

# MENA Startup Ecosystem News

MARCH 2023

## Q1 2023 marks 4th consecutive quarter of decline in VC funding

[Magnitt reports MEAPT region aggregated over \\$1.16Bn in funding in the first quarter of the year, almost half of which came from the three MEGA deals closed by MENA-based startups \(Halan, Floward, and Nana with a combined \\$549M\), that if stripped away, would reflect measured decline in funding.](#)

- Q1 2023 also saw half of the investors as opposed to the same period as last year.
- KSA ranked 1<sup>st</sup> across the top 5 countries in the MEAPT by funding amount, taking up 28%, with UAE at 2<sup>nd</sup> with 24%
- FinTech remains the top industry with 39% of the funding in Q1, followed by eCommerce at 30%

## INVESTMENTS (non-exhaustive)

STARTUP	SECTOR / INDUSTRY	LOCATION	AMOUNT & ROUND	INVESTORS
Tamara	Finance	KSA	\$150M (debt financing)	Goldman Sachs
Qlub	Finance	UAE	\$25M, Seed	Led by Cherry Ventures and Point Nine; from STV, Raed Ventures, Heartcore, Shorooq Partners, FinTech Collective, and angel investors.
COFE	F&B	UAE	\$15M, Series B	Led by Wa'ed Ventures; from eWTP Arabia Capital, Al Imtiaz Investment Group, KISP Ventures (KFH Capital) and Rasameel Investment Company.
Almentor	Education	UAE	\$10M, Pre-Series C	Led by e& Capital; from Partech, Sawari Ventures, Egypt Ventures, Sango Capital and Endure Capital
Aumet	Health	KSA	\$7M, Pre-Series A	AAIC (Tokyo), AlJ Holdings, Hamad Ali Sagri family office, Tijah Holdings, Cigalah Group, Shorooq Partners
Estater	Real Estate	Bahrain	\$5M, Series A	Undisclosed
Baims	Education	KSA	\$4M, Series A	Led by AK Holding; from Al-Wazzan Educational Group, Rasameel Investment House, other investors
Credable	Finance	UAE	\$2.5M, Seed	Acasia Ventures
Nealthy	Finance	UAE	\$1.3M, Pre-Seed	Undisclosed
Procural	Procurement	Bahrain	\$1.2M, Seed	Led by Flagship Holding, BenchMatrix (Canada)
Sav	Finance	UAE	\$750K, Pre-Seed	Angels

### INVESTMENTS (non-exhaustive)

STARTUP	SECTOR / INDUSTRY	LOCATION	AMOUNT & ROUND	INVESTORS
VotreChauffer VotreColis	Mobility, Logistics	Morocco	\$240K, undisclosed round	Afrimobility
Bazaara	Fashion	UAE	\$230K, Pre-Seed	Led by Flat6Labs UAE; from angels
Nuqtah	NFT / blockchain	KSA	Undisclosed amount, Seed	Led by Animoca Brands; from Polygon and other investors
Shape	Education	Tunisia	Undisclosed	Oman Technology Fund
Ygii	Consumer services	KSA	Undisclosed amount, Pre-Seed	Flat6Labs, angels

### 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](#)

#### Orange Fab opens in Casablanca Morocco

Orange Fab is a startup accelerator run by telecoms giant Orange, and forms the third wing of the Orange Digital Center Morocco. The program is open for FinTech and blockchain startups, and will be supported by two funds: Orange Ventures Africa and Swiss Digital Assets Institute (SDAI)

#### Flat6Labs launches StartMashreq

The regional program is being implemented over a two-year period in partnership with International Finance Corporation (IFC). StartMashreq seeks to support innovative entrepreneurs in Jordan, Lebanon, and Iraq, with a focus on empowering women, refugees, minorities, and displaced persons, providing business incubation and enhancing access to investment opportunities.

#### SVC launches \$80M fintech VC Fund

Saudi Venture Capital Company (SVC) launched the VC fund in partnership with the Capital Market Authority (CMA) and the Financial Sector Development Programme (FSDP). The new fund will focus on fintech sector in KSA, which has witness 167% growth in 2022 vs. 2021.

