

2023 YEAR IN REVIEW
INVESTMENTS IN MENA

✦ wamda

2023 Investment Overview

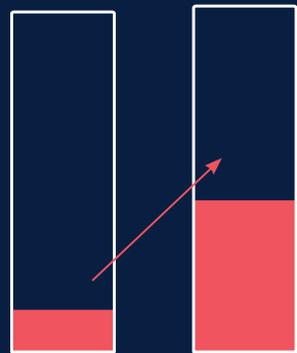


STARTUP INVESTMENT including debt financing grew by only

1.7%

Without debt, it dropped by

35%



2022

2023

DEBT FINANCING grew by

256%

year on year



Investment in **FEMALE** founded startups dropped by

64%



SAUDI ARABIA-BASED investors were the most active, participating in

30%

of all deals

2023 YEAR IN REVIEW

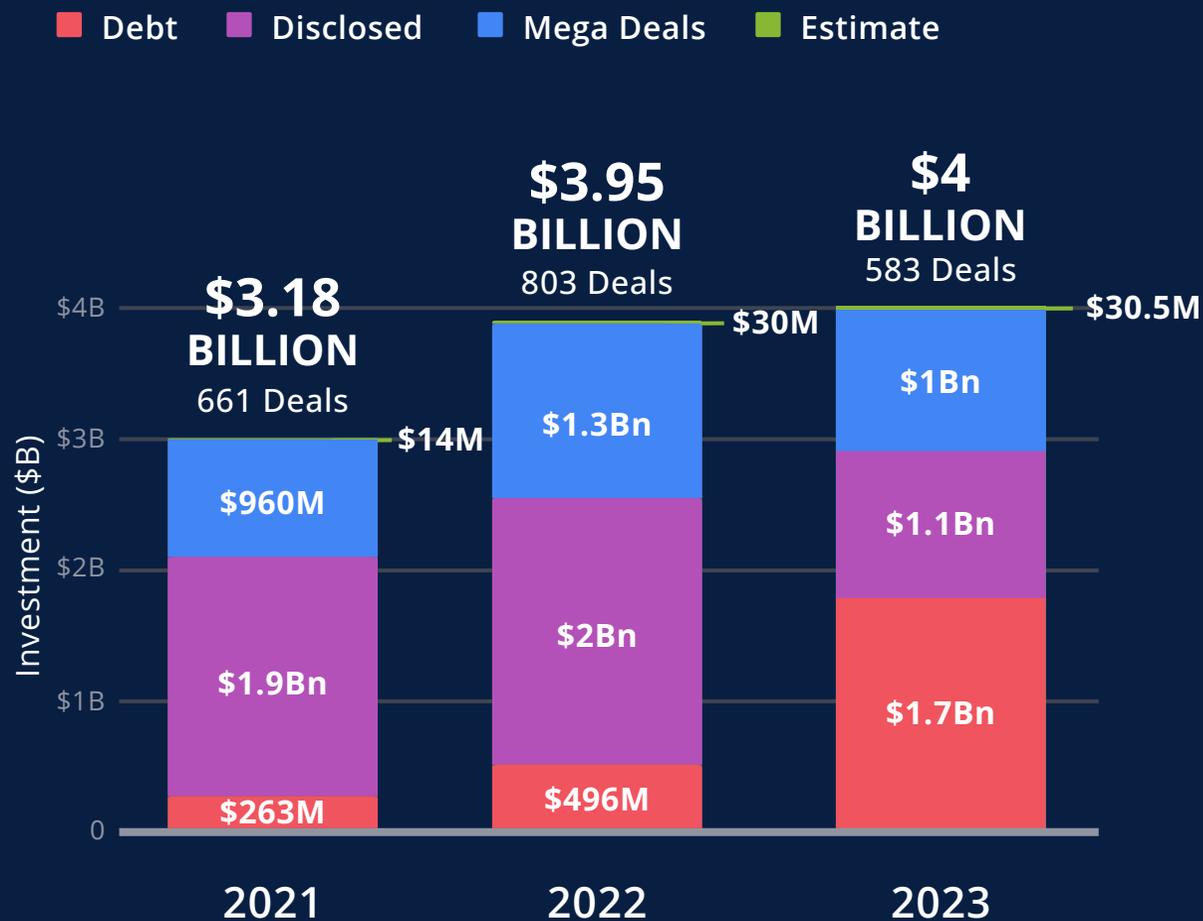
On the surface, the \$4 billion raised by startups across the Middle East and North Africa (Mena) in 2023 demonstrated a modest growth of 1.7 per cent year on year, but this belies a more dismal picture for the region. Half of this came from debt financing, which tripled last year to \$1.77 billion. Discounting this debt, the total raised by startups amounts to \$2.25 billion, a drop of almost 35 per cent compared to 2022.

The number of transactions also dropped by 27 per cent, with the worst affected being Egypt, which saw the number of deals halve year on year.

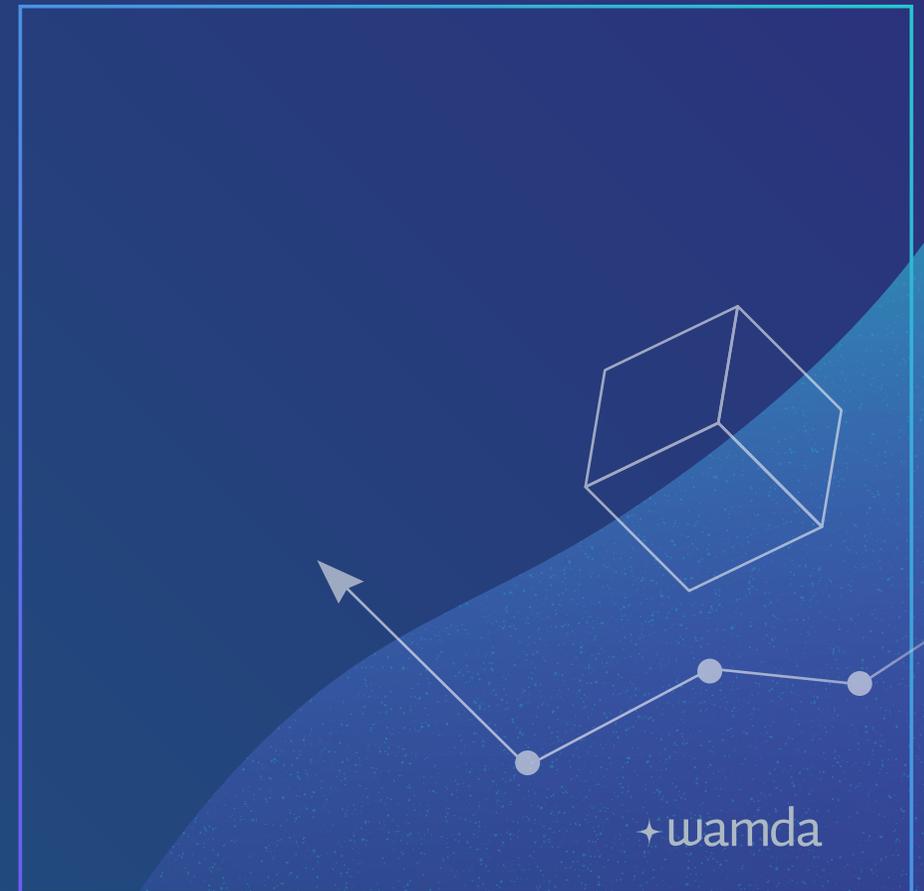
Out of all the markets in the region, only three countries saw an uptick in investment - Saudi Arabia, Morocco and Oman.

The most active markets remain Saudi Arabia, the UAE and Egypt, which together accounted for 98 per cent of all the investment and 75.6 per cent of all transactions.

