



2020 MENA Investment Report

- Investment Overview in the MENA region
- Funding Overview (Count & Deal value)

Deep Dive Analysis:

MENA Region Countries Funding Breakdown

- Country Funding Ecosystem
- Country Deal Value & Deal Count 2019 - 2020
- Country Funding Stage 2019 - 2020
- Country Sector Overview 2019 - 2020
- Country Top Funded Companies 2020

Covid-19 In the MENA Region

Covid-19 Impact on the MENA Region

2021 Expectations

Trending Industries and Recovery in the MENA Region

MENA Region Investment Overview

The unexpected event of decreased oil prices that occurred in 2014 led to a massive shift in the attitude of investors and interests towards foreign investments in the MENA region. This was the beginning of an economic revolution within the region as investors started approaching regional startups and businesses with potential to grow substantially in the long run.

Startups and small businesses from different countries in the MENA region grew popular among investors given their extensive energy resources and a rapidly growing population. The Middle East in particular is considered to be an attractive investment destination with the highest popularity among investors due to its extensive infrastructure and ecosystem that supports businesses to grow.

Another key factor behind the increase of investments in the MENA region was the rapid technological advancement that the region has witnessed in a very short period of time.

In recent years, the region held several government and economic programmes to endorse this revolution. These movements that support the growth of regional startups and businesses acted as stimulators of the overall economy in the region.

Lenient policies that enable a fast set up process of technological companies at reduced costs are additional factors behind the technological ecosystem revolution. Therefore, an enabling environment and investments are fundamental to maintain this progress and innovation.

On a market level, when we look at the consumers in today's market, we see that the majority of consumers are Millennials, a connected generation with a high interest in innovation.

Moreover, internationally, the region's internet and smartphone penetration rates are very high compared to other parts of the world. This sets an opportunity for tech startups within the region to penetrate the targeted market and peak the interest of the right investor.

Besides technological advancements, another factor that diverted the interest of investors towards the MENA region is the ability of the region's economy to transform into a more diversified economy that is now a gateway to a wide scope of opportunities and business growth.

For instance, the Middle East and Egypt have set their standards to become very inviting investment destinations. This goes back to the ongoing efforts by governments to evolve traditional economy profiles into more diversified economies that permit the introduction of interesting ideas in newer sectors, in particular those that are advanced with or touched by digitization and technology.

Sectors such as healthcare and education are quite popular among investors in the MENA region, but as the technological disruption continues, investors are re-evaluating their investments approaches as multiple initiatives compete within the same sector.

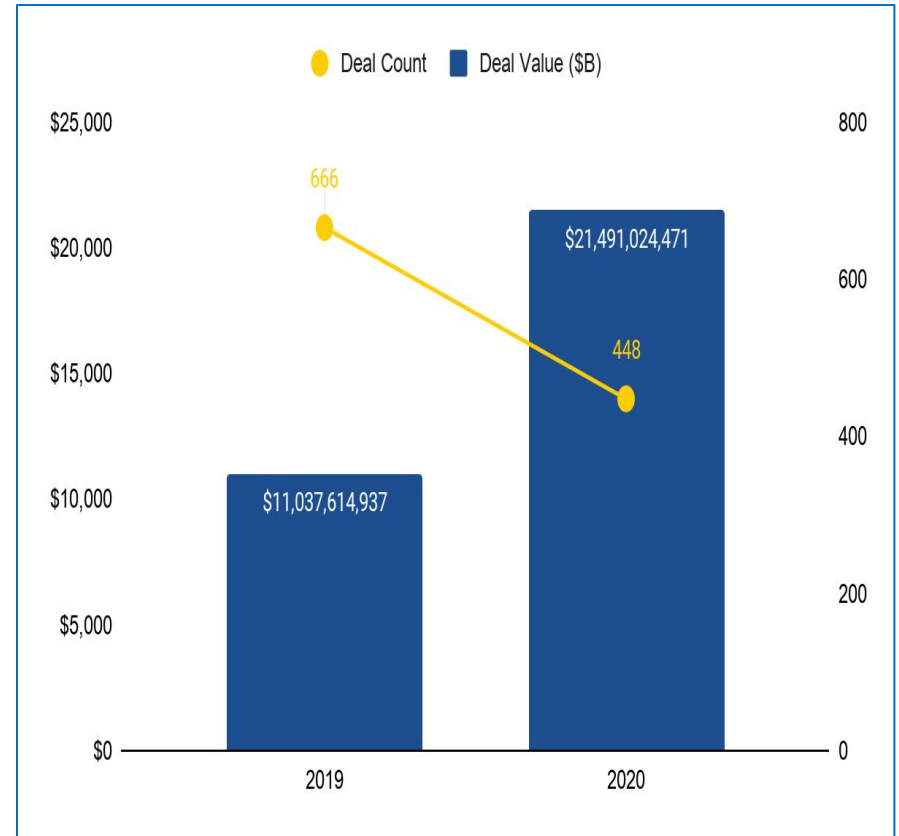
The shift towards non traditional investment sectors began in 2017. Innovative industries and startups peaked the interest of regional investors and made sure this trend is here to stay. Emerging sectors such as retail and e-commerce, fintech, and agritech that have evolved with technology have witnessed a great interest from investors.

Startups and businesses in the region that managed to tackle the opportunity to digitize themselves reduced their chances of being overlooked by investors. We also learned that almost every market player must work towards upskilling and upgrading their expertise and businesses processes to shift towards an online approach.

Finally, it is easy to say that within the past four years and post a global pandemic outbreak that highlighted 2020 that the region's startup ecosystem has positively transformed at an outstanding pace.

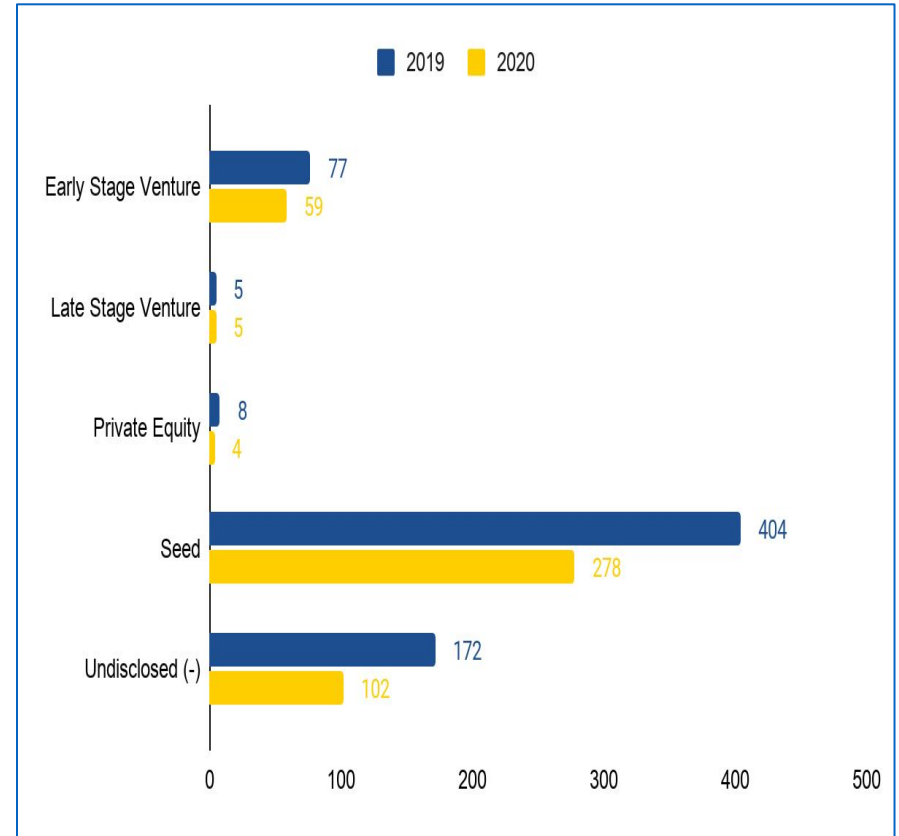
Funding Overview in MENA 2019 - 2020

- Amid the pandemic the deal value invested in companies by investors have not been affected rather has doubled compared to 2019.
- In 2019 the total deal value was around \$11.04 billion whereas in 2020 the total deal value was around \$21.49 billion.
- There was a drop in the deal count in 2020 compared to 2019.
- In 2019 a total of 666 deals were made over the year whereas in 2020 a total of 448 deals were made.



Funding Stage in MENA 2019 - 2020

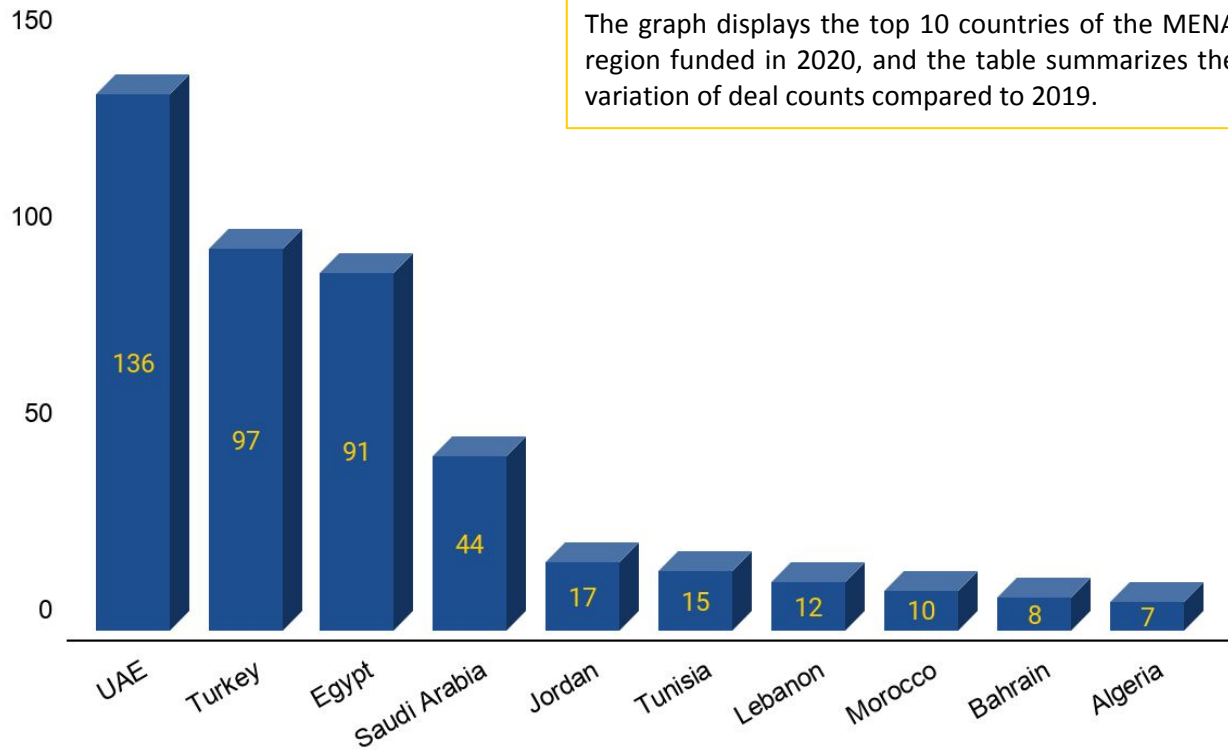
- 2019 saw 61% of seed stage funding, followed by 26% of undisclosed funding and 11% of Early stage of funding.
- 2020 has seen 62% of seed stage funding, followed by 23% of undisclosed funding and 13% of Early stage of funding.
- In 2019 & 2020, both Late stage funding and Private equity funding remained at 1% respectively.
- Compared to 2019, in 2020 seed stage saw 1% increase, early stage funding saw 2% increase whereas the undisclosed funding decreased by 3%.



Deep Dive Analysis

MENA Region Countries Funding Breakdown

Country Ranking based on Deal Counts (Top 10)



Country	Variation #
UAE	▼ 43
Turkey	▼ 80
Egypt	▼ 43
Saudi Arabia	▼ 9
Jordan	▼ 8
Tunisia	▲ 2
Lebanon	▼ 11
Morocco	— 0
Bahrain	▼ 14
Algeria	▲ 4



United Arab Emirates Funding Ecosystem

The technology ecosystem in the United Arab Emirates is one of the most active in the region. The governmental support and independent programs possessed by the country play a major role in the development of technology industries.

