

MENA Startup Ecosystem News

OCTOBER 2023

Growth stage funding in the MENA region faces ~\$20Bn gap in the next 5 years, with only \$4.2Bn VC dry powder available

According to Saudi Technology Ventures (STV) in their report: [Mind the Gap: a \\$20bn Growth Funding Gap](#):

- The MENA ecosystem boasts a strong pipeline of growth-stage companies, with around 220 startups recorded as having at least raised a Series A round. To support them at growth stage, at least 10 VC funds dedicated to late-stage funding would be needed.
- The VC funding and GDP ratio of the three MENA countries with the highest VC activity, namely the UAE, Saudi Arabia, and Egypt, stands at only 0.11%, with their share of growth-stage capital contributing 43% vs countries with a more developed VC sector varying from 0.2% to 1.0% of GDP, and growth stage capital share of as high as 84% such as India.
- The ecosystem needs to deploy \$39 billion in VC funding between 2023 and 2028, of which \$13 billion should be invested in early-stage companies and \$26 billion directed towards growth-stage funding.

INVESTMENTS (non-exhaustive)

STARTUP	SECTOR / INDUSTRY	LOCATION	AMOUNT & ROUND	INVESTORS
CashPlus	Finance	Morocco	\$60M, undisclosed	Mediterrania Capital Partners, FMO, IFC
HyperSpace	Media / Entertainment	UAE	\$55M, Series A (equity and debt)	Led by Galaxy Interactive; from Riyadh Season, SEGA Ventures, and Apis Venture Partners
XPANCEO	AI	UAE	\$40M, Seed	Led by Opportunity Ventures (HKG)
Jisr	Human Resources	KSA	\$30M, Series A	Merak Capital
Nomad Homes	Real estate	UAE	\$20M, Series A extension	Led by Acrew Capital; from 01 Advisors, HighSage Ventures, Abstract Ventures, Partech, Precursor Ventures, Potluck Ventures, Knollwood, undisclosed hedge funds
Neo Mobility	Transportation / mobility	UAE	\$10M, Seed	Delta Corp Holdings, Pyse Sustainability Fund, angels
Redbox	Logistics	KSA	\$7M, Series A	Led by Jahez
Keyper	Real Estate	UAE	\$6.5M, Seed	Led by Access Bridge Ventures, Vivum Holdings; from MEVP, Jabbar Internet Group, angels
Dharma	Travel	UAE	\$4.7M, Pre-Series A	Led by Convivialite Ventures; from FJ Labs, Equinox, Shorooq Partners, angels
Pearl Semiconductor	Semiconductors	Egypt	\$4.5M, undisclosed	Shorooq Partners, Sawari Ventures, QBN Capital,

MENA Startup Ecosystem News

OCTOBER 2023

INVESTMENTS (non-exhaustive)

STARTUP	SECTOR / INDUSTRY	LOCATION	AMOUNT & ROUND	INVESTORS
Zest Equity	Finance	UAE	\$3.8M, Seed	Led by MEVP; from Dubai Future District Fund, DASH Ventures
Almouneer	Health	Egypt	\$3.6M, Seed	Led by Global Ventures, Proparco and Digital Africa through the Bridge Fund (FRA), Wrightwood Investments (UK)
Intella	AI	KSA	\$3.4M, Pre-Series A	Led by HALA Ventures, Wa'ed Ventures; from Sanabil 500, INSEAD alumni angel network
Takadao	Finance	KSA	\$1.6M, Pre-Seed	Led by Draper Associates; from BIM, Core Vision Ventures, Prince Sultan bin Fahad bin Salman Al Saud
Belong (Prev. ASKWHO)	Social media	UAE	\$1.5M, Pre-Series A	Undisclosed
Amenli	Finance	Egypt	\$1M, undisclosed	Led by Alter Global; from Digital Venture Partners
Capifyly	Finance	Jordan	\$1M, Pre-Seed	Oasis500, BLDR Ventures, Joa Capital, Ahli Fintech, angels
Cycls	AI	KSA	\$1M, Pre-Seed	Angels
Ejari	Real estate	KSA	\$1M, Pre-Seed	Led by Sanabil 500 MENA and Hambro Perks' Oryx Fund; from angels
Olive Gaea	Environment	UAE	\$1M, Undisclosed	Cornerstone Ventures
Neqabty	Finance	Egypt	\$550K, Seed	Led by Sanabil Investments
My Easy Transfer	Finance	Tunisia	\$423K, Undisclosed	216 Capital
Crafty Workshop	Education	Egypt	\$400K, Seed	Led by EdVentures
App4Legal	Legal	UAE	Undisclosed	Led by Aditum Ventures
Democrance	Finance	UAE	Undisclosed	Wa'ed Ventures
Orisdi	Consumer services	Iraq	Undisclosed	Al Sharqiya TV Group, angels
Share the Love	Consumer services	UAE	Undisclosed, Seed	Angels