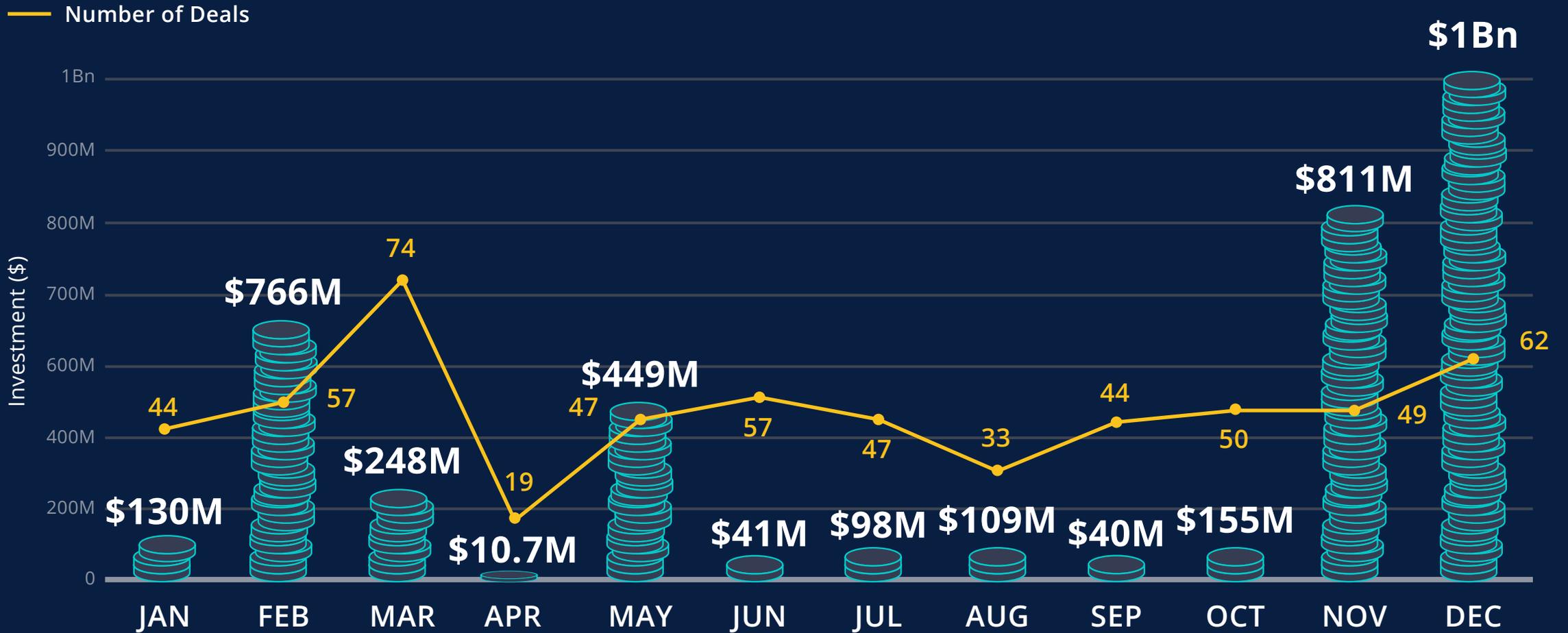
Value of Investments 2021-2023



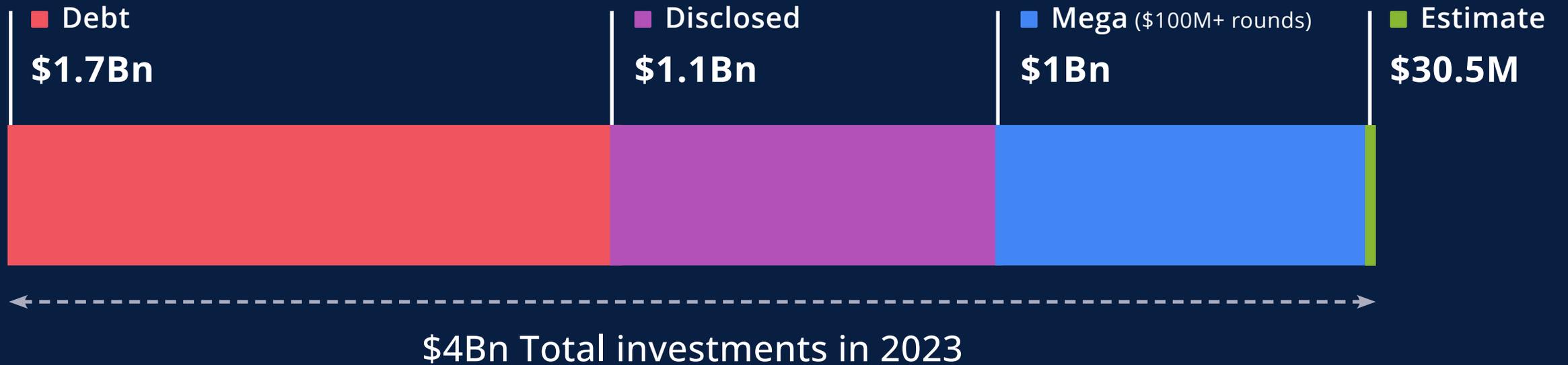
2023 INVESTMENT BREAKDOWN



Monthly Investments in MENA

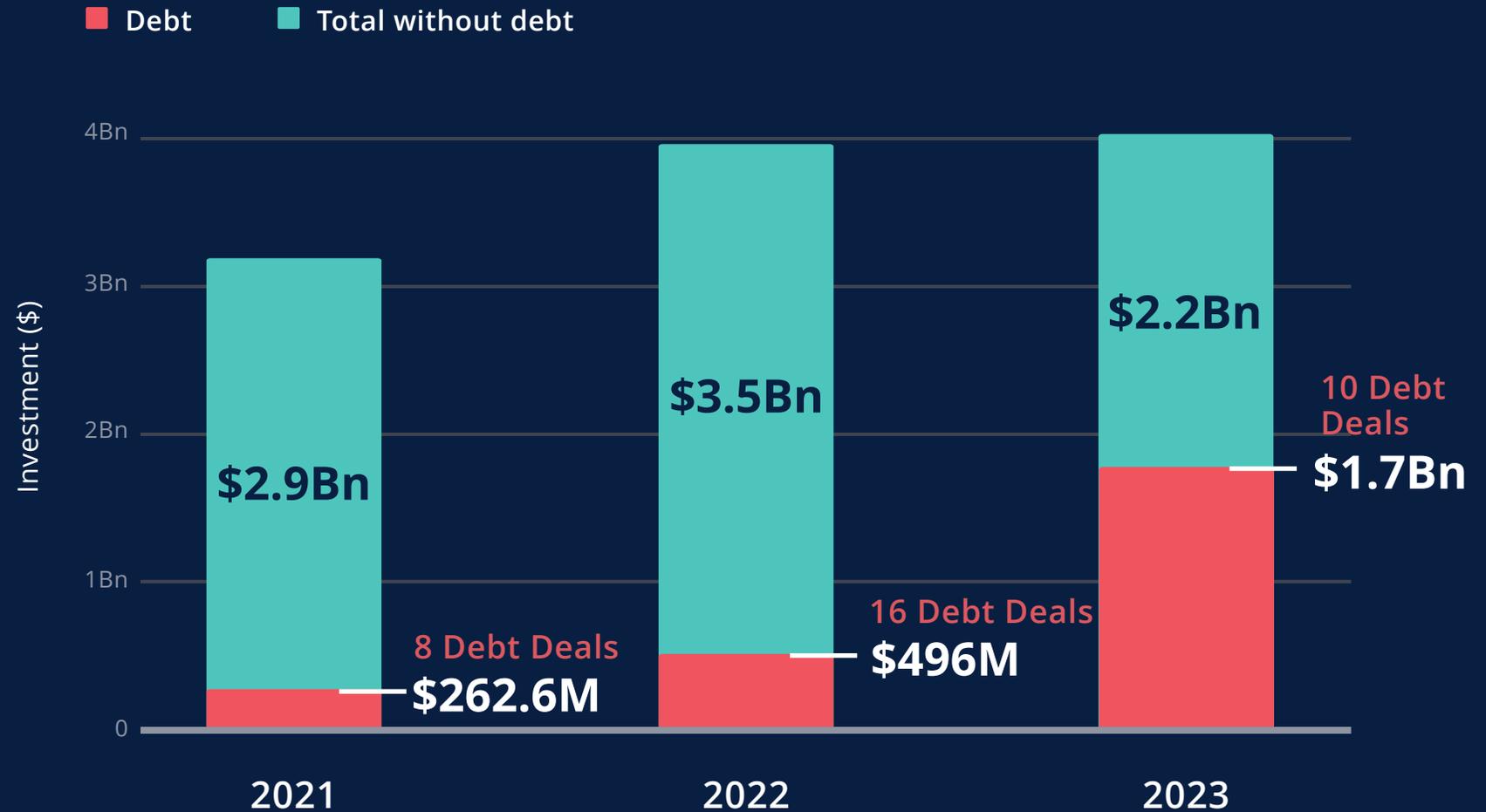


Investments Breakdown (includes debt financing)



Debt Rounds 2021-2023

While the number of debt financing transactions dropped last year, the amount raised from debt increased by 256 per cent year on year. When compared to 2021, the rise is even more stark at over 570 per cent.



