

**We're in Colombia!**

December 2022

Issue No.05

# **FIVE ONE REVIEW**

**Digitization, Expansion,  
and Ecosystem support**

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## **FOUNDERS' NOTE**

Happy end of 2022 to our community! It has been an exciting year for Five One Labs as we grow our presence globally, and with December coming to a close, we wanted to share with you stories of our successes, our pilots and the growth of our entrepreneurs.

We have run programs in new cities and hired our first colleagues in Colombia - Five One Labs' newest country of operations. We have participated in dynamic events globally, from the Refugee Entrepreneurship Summit in Italy to HITEX in the Kurdistan Region. We have provided investment readiness support to startups across Iraq raising their first rounds and run events and programs in new sectors for Five One Labs, from agritech to AI.

These stories and more are here in the fifth issue of our "Five One Review."

We hope you enjoy reading our magazine and wish you a restful last few weeks of 2022!

**Alice Bosley and Patricia Letayf**  
**Co-Founders**  
**Five One Labs**

# DIGITIZATION IN THE KURDISTAN REGION OF IRAQ

Amid efforts to digitize the economy and business sector in the Kurdistan Region of Iraq, the region has seen a number of practices that facilitate this process.

In June of this year, Erbil saw another installment of the Hawler Information Technology Exhibition (HITEX), an annual conference and computer and electronics exhibition held at the Erbil International Fairground. This conference allows for dealmaking and partnerships between tech companies and other actors in the ecosystem and provides opportunities for businesses to showcase innovative products. Also, HITEX hosts various high-profile panelists and speakers on their stage during the conference.

The panels were an opportunity for actors in the digital and innovation sectors in the region to have open solution-based discussions to drive the ecosystem forward. These discussions involved the government, incubators, entrepreneurs, and investors, laying out a multi-perspective view on the digital future of Kurdistan.



This year, in partnership with HITEX, Five One Labs sponsored 20 booths for startups and organizations to be represented at the conference which brought a diversity of perspectives to the exhibition and showcased up and coming startups to the community.

Five One Labs organized and participated in a series of panels including "Overcoming Business Challenges in KRI" and "The Role of Business Incubators in Enhancing Tech Entrepreneurship".

*"It was astonishing to see Five One Labs commit to its mission and values by helping twenty startups and organizations exhibit their products and services at one of the biggest technology fairs in Iraq. The positive feedback from the entrepreneurs motivated us to continue what we do and inspired us with many more special ideas."*

-Elaf Attar, Program Assistant at Five One Labs

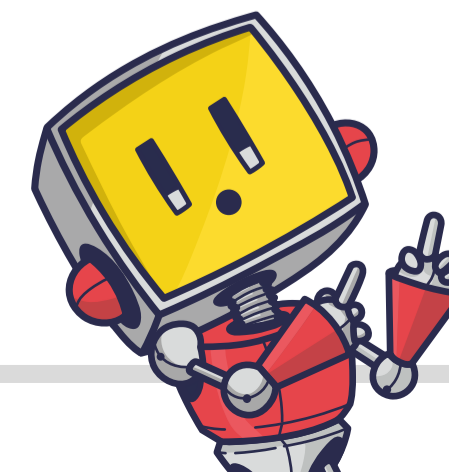


In the backdrop of HITEX has been the Kurdistan Regional Government's push to prioritize policy reform and digitization related to business and entrepreneurship to ensure the growth of the private sector.

In October, the KRG published their Digital Transformation Strategy "to encourage investment, underpin growth, attract and retain talent and to build a resilient and secure future for [its] citizens." By 2025 the government aims to be a top digital government in the Middle East by undertaking a series of critical reforms. This strategy follows on the government's April announcement of the overhaul of the business registration process, which we highlighted in our previous edition of our magazine.

Subsequent to the publication of the strategy, Prime Minister Masrour Barzani in November 2022 announced the launch of the Kurdistan Innovation Institute (KII) to encourage Kurdistan's citizens, especially the younger generation, to pursue their ideas, build up their own businesses, and participate in a better future.

All of these developments in the digitization of the KRI and Kurdistan's business sector demonstrate a growing importance on the part of the Kurdistan Region Government in shaping the KRI into a suitable environment for innovative entrepreneurship and investment.



## SUPPORTING REFUGEE ENTREPRENEURSHIP GLOBALLY



In October the Five One Labs team had the pleasure of participating in the fifth-annual Refugee Entrepreneurship Summit in Venice hosted by the Refugee Entrepreneurship Network (REN), a global community working to improve the scale and impact of refugee entrepreneurship programs.

With more than 100 practitioners, researchers and supporters from across 19 countries in attendance, the Summit provided the opportunity to share best practices, highlight common challenges and recognize the successes of the innovative migrant and refugee entrepreneurs in programs worldwide.

As part of its participation in the Summit, Five One Labs in partnership with Catalyser, an Australia-based startup incubator for migrant entrepreneurs, facilitated an interactive design thinking session to enable a solutions-focused brainstorm on questions such as: how can we better design corporate partnerships with impact and ensure that the private sector is included in conversations around refugee entrepreneurship? How can we develop a framework that would work well in responding to future humanitarian crises? How can migrants be global champions? How can we design programs that best meet the needs of the communities that we work with?