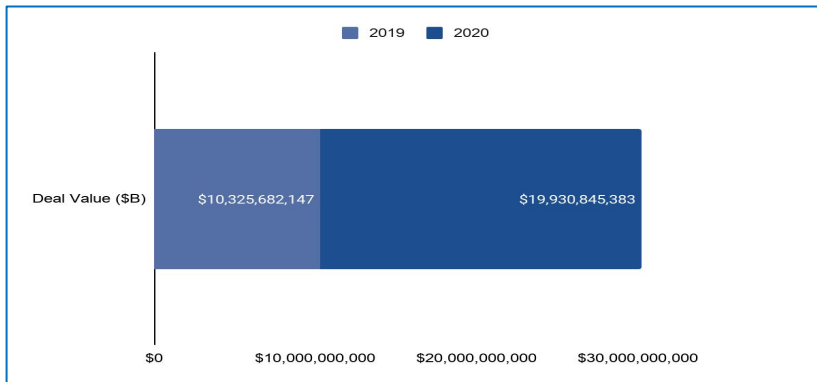
Amidst the adverse events of 2020, the United Arab Emirates did not hold back from expanding its technology ecosystem and motivating innovators, startups, and entrepreneurs to step forward and take advantage of accelerators, incubators, and the government's support to further grow this ecosystem.

Startups in the the UAE's ecosystem managed to attract many investors, both foreign and regional. This attraction of investors and the innovation was a result of the challenges that startups and businesses faced during the pandemic. This outcome is clearly visible in sectors such as real estate, F&B, and e-commerce that have seen the highest fundings. As for Fintech, E-commerce, and logistics these sectors have seen the highest number of deals in the region.

The ecosystem environment of the UAE is incredibly active and highly resourced which makes the country one of the world's largest funds, yet the ecosystem is still maturing. Finally, given the diverse cross-border requirements and the limited market size of the UAE, the market potential of tech startups is influenced by their ability to cross-border into other Gulf and non-Gulf MENA countries.

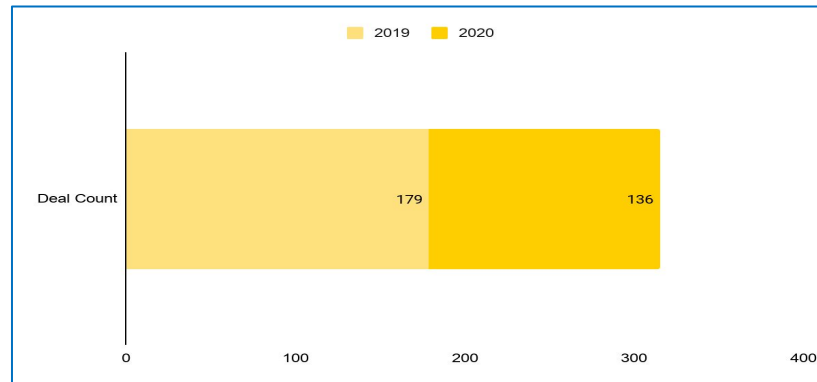
United Arab Emirates: Deal Value & Deal Count 2019-2020

Deal Value



Funding amount (Deal value) in 2020 increased by 32% compared to 2019. In 2019 a total of \$10.3 billion was invested over a year whereas in 2020 around \$19.9 billion was invested.

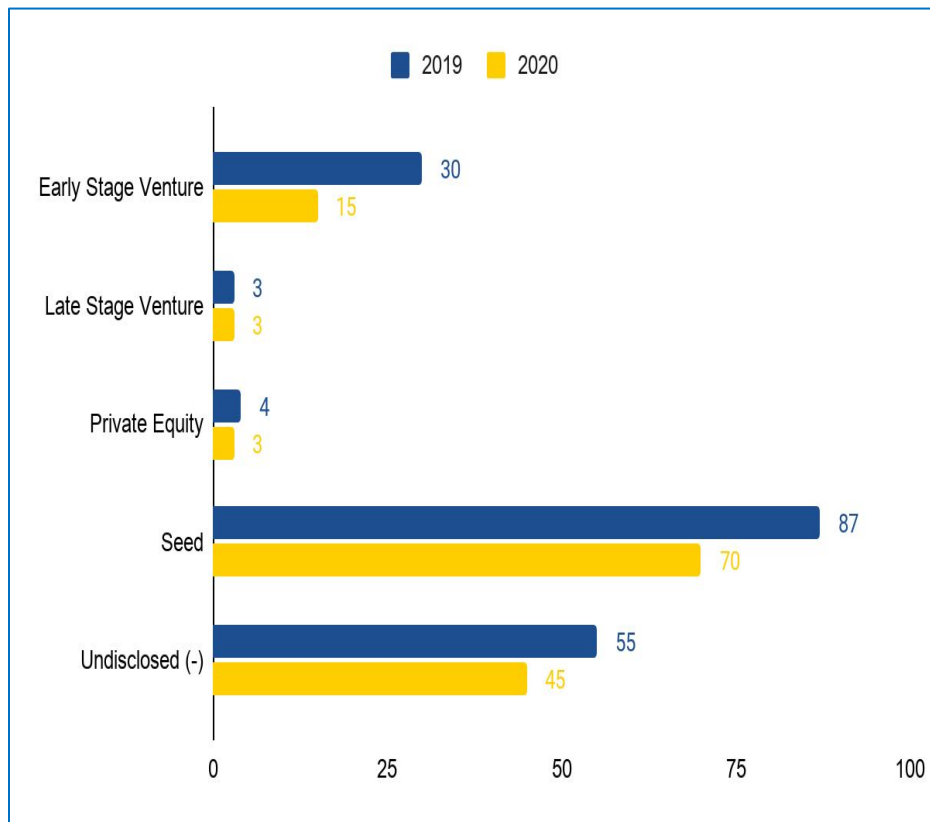
Deal Count



Funding count (Deal count) in 2020 decreased by 14% compared to 2019. In 2019 a total of 179 investments were made by investors whereas in 2020 136 investments were made.

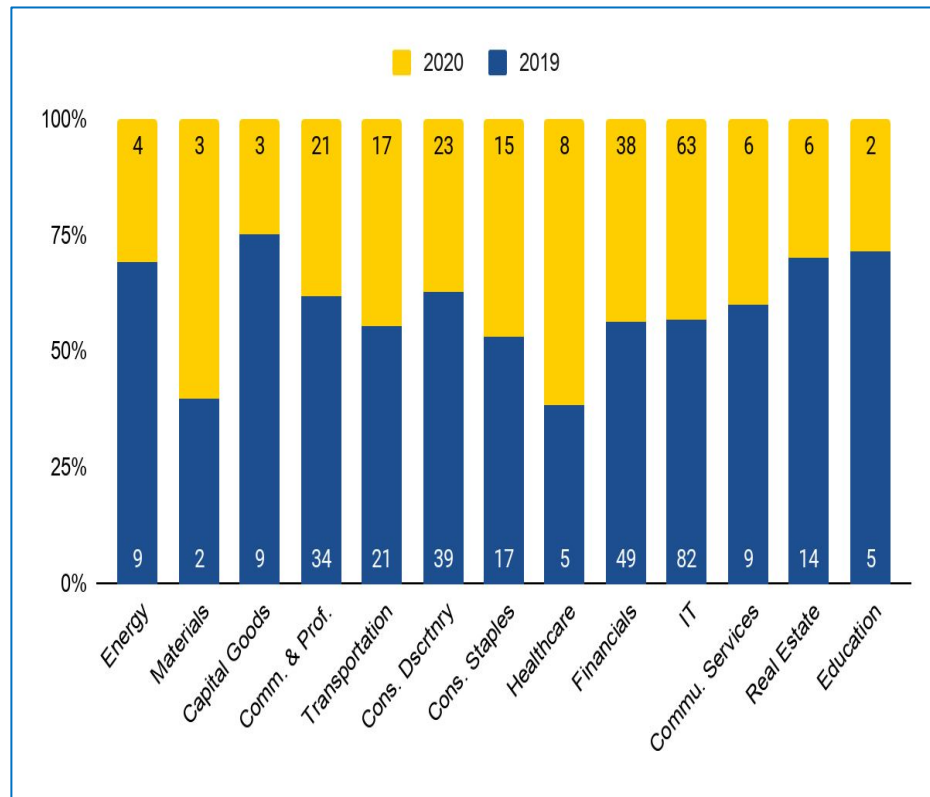
United Arab Emirates Funding Stage in 2019 - 2020

- 2019 saw 48% of seed stage funding, followed by 31% of undisclosed funding , 17% of early stage of funding .
- 2020 has seen 52% of seed stage funding, followed by 33% of undisclosed funding, 11% of early stage of funding.
- In 2019 & 2020, Private equity funding and Late stage accumulated 2% of the funding.
- Compared 2019 seed stage funding saw an increase of 4%, both undisclosed stage funding saw a 2% increase, whereas early stage funding saw a 6% decrease in 2020.






United Arab Emirates Sector Overview 2019 - 2020

- Top 5 sectors based on the company count that were invested in the United Arab Emirates during 2019 & 2020 are: **Information Technology (IT), Financials, Consumer Discretionary, Commercial & Professional Services and Transportation.**
- Compared to 2019, Information Technology, Financials sectors saw a 2% increase respectively, and Transportation sector saw a 1% increase whereas Consumer Discretionary sector saw a 2% decrease and Commercial & Professional Services sector saw a 1% decrease in funding.



United Arab Emirates Top Funded Companies 2020

Company	Year Founded	Funding Amount	Funding Date	Funding Stage	No. of Investors
	1971	\$10B	23 rd June 2020	Undisclosed (-)	6
	1971	\$8B	23 rd June 2020	Undisclosed (-)	9
	1975	\$600M	2 nd March 2020	Undisclosed (-)	4



Saudi Arabia Funding Ecosystem

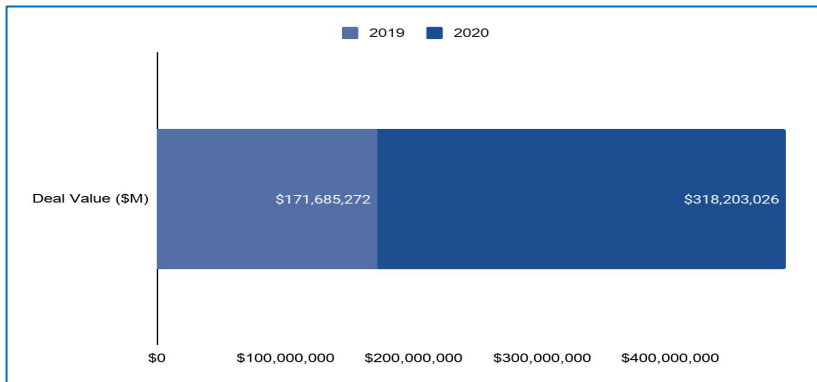
The technological ecosystem in Saudi Arabia has experienced substantial growth in recent years, driven by increased foreign investments and initiatives that support the growth of startups by the government. Despite the novel coronavirus outbreak, startups investments in sectors such as e-commerce, delivery and logistics, fintech, and edtech have been driven by new innovations and technologies.

As a result of a variety of converging variables driven by a rich and robust ecosystem of startups, investors, accelerators, and incubators, business networks, advisory and mentorship platforms, the technology startup community in Saudi Arabia is thriving, thanks to the Saudi Government.

There has been no looking back ever since Saudi Arabia undertook the ambitious Vision 2030 journey. Therefore, in recent years, by introducing wide-scale public initiatives focused on supporting startup technology companies, the Saudi government has recognized the potential of entrepreneurs and invested heavily in building a fertile ecosystem.

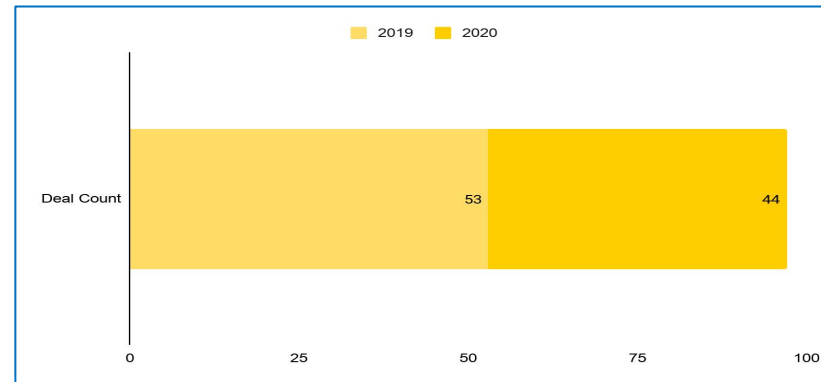
The proactive Saudi government has proactively taken the initiative to build a strong infrastructure for entrepreneurs to encourage creativity and promote entrepreneurship. This has set a higher standard for the technological entrepreneurship market, the diversification of national revenue streams, sustainable domestic economic development, job creation and the strengthening of the Kingdom's ability to move towards a post-oil economy.

Deal Value



Funding amount (Deal value) in 2020 increased by 30% compared to 2019. In 2019 a total of \$171.6 million was invested over a year whereas in 2020 around \$318.2 million was invested.