Investments by Country



Mega deals in the MENA 2023

The UAE historically accounted for the majority of mega deals, that is funding over \$100 million, but last year, it was Saudi Arabia-based startups that accounted for four out of the five of the mega deals in the region. We have included Tabby as a Saudi company from November 2023 when it relocated its headquarters to Riyadh.

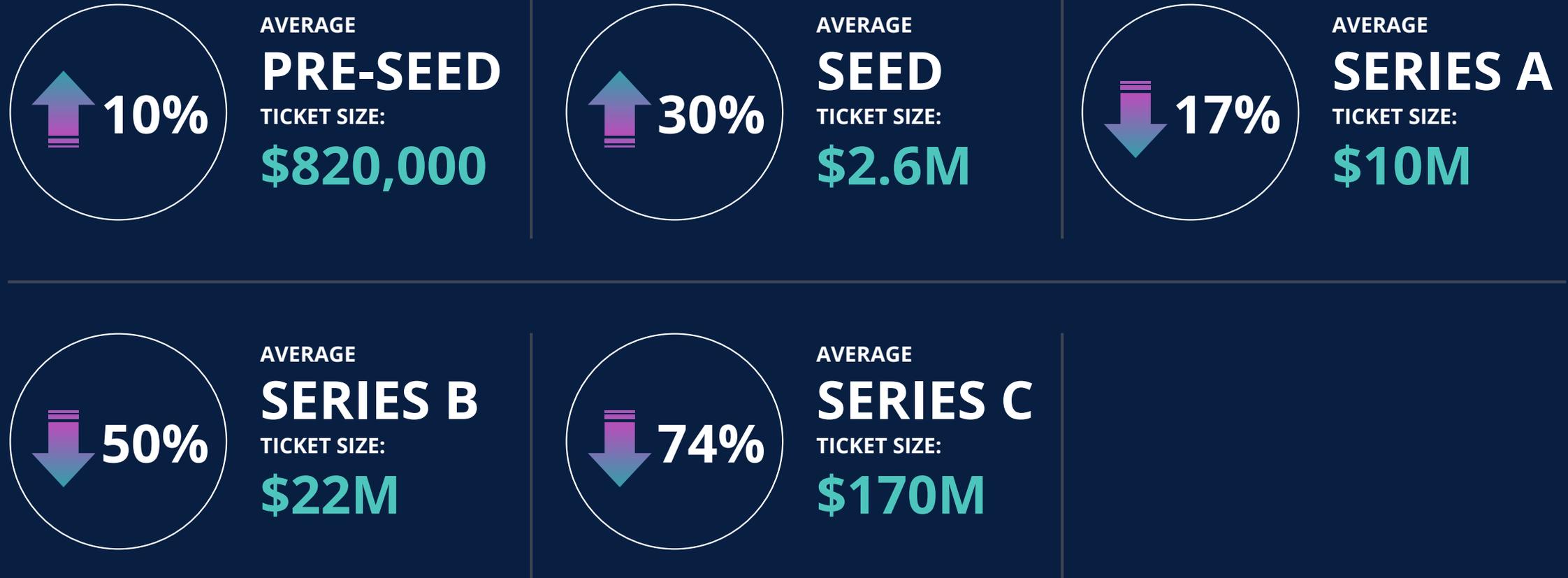
Legend:	 Sector	 Stage / money raised	 Location
	 Tamara  Fintech  Series C / \$340M  KSA		 MNT-Halan  Super App  UD / \$260M  Egypt
	 Tabby  Fintech  Series D / \$200M  KSA		 Floward  E-commerce  Series C / \$156M  KSA
	 Nana  Foodtech  Series C / \$133M  KSA		

Deals breakdown by Funding Stage

Early stage startups accounted for the majority of transactions in 2023, with seed stage investments making up the bulk of deals. The number of deals in the series C and above stages also increased, a sign of a maturing ecosystem and while the average ticket size increased for these startups, those in series A and B saw a decline, perhaps due to downrounds and falling valuations.



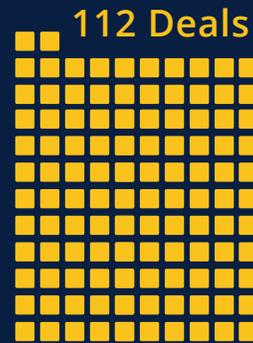
Average ticket sizes compared to 2022 (increase or decrease)



Value of Investments in MENA by Sector

In the past few years, fintech has attracted most of the funding in the region. The same trend was evident last year, with fintech startups accounting for 58 per cent of the total amount raised including debt, and 39 per cent without debt. However, the vast majority of this was down to two main startups - buy now pay player later players Tabby and Tamara, who together raised over \$2 billion in debt and equity, accounting for almost 51 per cent of the \$4 billion raised last year. Without the investment raised by BNPL startups, the amount invested in fintech amounted to just \$286 million, a drop of 60 per cent year on year.

■ = One Startup



\$2.3Bn
Fintech



\$543M
Super App



\$222M
Foodtech



\$195M
E-commerce



\$99.4M
Logistics



\$84M
Mobility



\$70.7M
PropTech



\$70.4M
Healthtech

2023 YEAR IN REVIEW

Investments in MENA by Sector continued



Investments by Gender

Out of the 583 startups that raised funding in 2023 just 52 were founded by women, who collectively raised less than \$19 million, or 0.47 per cent of the total, a staggering drop of 63 per cent compared to 2022 when female-founded startups raised \$52 million, or 1.3 per cent of the total that year. The average ticket size for female-founded startups was \$360,000 in 2023, down from \$820,000 in 2022. Egypt-based Chefaa's \$5.25 million round was the highest recorded for a female-founded company last year. Meanwhile the average ticket size for startups founded by men stood at \$8.6 million with debt and \$4.7 million without debt.

Startups co-founded by men and women fared a little better, accounting for 2.86 per cent of the \$4 billion raised in 2023, down by more than a third compared to the year prior. Startups founded by men however, managed to raise \$3.89 billion, a rise of 2 per cent year on year.

If however we discount the mega rounds and the debt rounds, then the share of the female founded startups rises to 1.6 per cent, male and female co-founded teams account for almost 10 per cent, while male-founded startups still account for the majority at 88 per cent.

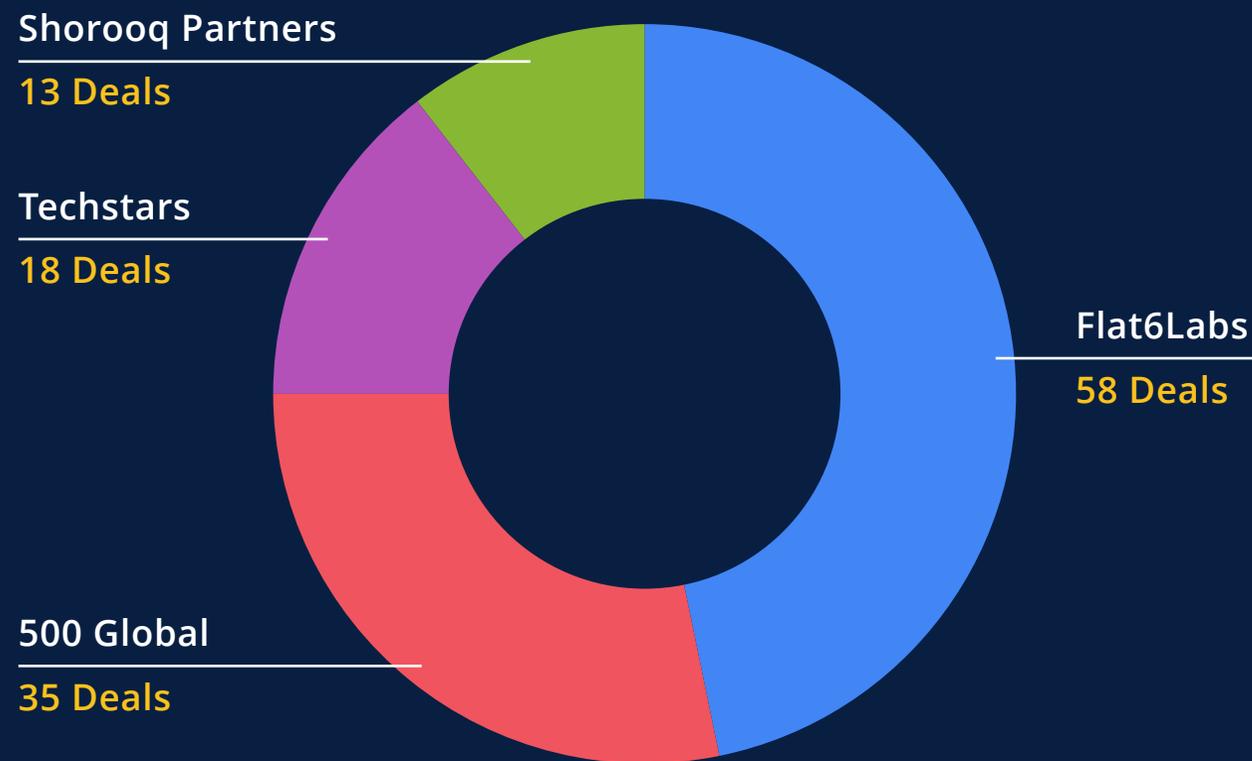
Value of Investments by Gender 2021-2023