The Five One Labs team looks forward to continuing to build upon this brainstorm through the REN working groups, and we invite any practitioners who are interested in the topics to join the network and collaborate with us!

Delvin Ahmed, Five One Labs' Startup Support Manager in Sulaimani, said of the Summit: "It was a great experience to brainstorm challenges with diverse global organizations and see how these obstacles were also applicable in the geographies where Five One Labs operates. Common priorities highlighted included access to funding for programs and entrepreneurs; data collection and common metrics; and program design. The Summit provided a unique opportunity for us to gather in person and work together to find solutions that would be useful for all of our organizations."



Photo Credit: Centre for Entrepreneurs

# PAVING THE WAY FOR WOMEN IN BUSINESS

Being an entrepreneur in Iraq's rapidly growing startup ecosystem comes with immense growth opportunities but also with unique challenges. As the ecosystem develops and demand for innovative products and services grows, it requires a societal shift in its perception of the culture of starting a business.

This cultural shift is much more profound when it comes to women entrepreneurs. The women of Iraq have been at the forefront of establishing innovative startups, providing solutions based on their experience in their communities, but that also means they will have to fight through all the specific obstacles in their fight to establish a business.

Earlier in the year, Five One Labs launched this year's Female Founders Fellowship in Baghdad as a step to provide support to women entrepreneurs in the city who have to overcome the challenges they face as women and entrepreneurs simultaneously. Five One Labs designed the program to create a network of women founders, sharing their experiences and setting a pathway to grow their businesses.

Despite numerous challenges, political instability, and cultural hardships, nine entrepreneurs managed to be an active part of the program, destigmatizing women's place in society and becoming founders, business owners, and role models for the community.



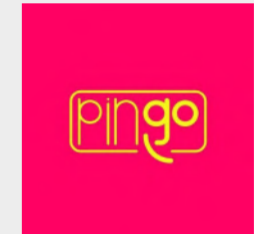
# A SELECTION OF FEMALE FOUNDERS FELLOWSHIP ENTREPRENEURS



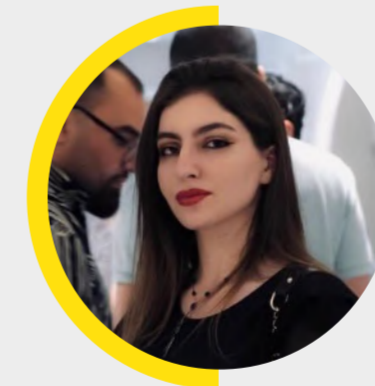
**Zainab Salam Arif**  
Founder of Ghumra Camp



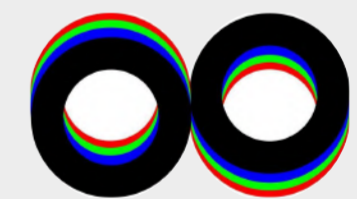
**Lubna Ali Thiab**  
Founder of Pingo



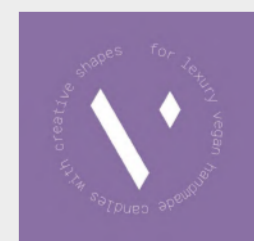
**Haneen Alsalman**  
Founder of Nabu Board Games