MERGERS & ACQUISITIONS

STARTUP	SECTOR / INDUSTRY	LOCATION	ACQUIRER, LOCATION	DETAILS
Cardless	Finance	KSA	Cashin, KSA	Amount unknown
Stockone	Logistics SaaS	India	Shipsy, UAE	Amount unknown

STARTUPS

Dubai Chambers launches Business in Dubai platform

The platform seeks to amplify a range of processes for companies seeking to launch or expand their activities in the emirate. It is aligned with Dubai's vision to position the emirate as a digital economy leader, aiming to attract 300 startups to Dubai by 2024.

Egyptian startup ecosystem facing difficulty amidst debit and credit card use restrictions

Local banks suspended the use of debit cards outside Egypt and limited credit card use abroad to transactions worth \$250 per month, as per instructions from the Central Bank of Egypt (CBE). More [here](#).

Egypt announces new startup regulations

During the 9th edition of the Techne Summit, Egypt's minister of communications and information technology announced that "The General Authority of Investment is now working on launching a platform for establishing startups, where any citizen can remotely establish his startup with a capital of EGP1,000 (\$32) with no set location required"

InstaShop Founder steps down as CEO

John Tsioris, who founded InstaShop in 2015, steps down as CEO and will be succeeded by COO Nikola Cabarkapa. The startup was acquired by Delivery Hero in 2020, a global leader in online food ordering and delivery, for US\$360 million. Since then, InstaShop has continued to operate as an independent brand under Tsioris and the local leadership team.

VENTURE CAPITAL

Tunisia's Anava invests \$5M into Titan Seed Fund I

Titan Seed Fund I is a \$10M fund that seeks to invest in 20 deeptech Tunisian startups. The Fund aims to invest between \$300K - \$500K in seed stage startups, and help them prepare for Series A stage.

SVC invests \$30M in IMPACT46

With this investment, the firms aim to minimize financing gaps for startups in the region. This move is designed to empower late-stage companies in the region by investing in growth and pre-initial public offering phases.

SVC invests in Ruya Private Capital I

Saudi Venture Capital invests \$10M in the private credit fund Ruya Private Capital I to provide capital solutions in the form of private debt instruments to both SMEs and VC-backed businesses in KSA

NEOM announces investment arm

Saudi Arabia's NEOM has launched its investment arm, the NEOM Investment Fund (NIF), aiming to support the buildout and development of NEOM's 14 priority sectors. NIF will invest globally through mergers & acquisitions and venture capital in tech startups with clear focus on pioneering growth companies and next-generation industries.

STARTUP PROGRAMS

Dtec's SANDBOX for early-stage startups puts Founders at its core



Dtec's landmark 12-month startup program offers founders 200+ hours of workshops, 100+ hours 1:1 with expert practitioners, USD \$950,000+ in-kind credits from partners, access to award-winning office space, Equity Warrant of USD \$50,000, business licensing support, and much more. If you are an early-stage tech entrepreneur in Dubai, seeking to test, grow and scale, [APPLY TODAY](#)

Dubai Internet City (DIC) considering opening more specialized incubators

The expansion of specialized incubators aims to cater to the diverse needs of emerging businesses, providing them with tailored support, resources, and mentorship. By offering incubator programs tailored to various industries such as fintech, healthtech, and artificial intelligence, DIC seeks to attract a broader spectrum of entrepreneurs and innovators.

500 Global, ITIDA launches Scale Up Program in Egypt

500 Global partners with The Egyptian Information Technology Industry Development Agency (ITIDA) in launching the 7 week program. Scale Up provides founders of Egyptian pre-Series A and Series A startups with personalised mentorship and growth techniques for their future success. The first batch of 15 startups cover sectors such as fintech, proptech, healthtech and logistics to name a few.

23 Startups join Hub71's Company Building Program

Startups selected are joining Cohort 13 which runs for 3 months and will receive \$204,000 (AED750,000) in cash and in-kind incentives, mentorship, tailored advice, and critical support. High-performing startups from the latest cohort will also be eligible to receive a top-up of up to AED 250,000 in exchange for additional equity, after one year.

WORTH THE READ

Magnitt

- [Q3 2023 MENA Venture Investment Summary](#)
- [2018- H1 2023: The State of Climate Tech Venture Capital Report](#)
- [Webinar: Gaming Venture Investment: MENA vs Turkey](#)

Wamda

- [Report: Integra Seven and Wamda release first of its kind "State of Tech Talent in Dubai" report](#)
- [Starting a venture with an exit in mind](#)

STV

- [Report: Mind the Gap: A \\$20bn Growth Funding Gap](#)