Female Male Mixed



Most Active Investors

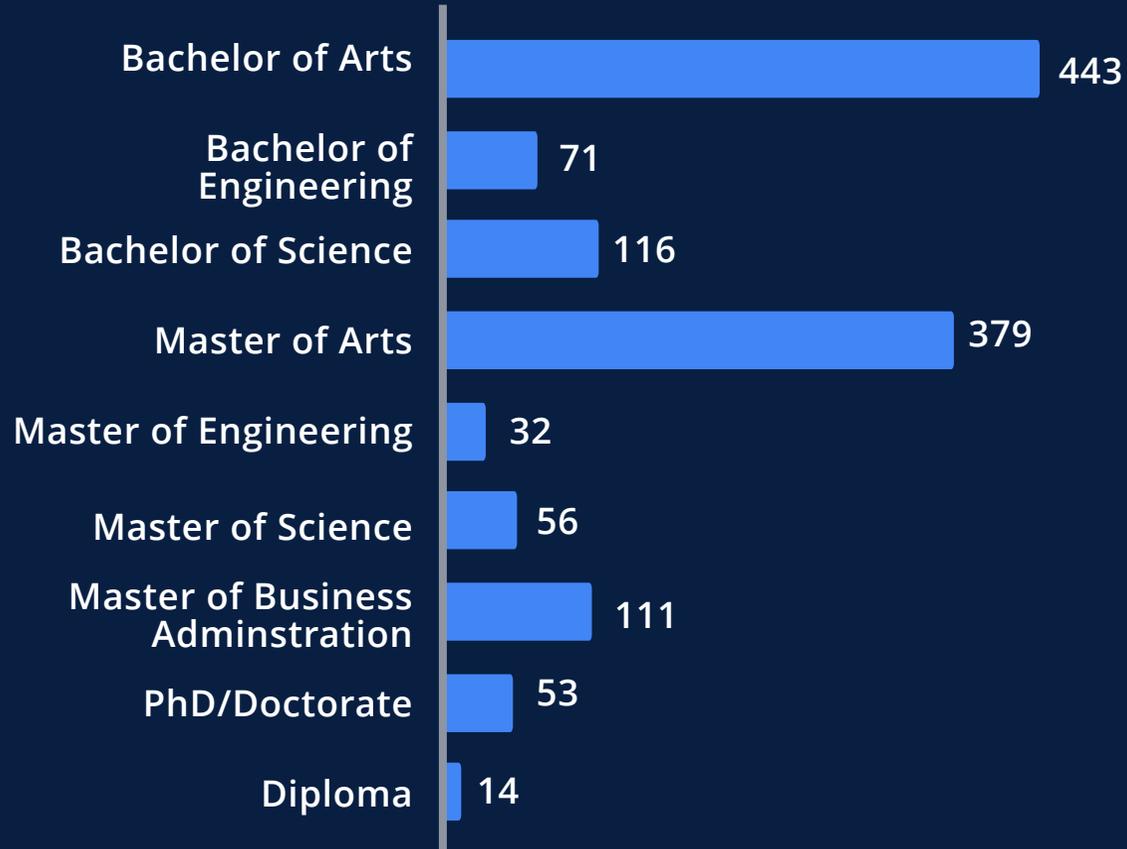
From the deals where the investors were disclosed, we see that Middle East and North Africa-based investors participated in 70 per cent of all the deals that took place in 2023 up from 65 per cent the year prior, while foreign investors took part in 30 per cent, down from 35 per cent in 2022. Only 13 per cent of the investments that took place attracted both regional and foreign investors in 2023 down from 20 per cent in 2022.



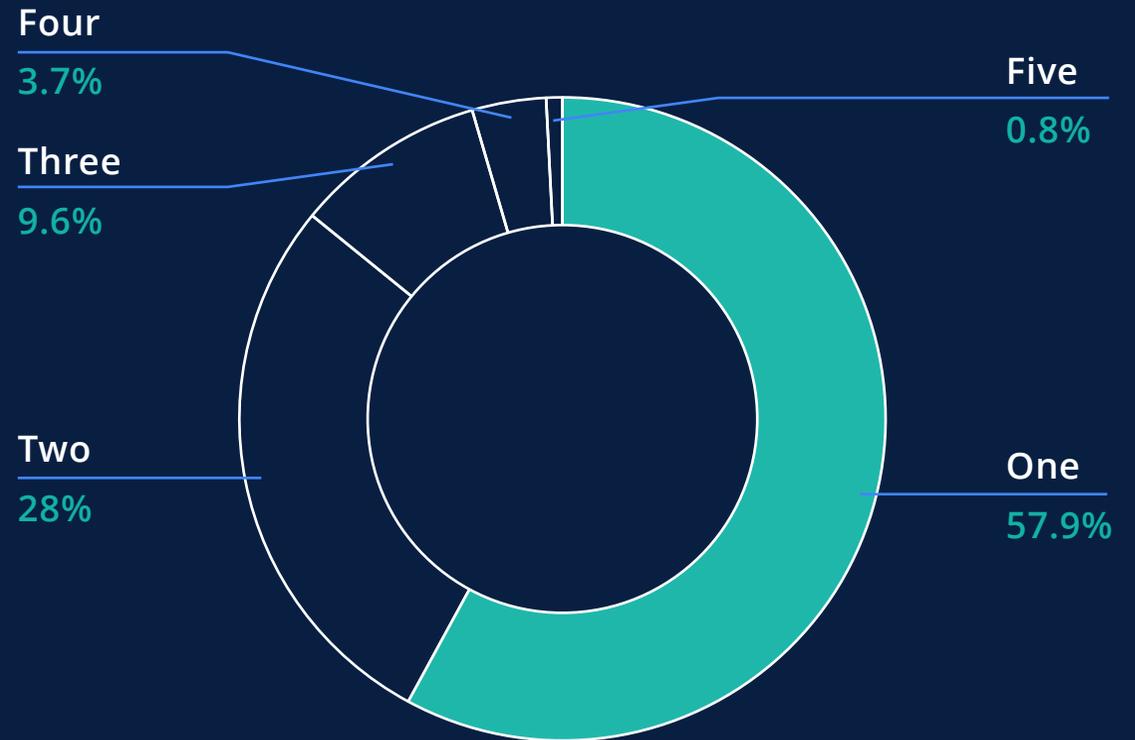
Most Active Regional and Foreign Investors