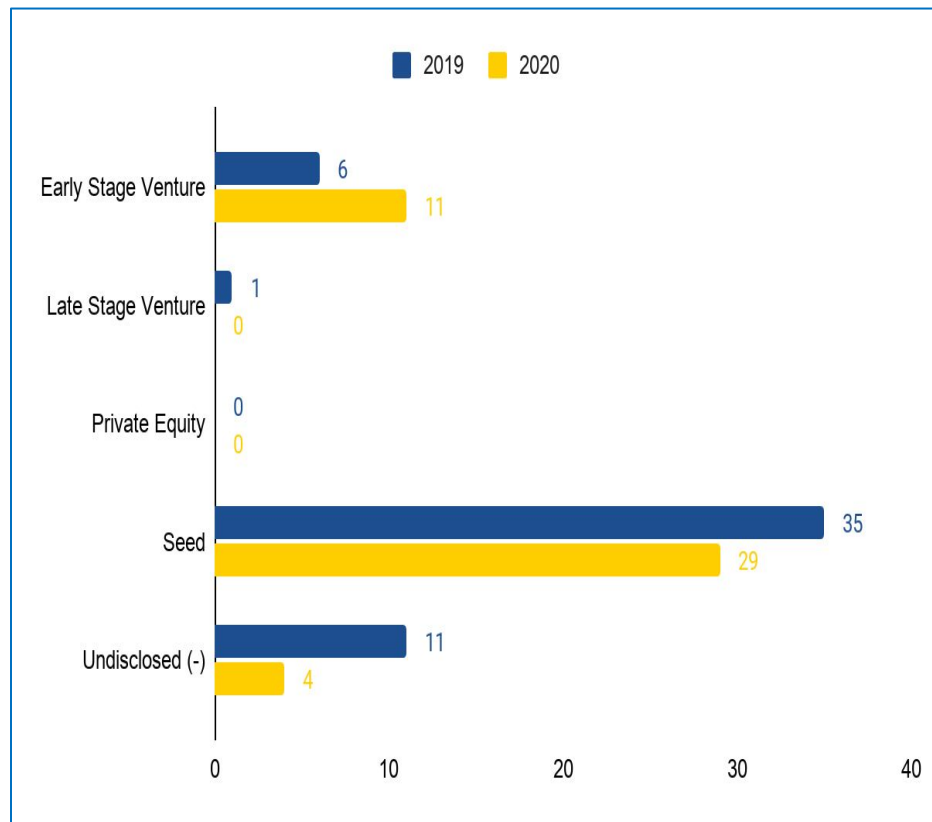
Deal Count



Funding count (Deal count) in 2020 decreased by 10% compared to 2019. In 2019 a total of 53 investments are made by investors whereas in 2020, 44 investments were made .

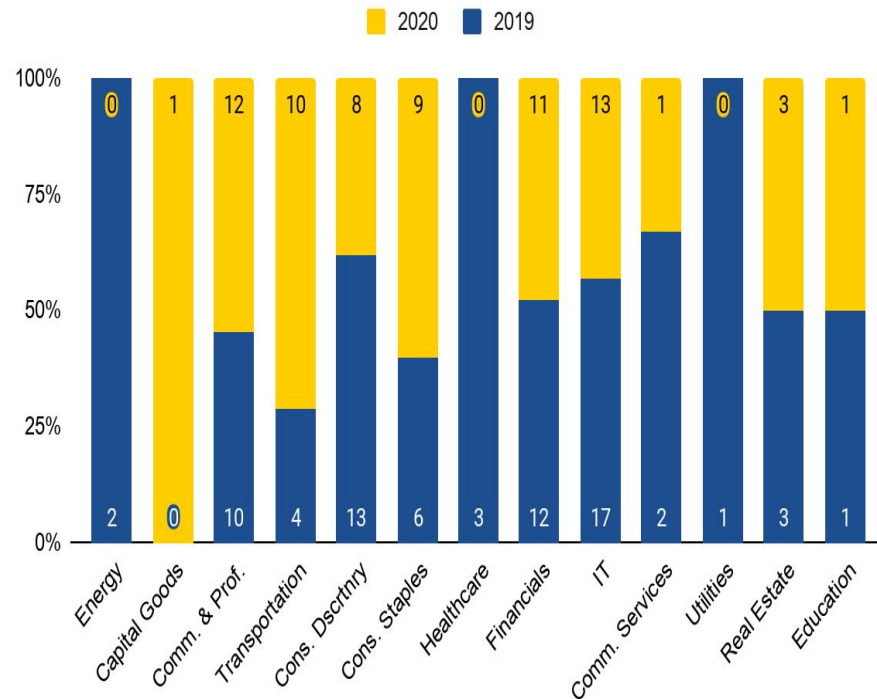
Saudi Arabia Funding Stage in 2019 - 2020

- 2019 saw 66% of seed stage funding, followed by 21% of undisclosed funding, 11% of Early stage of funding and 2% of Late stage funding stage.
- 2020 has seen 66% of seed stage funding, followed by 25% of early stage funding and 9% of undisclosed funding.
- In 2019 & 2020, there was no funding done in the Private Equity funding stage.
- Compared to 2019 early stage funding saw an increase of 14%, whereas undisclosed funding stage saw 12% decrease and late stage funding saw a 2% decrease in 2020.
- In both 2019 & 2020 seed stage funding accumulated 66% of the funding.






Saudi Arabia Sector Overview in MENA 2019 - 2020

- Top 5 sectors based on the company count that were invested in the Saudi Arabia during 2019 & 2020 are: **Information Technology (IT), Financials, Commercial & Professional Services, Consumer Discretionary and Consumer Staples.**
- Compared to 2019, Information Technology sector saw 4% decrease, Commercial & Professional Services sector saw 3% increase and Consumer Staples sector saw 5% increase whereas Consumer Discretionary sector saw 6% decrease in funding during 2020.
- In both 2019 & 2020 Financials sector accumulated 16% of the funding.



Saudi Arabia Top Funded Companies 2020

Company	Year Founded	Funding Amount	Funding Date	Funding Stage	No. of Investors
	2018	\$200M	22 nd November 2020	Undisclosed (-)	1
	2016	\$36.5M	3 rd June 2020	Early Stage Venture	1
	2016	\$18M	25 th March 2020	Early Stage Venture	6



Kuwait Funding Ecosystem

Entrepreneurship in Kuwait is booming, as in many other Middle Eastern nations. Since 2013, when the country implemented the Kuwait National Fund for SMEs, the ecosystem has been gaining momentum. The startup scene rapidly expanded to include not only companies themselves, but also vital support structures, with \$7 billion in funding.

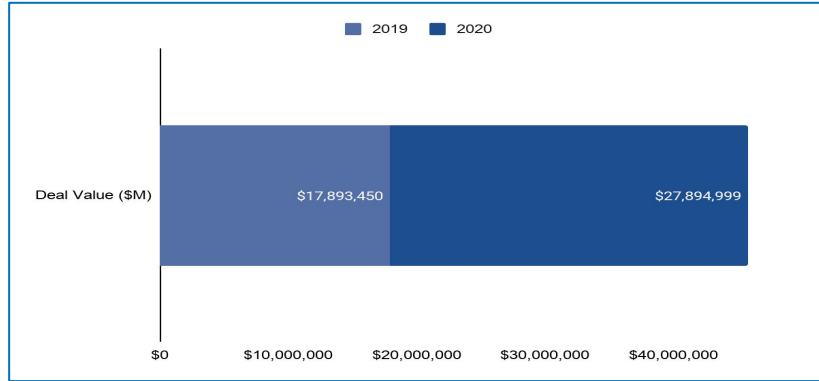
For Kuwait to succeed in building a proactive entrepreneurial scene, the country must work towards its future economic growth. Kuwait debuted “New Kuwait” in 2017 with the aim of revitalizing the country’s economy by providing aid to the private sector and supporting the development of SMEs in various sectors. By this initiative, Kuwait seeks to become the cultural and financial focal point in the Middle East by 2035.

Despite Kuwait being a small country with a population of approximately 4.2 million people, its small market is very dynamic among other countries in the MENA region with a high rate of new technology adoption and higher revenue per user for tech companies.

To further support the technology ecosystem in the country, Kuwait now allows startups to test their products before debuting in the market through Kuwait’s first sandbox program. The startup space in the country is highly invested in Fintech and the Food and Beverages sectors, but Kuwait’s tech ecosystem is evolving rapidly, with more investors coming in each year with a larger number of investments.

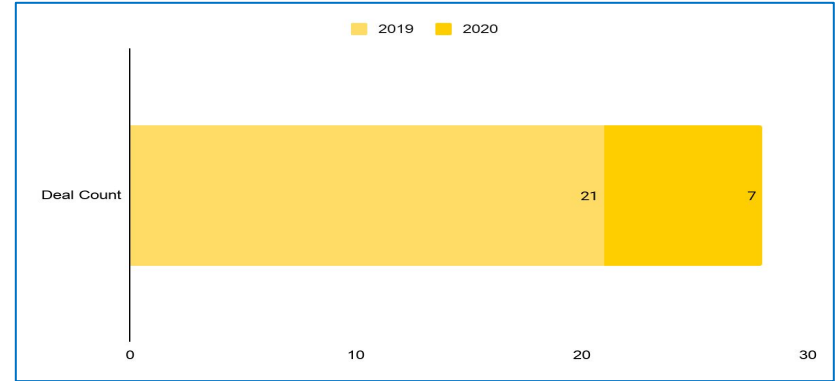
Kuwait: Deal Value & Deal Count 2019-2020

Deal Value



Funding amount (Deal value) in 2020 increased by 22% compared to 2019. In 2019 a total of \$17.8 million was invested over a year whereas in 2020 around \$27.8 million was invested.

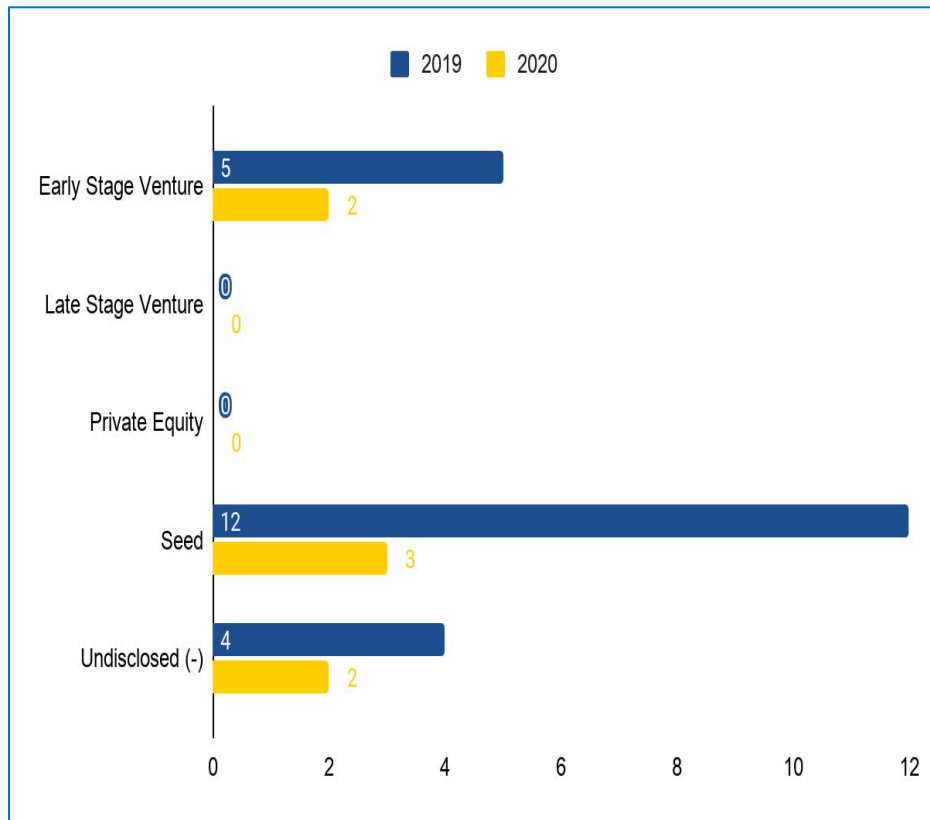
Deal Count



Funding count (Deal count) in 2020 decreased by 50% compared to 2019. In 2019 a total of 21 investments were made by investors whereas in 2020 7 investments were made .

