

The FutureList

baraka

Innovation Memo

Innovation In Words



A note from the Founder of baraka, Feras Jalbout:

At baraka, our mission to foster financial empowerment with trust and integrity drives the direction in which we grow and evolve the company, from the region and for the region.

baraka



Fintech



Trading and Investing



www.getbaraka.com



USD 26,100,000



2020

Executive Summary

baraka is an investment platform that offers Gulf Cooperation Council (GCC) investors the ability to invest in global stocks, ETFs, and commodities while adhering to Islamic principles, enabling them to make informed and strategic long-term investment decisions.

baraka specializes in retail investing, which presents unique challenges and opportunities. Challenges include navigating complex regulatory landscapes across jurisdictions to ensure compliance. Additionally, market volatility poses risks to investment performance and user confidence, necessitating robust risk management strategies. Moreover, as a technology-dependent platform, baraka must prioritize cybersecurity measures to mitigate technological risks and safeguard user data against threats and vulnerabilities.

On the flip side, baraka is poised to capitalize on significant market opportunities. The growing demand for Sharia-screened investments presents an opportunity for baraka to expand its user base globally and tap into underserved markets seeking ethical financial solutions. Furthermore, by leveraging emerging technologies like AI and blockchain, baraka can enhance operational efficiency, scalability, and user experience, positioning itself as a leader in innovation within the retail investing sector. Moreover, baraka can align with the rising trend of ethical investing, attracting socially conscious investors looking for transparent and impactful investment opportunities. Overall, by addressing challenges effectively and leveraging market opportunities, baraka is well-positioned for sustainable growth and impactful contributions to the evolving investment landscape.



Feras Jalbout
Founder and CEO

Feras has extensive experience in securities and investments from his roles at various companies. His leadership and expertise in private banking and credit risk drive baraka's mission to offer ethical and inclusive financial solutions globally.



Kunal Taneja
Co-Founder and CPTO

With over two decades of expertise in digital transformation, product management, cybersecurity, and cloud strategy, Kunal has a strong track record of leading technological innovation and product launches, including the successful launch of baraka's investment app.

Innovation Spotlight

Tech Innovation:

• Core Functionality/Features:

- Market Localization: Offering the app in Arabic and facilitating transactions in local currencies.
- Retail Investing Options: Providing specialized products such as the Shariah screener and dividend purifier to cater to investing preferences.
- Content-driven Platform: Beyond just being an investment app, baraka offers daily financial news through its newsletter, **Akhbaraka**, which has over 40,000 daily active subscribers in both English and Arabic.
- Trustworthy Innovation: Constantly innovating and launching new features that their users care about and that are aligned with their values and needs., baraka creates a narrative of consistent, relevant innovation while fostering a sense of community around financial empowerment, with a strong emphasis on trust and integrity. In addition, baraka has a distinctive feature: to protect inexperienced users, it doesn't allow some of the high-risk trades – such as derivatives and margin trading options – that have drawn criticism on other platforms.
- Their **Auto-Invest** feature enables users to set up recurring investments, Baraka empowers them to adopt a long-term investment approach, focusing on consistent contributions rather than trying to predict short-term market movements.

- **Design and User Experience**: Their interface is intuitively designed for both novice and seasoned investors, offering simplicity that ensures easy navigation. This allows users to focus on informed investment decisions without being overwhelmed by complexity.

- User-Centric Design: They prioritize a deep understanding of user needs, preferences, and behaviors, crafting an intuitive and trusted product. Their focus is on simple interfaces, clear navigation, and accessible information for both beginners and experienced investors.
- Data-Driven Design: The team uses user data and analytics to inform our design decisions, ensuring our updates and features truly meet user needs and behaviors.

- **Safety, Compliance, and Sustainability**: baraka complies with Data Protection Laws and is committed to protecting and respecting users' personal data.