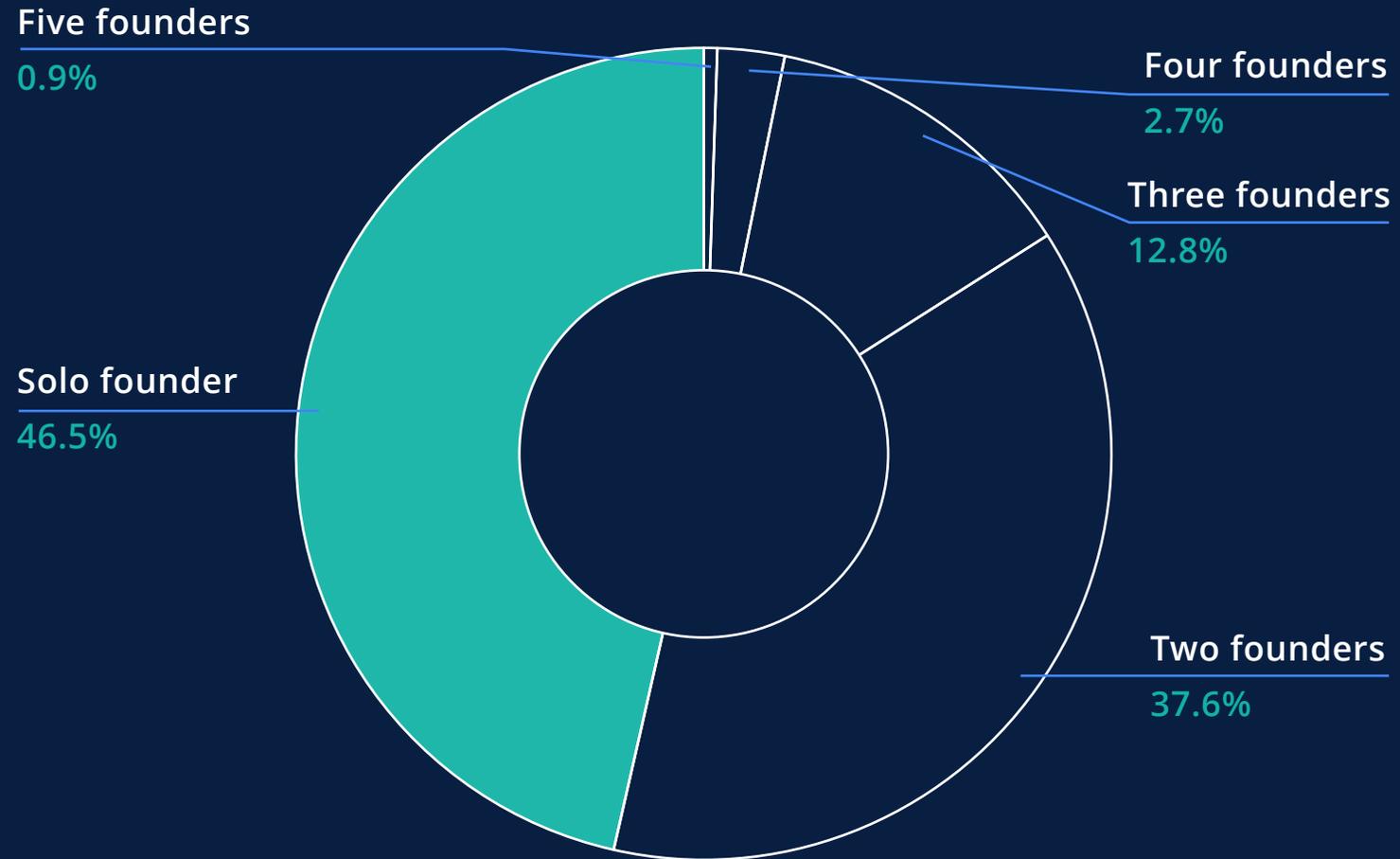
Founder Education



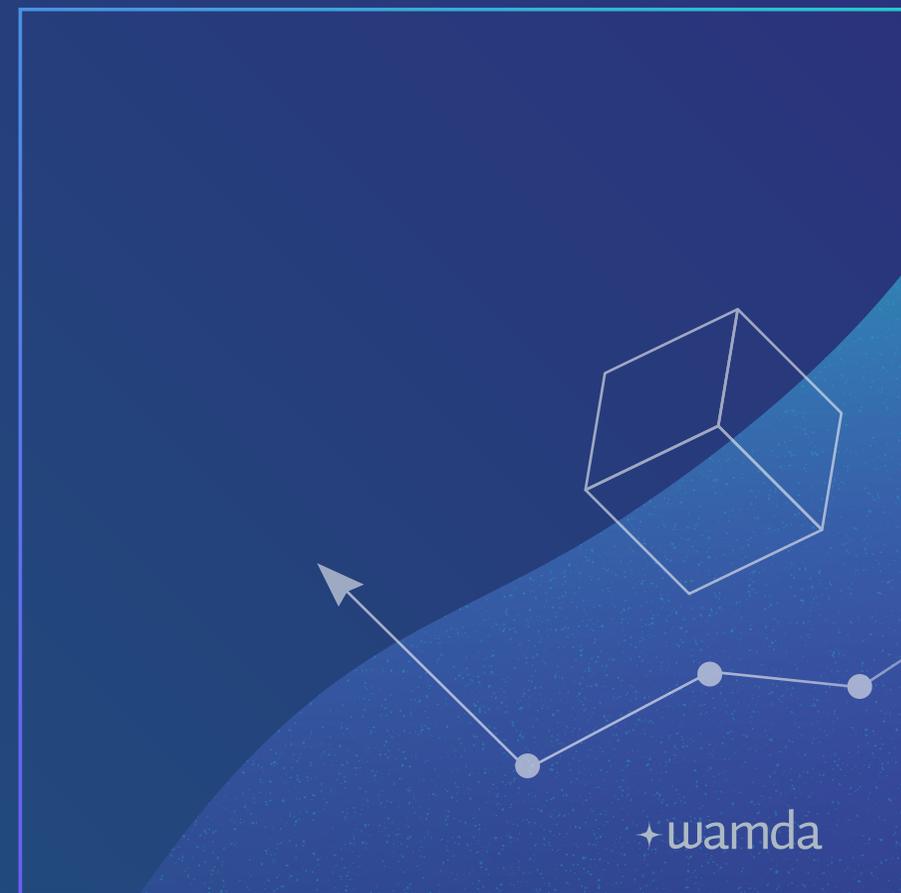
Number of Startups Founded by Entrepreneur