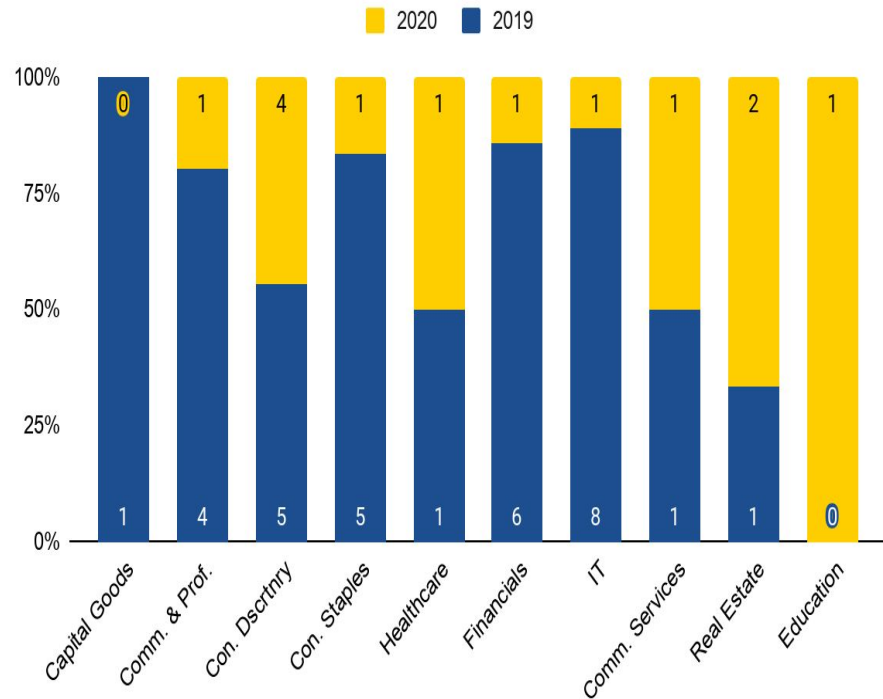
Kuwait Funding Stage in 2019 - 2020

- 2019 saw 57% of seed stage funding, followed by 24% of early stage funding , 19% of undisclosed stage of funding.
- 2020 has seen 43% of seed stage funding, followed by 29% of undisclosed funding and 28% of early stage funding.
- In 2019 & 2020, both Late stage and Private equity stage had no fundings.
- Compared to 2019 undisclosed funding stage saw 10% increase and early stage funding saw an increase of 5% whereas seed stage saw a 14% decrease in 2020.






Kuwait Sector Overview in MENA 2019 - 2020

- Top 5 sectors based on the company count that were invested in the Kuwait during 2019 & 2020 are: **Consumer Discretionary, Information Technology (IT), Financials, Consumer Staples and Commercial & Professional Services.**
- Compared to 2019, Consumer Discretionary sector saw a 15% increase whereas Information Technology sector saw a 17% decrease, Financials sector saw 11% decrease, Commercial & Professional services sector saw 5% decrease and Consumer Staples sector saw 9% decrease in funding.



Kuwait Top Funded Companies 2020

Company	Year Founded	Funding Amount	Funding Date	Funding Stage	No. of Investors
	2009	\$8.5M	28 th January 2020	Undisclosed (-)	0
	2016	\$8M	20 th September 2020	Early Stage Venture	1
	2016	\$7.5M	8 th June 2020	Seed	3



Bahrain Funding Ecosystem

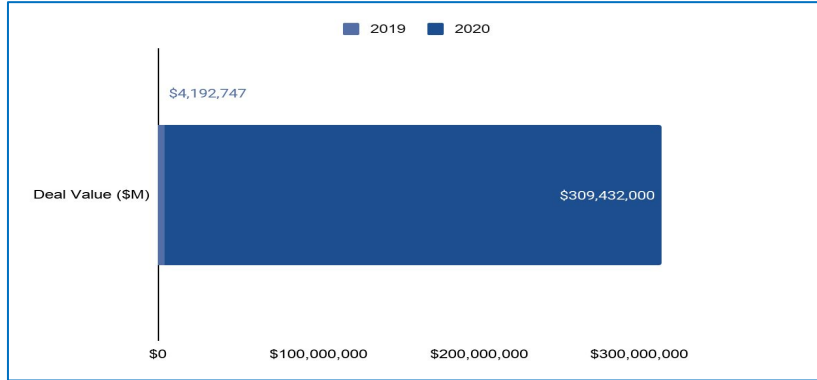
With less than 1,000 startups, Bahrain has been ranked among the top 5 fastest growing startup scenes in the world. Due to this expanding footprint, it has been reported that the country is working with insights and recommendations on how to encourage a dynamic startup ecosystem, especially in terms of how the government can come in play to support and exploit the tech ecosystem to revive the slowdown of the economy that resulted from the pandemic's lockdown.

Bahrain's favorable business environment is one of the main drivers of country's successful ecosystem. The environment allows for a tried-and-tested legal and regulatory environment with limits on foreign ownership restrictions.

In the tech ecosystem, Bahrain's Fintech ecosystem is ranked amongst the highest in the Middle East. This sector expanded rapidly due to the significant increase in demand of digital payments. In addition, the Covid-19 outbreak has driven the Fintech sector to become a necessity rather than a luxury. The Kingdom is also focused on Edtech, E-commerce, and other innovative service solutions.

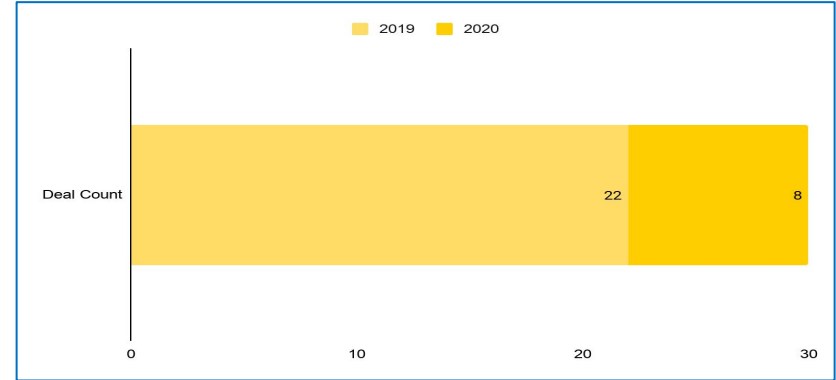
It is without a doubt that the number of tech startups is on a significant rise. This only demonstrates a growing importance of entrepreneurship that will lead to a developed and sustained economy in the Kingdom.

Deal Value



Funding amount (Deal value) in 2020 increased by around 90% compared to 2019. In 2019 a total of \$4.1 million was invested over a year whereas in 2020 around \$309.4 million was invested.

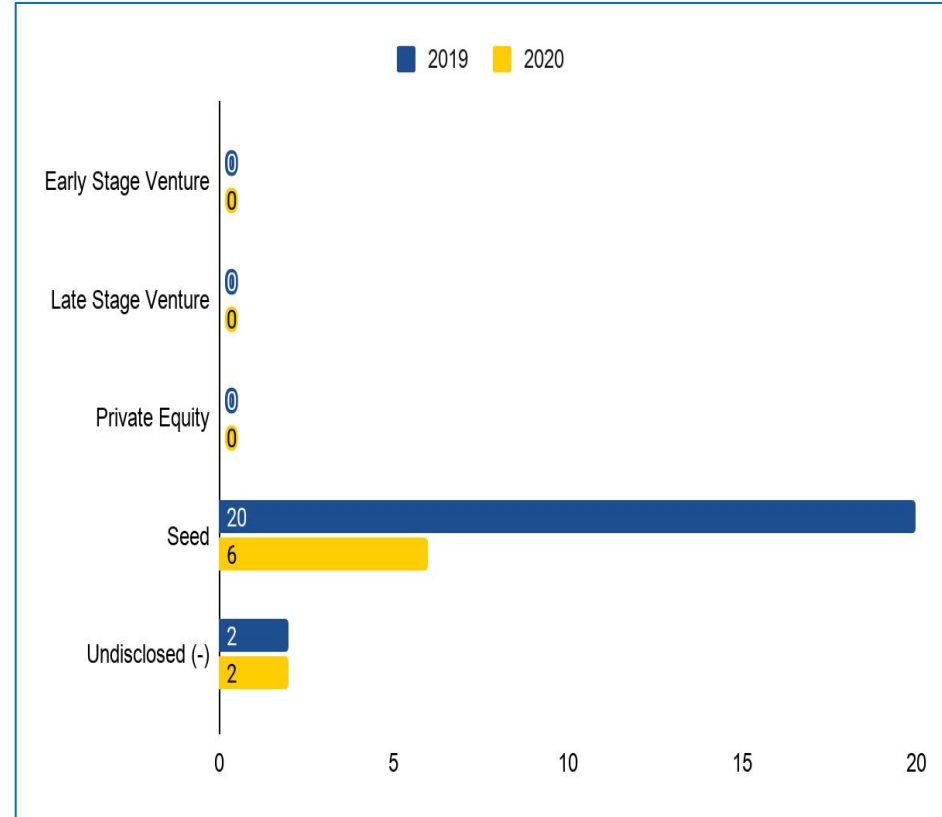
Deal Count



Funding count (Deal count) in 2020 decreased by 46% compared to 2019. In 2019 a total of 22 investments were made by investors whereas in 2020 8 investments were made .

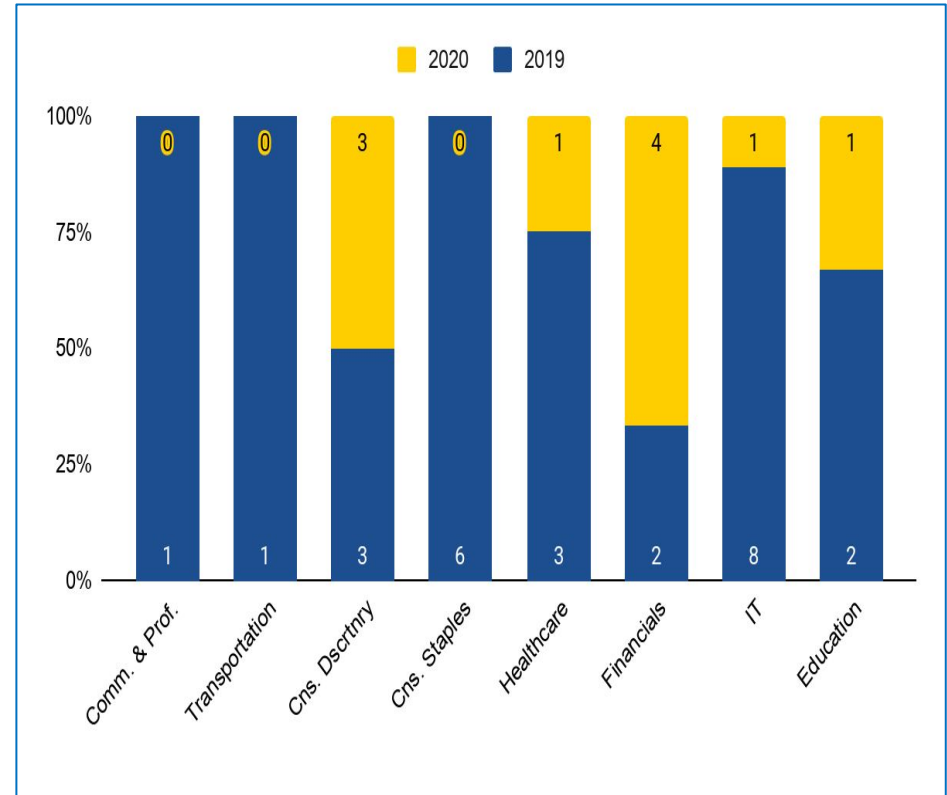
Bahrain Funding Stage in 2019 - 2020

- 2019 saw 91% of seed stage funding, followed by 9% of undisclosed stage funding.
- 2020 has seen 75% of seed stage funding, followed by 25% of undisclosed funding.
- In 2019 & 2020, early stage, late stage and private equity stage had no fundings.
- Compared to 2019 undisclosed funding stage saw a 16% increase whereas seed stage saw a 16% decrease in 2020.


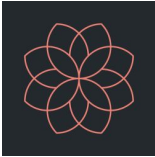



Bahrain Sector Overview in MENA 2019 - 2020

- Top 5 sectors based on the company count that were invested in Bahrain during 2019 & 2020 are: **Information Technology (IT), Consumer Discretionary, Financials, Healthcare and Education.**
- Compared to 2019, Financials sector saw 32% increase, Consumer Discretionary sector saw 19% increase, and Education sector saw 2% increase whereas Information Technology sector saw a 21% decrease and Healthcare sector saw 1% decrease in 2020.



Bahrain Top Funded Companies 2020

Company	Year Founded	Funding Amount	Funding Date	Funding Stage	No. of Investors
	1999	\$300M	20 th January 2020	Undisclosed (-)	0
	2017	\$94M	14 th December 2020	Undisclosed (-)	0
	2020	\$32K	9 th June 2020	Seed	1



Egypt Funding Ecosystem

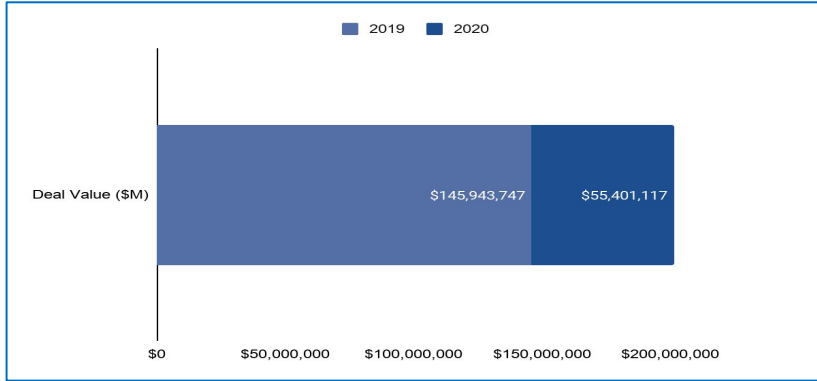
Egypt is popular for its large consumer market. This makes the country a great home for innovation and a lucrative market for scalability, especially with a young population of around 20 million tech-savvy users.

