



The State of Healthtech in the MENA region

Update for

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EMERGE GHI is a two-day networking event that connects healthtech innovations with investors at Conrad Dubai on 24-25 May 2022.

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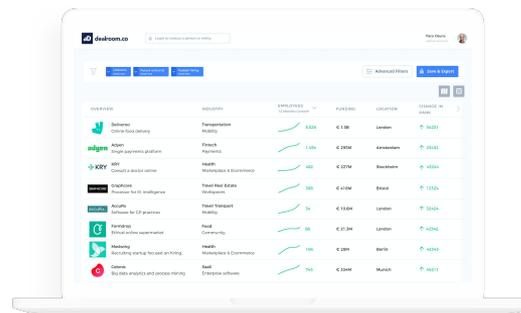
The event will bring together more than 100 healthcare innovators worldwide and help dynamic entrepreneurs access a high concentration of capital and knowledge from global success-makers. Free-flowing funding and insights make EMERGE GHI a fantastic opportunity that is not to be missed.

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This is the 2nd Health report by EMERGE GHI x Dealroom.co

The remarkable growth of MENA's healthcare sector over the previous decade, fueled by both public and private finance, has firmly established regional healthcare as a worldwide player. In 2020-2021, the Medical Tourism Index indicated that Dubai and Abu Dhabi were respectively ranked as the sixth and ninth-best global destinations for medical tourism.

The UAE already has an impressive track record with healthcare investment, having attracted the world-class Cleveland Clinic Abu Dhabi and education programs by NYU Abu Dhabi.

This report provides an overview of the investment landscape of the healthcare industry in the MENA region, excluding Israel.



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Key takeaways.

Opportunities for healthtech startups as Gulf Cooperation Council governments invest in upgrading healthcare.

Between 2010 and 2020, the GCC region had the highest healthcare infrastructure investments. Most VC investment activity and value creation has predominantly been focused on startups improving the patient experience, such as digital care and remote monitoring.

Healthtech in the MENA region is the vertical that has grown the most by combined enterprise value since 2016.

The healthtech startup ecosystem in the MENA region is now worth over \$1.5B, a 22x increase since 2016. Healthtech startups in the region are taking off, with more than \$200M in VC funding received since 2016.

More domestic and international VCs are focusing on the region, ready to deploy dry powder.

VCs are the main contributors to funding for healthtech startups in the MENA region. Domestic and foreign VCs have raised \$0.9B in MENA-specific healthtech-dedicated VC funds since 2020. Since 2016, 80% of VC funding has come from domestic investors.

Table of contents.