#### Co-creation studio Beta Lab launches in KSA

The VC and co-creation studio dedicated to fostering deep tech startups was launched in KSA with partners including Saudi Ministry of Investment, Future Investment Initiative Institute (FII), and KBW Ventures. The studio will offer services such as product development, business development, and capital. The studio's team of professionals will work closely with each startup to help them navigate the unique challenges of the startup lifecycle

### WORTH THE READ

#### Wamda

- [How will the failure of SVB impact Mena's startup ecosystem?](#)
- [Making a case for Abu Dhabi](#)
- [Mena startups raised \\$247 million in March 2023, pushing Q1 funding to \\$1.1 billion](#)

#### Magnitt

- [2018-2022: Market Map of Venture Debt Investors in MENA-based Startups](#)
- [MENA's Publicly Listed Startups: Then vs Now](#)
- [EVM Investor Analysis: Portfolio Exits](#)
- [Q-Commerce: Pandemic Hype or Here to Stay?](#)

## STARTUPS

### Startup unicorn Kitopi acquires F&B group AWJ

Billed as one of the largest F&B transactions in the Middle East, the acquisition of AWJ by the tech-powered, multi-brand restaurant Kitopi will see Kitopi's CEO take over leadership of AWJ while retaining its original team, and have the latter operate a separate vertical to Kitopi's on-demand business.

### Zywa partners with Mastercard to empower UAE youth to go cashless

Through the partnership, the UAE-based fintech startup that provides 10–25-year-olds with a community-based app and card for money management will be able to provide seamless payments and smart money-management experience to its GenZ audience

### Abu Dhabi's G42 acquires stake in ByteDance Ltd.

Abu Dhabi investment firm Group 42 (G42) has acquired a \$100 million stake in Chinese internet company ByteDance from existing investors at a valuation of \$220 billion. via its 42XFund. ByteDance is the owner of the social media app TikTok,

### Web3 company UPYO partners with Classera

UPYO, a MENA-based Web3 company, partners with the KSA's e-learning platform Classera with the aim of offering more technological solutions for Classera in the educational field through blockchain technology, adopted by UPYO. These include services such as protecting IP rights, enhancing virtual learning experiences in the metaverse, among others.

### KSA's health app Labayh acquires UAE's Nafas

Labayh, which provides well-being and mental health services to its Arabic-speaking consumers, acquired its UAE counterpart, Nafas. The acquisition will enable Labayh to penetrate new markets and expand its customer base

## VENTURE CAPITAL

### Acasia Group (formerly Cairo Angels) opens office in Dubai

Egyptian VC firm Acasia Group expands its foothold in the region, by opening an office in DIFC, touting Dubai as an ideal location to broaden its engagement with the region's ecosystem and access talent pools to scale its mission.

### ISSF investments in MEVF IV

Innovative Startups and SMEs Fund (ISSF) invested \$5M in Middle East Venture Fund IV (MEVF IV), a \$150 million fund recently established by Middle East Venture Partners (MEVP). The fund will invest in high-growth companies in e-commerce, healthtech and edtech across the Middle East and Pakistan region (MENAP). MEVF IV has also received commitment in February of \$27M from the European Investment Bank

### Iraq Islamic Bank partners with MSA Novo to launch tech fund

The fund is said to invest in Iraqi startups and lead the digital transformation in the country. The investment vehicle aims to fund, build, and mentor the next generation of Iraqi business leaders, as well as lay the foundations for the country's long-term economic and social transformation.

### KSA's Emkan Capital closes \$31M fund

The Saudi-based VC firm's fund, Emkan Capital Fund I (ECP I) is anchored by several investors including Saudi Arabia's sovereign wealth fund Jada Fund of Funds alongside foreign investors including Ori Sasson. It aims to invest in Pre-Seed and Seed startups in MENA in fintech, e-commerce, and logistics sectors