Within the region, Egypt stood out for its remarkable efforts in accelerating the tech startup ecosystem. The country's enabling environment for growth with funds, resources, and expertise sets the perfect opportunity for startups to grow. In recent years, incubators, accelerators, angel investors, and venture capitalists from Egypt came together to share their knowledge and mentor startups that are trying to penetrate the market leading to an entrepreneurship explosion in the country.

Besides the efforts of experts and mentorship programmes, the Egyptian government also made efforts to bridge the gaps in the ecosystem by creating investment funds that finance both startups and other investors.

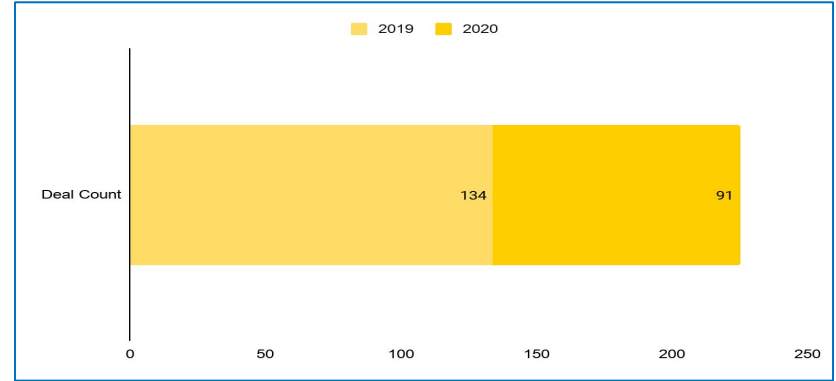
Egypt: Deal Value & Deal Count 2019-2020

Deal Value



Funding amount (Deal value) in 2020 decreased by around 44% compared to 2019. In 2019 a total of \$145.9 million was invested over a year whereas in 2020 around \$55.4 million was invested.

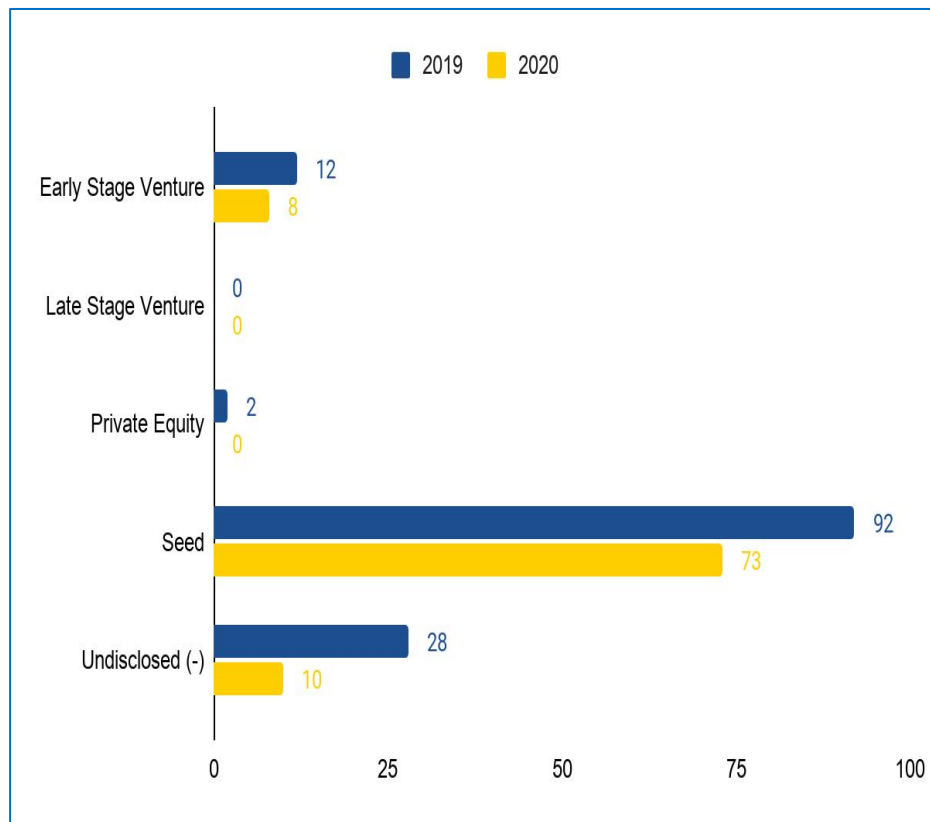
Deal Count



Funding count (Deal count) in 2020 decreased by 20% compared to 2019. In 2019 a total of 134 investments were made by investors whereas in 2020 91 investments were made .

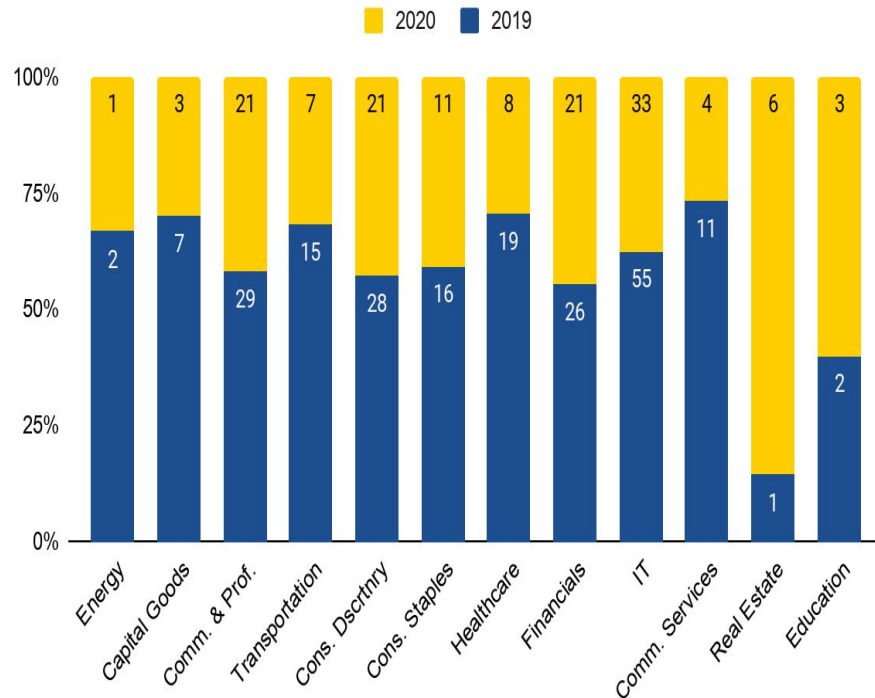
Egypt Funding Stage in 2019 - 2020

- 2019 saw 69% of seed stage funding, followed by 21% of undisclosed stage, 9% early stage funding and 1% of Private equity stage funding.
- 2020 has seen 80% of seed stage funding, followed by 11% of undisclosed funding and 9% early stage funding.
- In 2019 & 2020, late stage had no fundings.
- Compared to 2019 seed stage funding saw 11% increase, whereas undisclosed funding stage saw 10% decrease and private equity saw 1% decrease.
- In both 2019 & 2020 Early stage funding accumulated 9% of the funding.



Egypt Sector Overview in MENA 2019 - 2020

- Top 5 sectors based on the company count that were invested in Egypt during 2019 & 2020 are: **Information Technology (IT), Commercial & Professional Services, Consumer Discretionary, Financials and Consumer Staples.**
- Compared to 2019, Commercial & Professional Services sector saw 1% increase, Consumer Discretionary sector saw 2% increase, Financials sector saw 3% increase whereas Information Technology sector saw 2% decrease in 2020.
- Consumer Staples sector is one of the sectors that accumulated 8% of sector funding in both 2019 & 2020.



Egypt Top Funded Companies 2020

Company	Year Founded	Funding Amount	Funding Date	Funding Stage	No. of Investors
---------	--------------	----------------	--------------	---------------	------------------



2017

\$15M

31st January 2020

Early Stage
Venture

1



2011

\$8M

3rd February 2020

Early Stage
Venture

1



2009

\$4M

2nd May 2020

Early Stage
Venture

1



Lebanon Funding Ecosystem

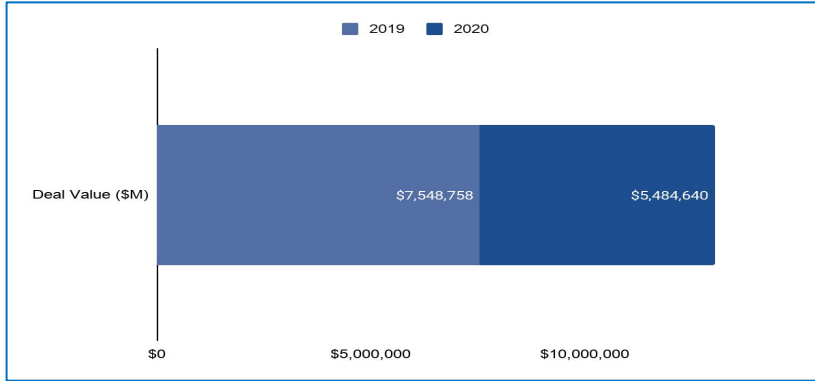
In Lebanon, over the past few years and in the light of recent events, the number of investment deals has gradually declined. The country's entrepreneurship and tech ecosystems seems to be unpredictable. In relation to the issues, even the most well-funded businesses are in for a struggle to resume. Yet, not all companies are prioritizing resuming operations within the state of the country.

For startups and businesses in Lebanon to recover and survive, they will need a more customized approach. Investing in Lebanese startups is now regarded as a risk and is more likely to become less considered by international and lebanese investors. Therefore, the lebanese job market is expecting to lose real talent as job seekers and innovators will pursue opportunities in a more stabilized environment. All of this puts a huge strain on entrepreneurs and adversely impacts the overall environment of entrepreneurship in Lebanon.

Locally, the ecosystem participants, leaders, and investors are offering mentorship, crisis management, business planning and financial aid through donation and support campaigns. With that being said, remains a need for governmental support in terms of aid in the infrastructure and finance. But this did not stop entrepreneurs from trying to shift their startups overseas where a more mature environment is in place.

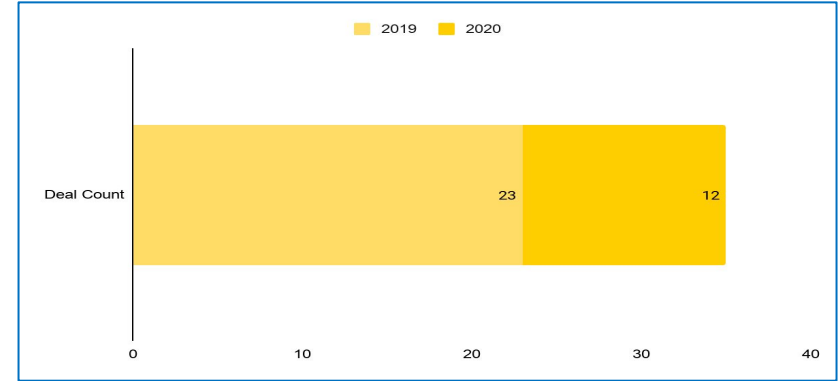
Lebanon has not yet established a legal status for startups and instead startups are categorized any other normal company. Therefore, in the case of bankruptcy, the founder will no longer be able to start another company. This strategy may end up hampering the entrepreneurship environment, considering the high rate of failure among start-ups.

Deal Value



Funding amount (Deal value) in 2020 decreased by 16% compared to 2019. In 2019 a total of \$7.5 million was invested over a year whereas in 2020 around \$5.4 million was invested.