1

The rise of Healthtech in the MENA region

2

Segmentation

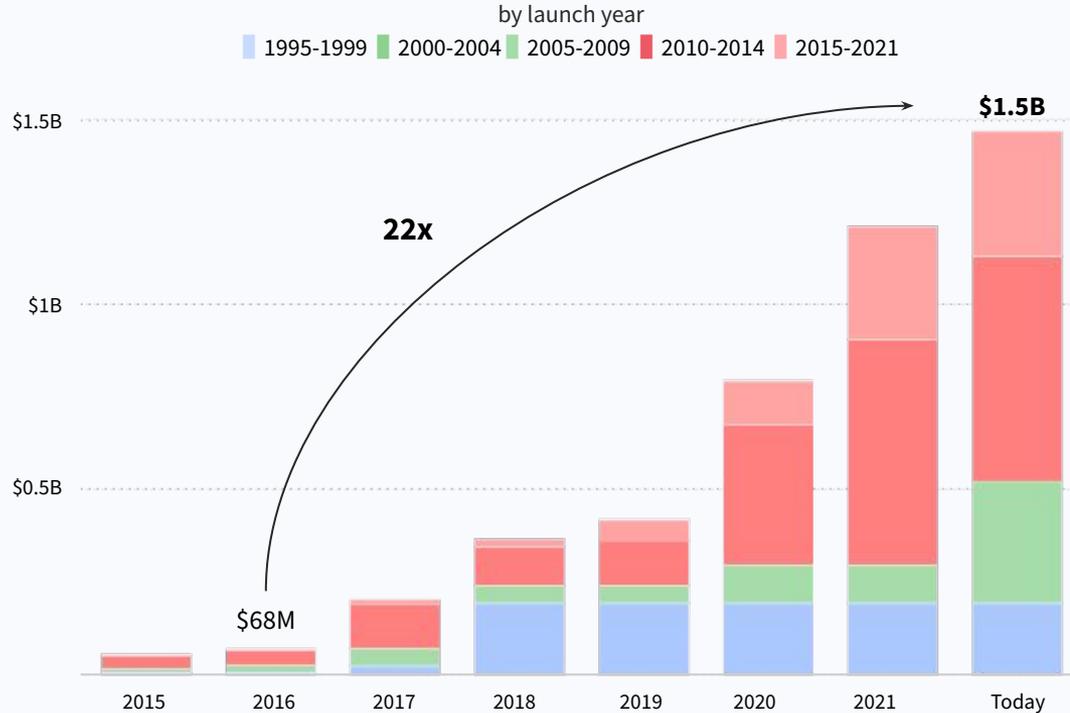
3

Outlook

The rise of Healthtech in the MENA region

Healthtech companies in the MENA region have reached a combined value of \$1.5B, a 22x increase since 2016.

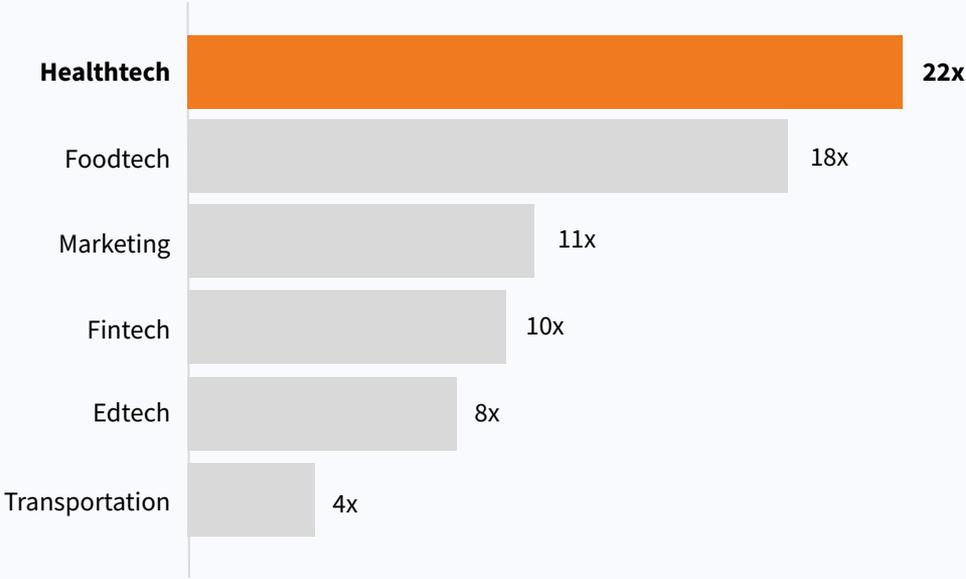
Combined enterprise value of healthtech companies » [view online](#)



Source: Dealroom.co. In this report, MENA region excludes Israel.
Combined enterprise value is the sum of the valuations of startups founded after 1990. Using estimated valuations based on most recent VC rounds, public markets and publicly disclosed valuations as of March 2022.

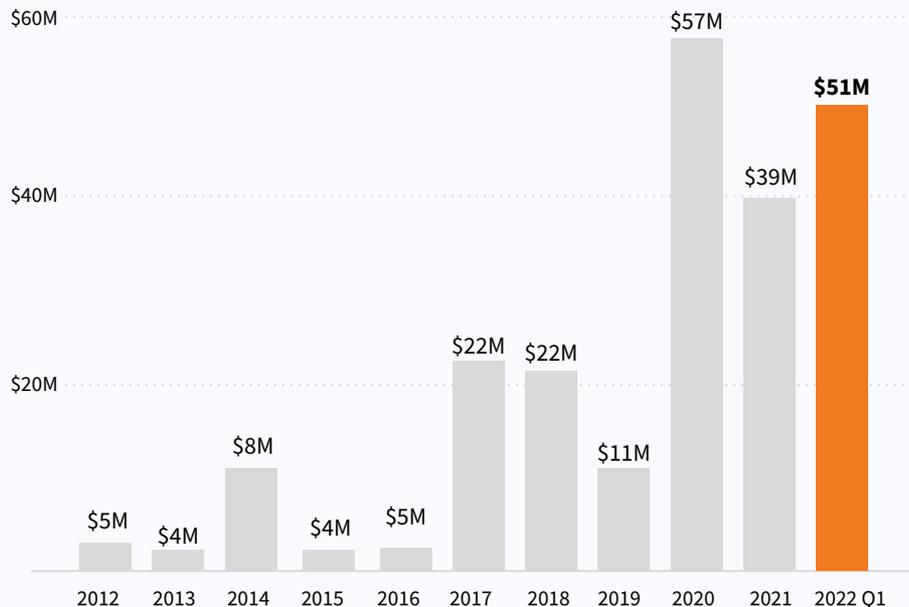
Healthtech in the MENA region is the vertical that has grown the most by combined enterprise value since 2016.