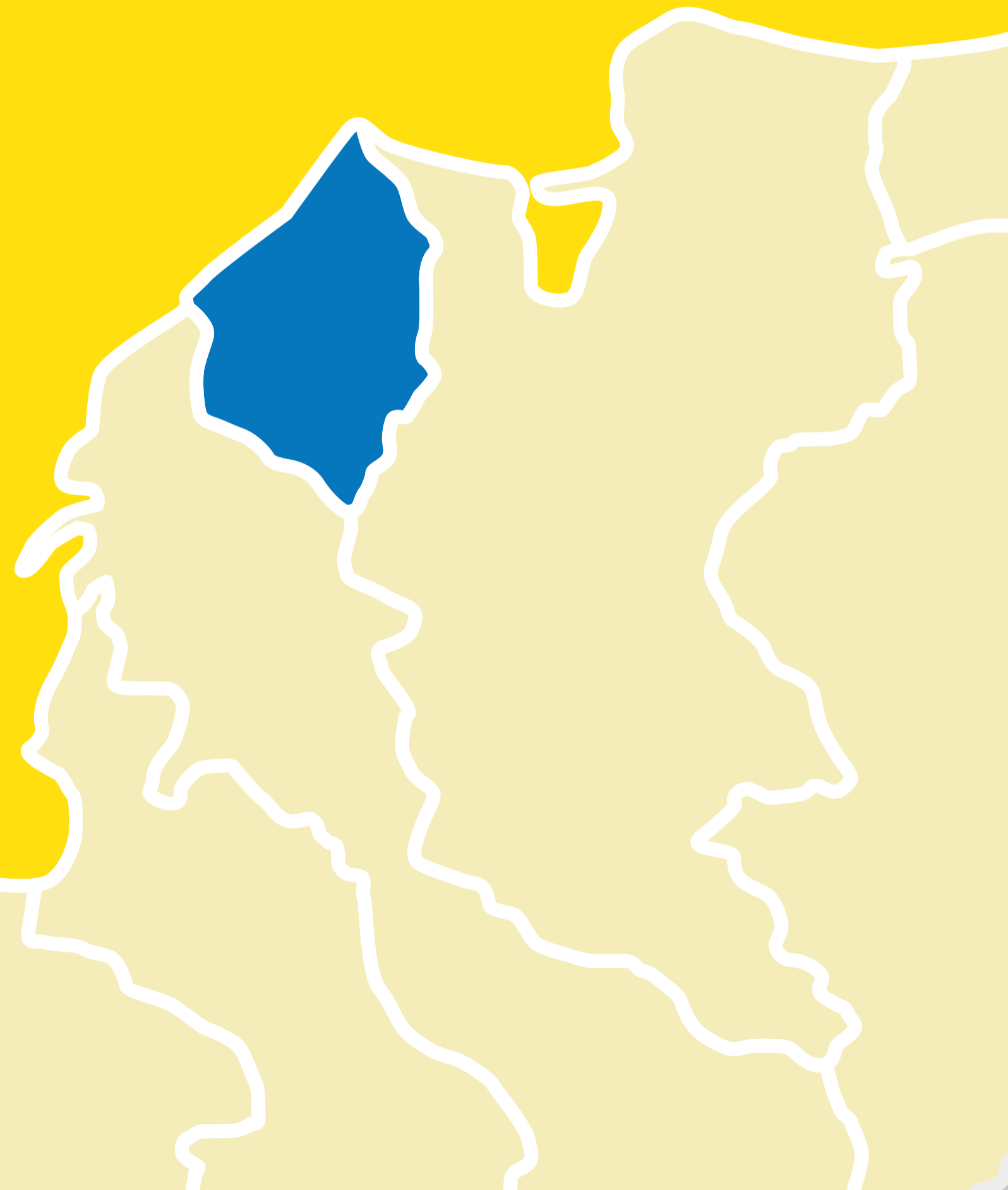
**Sarah Mohanad**  
Founder of Neonchii



**Wafaa Abdulkareem**  
Founder of Vada.iq



# FIVE ONE LABS LAUNCHES IN BARRANQUILLA, COLOMBIA



Visit the [LYD House](#) coworking space in Barranquilla and you'll find three impressive individuals who are hard at work launching Five One Labs' operations in Colombia. After a year of research, pilots, and trips, Five One Labs settled on Barranquilla, the capital of the Atlántico Department of Colombia, as our first international location. With a growing tech scene, an impressive, forward-thinking mayor, and a large population of Venezuelan migrants, Barranquilla is the right combination of inclusive, collaborative, and innovative.

## Context of Displacement in Colombia

Since 2013, nearly 2.5 million Venezuelans have fled to the relative stability of Colombia, a country where nearly five million people have already been internally displaced.<sup>12</sup> This has meant that there is a great need for humanitarian assistance not only for Venezuelan refugees and migrants but also for Colombians displaced due to decades of violence and armed conflict. According to the Humanitarian Needs Overview 2022, there are 7.7 million people in Colombia in need of humanitarian assistance.<sup>3</sup>

Accessing fair-paid opportunities has been a challenge for many Venezuelan refugees and migrants, with nearly a quarter unemployed and many working in harsh conditions or receiving lower pay than Colombian workers.<sup>4</sup> The challenges are particularly acute for Venezuelan women, many of whom are the primary breadwinners but earn on average one-quarter less than what Venezuelan men do.

Additionally, while nearly 70% of Venezuelans are high school graduates, it has been a challenge for many to have their credentials recognized by the Colombian government due to high costs and slow processes.<sup>5</sup>

Despite these challenges, there are opportunities that exist for developing innovative solutions to the crisis of displacement in Colombia, given that the government has recently revamped its approach to migration to better integrate Venezuelans into the country. In 2021, the government launched a temporary protection status (TPS) that has regularized migrants and enabled Venezuelans to more easily access basic services and work in the formal sector. This regularization allows for more livelihood opportunities for Venezuelans, including the right to start businesses.