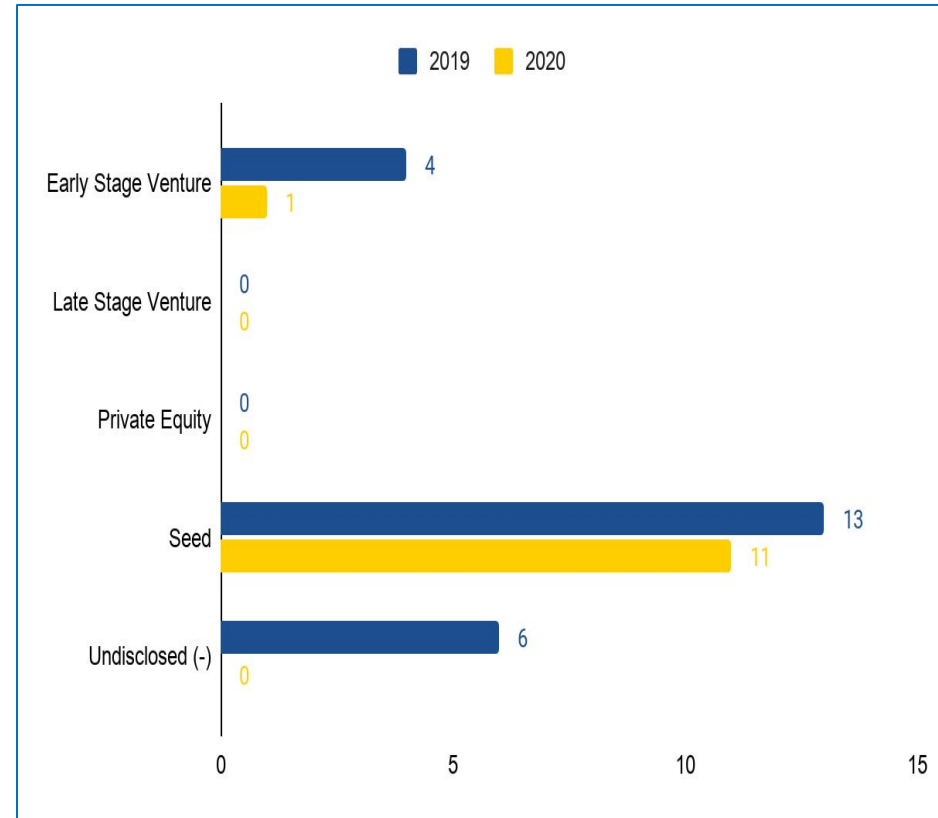
Deal Count



Funding count (Deal count) in 2020 decreased by 32% compared to 2019. In 2019 a total of 23 investments were made by investors whereas in 2020 12 investments were made .

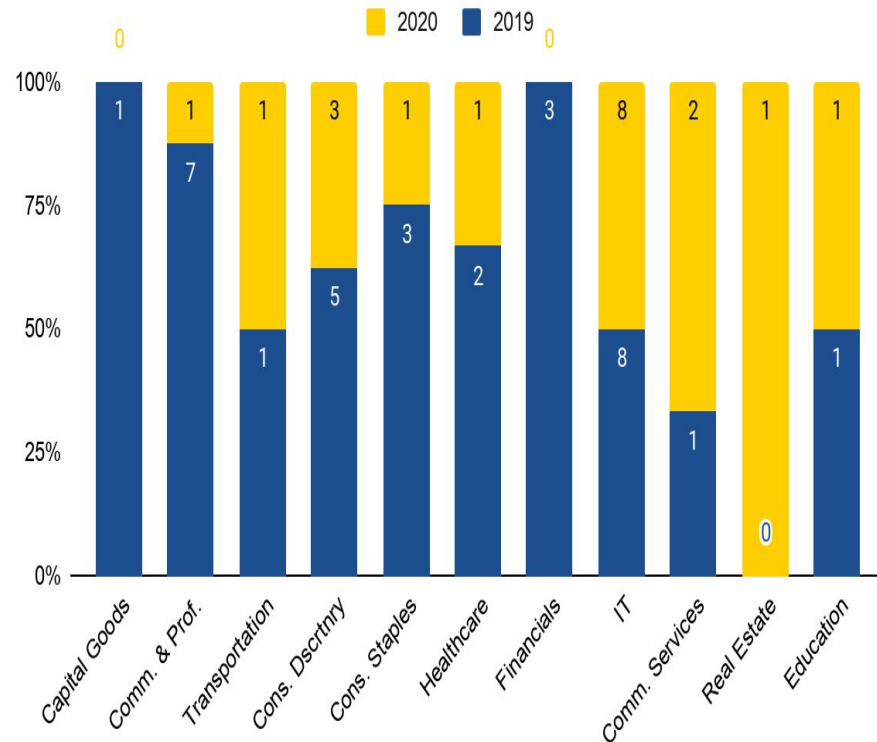
Lebanon Funding Stage in 2019 - 2020

- 2019 saw 57% of seed stage funding, followed by 26% of undisclosed stage and 17% of early stage funding.
- 2020 saw 92% of seed stage funding, followed by 8% of early stage funding.
- In 2019 & 2020, late stage and private equity had no fundings.
- Compared to 2019 seed stage funding saw 35% increase whereas early stage funding saw 9% decrease.






Lebanon Sector Overview in MENA 2019 - 2020

- Top 5 sectors based on the company count that were invested in Lebanon during 2019 & 2020 are: **Information Technology (IT), Consumer Discretionary, Commercial & Professional Services, Consumer Staples, and Healthcare.**
- Compared to 2019, Information Technology sector saw a 17% increase whereas Commercial & Professional Services sector saw 16% decrease, Consumer Staples sector saw 5% decrease and Healthcare sector saw 1% decrease in 2020.
- Consumer Discretionary sector 16% of sector funding in both 2019 & 2020



Lebanon Top Funded Companies 2020

Company	Year Founded	Funding Amount	Funding Date	Funding Stage	No. of Investors
	2016	\$1.8M	27 th September 2020	Seed	8
	2019	\$1.5M	1 st September 2020	Seed	0
	2019	\$1.2M	27 th January 2020	Seed	3



Jordan Funding Ecosystem

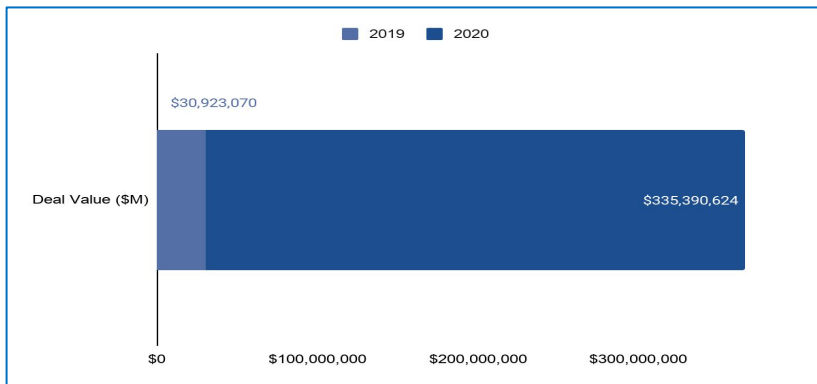
Over the last decade, Jordan's entrepreneurship ecosystem has emerged, but there are main obstacles hindering its development and connectedness. Compared to neighbouring countries in the region, the Kingdom's startup ecosystem is still considered young, yet the startup scene continues to grow substantially in terms of investment activity, as funding has been on the rise in the last 5 years.

In terms of product creativity, technological absorption, competitiveness, startup skills, and cultural support metrics, Jordan outperforms surrounding countries in the region. Yet, the country is still falling behind in aspects such as fast growth metrics, risk capital, risk acceptance, networking, and human capital.

The boom in Jordan's startup ecosystem started when investors, accelerators, incubators and mentors came together to support the emergence of this ecosystem. Jordanian entrepreneurs have succeeded in showing the scope of optimism of Jordan's economic transition, showcasing the digital entrepreneurship growth potential, and pitching foreign funds with investment opportunities. Considering the comparatively limited scale of local market, penetration into the larger regional and/or global markets is critical for Jordanian entrepreneurs.

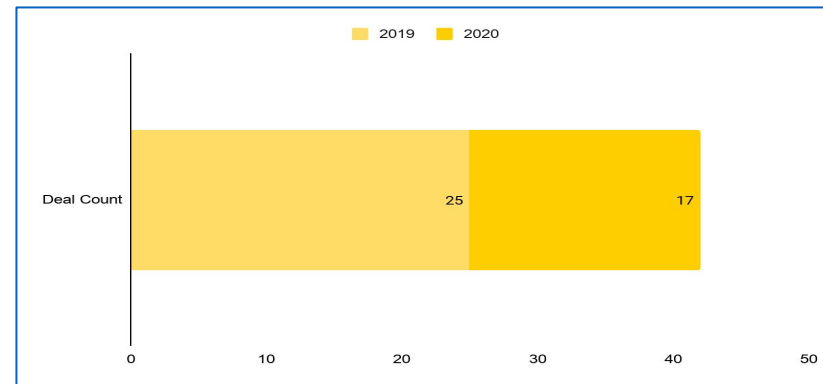
The Jordanian Government has also taken fundamental initiatives to support the technology ecosystem by endorsing a Public-Private Partnership (PPP) model to enlarge the national broadband network, aid the technological skill development, setting the opportunity for government e-payments, and promoting access to global markets for entrepreneurs.

Deal Value



Funding amount (Deal value) in 2020 increased around by 84% compared to 2019. In 2019 a total of \$30.9 million was invested over a year whereas in 2020 around \$335.3 million was invested.

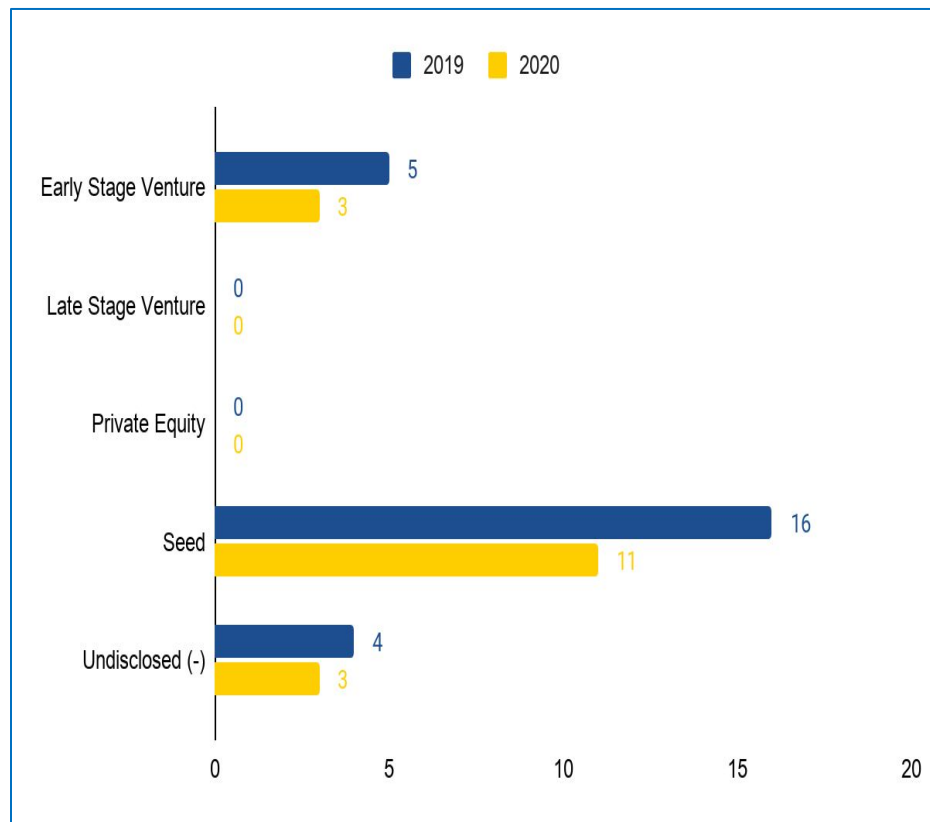
Deal Count



Funding count (Deal count) in 2020 decreased by 20% compared to 2019. In 2019 a total of 25 investments were made by investors whereas in 2020 17 investments were made .

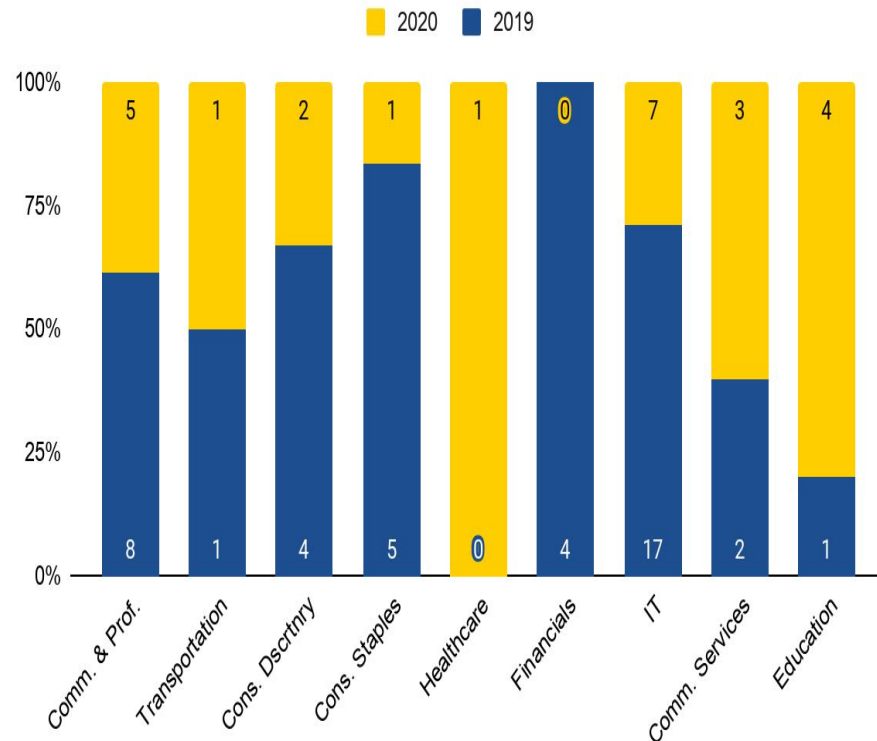
Jordan Funding Stage in 2019 - 2020

- 2019 saw 64% of seed stage funding, followed by 20% of early stage funding and 16% of undisclosed stage funding.
- 2020 has seen 65% of seed stage funding, followed by 18% of undisclosed stage funding and 17% of early stage funding.
- In 2019 & 2020, late stage and private equity had no fundings.
- Compared to 2019 seed stage saw 1% increase and undisclosed funding stage saw 2% increase whereas early stage funding saw 3% decrease in 2020.