Growth in combined enterprise value (2021 vs. 2016)
per vertical in the MENA region (excl. Israel)



Healthtech investment in the MENA region is just getting started, with more than \$200M since 2016.

Healthtech VC investment in the MENA region (excl. Israel) [» view online](#)

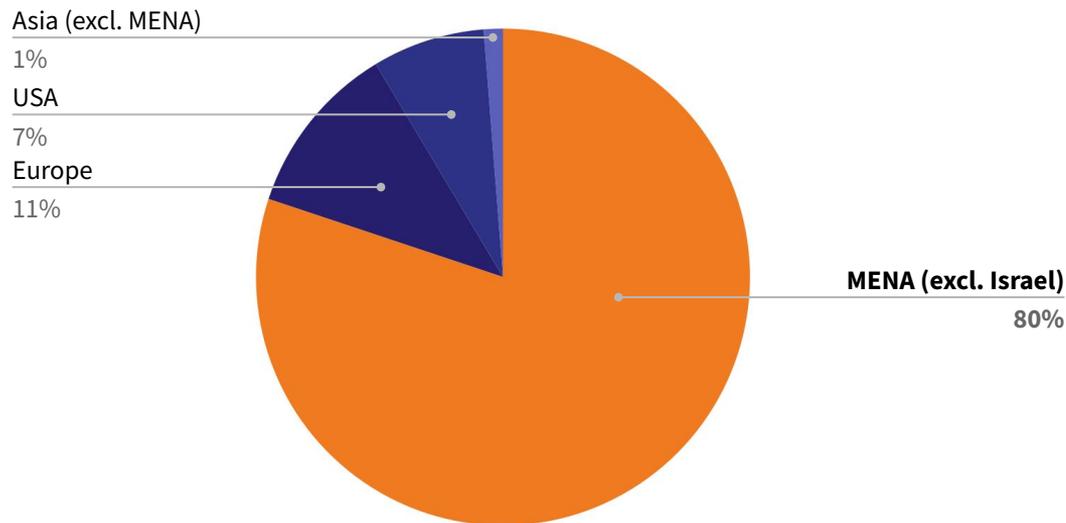


Notable funding rounds

Name	Round	Segment
 altibbi	UAE \$44M Series B	Telemedicine
 Vezeeta.com	UAE \$40M Series D	Telemedicine
 selfologi	UAE \$17.5M Early VC	Appointment booking
 Okadoc	UAE \$10M Series A	Telemedicine
 CURQ	Saudi \$4M Series A	Telemedicine
 VALEO	UAE \$3M Seed	Home testing
 HeliumDoc	Qatar \$2.5M Series A	Telemedicine
 Virasoft	Turkey \$2.5M Series A	Clinical diagnosis support
 Legna Medical Technologies	Turkey \$2M Seed	Urinary system MD
 Robin the Robot	Romania \$2M Seed	Social robot

The healthtech ecosystem in the region is dominated by domestic investors (80%).

Source of VC investment in healthtech (2016 to 2022 Q1) in the MENA region by investor's HQ region

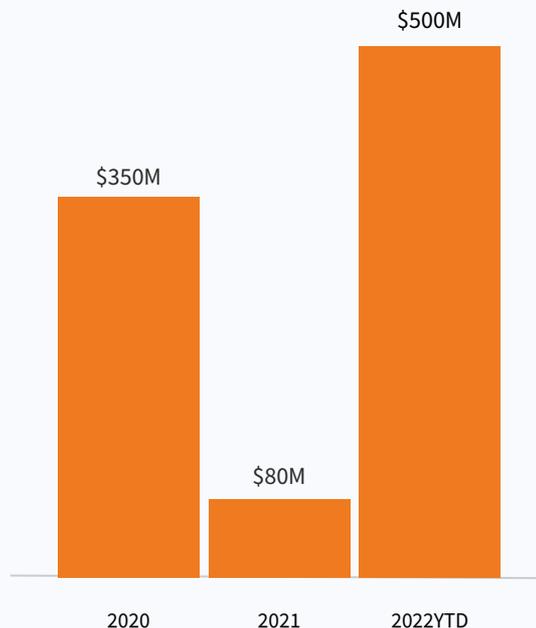


Selected healthtech investors based in the MENA region (excl. Israel)

 Jordan	 UAE
 Jordan	 UAE
 Egypt	 UAE

Domestic and foreign investors are striving hard to push healthtech in the MENA region, raising \$930M in dedicated funds since 2020.