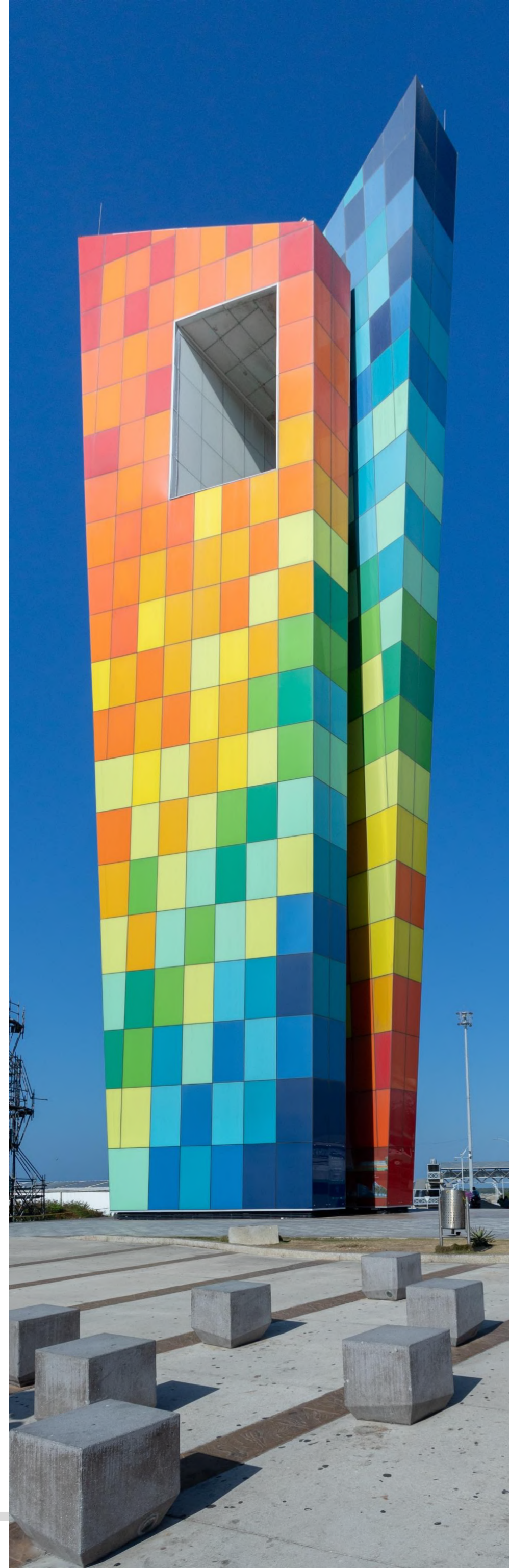


# ENTREPRENEURSHIP IN BARRANQUILLA

Like the rest of Colombia, Barranquilla is extremely entrepreneurial. Five One Labs decided to launch its operations there for several reasons - first, there are a number of universities that have a strong focus on technology and innovation, which creates an impressive young population of aspiring entrepreneurs.

Second, while incubators do exist in the city, they are generally connected to universities and do not always support entrepreneurs outside of their limited scope. Accelerators serve many later-stage startups, and there is a gap for young, growth-oriented startups that need funding to grow. And finally, there is an active community of Venezuelan migrants in Barranquilla and nearby cities, but they are not provided the same opportunities as their local counterparts.

Match these gaps with an extremely collaborative business community and forward-thinking local government, and we get a really exciting opportunity for Five One Labs to develop inclusive programs for diverse local and migrant entrepreneurs. Our small team in Colombia will run pilots for the next six months while adapting our core programming to Barranquilla's context. We plan to run our flagship startup incubator and Female Founders Fellowships later on in 2023. Follow us on our Colombia [social media pages](#) for updates!



# MEET FIVE ONE LABS IN COLOMBIA!



**Mauricio Burgos**  
Head of Startup Support

Mauricio has experience in building operations and networks from scratch. He has worked previously leading acceleration programs and serving early-stage entrepreneurs in the Colombian ecosystem, also working for startups. He is passionate about managing long-term relationships and learning more about fintech and technology.

Mauricio loves playing soccer/football, functional training, reading, and traveling.



**Julio Gutiérrez Sánchez**  
Entrepreneurship Officer

Julio is an Impact Business Designer, passionate about spreading the entrepreneurship and innovation culture. He has experience developing entrepreneurial projects that aim to ideate, establish and accelerate sustainable business models with different at-risk communities in Colombia and India. He has also worked in the humanitarian sector leading emergency assistance projects for refugees and immigrants in Barranquilla.

Julio has a Bachelor of International Internations from Universidad del Norte and holds a certificate in Social Enterprise Management from the Middlebury Institute of International Studies. Julio loves traveling, cooking, and eating food.



**Laura Perdomo Bacca**  
Entrepreneurship Officer

Laura is a Social Communicator with a postgraduate degree in Strategic Creativity who has experience working for communication and marketing agencies and consultancies across diverse business sectors.

She is passionate about innovation and believes in collaboration and creativity as powerful tools to co-create new possibilities and opportunities for communities. She loves to help others build a growth mindset and expand their potential! Laura enjoys reading, writing, and journaling inspirational content.

# SUMMER FESTIVAL: BRINGING THE ECOSYSTEM CLOSER

A startup ecosystem needs its components to come and work together so that they all thrive hand in hand.