Jordan Sector Overview in MENA 2019 - 2020

- Top 5 sectors based on the company count that were invested in Jordan during 2019 & 2020 are: **Information Technology (IT), Commercial & Professional Services, Consumer Discretionary, Consumer Staples, and Communication Services**
- Compared to 2019, Commercial & Professional Services sector saw 2% increase and Communication Services sector saw 8% increase whereas Information Technology sector saw 11% decrease, Consumer Staples sector saw 8% decrease and Consumer Discretionary sector saw 2% decrease in 2020.



Jordan Top Funded Companies 2020

Company	Year Founded	Funding Amount	Funding Date	Funding Stage	No. of Investors
 aramex <small>delivery unlimited</small>	1982	\$326.6M	17 th September 2020	Undisclosed (-)	1
	2013	\$36.5M	14 th February 2020	Early Stage Venture	3
 abwaab ابواب	2019	\$2.4M	25 th March 2020	Seed	4



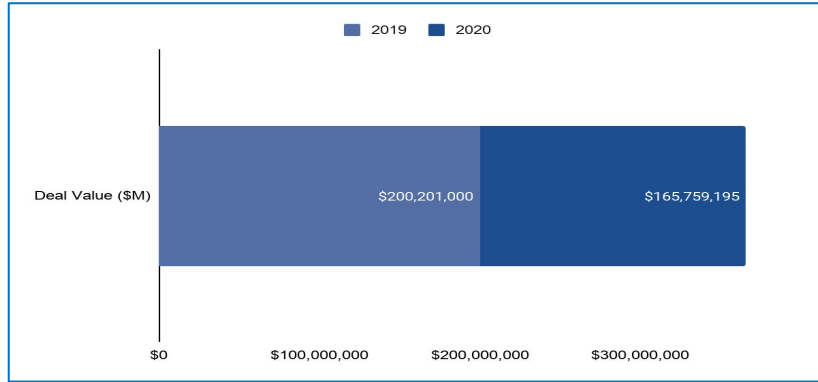
Morocco Funding Ecosystem

Startups have been the topic of real enthusiasm in Morocco for the past two years. As new entrepreneurs are emerging, they are now joined on this journey by accelerators, incubators, investment funds, alliances and large businesses. The ecosystem, especially through the development of new support programs, is consolidating. In 2019, Morocco took its initial steps towards digitalization when the Moroccan Agency of Digital Development (ADD) approved a proposal of a digital roadmap for the next 5 years.

Around \$570 million were put into a national program that has been put in place with the aim of transforming Morocco into the digital hub of Africa. Also, Morocco is committed to technology advancement at the moment. It is an optimal time, thus, to capture the opportunity for investment. The country is targeting digital development in areas of manufacturing, fintech, insurtech, online legal and e-government services. Other fields of current interest are: 5G, Internet of Things (IoT), Artificial Intelligence, Cloud Computing, and Big Data.

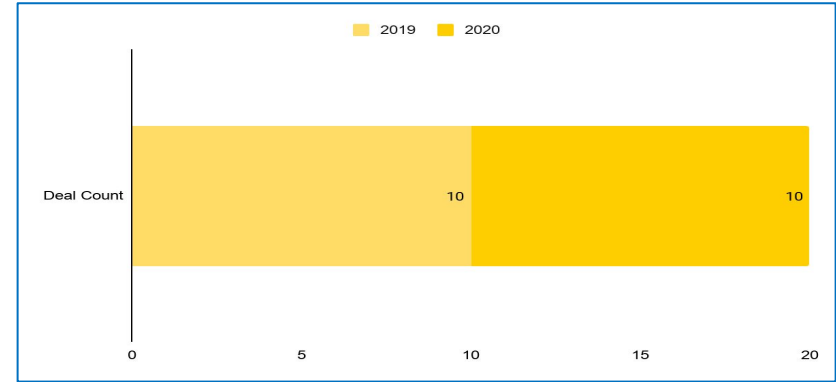
We can say that the startup and technology ecosystem is slowly but surely taking shape in Morocco. So, in order for this journey to succeed the ecosystem must really target what country really needs to fill innovation gaps and attract not only local investors, but also regional and international one. On a local level, the country must also aid the development of these innovations by easing processes and providing the right environment for growth.

Deal Value



Funding amount (Deal value) in 2020 decreased by 10% compared to 2019. In 2019 a total of \$200.2 million was invested over a year whereas in 2020 around \$165.7 million was invested.

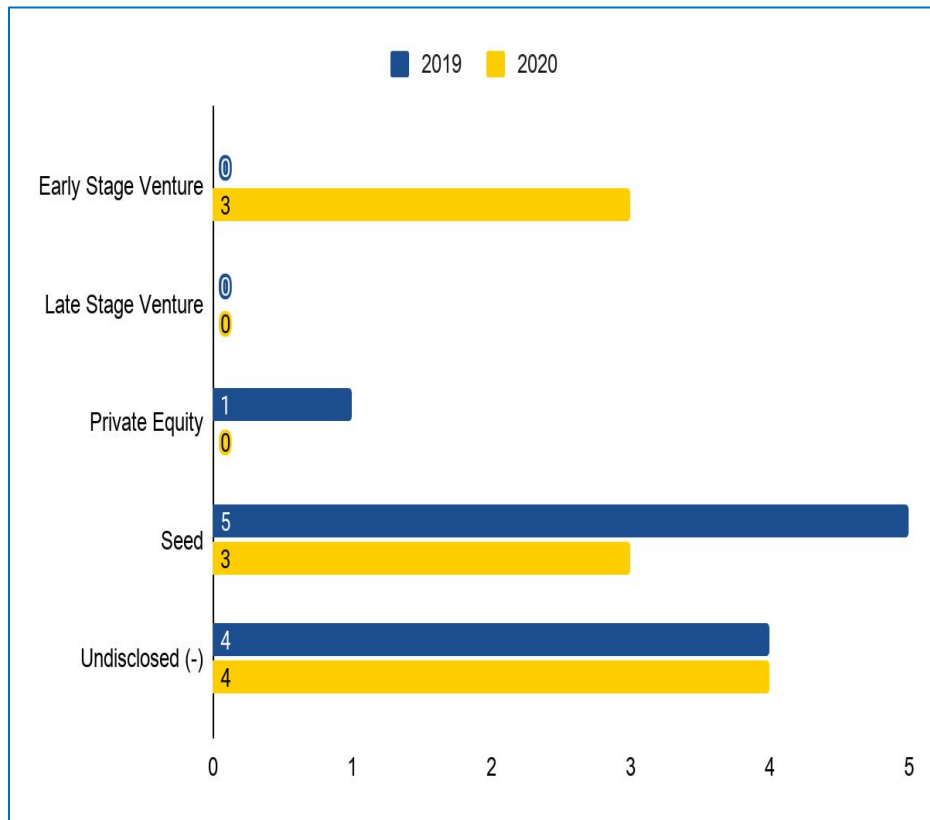
Deal Count



Funding count (Deal count) in both 2019 and 2020 had remain the same being 10 deals.

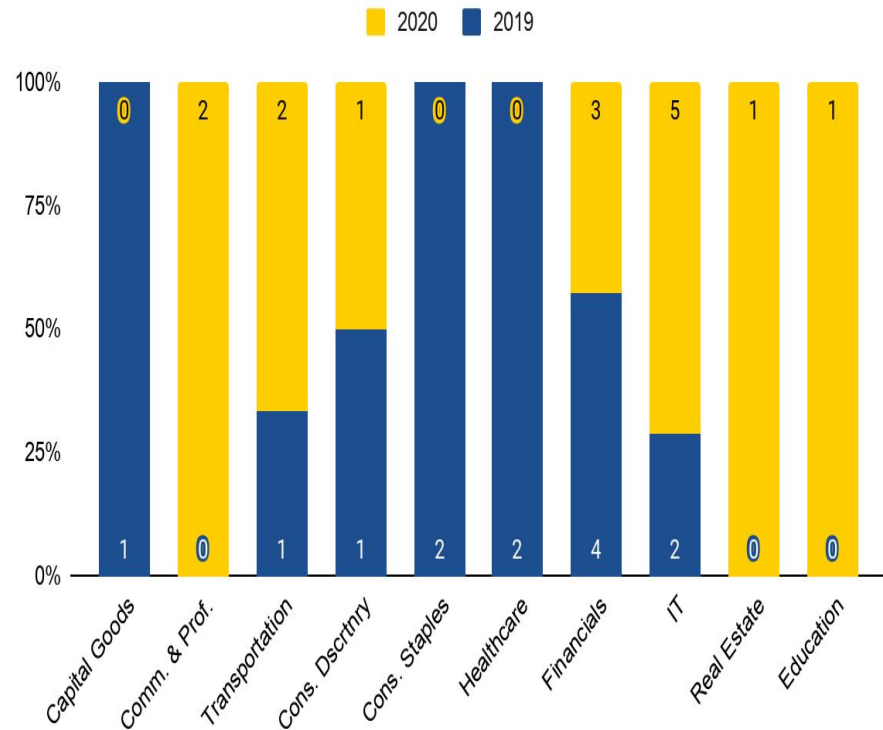
Morocco Funding Stage in 2019 - 2020

- 2019 saw 50% of seed stage funding, followed by 40% of undisclosed stage funding and 10% of private equity stage funding.
- 2020 has seen 30% of seed stage funding, followed by 40% of undisclosed stage funding and 30% of early stage funding.
- In 2019 & 2020, late stage had no funding.
- Compared to 2019 early stage funding saw 30% increase, whereas seed stage funding saw 20% decrease and private equity saw 10% decrease.
- Undisclosed stage funding accumulated 40% of the funding in both 2019 & 2020.






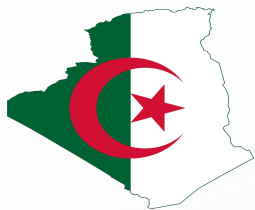
Morocco Sector Overview in MENA 2019 - 2020

- Top 5 sectors based on the company count that were invested in Morocco during 2019 & 2020 are: **Information Technology (IT), Financials, Transportation, Consumer Discretionary, Consumer Staples.**
- Compared to 2019, Information Technology sector saw a 18% increase and Transportation sector saw 5% increase whereas Consumer Staples sector saw a 15% decrease, Financials sector saw 18% decrease and Consumer Discretionary sector saw 1% decrease in 2020.



Morocco Top Funded Companies 2020

Company	Year Founded	Funding Amount	Funding Date	Funding Stage	No. of Investors
	1956	\$156M	23 rd April 2020	Post-IPO Debt	1
	2010	\$7M	14 th January 2020	Corporate Funding Round	1
	2016	\$1M	3 rd November 2020	Early Stage Venture	1



Algeria Funding Ecosystem

To support the Algerian entrepreneurial spirit, the government built a startup-friendly ecosystem in Algeria. The aim of the developed conditions and environment is to create an enabling ecosystem that supports and boosts startups.

In 2020, Algeria officially launched its first ever fund for startups in the country. The objective of the fund is to aid in the creation of stable startups that are able to showcase their innovation not only on a local or regional level, but on an international level. The purpose also is in favor of young innovators that are seeking the same financing movements as those in neighboring countries that benefit from supportive ecosystems.

The initiative also brought to light that there is a lack of incubators, accelerators and other supporting structures in Algeria. Therefore, a “network of project accelerators” to create at least one incubator in every province in Algeria to support innovation in Algeria.

To further support this ecosystem, the Algerian media shed light on the tech startup scene in hopes to attract a diverse audience and investors. This movement was also in favor of raising awareness to highlight the gaps in the ecosystem in terms of lack of incubators and accelerators, governmental support in terms of funding, and overall knowledge of the startup scene in the country.

In the light of current events, Algeria must work quickly to shift towards digitizing businesses, and startups in particular, to help improve the overall economy of the country. Digitization and automation are initial and fundamental steps towards boosting the ecosystem.