Amount raised by healthtech-dedicated funds in the MENA region (excl. Israel)



Healthtech-dedicated funds

Fund name	Investor	Amount
Blue Apple New Frontier Healthcare Fund		\$300M
IGan Arabia		\$250M
TVM Capital Healthcare		\$250M
Global Ventures Fund II		\$50M
Oryx Fund		\$50M
Foundation Holdings Fund		\$30M

Founders have plenty of opportunities to attract funding, both from local and foreign investors.

Sector agnostic funds in the region

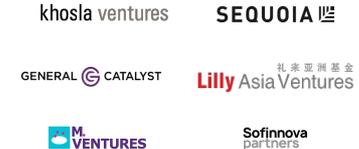
Funds with dedicated healthtech focus in the region

Foreign funds active in the region

Series B+



Series A



Seed



Segmentation

Core healthtech segments in the MENA region.

Digital care (incl. telemedicine)



Vezeeta.com



Clinical decision support



Remote monitoring



inofabhealth



Hospital operations



Surgical equipment and robotics



Home tests



Digital therapeutics



Digital health insurance



Mental health



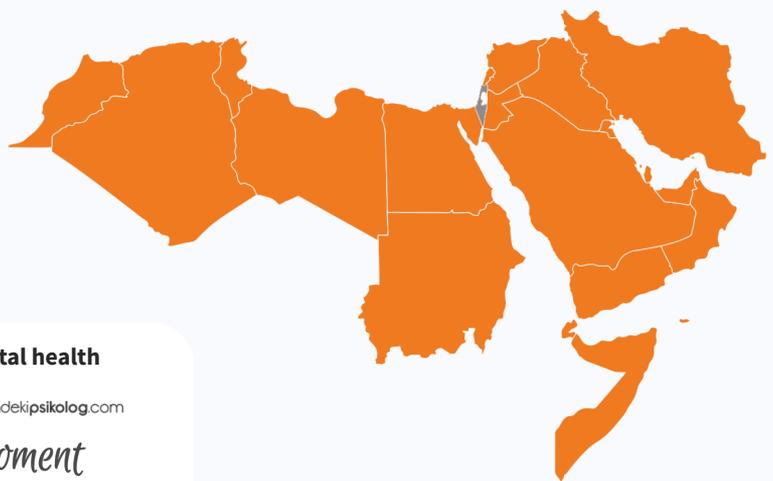
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Beyond telehealth, VC investment is also active in clinical decision support, practice management and remote monitoring.

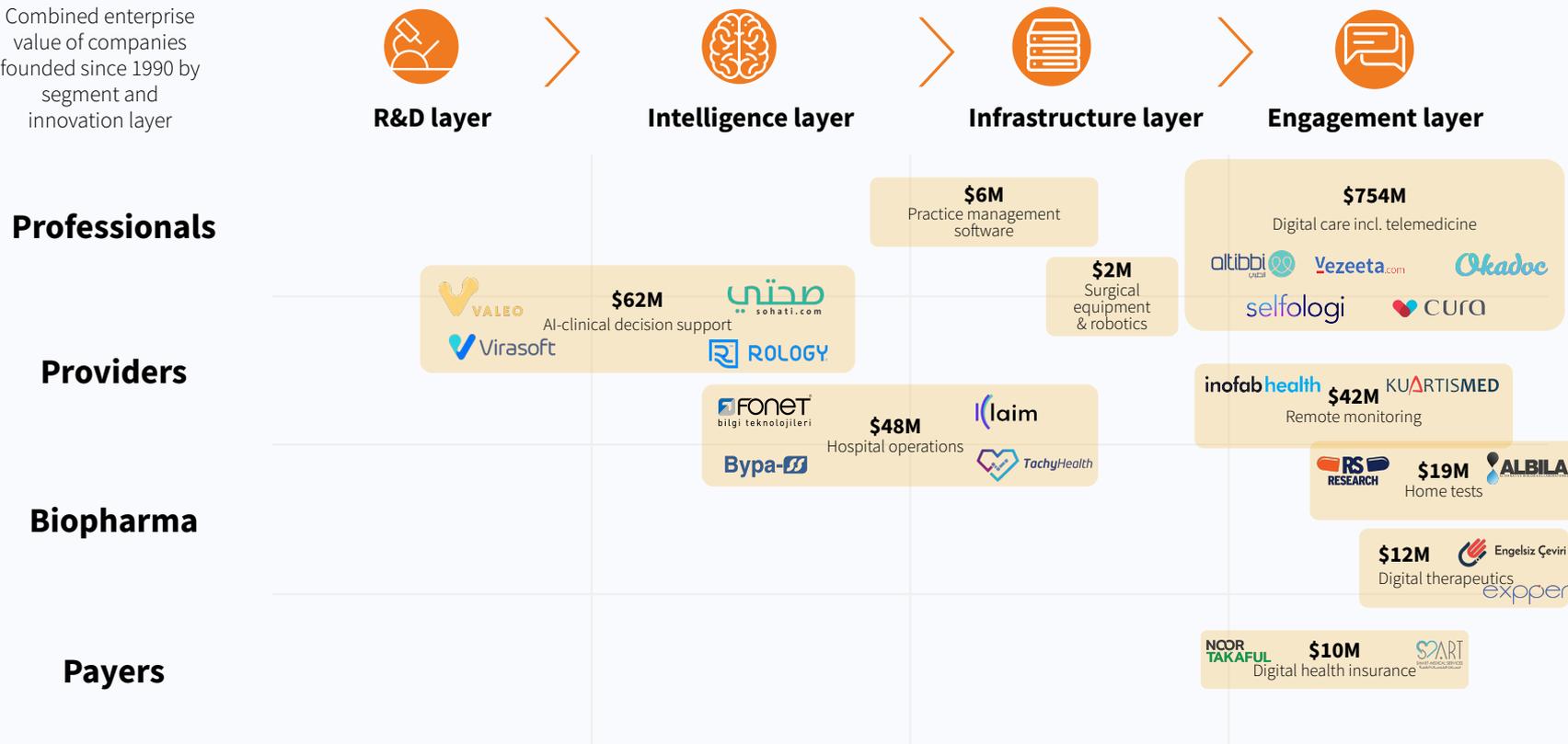
Total VC funding (2016-2021)