- **Scalability of the Innovation**: baraka's technology can evolve and adapt to increased demand and future advancements in several key ways:

- Artificial Intelligence (AI) Integration:
 - **Personalized Recommendations**: Leveraging AI algorithms to provide personalized investment recommendations based on user preferences and historical data.
 - **Risk Assessment**: Utilizing AI-driven risk assessment models to analyze market trends and assess potential risks associated with investment options.
- Mobile-First Approach:
 - **Mobile App Optimization**: Continuously optimizing the mobile app for performance and user experience to meet the growing demand for mobile access.
 - **Offline Functionality**: Implementing offline functionality for key features ensures users can access essential services even in low-connectivity environments.
- Partnerships and Ecosystem Development:
 - **API Integrations**: Building robust APIs to enable seamless integration with third-party services and financial institutions, expanding baraka's ecosystem and service offerings.
 - **Strategic Partnerships**: Collaborating with fintech startups, financial institutions, and regulatory bodies to drive innovation and ensure alignment with industry standards and practices.

Business Model Innovation:

- **B2B2C**
- Target Customers: Private Investors

Market Impact & Future Outlook

From their comprehensive suite of products and automation tools to the expert insights and resources they provide, baraka is committed to supporting its users in building and managing their wealth in a way that aligns with their financial goals and values. A key focus is on providing Sharia-screened investment options to users worldwide.

Current Market Influence:

- Retail Investing Niche: baraka operates within the realm of retail investing, with tools that cater to Muslims seeking investments that align with Sharia principles (e.g., avoiding interest-based transactions, alcohol, gambling, etc.). This niche is significant as it addresses the needs of a large demographic of investors globally.
- Access to US Capital Markets: Their platform enables users from various countries to invest in the US capital markets. This provides access to a diverse range of investment opportunities beyond local markets.
- Education and Transparency: baraka emphasizes education and transparency about its investment offerings, which is crucial in the fintech space to build trust among users.

Potential Market Influence & Future Advancements:

- Expansion of Sharia-screened Offerings: baraka might expand its offerings beyond equities and ETFs into other asset classes like bonds, real estate, or derivatives that have been Sharia-screened. This could attract more investors seeking diversified portfolios.
- Global Access: Their platform could allow users from various countries to invest in not only US stocks, but also other international markets. This provides access to a diverse range of investment opportunities beyond local markets.
- Globalization and User Growth: As more users seek international investment opportunities, baraka might further expand its geographic reach, tapping into markets with growing interest in platforms that support Islamic financial preferences such as Southeast Asia.
- Partnerships & Collaborations: baraka might forge partnerships with traditional financial institutions or fintech startups to enhance its services, expand its user base, and offer more sophisticated financial products.

In summary, baraka's current and potential market influence lies in its ability to cater to the specific needs of GCC investors globally and innovate within the fintech space. Its future advancements could lead to broader implications for the financial services industry, promoting ethical investing practices and expanding access to Sharia-screened financial products worldwide.

Societal & Environmental Impact

baraka's work within the realm of retail investing carries broader implications for society. Here are some ways in which baraka's initiatives contribute positively:

- **Ethical Investing Principles:** By offering Sharia-screened investment options, baraka promotes ethical and socially responsible investing. This can lead to positive societal impacts by directing investment away from industries deemed harmful (e.g., alcohol, gambling, tobacco) and towards sectors that benefit society (e.g., healthcare, renewable energy, education).
- **Financial Inclusion:** baraka's platform enables individuals to participate in global financial markets in a manner aligned with their beliefs and personal values. They also offer learning content through podcasts, infographics, short videos and daily newsletters in English and Arabic, helping inexperienced traders understand financial markets and trading risks. This promotes financial literacy, inclusion, and empowerment among diverse populations.
- **Supporting Green Initiatives:** baraka's platform can facilitate investments in green bonds, renewable energy funds, and other environmentally friendly financial instruments. This channels capital towards initiatives that combat climate change and promote sustainable development.

In summary, by promoting ethical investing, financial inclusion, and sustainable practices, baraka contributes to a more socially conscious and environmentally responsible financial ecosystem. This can lead to positive changes in corporate behaviour, investor attitudes, and broader societal awareness about the impact of financial decisions on society and sustainability.

