

# 2018 MENA Venture Investment Summary



**MAGNITT**

MENA's most comprehensive data platform  
for investors, entrepreneurs and corporates

# Executive Summary

2018 proved to be another record year for the MENA startup ecosystem with **366** deals, more investments than ever before in MENA-based startups, and total funding up **31%** from 2017

## Record # of deals and \$ funding in 2018 (excl. Souq & Careem)

**366** deals marks a new record in investments in MENA based startups, up **3%** from 2017. Another record of total funding when you remove previous investments in Souq.com and Careem, up **31%** on 2017

## Startups graduate to later stages of funding

Maturity in the startup ecosystem has seen more startups raise later stages of investment, with **14%** of all deals at series A, **3%** at Series B, and **2%** at Series C and higher in 2018

## 155+ institutions invested in MENA startups, 30% from outside the region

2018 saw a **5%** increase in the number of institutions and angel groups investing in MENA-based startups, of which **47%** had not previously invested in the region

## UAE remained the top destination for startup investment

UAE accounted for **30%** of all deals, while Egypt (**22%** of deals) saw the biggest increase of **7%** and Lebanon (**10%** of deals) saw the biggest drop of **4%**

## FinTech overtook E-commerce as the most actively invested industry

FinTech, ranked first, accounted for **12%** of all deals, while E-commerce came second (**11%**), followed by Delivery & Transport in third (**9%**)