Most valuable companies

Category	Total VC funding (2016-2021)	Most valuable companies
Digital care (incl. telemedicine)	\$107M	altibbi, Okadoc, Zezeeta.com, selfologi, CURA
Clinical decision support with AI	\$19M	VALEO, Virasoft, صحتي sobati.com, ROLOGY
Practice management software	\$10M	Bypa-SS, mmg
Remote monitoring & wearables	\$7M	Legna Medical Technologies, inofabhealth, ELEKTROSENS, KUARTISMED
Hospital operations	\$3.6M	FONET bilgi teknolojileri, Insta®, Iaim, TachyHealth
Home test	\$3.0M	ALBILA
Digital health insurance	\$1.2M	NCOR TAKAFUL, MED MISR, SMART SMART MEDICAL SERVICES
Mental health	\$0.5M	evimdeki psikolog.com, Shezlong, moment
Surgical equipment & robotics	\$0.3M	MEDIPIC, normmed, nanografi, DOPA
Digital therapeutics	\$0.1M	Engelsiz Çeviri, expper

Most VC investment activity and value creation has predominantly been in the engagement layer: improving patient experience.

Combined enterprise value of companies founded since 1990 by segment and innovation layer



There is an increasing demand for telemedicine in the region, along with the adoption of remote monitoring solutions.

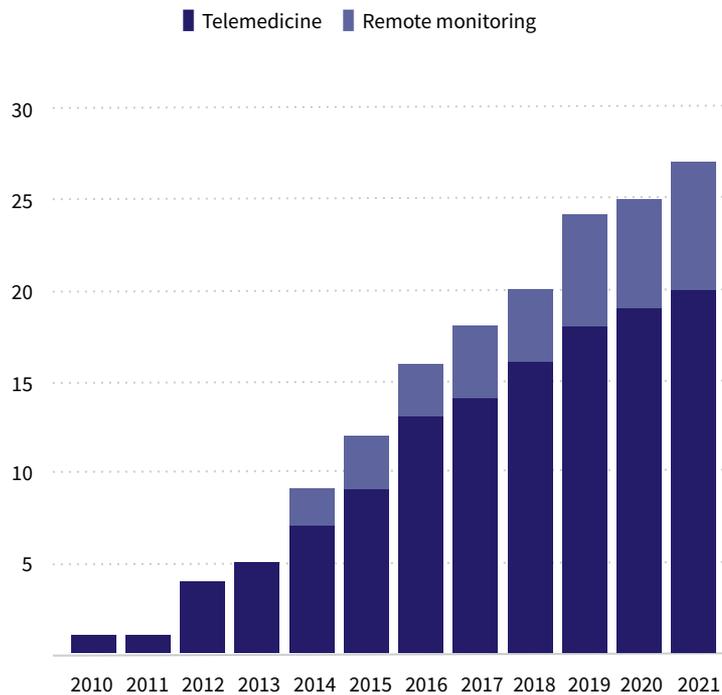
Virtual care goes beyond telemedicine and is a game changer for prevention and proactive care.