Potential Funding & Partnership Opportunities

With baraka having successfully raised their Series A round of US\$ 20 million as of November 2022, potential funding and partnership opportunities could further support their growth:

- **Market Expansion and Customer Acquisition:** baraka's growth potential lies in doubling down on its presence across the GCC and expanding its market reach to Egypt, and drive customer acquisition.
- **Technology Expansion:** The company is looking to add new services, including access to features like dividend reinvestment plans and extended-hours trading.
- **Strategic partnerships:** baraka collaborates with external partners and industry experts to drive innovation, as evidenced by partnerships with Y Combinator, Hub71, and leading venture capital firms. These collaborations contribute to the continuous improvement and growth of the platform.

Overall, baraka's approach to innovation revolves around meeting the specific needs of its user base through localization, content-driven engagement, and a commitment to empowering individuals with financial knowledge and tools for long-term financial independence.

Potential Roadblocks & Risks

baraka, like any fintech platform, faces various challenges and risks inherent in its operations. Here are some potential challenges and suggested mitigation strategies:

Regulatory Compliance:

- **Challenge:** Operating in multiple jurisdictions requires compliance with diverse regulatory frameworks.
- **Mitigation Strategy:** baraka should maintain close relationships with legal experts knowledgeable in capital markets, and local regulations. Continuous monitoring of regulatory changes and proactive adaptation to ensure compliance is essential.

Technology Risks:

- **Challenge:** Dependence on technology exposes Baraka to risks such as cybersecurity threats, system failures, or disruptions.
- **Mitigation Strategy:** baraka should invest in robust cybersecurity measures, regular system audits, and redundancy plans. Additionally, educating users about best practices for securing their accounts can mitigate technology-related risks.

Conclusion

baraka has significant potential in the fintech industry, and wants to be the number one destination for all retail investors across the region. In the next 5-10 years, Baraka aims to expand its reach while continuing to refine its platform and offerings to meet the evolving needs of users. They envision a future where every user's unique needs are met through tailored localization efforts, continuous product enhancements driven by user feedback, and strategic partnerships that amplify our impact. Ultimately, their goal is not only to facilitate investment but to empower individuals to achieve financial prosperity and security, setting a new standard for retail investing in the region and beyond.

Innovation In View

How **baraka** brings innovation to life



Mobile Platform

baraka's platform enables users across the Middle East and North Africa (MENA) to directly trade around 4,000 stocks (including all Nasdaq and Dow Jones companies) and exchange traded funds (ETFs) in the United States market.

Features of their investment app include:



Income Centre

Enables users to monitor their earnings in real-time, and provides users with an understanding of their income generation, allowing them to assess how their investments contribute to their financial goals



Stock Analysis & Reports

Premium users access a wealth of company research to inform their investment decisions. This includes buy-hold-sell recommendations, 12-month price targets, sector analysis, and comparative analysis.



Auto-Invest

Users can set up automatic investments to build their portfolio over time and achieve their long-term financial goals



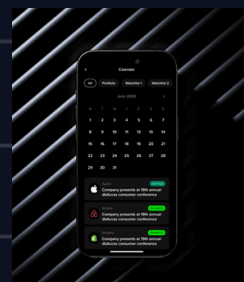
Sharia Screener

With the app's Dividend Purifier Calculator, users can ensure that their investments align with their values



Dividend Reinvestment Plan

Automatically reinvests cash dividends into additional shares or fractional shares of the underlying stock on the dividend payment date



Investor Calendar

Displays past and upcoming information related to earning reports and dividends for stocks and ETFs offered on the app

Contributors

The FutureList

Lucy Kinyua

Fintech Research Analyst

Eric Kamande

Research Specialist

baraka

Amar Tahboub

Communications and PR Manager

The FutureList

Notes on our methodology

About The FutureList

The FutureList is dedicated to identifying and linking innovative technology companies with the investors, talent and strategic growth partners they need to rapidly scale their innovation. The FutureList leverages its network of local Innovation Scouts, a comprehensive online platform, and curated events to rapidly spot and match opportunities. The FutureList network has already profiled over 6,000 innovative companies, investors and partners globally.