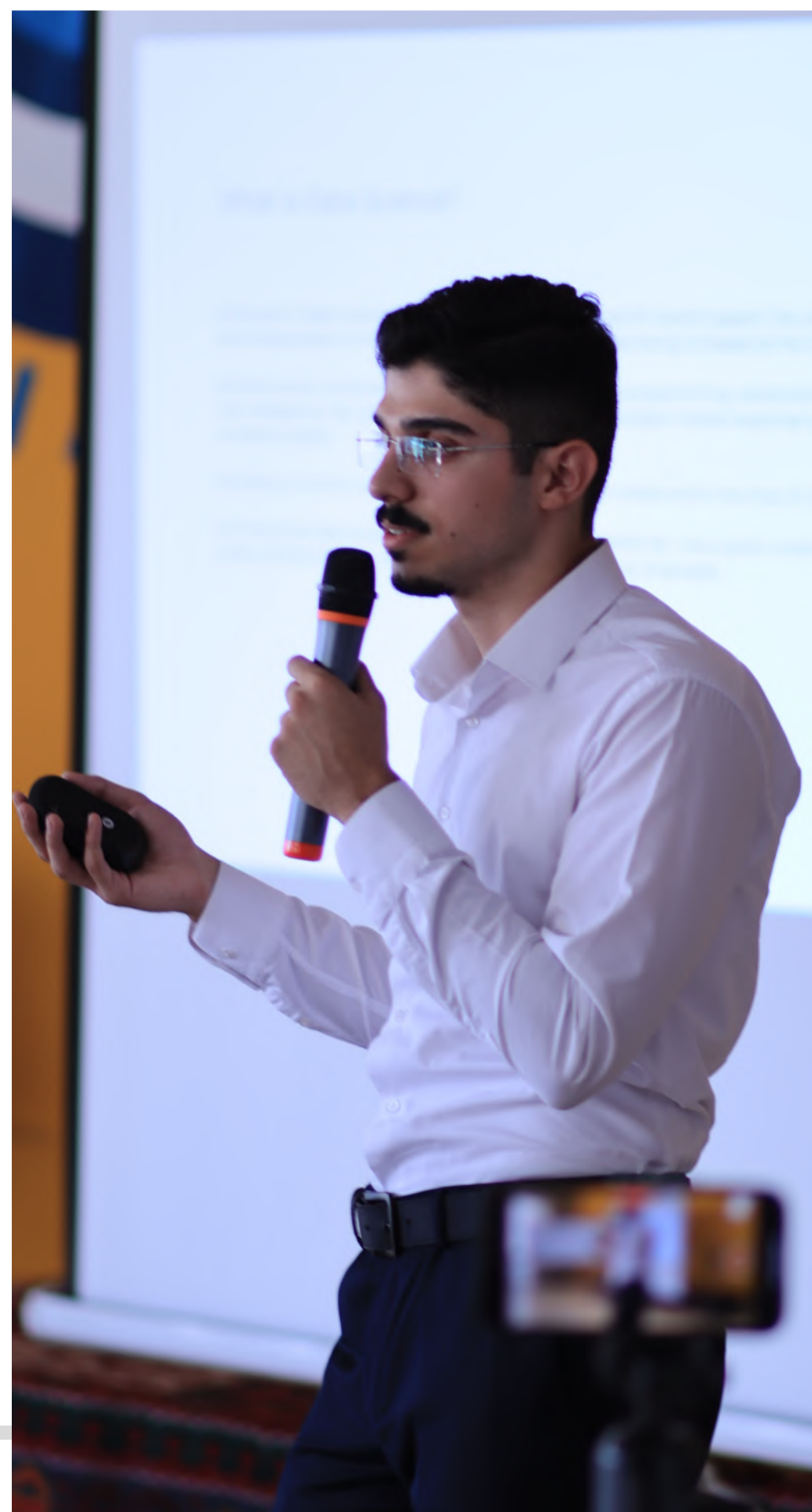
Five One Labs' Summer Festival, sponsored by Iraqi ecommerce company [Elryan.com](#), was a step towards celebrating the Iraqi entrepreneurial ecosystem in a series of programs and activities and providing informative sessions and programs on various topics and aspects of entrepreneurship on different scales.

The festival aimed at filling gaps that our yearly programs do not normally cover, such as artificial intelligence in businesses, soft skills needed by entrepreneurs, and analyzing the state of investment in Iraq.

One aspect of the festival was focused on agricultural businesses, a new sector not explored readily in the ecosystem but one that has been a key priority for the Kurdistan Regional Government given its potential for growth. The Agribusiness Bootcamp was a one-week program to train participants on the basis of establishing an agricultural startup and ideating innovative methods for improving these ideas.

The festival also worked on providing a platform for entrepreneurs to explore their potential markets, giving them access to showcase their products and services both on social media and the [startup charity bazar](#) held in the city of Basra.

It is our vision to develop an inclusive network of innovators and entrepreneurs both inside Iraq and globally. It was with that vision that Five One Labs collaborated with Elryan, the leading online marketplace in Iraq. The Summer Festival reached more than 80 entrepreneurs participating in the main programs and activities with many more attending events and online activities held under this festival.



## The activities in Summer Festival included:

### Founders Academy

A weekly program designed to help entrepreneurs with the skills necessary to run a successful business.

### Agri-Business Startup Bootcamp

A week-long startup bootcamp focused on agricultural businesses founded in the Kurdistan Region of Iraq.

### University Workshops

A series of workshops designed to raise awareness on entrepreneurship in Basra, Iraq.

### The Face-Off: Startups VS. SMEs

A debate between startups and SMEs, focused on the feasibility and sustainability of both in Iraq's ecosystem.

### Feed Your Mind Series: Introduction to AI and Data Science with Ovanya

A day-long session held by Ovanya company, where founders explained the uses and applications of AI in modern-day businesses and startups.

### Speaker Series: Updates and Trends on Iraq's Investment Landscape

A discussion included insights into the development of Iraq's investment scene, the maturing of the entrepreneurial ecosystem, and a prediction of upcoming trends.

### Startup Charity Bazar in Basra

A platform for startups in Basra to showcase their products and services to their audience giving the entrepreneurs the chance to voice their brands and simultaneously give back to their communities.