Telemedicine leads in terms of VC investment, value and startup creation in the MENA region, but other patient-focused segments are emerging too.

Countries in the GCC have made significant investments in healthcare and telemedicine, leading the way in the MENA region.

Since 2020, telemedicine service providers in medical centres and hospitals in the UAE have started to offer a 360-degree solution using the help of a regulation-compliant health information system, supporting patients living in remotely built areas.

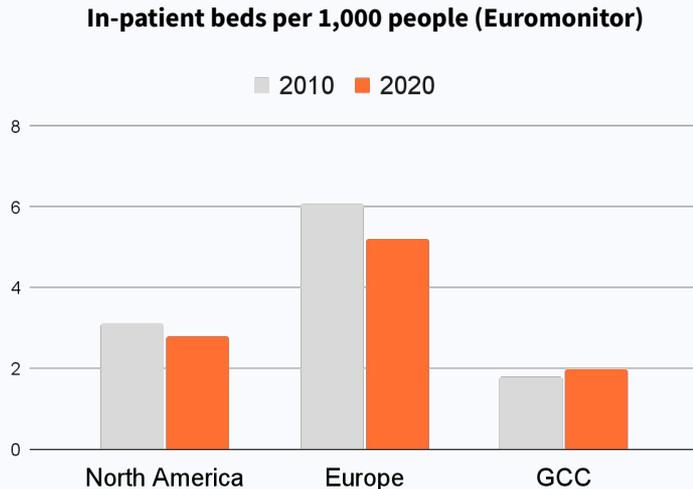
Cumulative number of startups by segment



Outlook

GCC governments are investing in hospital infrastructure and healthcare digitalisation.

Between 2010 and 2020, the GCC region had the highest healthcare infrastructure investments, with a major increase in the number of hospitals and beds*.



Annual investments in healthcare digital infrastructure in the GCC are expected to increase from \$0.5B to \$1.2B in the next two years, a 10% to 20% rise compared with the previous years of 3% to 4%*.

Over the next ten years, virtual care, remote patient monitoring, and artificial intelligence will account for 30% of hospital investments in the region. Much of this activity will be driven by private players. This is a significant opportunity for startups as it is necessary the incorporation of digital solutions in hospitals to optimise outcome and workforce.

On the public side, the two region-wide initiatives that continue to gain momentum are Dubai Health Authority's "Connected Healthcare" strategy and Saudi Vision 2030.

The adoption of AI in healthcare is also gaining momentum in the Gulf region.

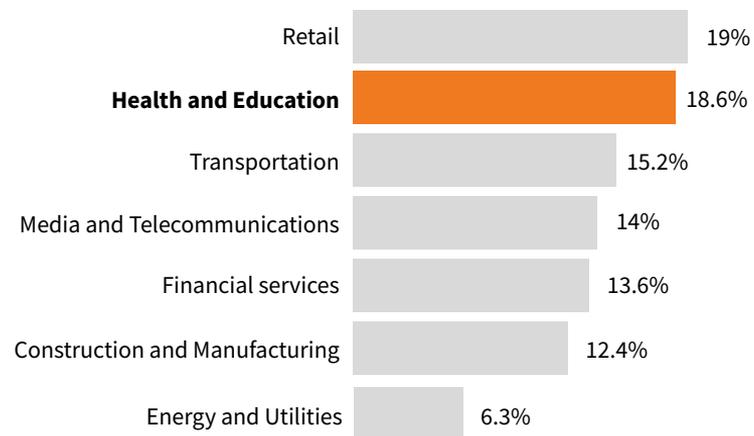
UAE is especially progressive in the adoption of technology. The UAE appointed a Minister of State for AI and launched its [AI Strategy 2031](#), bringing AI tools and technology to sectors including healthcare.

Abu Dhabi's Department of Health (DoH) has launched its first AI lab to develop healthcare solutions using AI, IoT, and genomics. In 2020, the DoH partnered with Plug and Play to form Health Plug and Play MENA, a healthcare startup accelerator.

Foreign healthtech startups developing AI-based solutions have also chosen Abu Dhabi as a key location. Medicus (Vienna), MedLab Media (Spain), and Infermedica (Poland) are some of the prominent AI startups that have taken part in the Health Plug and Play MENA programme.