We scout across a broad range of sectors in tech, aiming to identify the most innovative startups globally. This includes everything from AI to biotech, renewable energy, and more. The 10 categories we currently focus on are: Agriculture (farming, food, beverages, crops, forestry, aquaculture, livestock, irrigation, veterinary, etc.), Climate (electricity, energy, environment, renewables, recycling, circular economy, carbon credits, cleantech, etc.), Education (e-learning, school management, assessments, upskilling, tutors, languages, etc.), Enterprise (legal services, AI, cyber security, market research, recruitment, HR, customer success, consulting, SaaS tools, business analytics, etc.), Finance (banking, capital, trading, lending, personal finance, insurance, crypto, real estate, etc.), Health (medicine, biotech, medical equipment, pharmaceuticals, public health, digital health, hospitals, health records, wellness, fitness, beauty, etc.), Infrastructure (architecture, materials, computer networks, safety, law enforcement, construction, data centers, machinery, telecom, wireless internet, manufacturing, etc.), Media (marketing, influencers, animation, arts, gaming, fashion, content, platforms, music, publishing, translation, editing, etc.), Mobility (delivery, transportation, etc.), and Supply Chain (e-commerce, warehousing, logistics, retail, etc.)

About Our Innovation Scouts

Our Innovation Scouts are experienced professionals from diverse sectors with a keen eye for groundbreaking technologies and business models. They undergo rigorous training to ensure they provide maximum value to the startups they work with. They conduct their research on a volunteer basis. We have strict ethical guidelines in place. Any Scout with a potential conflict of interest is recused from the process to ensure fairness and objectivity.

About Our Innovation Memos

Innovation Memos provide a comprehensive profile of an innovator, whether its a startup, hub, investor or more established corporate, highlighting technological and business model innovations. The Memo is written in direct consultation with a verified representative from that entity, and also outlines suggestions around how to rapidly scale their innovation further through use of The FutureList's network. Once published, the Memo accessible to our network of investors, partners, and the general public for free on our platform. The Memo process is completely free for the companies featured as well. The entire process, from initial contact to publishing the Innovation Memo, typically takes about 4-6 weeks, but this can vary based on the startup's availability and responsiveness. Our goal is to promote and scale innovation globally. The FutureList platform and events are sponsored by partners.

Scaling Innovation

How **The FutureList** identifies and scales innovation globally



Ecosystem and sector mapping

Our Innovation Scouts identify the most innovative early-stage and growth-stage tech companies across key sectors in tech hubs around the globe.



Innovation memos and platform profiles

Our Innovation Scouts interview founders and tech executives to publish innovation memos and create a comprehensive company profile on our public online platform.



Introductions to strategic opportunities

Our Innovation Scouts share company profiles with relevant investors and strategic growth partners across our global ecosystem, and facilitate warm introductions where requested.



Private dinners and fireside chats

Our exclusive evening events bring together founders, tech executives and other special guests for networking and interactive discussions around technology and innovation.



Global summits & learning trips

Featured companies will be invited to larger annual events held at the regional and global stage that connect the most innovative companies with opportunities for further visibility.

Sponsor

The FutureList platform and events are sponsored by partners.



Sand Technologies, a global technology services company with presence across Silicon Valley, France, the UK, Romania, and several emerging markets, is at the forefront of supporting scale-ups worldwide in overcoming the challenges of rapid growth. We're currently aiding businesses in the United States, New Zealand, Denmark, the Netherlands, the UK, the UAE, South Africa, Kenya, and numerous other locations in developing scalable technology products, constructing world-class tech teams, enhancing revenue generation, and elevating customer satisfaction.

Learn more at www.sandtech.com

**The
FutureList**

www.thefuturelist.com