### Startup Showcase Campaign

A digital campaign to support startups in reaching a wider audience through social media, hosting entrepreneurs from all over Iraq in different industries to present their startups.

**SUMMER**  
FESTIVAL



# IS IRAQ'S ECOSYSTEM INVESTMENT READY?

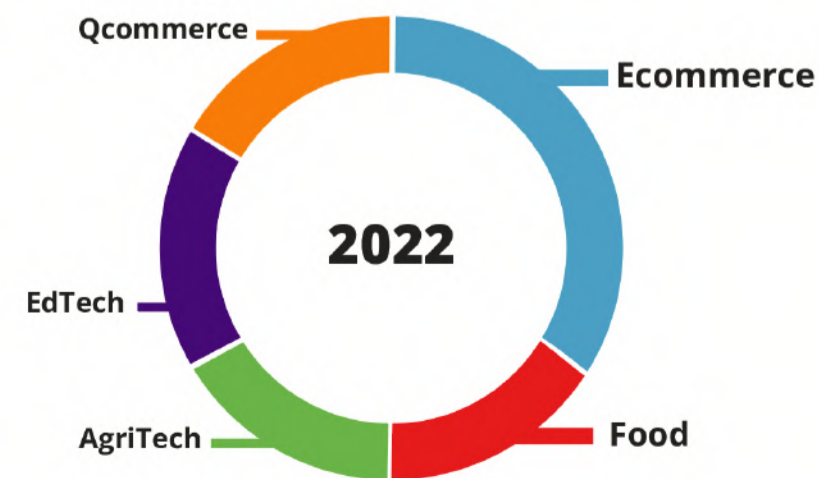
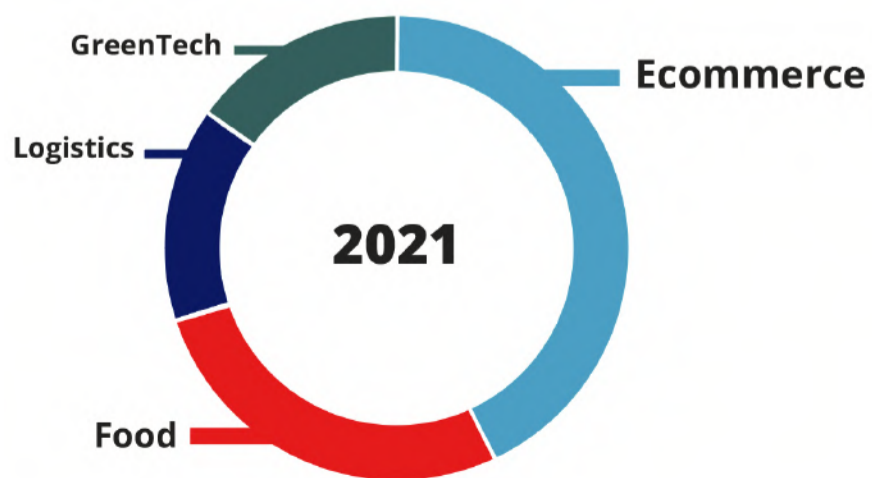
The Iraqi startup ecosystem started with a bang this year. In Q1 of 2022, we witnessed an unprecedented \$10.5M investment round (Baly) and \$5M (TipTop). The excitement revolved not only around investment value but also around the investor profile. Specifically, Baly's round was a testament to regional and international investor appetite in Iraq. The investors were diverse - from China (MSA Novo), UAE (March Holding), and Sweden (Vostok Ventures). Another interesting attribute is that both startups were early stages.

Unfortunately, the initial thrill of Q1 seemed to fizzle out by mid-year. The expected ripple effect of those two initial deals did not materialize. During Q2 of 2022, there was no publicly reported investment activity. The remainder of 2022's rounds were six-figure or less. With only one public round in 2022 (Nakhla), Euphrates Ventures seemed to have disappeared from the scene. Although the dollar amounts of 2022 surpassed last year, 2021 displayed consistency in value, investor profile, and disbursement of funds across all four quarters. So, what happened to the investment buzz? Were Baly and TipTop just one-off anomalies?

## BENCHMARKING AGAINST INVESTMENTS IN MENA

For a more holistic view, let us dig deeper and see how Iraq's investment trends stack up against MENA's. According to Wamda and Digital Digest's October 2022 report, the value of deals in the region witnessed a 331% year-on-year increase compared to October 2021. As of today and based on our conservative estimates, Iraq is on a similar positive trajectory. Iraq's year-on-year investment value increased by around three-quarters (72%) - mainly attributed to Baly's and TipTop's groundbreaking rounds. While seed and pre-seed activity witnessed a drop in the MENA region, the value and number of seed-stage rounds in Iraq remained relatively stable.

MENA investors poured money into two main industries - cleantech and fintech. Fintech startups received the most attention, with startups such as MoneyFellows (\$31M), Telda (\$20M), and MaxAB (\$40M). Meanwhile, cleantech startup, Yellow Door Energy, led the biggest raise with a mega-round of \$400M.