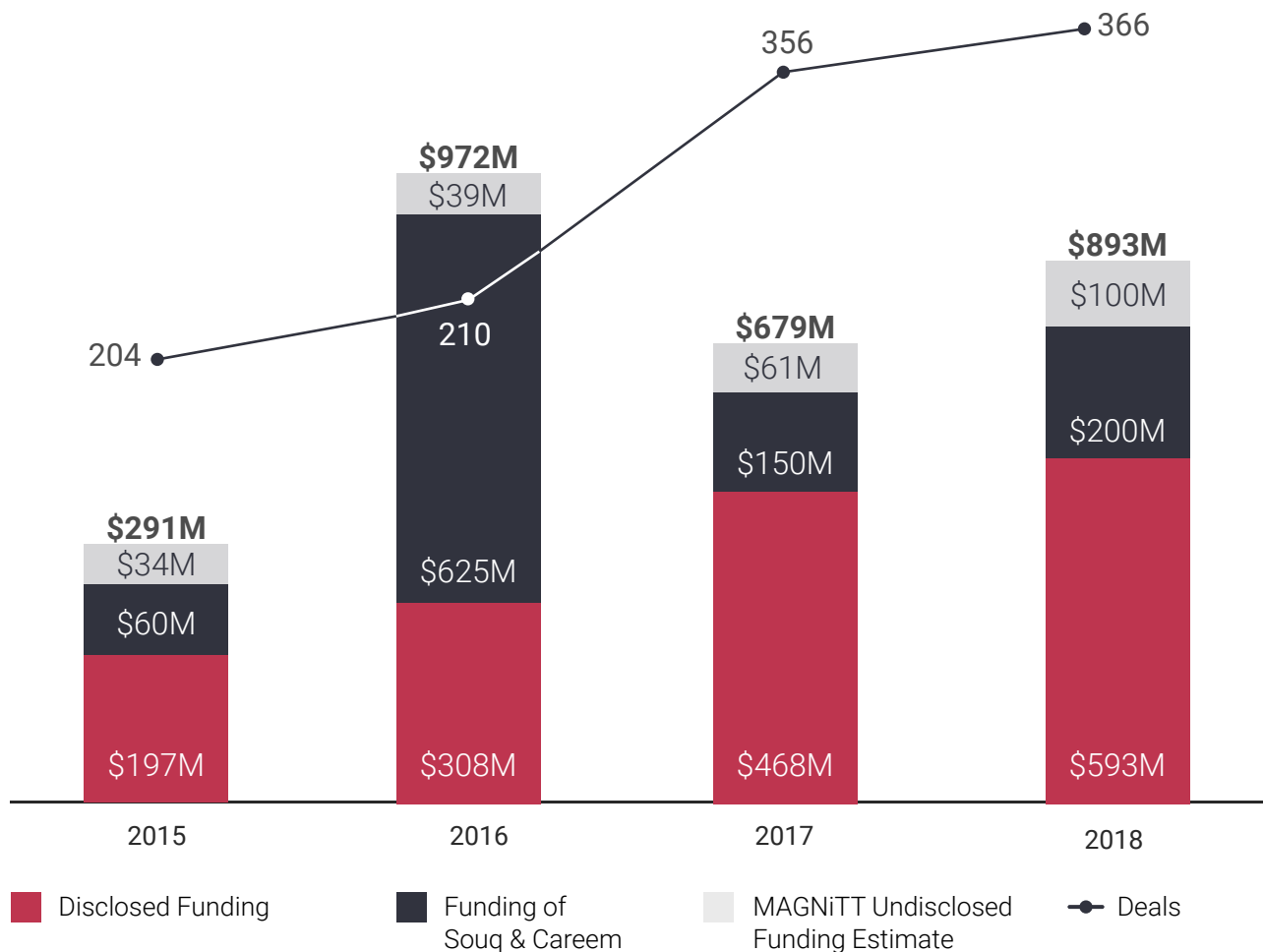
**\$893m**  
Total Funding

**366**  
Total Deals

# MENA Funding Evolution

**\$893M** was invested across **366** deals in 2018; an increase of **31%** in total funding and an increase of **3%** in number of deals compared to 2017

## MENA Startup Funding (\$M) & Deals (#)



“ Success breeds success. A new generation of startup founders are seeing, and have even worked