in the UK and other markets, to increase the available liquidity in the tech-based asset class.

All in all, 2023 will be a year of transition and shifting paradigms. Though market activity may be slow, there will be great opportunities to invest in disciplined startups with strong business fundamentals and appropriate governance for each stage of growth. As startups have become accustomed to operating with an "open tap" approach, depleting their runway, they will face greater risk of down rounds, unfavorable liquidation or worse, succumbing to overly structured financings. This process will concurrently release more tech talent for more capital efficient startups that have already demonstrated product-market fit and positive unit economics. Despite bearish global markets, numerous industries will be compelled to innovate and forge partnerships with strategic investors to develop commercially viable solutions. Dubai is strategically positioned to capitalize on these market dynamics, with an influx of entrepreneurs, investors, as well as senior-level talent considering Dubai their new "home." We are looking ahead at 2023, steadfast in our vision and confident in Dubai Future District Fund's strategic approach.





DFDF Annual Report 2022
Investing in the Future: A Year in Review



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DUBAI FUTURE DISTRICT FUND

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