Iraq's investment landscape observed very divergent sectoral inclinations. E-commerce continues to reign as king. Historically, cleantech in Iraq received its share of attention. New contenders have sprouted, notably agritech (Nakhla) and edtech (IoT Kids). This sectoral interest is consistent with social and economic needs. Fintech, on the other hand, is still nascent. Mohammed Koperly from Al Nesoor Law firm attributes this to "complex ambiguous laws and regulations applying to banks, financial institutions, and insurance companies if they carry out such regulated activities." And that is why we notice a proliferation of wallet and prepaid solutions. Interestingly enough, e-commerce platforms are exploring new and innovative methods of circumventing the lack of fintech solutions, particularly startups such as Orderii, Simma, and ToolMart.



## LOOKING FORWARD: SOLUTIONS AND NEXT STEPS

Last month, Five One Invest buckled down and organized a roundtable session to uncover the gaps facing investors...what were the missing pieces of the puzzle? The online roundtable invited fifteen international, regional, and local investors to discuss investment barriers and potential solutions.

The discussion uncovered five main steps to be taken to facilitate involvement in the Iraqi ecosystem:

- Addressing startups' investment readiness gaps such as basic accounting.
- Contextualizing Iraq's ecosystem by providing a holistic overview of the investment and entrepreneurial landscape.
- Presenting Iraq's startups at regional events (such as Step, Rise Up, Gitex, etc.).
- Building trust among regional and local investors through investor networking, relationship building, and knowledge sharing.
- Supporting the survival of later-stage startups by increasing the ticket size and de-risking through co-investment and the participation of larger investors.

Quite a few ecosystem players have taken measures to champion the ecosystem further. Earlier this year, Iraq [Venture Partners](#) (IVP) and Five One Invest launched a joint pilot investment readiness program. The joint pilot program provides startups tailored support through Five One Invest that addresses gaps before the IVP investment transpires.

The type of support includes financial modeling, pitch deck readiness, due diligence, and customer experience evaluation. Other entities in the market run similar programs, such as [The Station](#), [Kapita](#), and [Cross-Boundary](#). However, there is still space for development.

Within Iraq, there is no shortage of educational and informative content. Local players such as Iraqi Innovators, Kapita, and Five One Invest produce articles, reports, and content with in-depth analysis of the ecosystem landscape. Engaging the international and regional content houses, however, is what warrants attention. A few regional players, such as Wamda and Magnitt, report on Iraq's entrepreneurial scene, but it is still insufficient to attract regional attention.

These past two years have presented Iraq's startups with regional and international exposure. In 2021, [Rabee Securities](#), a well-established Iraq-based securities brokerage firm, hosted five Iraqi startups ([Miswag](#), [AlSaree3](#), [KESK](#), [IQ Cars](#), and [Zaytoon](#)) to represent at the Iraq Pavilion EXPO 2020. Earlier this year [IQ Cars](#), an automotive marketplace app, flew out to Websummit, an annual technology conference in Portugal. Also, four startups, [JobStudio](#), [Orderii](#), [STEMile](#), and [Eduba](#) [إيدوبا](#), showcased and networked with regional investors during the MENA ICT Forum, a two-day forum focused on tech in the MENA. It is refreshing to see opportunities opening up, albeit slowly and far between.

The two other main challenges, developing relationships between regional and local investors and supporting later-stage startups through co-investment, remain tricky. But that is what we are here for...watch this space!