for, amazing companies and are now applying the lessons learnt to new ventures.

**Christopher Schroeder**, co-founder at **Next Billion Ventures**

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### MAGNiTT Takeaways

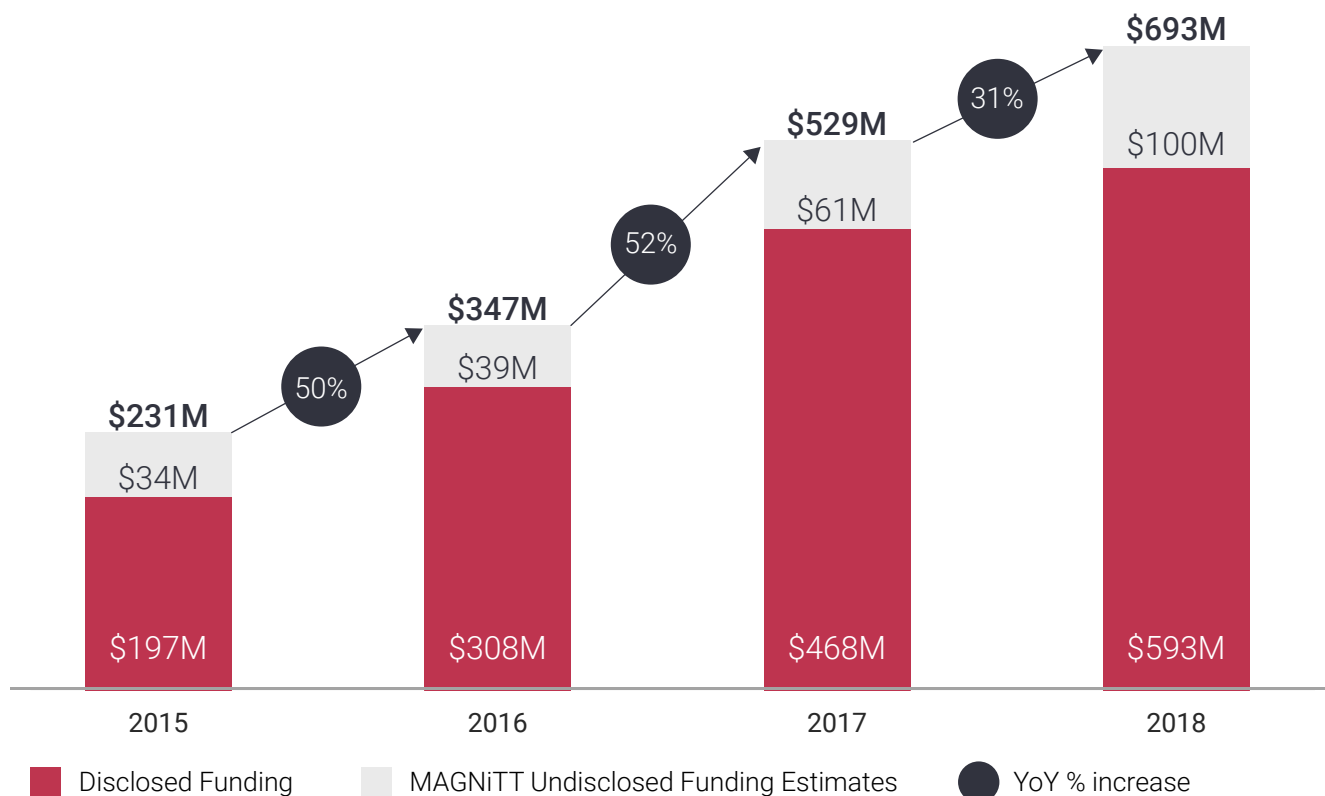
- Record year in terms of # of deals, more than any previous year
- The average ticket size increased **26%** to **\$2.4M** in 2018, up from **\$1.9M** in 2017