Number of Founders



KSA INVESTMENTS 2023

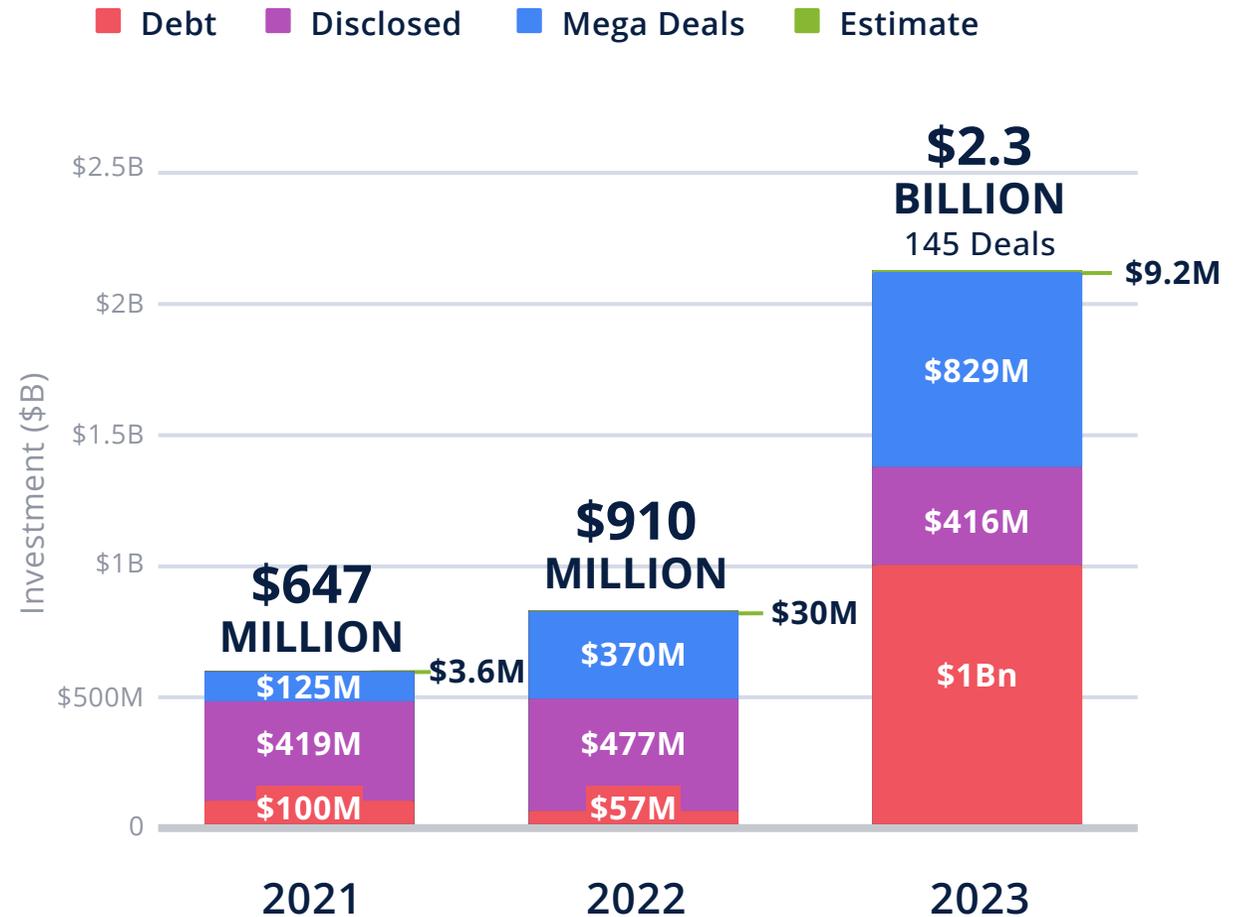


2023 YEAR IN REVIEW

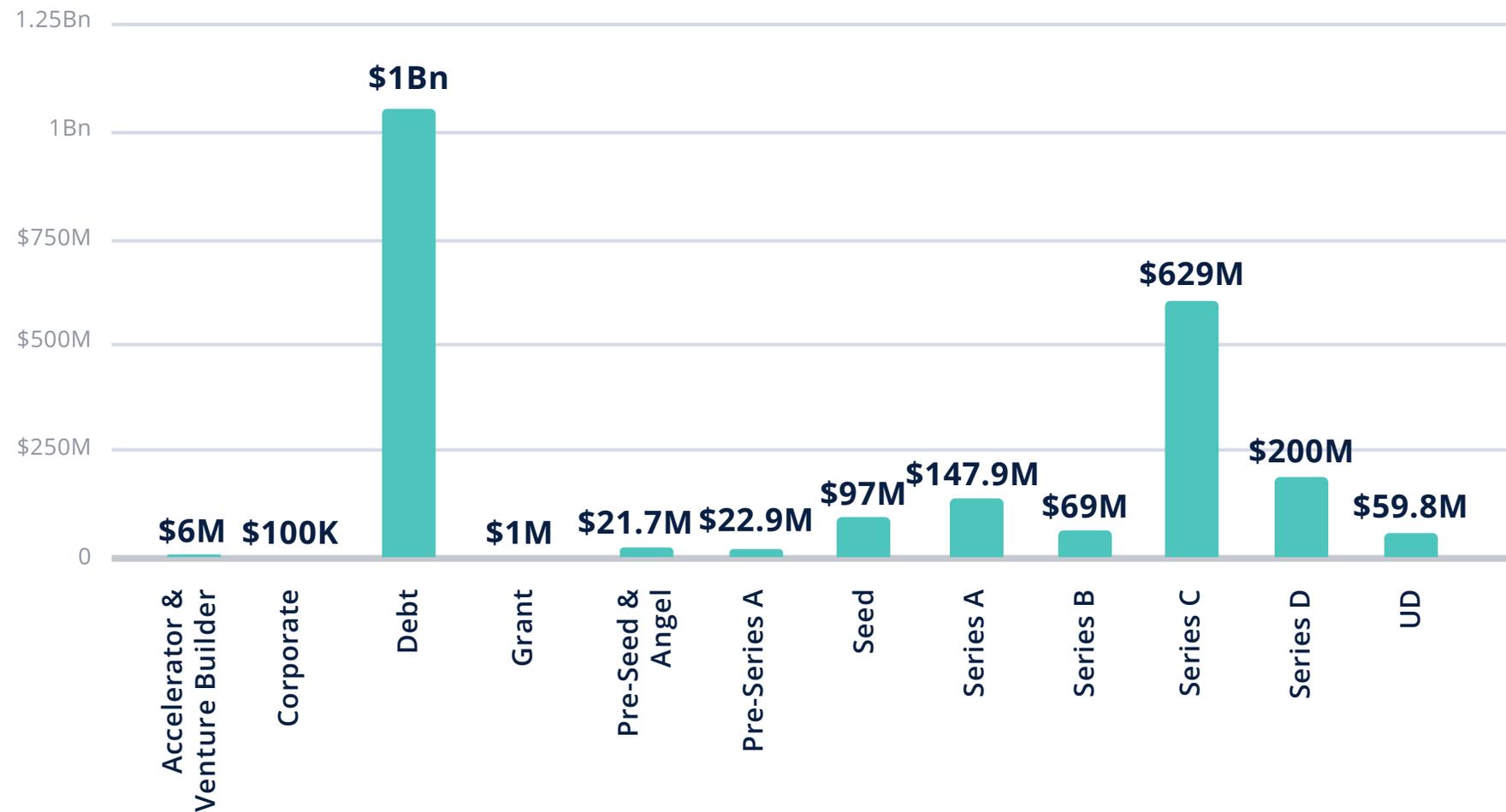
The kingdom is one of the few countries in the region that saw a rise in funding value, despite a small drop in the number of transactions.

Including the debt financing deals, investment in Saudi Arabia-based startups grew by a staggering 160 per cent, while debt-free investment rose by 47.7 per cent. Government efforts to ease regulations and build an attractive startup hub in Riyadh are paying off, with an increasing number of startups from across the region relocating their headquarters to Saudi Arabia, in a bid to gain access to capital and the region's largest market.