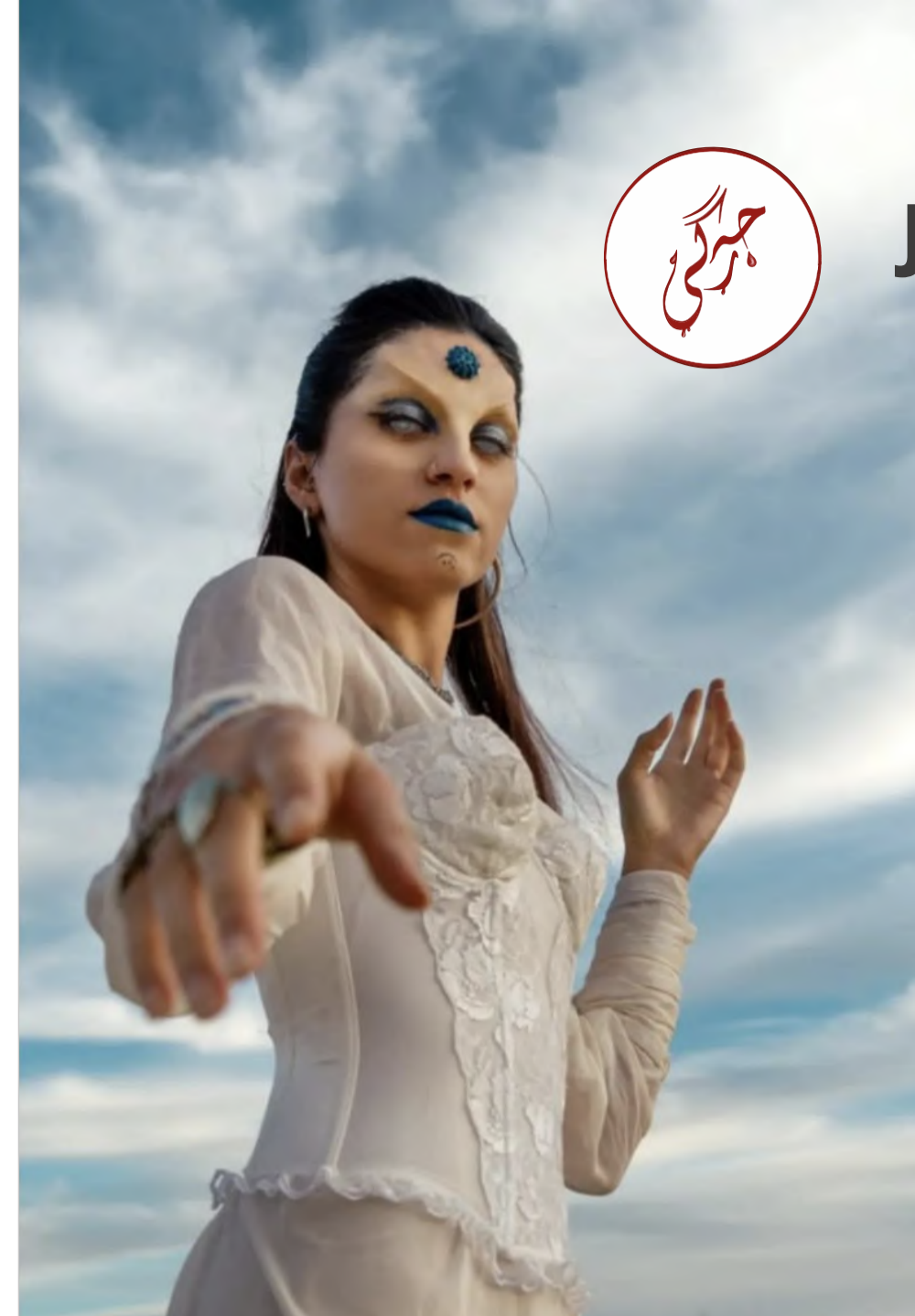
Shakir Ayad Shakir stumbled on the idea of Orderii very naturally. While Shakir was a student at Al-Nahrain University in Baghdad, shopping for books from the US, he found himself requesting items from his friends and colleagues. Shakir is now the co-founder and CEO of Orderii, a cross-border e-commerce platform for items from the US, China, and Turkey. Through Orderii, Shakir provides consumers in Iraq access to global brands and markets, payment solutions, and last-mile delivery through a user-friendly app.

Shakir's journey was not all smooth sailing. Shakir understood the local Iraqi market and noticed that while Iraqi consumers wanted to buy original international brands, the local market was not catering to their needs. To fill this market gap, he opened a shipping office called Shakir Amazon in 2015. Shakir also joined the Orange Corners Innovation Fund program, where he gained a deeper understanding of the entrepreneurial mindset and was awarded EUR 27.5K in seed funding. Shakir also participated in the ScaleUp Academy by KAPITA, where he was inspired to sell his car and self-fund his startup. Shakir's practical work experience at the marketing department of delivery startup Toters added a layer of insight into the e-commerce space.

In 2022, Shakir launched the Orderii app with a six-figure investment from Iraq Venture Partners (IVP). He compares his partnership with IVP to marriage.

The value of partnering with IVP goes above and beyond just simple financing. The partnership opened doors to networking, access to customers, and advisory support. Five One Invest and IVP have supported Orderii in his entrepreneurial journey through a joint Investment Readiness Program.

With over 10K downloads and 1K+ active customers, the numbers prove Orderii's success. The company continues to expand and develop to offer a more seamless shopping experience. Today, Orderii places itself at the top of Iraq's local logistics and e-commerce platforms, competing with players such as Wasil, Pure Platform, and Simma. With more promising success to come, let us see what the future has to hold for Shakir!



## JARGY: SPECIAL EFFECTS MAKEUP STUDIO

Shatoo Kamaran came into the Incubator for Creators program with a business idea and completed the three-month program with her startup ready to launch. The program launched during the first half of the year with 18 entrepreneurs setting to start their journey starting their business.

Jargy is a special effects studio, a space where imaginations come to life. As a creative field for artists, Jargy opens a new door for cinema and filmmakers to create fictional characters they thought were impossible before.

*"I participated in the Incubator for Creators program. This program truly shaped my vision of what I want to do in the future and how to sort my ideas into reality. The incubator was a business 101 for me."*

After receiving seed funding, the startup is now stepping towards a new level of growth as a business,

*"My startup went from a personal business to creating job opportunities for other young artists, and the more we open up to the world, the more ideas we get for expanding our business. Having a business is like having a newborn baby, all the hardships and no resting hours, a whole new responsibility. The best part of it is the learning process, learning how to deal with people, how to negotiate, and how to do business. You see yourself grow very fast and adapt. Therefore, you change entirely to a different person."*

The Incubator for Creators program was sponsored by USAID.



## 2022 IN NUMBERS



**280+**

People reached through our programs



**47%**

Of our participants were female



**16**

Startups launched from our incubator



**16**

Different programs and bootcamps

A special thanks to all of our donors for their generous sponsorship of our programs and to our partners for all of the in-kind support that makes our work possible!



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Kingdom of the Netherlands