For in-depth funding evolution insights and commentary, visit [MAGNiTT.com](https://MAGNiTT.com) and purchase the full 100+ page report

# Disclosed vs. Undisclosed Analysis

Underlying ecosystem shows continued positive growth with total investment at a record high with **\$693M** invested, up **31%** compared to 2017 (excl. Souq & Careem)

## MENA Startup Funding (\$M) & Deals (#) (Excl. Souq & Careem)



“ We see a strong push from governments to support the innovation space along with a significant rise in the quality and speed of growth of startups from the region.

**Issa Aghabi**, VC Investment Officer at the **IFC**

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### MAGNiTT Takeaways

- A compound annual growth rate (CAGR) of **30%** of total funding highlights continued interest in the MENA startup ecosystem
- While **81%** of deals were at early stage, 2018 saw an increase in the # of investments at later stage (Series B and above), up **1%** on 2017

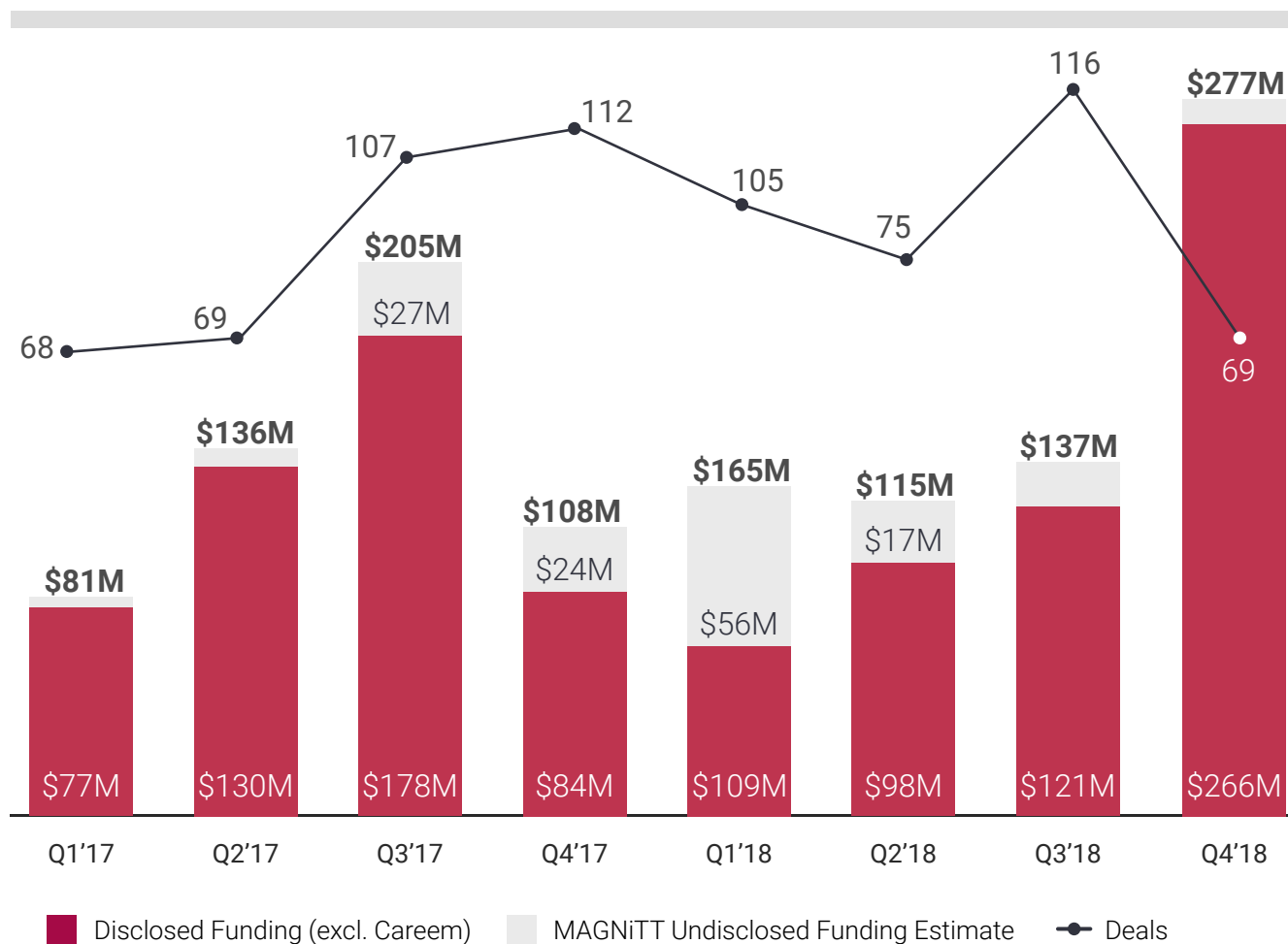
For more information on underlying investment, visit [MAGNiTT.com](https://MAGNiTT.com) to purchase the full 100+ page report



# Quarterly Funding Comparison

2018's positive results were aided by a strong year end, since Q4 '18 saw a record amount of funding compared to the previous 8 quarters

Funding (\$M) & Deals (#) by quarter (Excl. Souq & Careem)



“ Our investment into VCs helps provide access to funding to regional startups, while supporting regional VCs with fuel to continue to do what they are best at, investing into leaders in the technology space.

**Areije Al Shakar**, Fund Manager at **Al Waha Fund of Funds**

## MAGNiTT Takeaways

- Q4 saw several major investments in startups, incl. Careem (\$200M), PropertyFinder (\$120M) and Wadi.com (\$30M)
- Also saw the emergence of new international investors incl. Kingsway Capital, Gobi Partners and Pantera Capital

For more investor trends and comparison, visit [MAGNiTT.com](https://MAGNiTT.com) and purchase the full 100+ page report