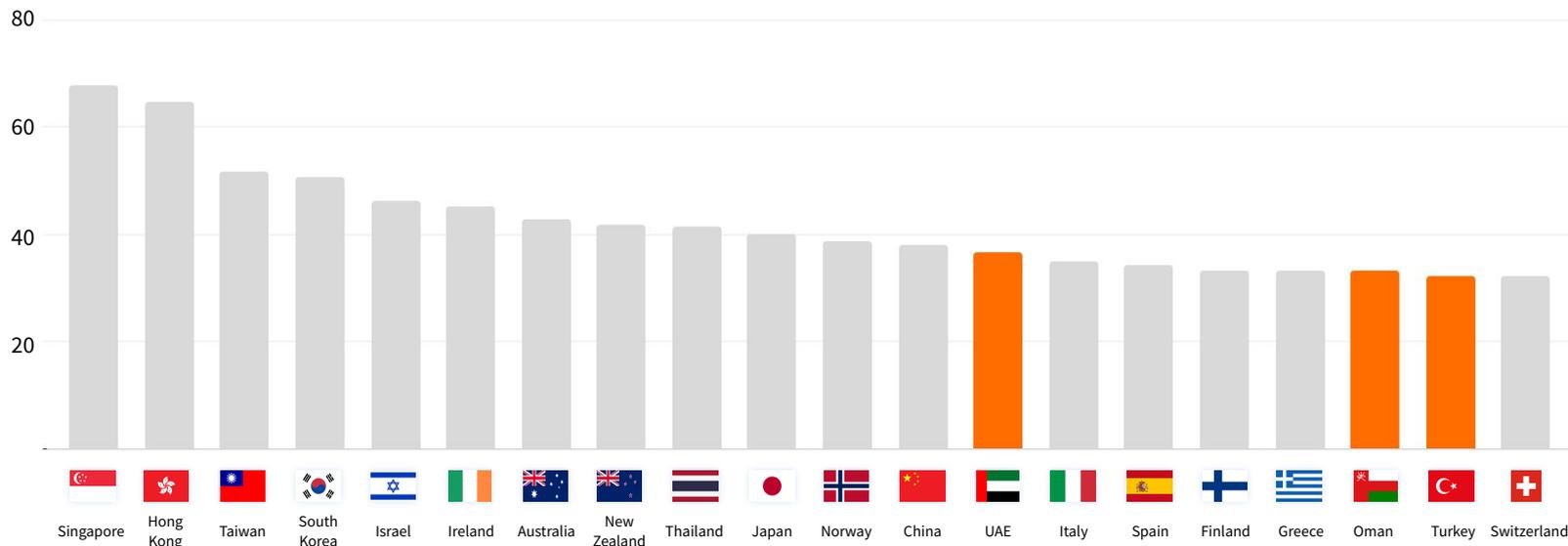
AI's total contribution to the public sector in the GCC countries, including health and education, will be \$59 billion in 2030. This will represent 18.6% of the region's GDP associated with AI ([PwC](#)).

Contribution of AI to GCC's GDP (2030) (via PwC)



UAE, Oman and Turkey are in the top 20 world economies for efficient healthcare.

Economies with the most efficient healthcare sector
(Bloomberg Health-Efficiency Index, 2020)



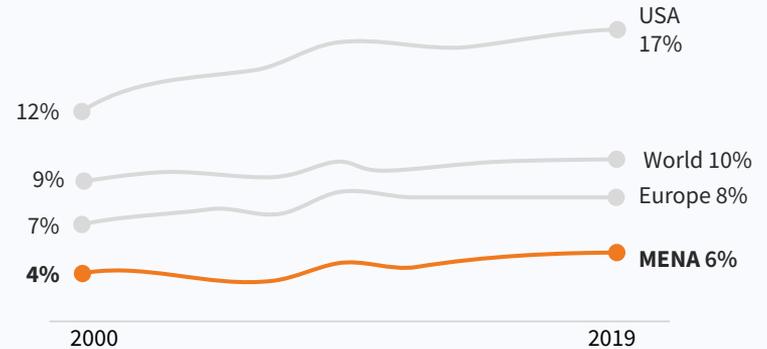
Countries are increasing their healthcare expenditure to reduce out-of-pocket expenses.

Healthcare expenditures rise in lockstep with rising living standards. The GCC countries are adopting mandatory health insurance schemes to reduce government costs and improve healthcare standards.