KSA Investments Breakdown 2021-2023



KSA Deals breakdown by Funding Stage



KSA Investments in MENA by Sector

■ = One Startup

30 Deals



\$1.7Bn

Fintech

16 Deals



\$196M

Foodtech

4 Deals



\$156M

E-commerce

12 Deals



\$69M

Logistics

11 Deals



\$47.6M

Edtech

6 Deals



\$38M

HRtech

12 Deals



\$35.7M

Proptech

4 Deals



\$24.5M

Traveltech

3 Deals



\$24M

Cleantech

6 Deals



\$16M

Mobility

8 Deals



\$8.8M

Healthtech

5 Deals



\$3.9M

Marketplace

1 Deals



\$2M

Cybersecurity

1 Deals



\$2M

Insurtech

3 Deals



\$1.9M

AI / deeptech

4 Deals



\$1.8M

Media

4 Deals



\$1.5M

Contech

5 Deals



\$1.4M

SaaS

2 Deals



\$1.1M

Web3

1 Deals



\$1M

Esports /
Gaming

4 Deals



\$500K

Legaltech

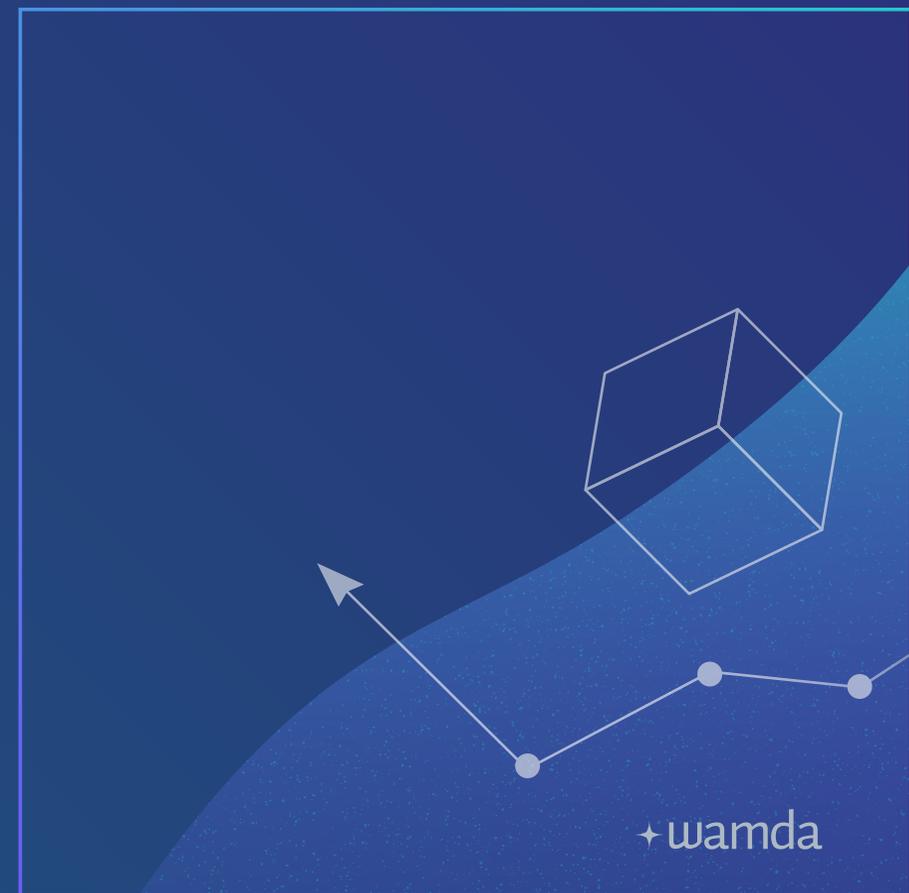
3 Deals



\$450K

Agritech

UAE INVESTMENTS 2023

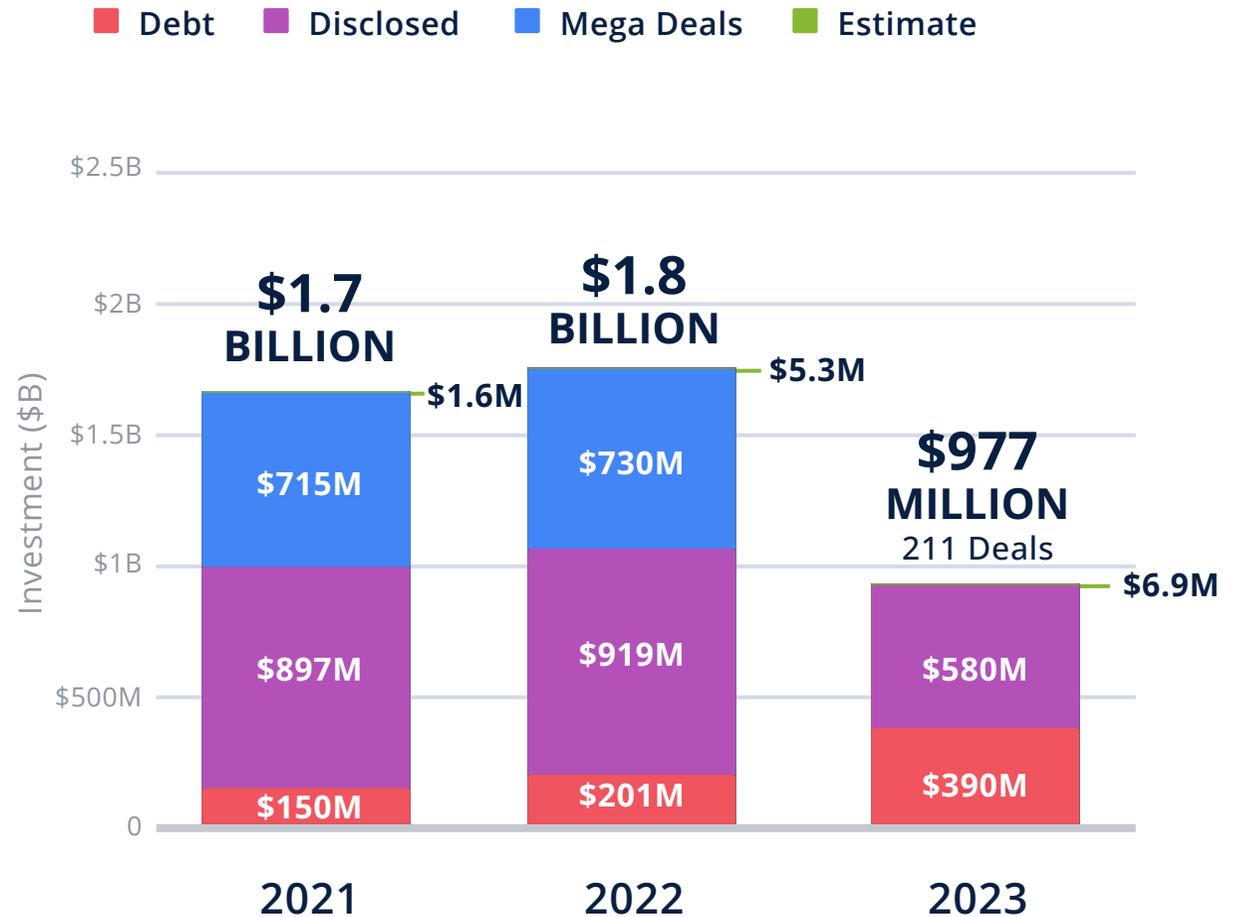


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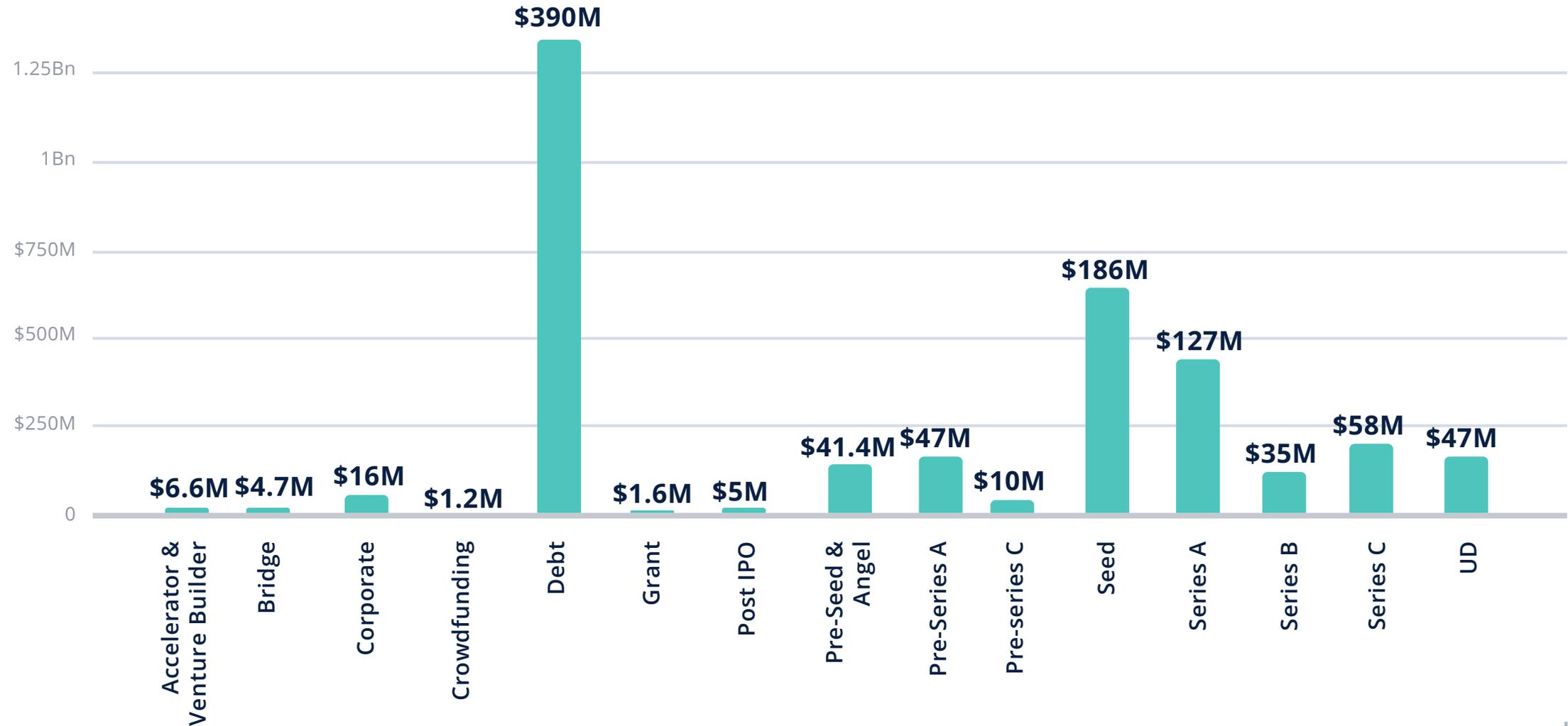
The UAE's dominance ended last year as it saw both funding value and the number of deals drop.

Investment in UAE-based startups decreased by 47 per cent including debt, while debt-free investment dropped by 65 per cent. The fall is dramatic and reflective of the region's investors shifting their focus to Saudi Arabia, but it is unlikely there will be an exodus of startups from the UAE.