# MENA's Most Active Investors

**156** institutions invested in MENA startups, **30%** from outside the region

# of Disclosed Investments in '18 by funding entities

40+	FLAT6 LABS 500 startups
11-30	FINTECH HIVE otf الصندوق العماني للتكنولوجيا Oman Technology Fund MEVP
9-10	SBC womena VISION VENTURES ARZAN RA'ED VENTURES BECO CAPITAL
7-8	ASIS500 IM CAPITAL innoventures صندوق ابتكار TBTIKAR FUND PHOENICIAN FUNDS Endure wamdacapital HALA KISP VENTURES
6	GINCO HIMangel SHOROOQ INVESTMENTS algebraventures
5	EdVentures Jabbar JUSOOR propeller CEDAR MUNDI SILICON BADIA RTF B&Y VENTURE PARTNERS global.ventures
4	PL badir FIKRA LABS techstars VENTURESOUQ dbi DUBAI ANGEL INVESTORS STV INET
3	ISME Programme by KAPALAT GAL EGYPT VENTURES Saned CAIRO ANGELS Choueiri Group VO NE VE ST W NT UR ES INSPIRE VENTURES
2	FAITH CAPITAL PRECINCT PARTNERS ALEX ANGELS DIGITAL GROWTH AFRICA DASH VENTURES Ground VENTURES ENDEAVOR CATALYST KBBO GROUP PANTERA KINGSWAY CAPITAL Accel

Accelerators Institutional & Angel Investors

Existing startups moving into growth stages are going to double-down on cross-market launches, while startups in Saudi Arabia are expected to make a splash this coming year. Those focused on online to offline, including transportation, food and services will also continue to scale.

**Sharif El-Badawi**, MENA Partner at **500 Startups**

## MAGNiTT Takeaways

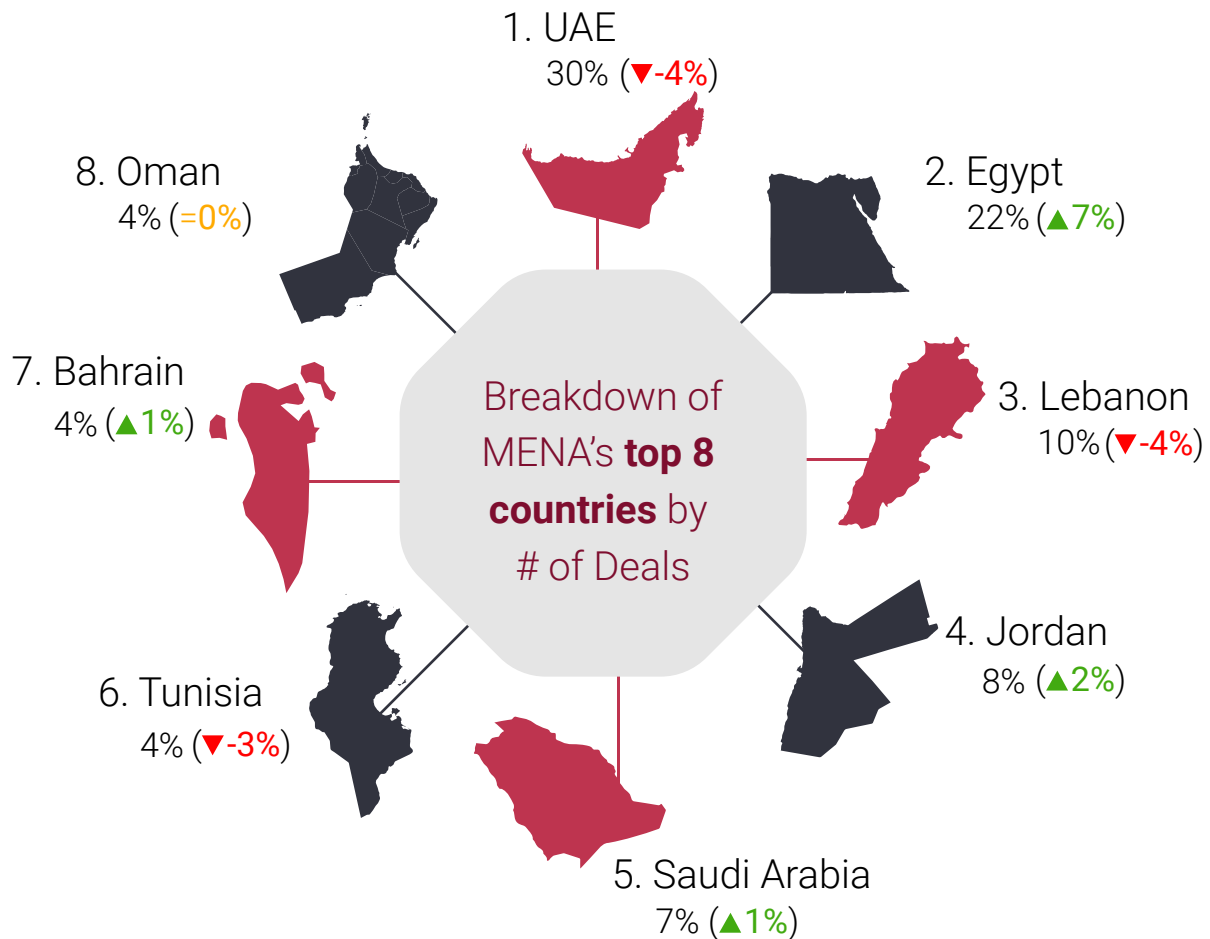
- 47% of active investors were new investors that had not previously made investments in MENA
- Accelerators continue to grow in prominence with active cohorts, including Flat6Labs (41), OTF Wadi (14), and StartupBootcamp (10)