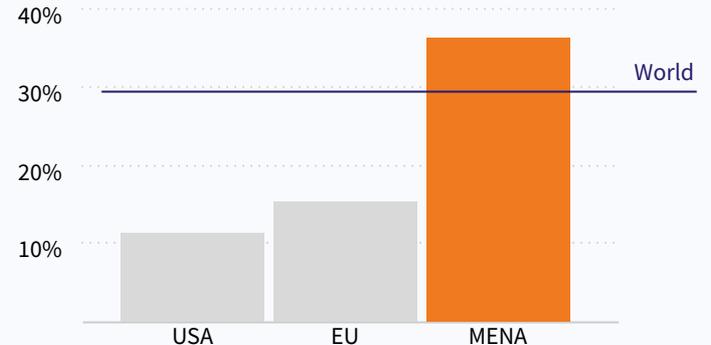
Still, the MENA region has the lowest expenditure on healthcare as % of GDP compared to other regions, which leads to households paying too much out of their own pockets.

Although the situation has improved over the years, reducing out-of-pocket expenses is one major challenge for some MENA countries. Overall, the MENA region exceeds the global average and puts a serious strain, especially on low-income households.

Comparison of healthcare expenditure as % of GDP



Out-of-pocket expenses as % of health expenditure



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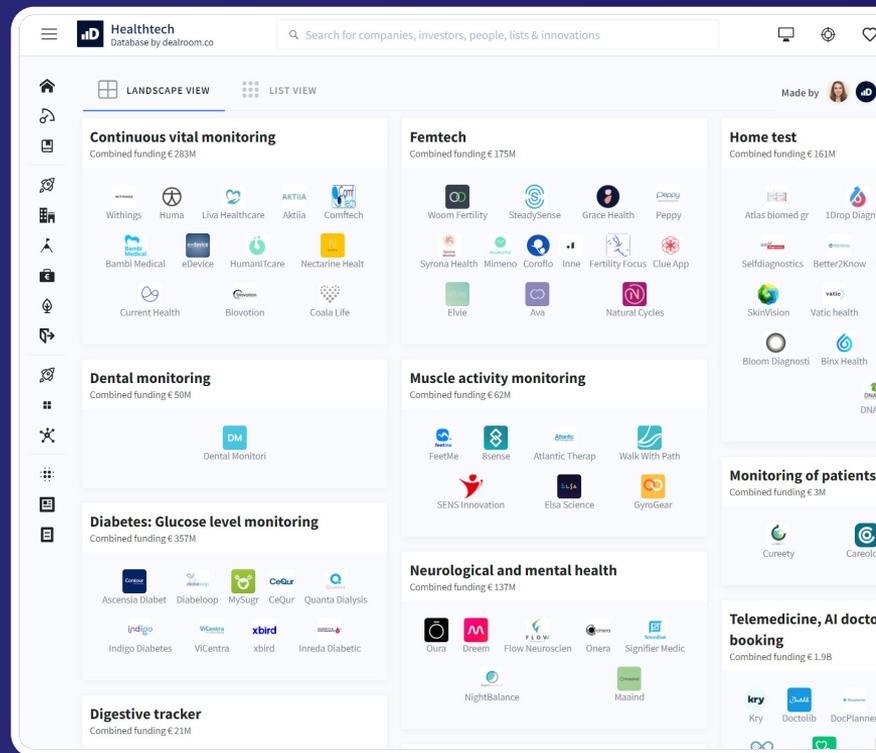
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I'm [Laura](#), health specialist at Dealroom's and I'll be writing weekly about key news and events about healthtech and biotech, taking a deep dive each week into Dealroom's rich data on the sector to identify important and sometimes counterintuitive trends.

Global investment in healthtech is on a record pace and could reach €55-60 billion this year



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Venture capital methodology and definitions.

Startups, scaleups, grownups and tech

Companies designed to grow fast. Generally, such companies are VC-investable businesses. Sometimes they can become very big (e.g. \$1B+ valuation).

This report focuses, unless specified, on companies in the information age, i.e. after 1990 HQ'ed in the MENA region, excluding Israel. When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies.

A unicorn is defined as a rapidly scaling company (and tech enabled) that has reached a \$1 billion valuation, on the basis of a funding round (unrealised), acquisition or IPO (realised).

Venture capital investment

Investment numbers refer to rounds such as Seed, Series A, B, C, ... late stage, and growth equity rounds.

Venture capital investment figures exclude debt or other non-equity funding, lending capital, grants and ICOs.

Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data.

Investment rounds are sourced from public disclosures including press releases, news, filings and verified user-submitted information.

Taxonomy

This report focuses on the Healthtech industry.

The healthtech industry is defined in the Dealroom Taxonomy as digital health startups developing technology (databases, applications, mobiles, wearables) to improve the delivery, payment, and/or consumption of care, with the ability to increase the development and commercialisation of products. A precise definition can be found [here](#).

Sub topics such as digital therapeutics and telemedicine are represented by tags in the platform. This can be under one single industry/sub industry or across multiple of them.



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