UAE Investments Breakdown 2021-2023



UAE Deals breakdown by Funding Stage



UAE Investments in MENA by Sector

■ = One Startup

44 Deals



\$591M

Fintech

5 Deals



\$58M

Mobility

10 Deals



\$45M

Esports /
Gaming

11 Deals



\$40.9M

AI /
Deeptech

10 Deals



\$37M

E-commerce

17 Deals



\$32M

Healthtech

7 Deals



\$28M

Proptech

4 Deals



\$25M

Hardware /
Manufacturing

10 Deals



\$19.9M

Web3

8 Deals



\$16.9M

Foodtech

20 Deals



\$13M

Cleantech

7 Deals



\$12.5M

Logistics

10 Deals



\$10.8M

Marketplace

5 Deals



\$10.5M

Edtech

2 Deals



\$9.7M

Cybersecurity

6 Deals



\$7.8M

Media

4 Deals



\$5.6M

Traveltech

9 Deals



\$4M

HRtech

10 Deals



\$2.6M

SaaS

4 Deals



\$2.4M

Insurtech

2 Deals



\$1M

Contech

4 Deals



\$582K

Agritech

4 Deals



\$200K

Legaltech

EGYPT INVESTMENTS 2023



2023 YEAR IN REVIEW

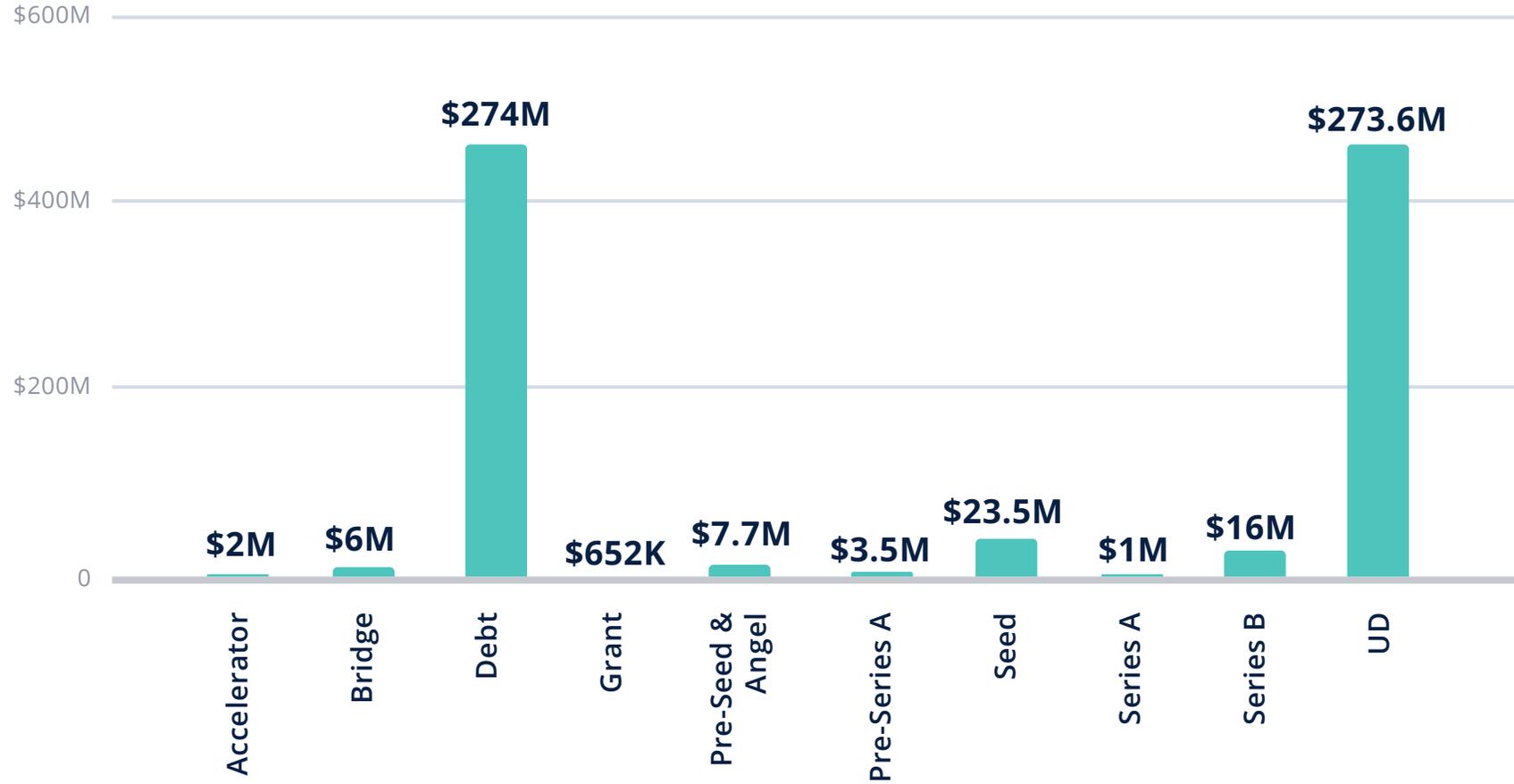
Egypt has for many years been the powerhouse of new startup ideas, but the country has been struggling ever since the outbreak of the war in Ukraine, on which it relies heavily on grain imports.

Since then its currency has been devalued, its economy has slowed and several of its startups have relocated their headquarters to Saudi Arabia. The impact of this saw investment in Egyptian startups drop by 17 per cent last year compared to 2022 while debt-free investment dropped by almost 40 per cent. Most dramatically, the number of startups that managed to raise investment in 2023 halved compared to the year prior. There is unlikely to be an uptick in investment activity in Egypt this year with investors becoming increasingly wary of the economic situation in the country.

Egypt Investments Breakdown 2021-2023

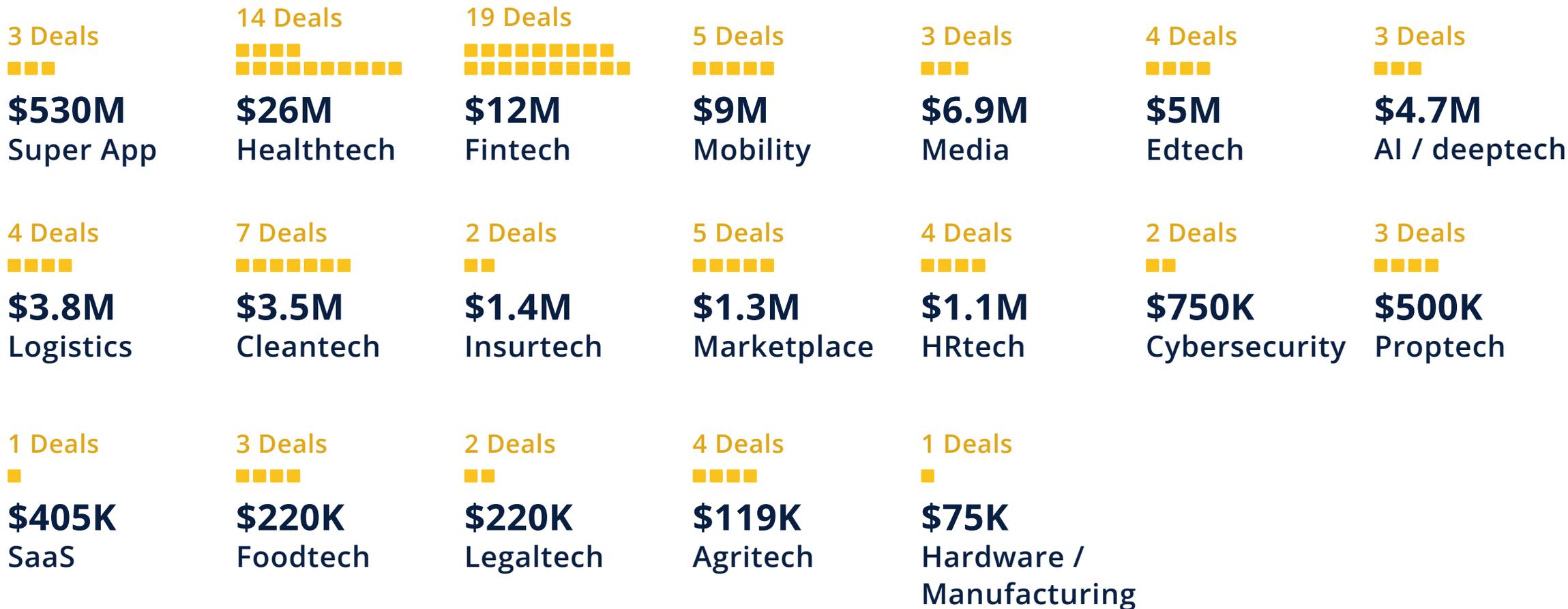


Egypt Deals breakdown by Funding Stage



Egypt Investments in MENA by Sector

■ = One Startup



The data from this report is compiled from publicly announced investment rounds. Many startups did not disclose how much they raised, for them we assigned a conservative estimate of \$100,000 for early stage deals, while later stage deals were assigned \$1 million.

Wamda's monthly investment reports are created in collaboration with Digital Digest.