For a review of the most active investors by funding stage, visit [MAGNiTT.com](https://MAGNiTT.com) and purchase the full 100+ page report

# MENA's Geographical Breakdown

Egypt, with **22%** of all investments, emerged as the fastest growing ecosystem, up **7%** on 2017

## MENA's top 8 countries by # of Deals



"% of total deals '18 (▲▼% change from '17)"

“ Egypt is seeing a second wave of entrepreneurs and investors that are more mature and experienced. The population is also starting to embrace technology for everyday activities and we see that large but young tech firms are a great source of talent and inspiration.

**Ziad Mokhtar**, Managing Partner at **Algebra Ventures**

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## MAGNiTT Takeaways

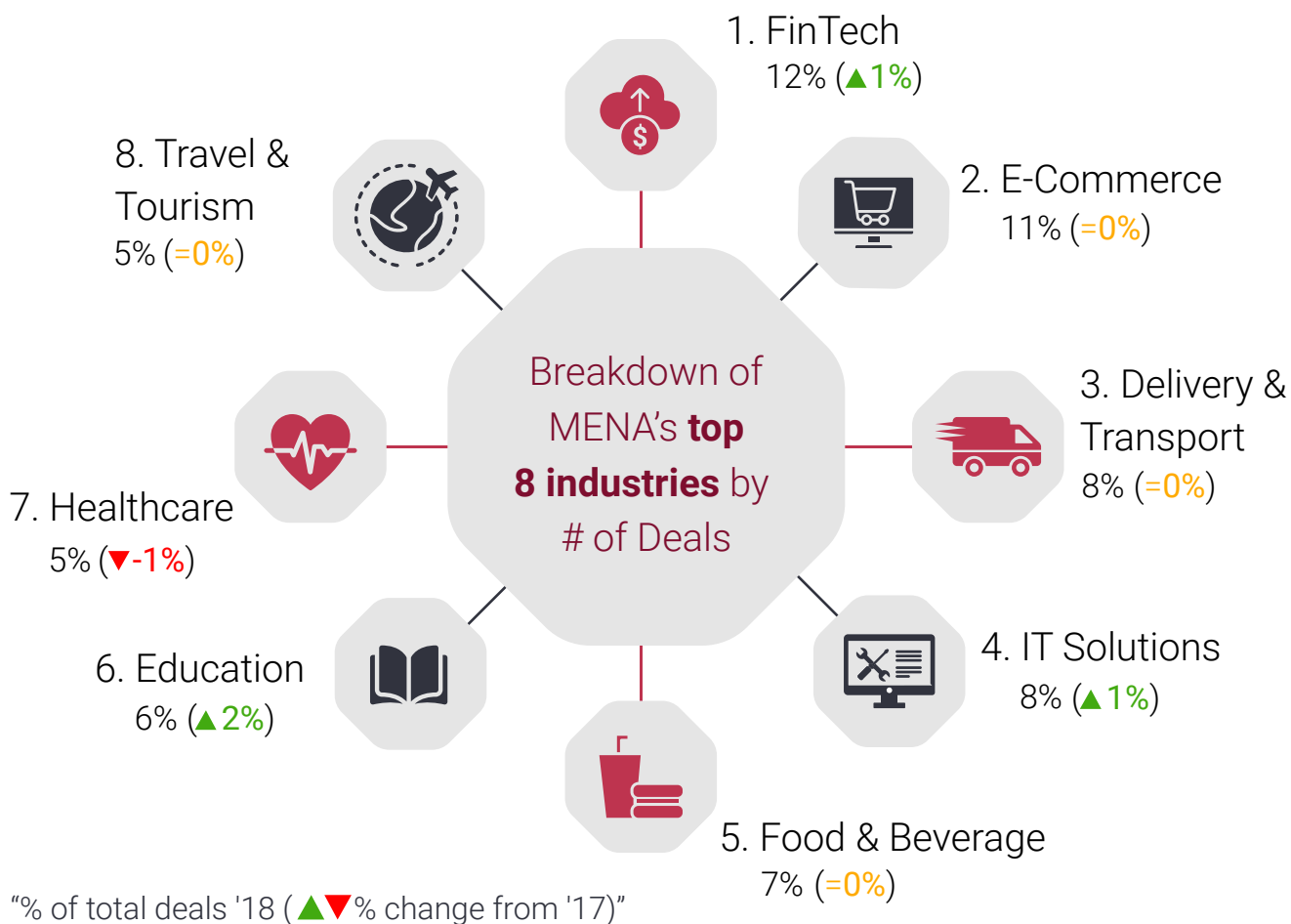
- The UAE saw the lion's share of investment amount, accounting for **70%**, as well as **30%** of total number of deals
- Lebanon came third with **10%** of total number of deals, but saw the largest decrease of **5%** compared to 2017

For an in-depth geographical analysis, visit [MAGNiTT.com](https://MAGNiTT.com) and purchase the full 100+ page report

# MENA's top 8 industries by # of deals

FinTech overtook E-Commerce as the most actively invested in industry in 2018 by # of deals, accounting for **12%**

## Breakdown of MENA's top 8 industries by # of Deals



“Regulators are taking a more forward-looking approach to FinTech startups and are promoting their own initiatives to foster entrepreneurship. I believe Careem did a great job in helping regulators understand the impact startups can have on their market, which has likely assisted in getting the wider authorities to view startups differently.

**Amir Farha**, Co-Founder and Managing Partner at **BECO Capital**

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## MAGNiTT Takeaways

- Education was the fastest growing industry, up **2%** from 2017, followed by Fintech (**1%**) and Real Estate (**1%**) and IT Solutions (**1%**)
- Delivery & Transport accounted for the most funding with **29%** of total funding, including the \$200M funding round for Careem






























For an in-depth industry analysis, visit [MAGNiTT.com](https://MAGNiTT.com) and purchase the full 100+ page report



# MENA's Top 10 Disclosed Deals in 2018

The top 10 deals accounted for **65%** of total investment amount in 2018, up **2%** from 2017

Startup information on top 10 investments

	Startup	Country	Funding	Stage	Investors
1.			\$200.0M	Series F	
2.			\$120.0M	Growth	
3.			\$45.0M	Undisclosed	
4.			\$30.0M	Series B	
5.			\$25.0M*	Series D	Undisclosed
6.			\$21.0M	Series A	
7.			\$20.0M<**	Series B	
8.			\$20.0M	Series B	
9.			\$18.0M	Series A	
10.			\$16.0M	Series C	

\* Bayut's parent company, EPMG, raised \$50M, half of which (\$25M) was allocated to Bayut

\*\* It was reported that Swvl raised "tens of millions", which is why it is included as higher than \$20M

“ We see many similarities between the MENA and Southeast Asian ecosystem in terms of macro-economic indicators, digital adoption and fragmented market. In addition, the MENA market lacks VC capital, which makes it more attractive for early & growth stage international VCs such as Gobi. We have always believed that returns are at its greatest when capital is scarce.

**Taraec Hussein**, VP at **Gobi Partners**

## MAGNiTT Takeaways

- 5 of the top 10 disclosed deals had investment from international investors, including Accel Partners, General Atlantic and Endeavor Catalyst
- 7 of the top 10 disclosed deals were in startups based in the UAE

For a breakdown of top 5 startups by quarter, visit [MAGNiTT.com](https://MAGNiTT.com) and purchase the full 100+ page report

# 2018 - Full Analytics Report

The most comprehensive report on the state of the MENA Venture Investment landscape with detailed insights on the state of the MENA startup ecosystem including industry, country and investor breakdowns

366 Investments  
Analysed

14 Exits Reviewed  
and Listed

17 Countries  
Historical Trends

155+ Investors  
Ranked

27 Industries under  
Review

5 Funding Stages  
Comparisons

Click the link below to purchase the full 100+ page report online and subscribe for access to MAGNiTT data, research reports and analytics tools to evaluate the MENA startup ecosystem

<https://magnitt.com/research/2018-MENA-Venture-Investment-Report>

## How can MAGNiTT support you?

MAGNiTT is the most comprehensive data platform for investors, entrepreneurs and corporates in the Middle East and North Africa (MENA). Below are some of the ways we can support you:



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Services



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Startup  
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# Methodology & Definitions

Join the  
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startup  
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startups

350+  
investors

40+  
research reports

200+  
jobs

30+  
perks

4  
newsletters

**MAGNiTT collects & aggregates data on the MENA startup ecosystem, through multiple channels:**

**Direct** : Quarterly follow-up with 100+ funding institutions, requesting details on all investments, stage, date, funding as well as other co-investors. These include all the region's Venture Capital Firms, Angel Groups, Accelerators and Family Offices focused on startup investments.

**Public** : Daily gathering of public announcements and press releases focused on the MENA Venture funding landscape. All features are followed up with announcements liaised with the founders.

**Proprietary** : As a platform, startups and institutions on MAGNiTT list their proprietary information on investment raised, date of investment, stage as well as investors.

**MAGNiTT's Calculations on Deals with Undisclosed Investment Amounts are**

1. Based on the funding stage of the investment (e.g. seed or Series A)
2. Based on the year of the investment

For example: if a deal is a SEED stage deal in 2018, MAGNiTT takes the average deal size of all SEED stage investments in 2018 and applies this value as a proxy for the undisclosed deal amount.

**MAGNiTT's focus is the MENA region, which includes data on 17 MENA countries:**

Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, and Yemen.

**MAGNiTT subscriptions**

**Access** : the most comprehensive database of startups, investors and enablers across the Middle East and North Africa

**Research** : the most in-depth analytics research on trends and insights of the MENA investment landscape

**Premium** : access the full capabilities of the platform, including many analytics tools

For questions on the accuracy of data and data quality please email [support@magnitt.com](mailto:support@magnitt.com)