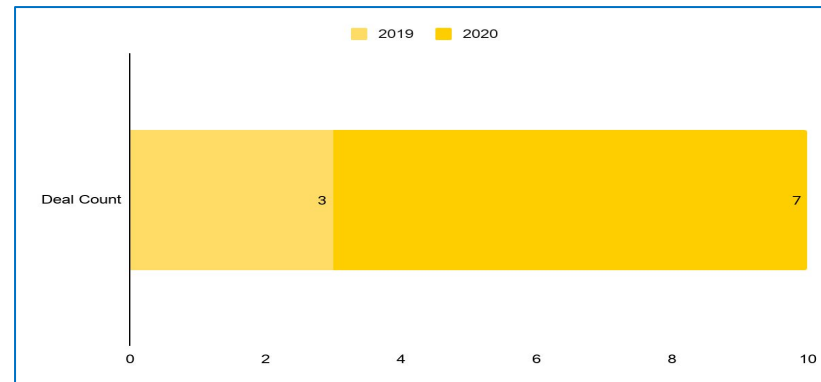
Algeria: Deal Value & Deal Count 2019-2020

Deal Value



Funding amount (Deal value) in 2020 decreased around by 80% compared to 2019. In 2019 a total of \$4 million was invested over a year whereas in 2020 around \$0.43 million was invested.

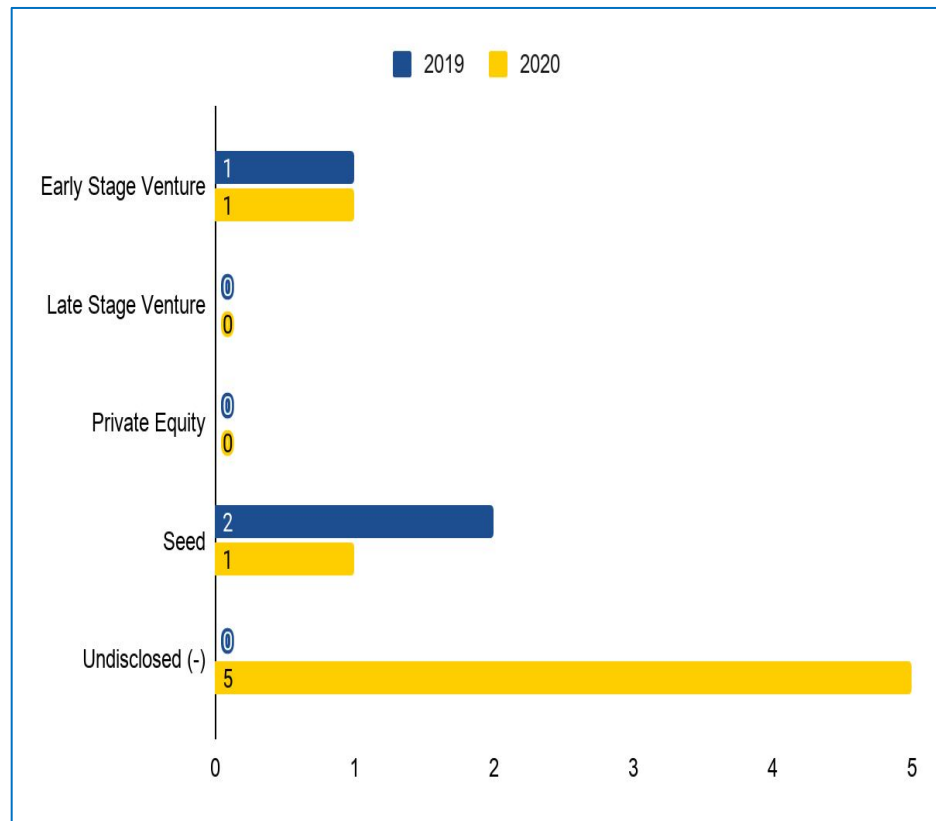
Deal Count



Funding count (Deal count) in 2020 increased around by 40% compared to 2020. In 2019 a total of 3 investments were made by investors whereas in 2020 a total of 7 investments were made .

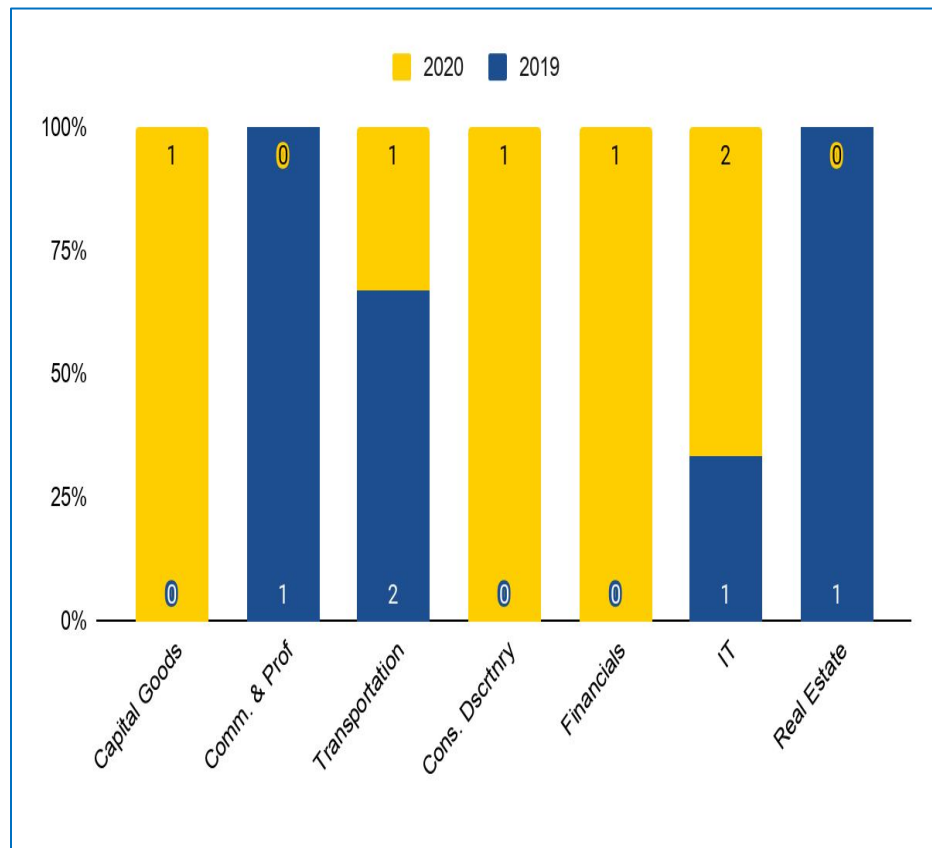
Algeria Funding Stage in 2019 - 2020

- 2019 saw 67% of seed stage funding, followed by 33% of early stage funding.
- 2020 has seen 72% of undisclosed stage funding, followed by 14% of seed stage funding and early stage funding respectively.
- In 2019 & 2020, late stage and private equity had no funding.
- Compared to 2019 undisclosed stage funding saw 72% increase whereas seed stage funding saw 53% decrease and early stage saw 19% decrease in 2020.



Algeria Sector Overview in MENA 2019 - 2020

- Top sectors based on the company count that were invested in Algeria during 2019 & 2020 are: **Transportation and Information Technology (IT)**.
- Compared to 2019, Information Technology sector saw a 13% increase and Transportation sector saw 23% decrease in 2020.



Algeria Top Funded Companies 2020

Company	Year Founded	Funding Amount	Funding Date	Funding Stage	No. of Investors
---------	--------------	----------------	--------------	---------------	------------------



2016

\$150K

17th March 2020

Undisclosed (-)

3

Eurl LD AZOUAOU

2010

\$146K

18th March 2020

Corporate Round

1



2016

\$139K

20th April 2020

Undisclosed (-)

3



Tunisia Funding Ecosystem

In Tunisia, there is great enthusiasm towards startups and the technology ecosystem, but the only setback from growth is the lack of resources and the right environment to expand and launch a startup.

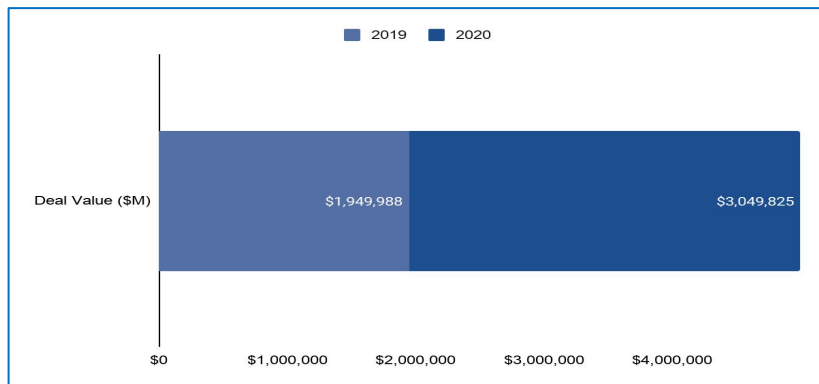
Furthermore, the rate of unemployed graduates is very high. So, many of these graduates have taken the initiative to create opportunities by establishing their own tech companies. So, to support these initiatives, regional accelerators took part to help the startup scene, the culture of entrepreneurship, and SMEs to grow.

Within the African region, Tunisia is taking the lead thanks to new passed laws by “Startup Act” that sets up government policies for aid startup growth. Ever since, there has been a greater focus to boost the tech ecosystem.

Moreover, the newly passed law supports the startup scene in terms of funding, categorizing a business as a “startup” and put in place other facilitating regulations that allow startups to launch.

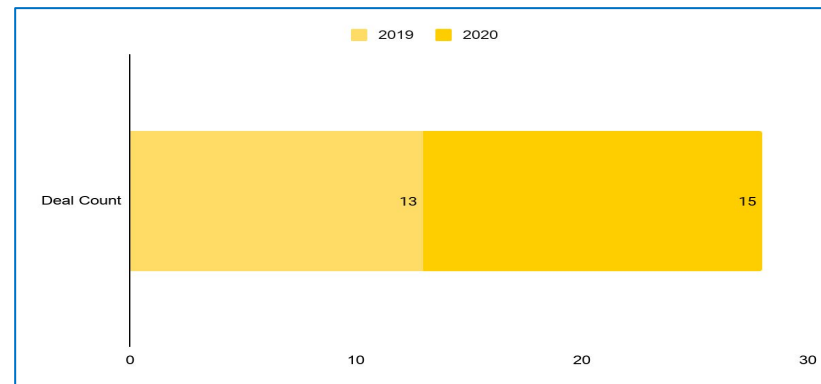
Tunisia: Deal Value & Deal Count 2019-2020

Deal Value



Funding amount (Deal value) in 2020 increased around by 22% compared to 2019. In 2019 a total of \$1.9 million was invested over a year whereas in 2020 around \$3.05 million was invested.

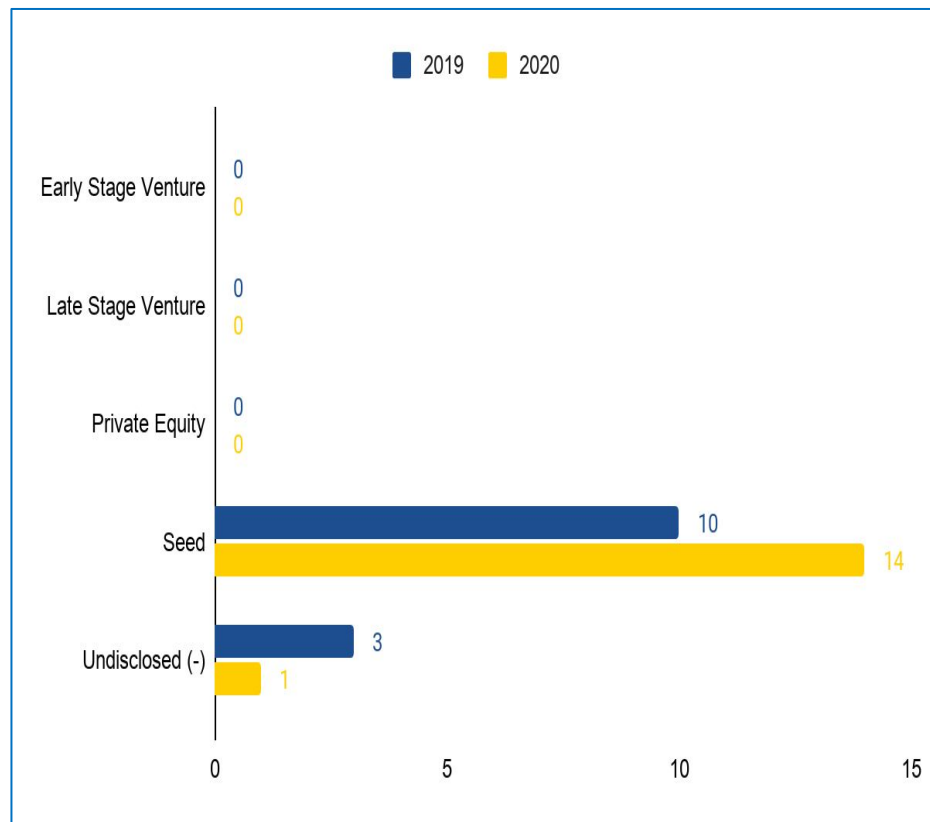
Deal Count



Funding count (Deal count) in 2020 increased around by 8% compared to 2020. In 2019 a total of 13 investments were made by investors whereas in 2020 15 investments were made .

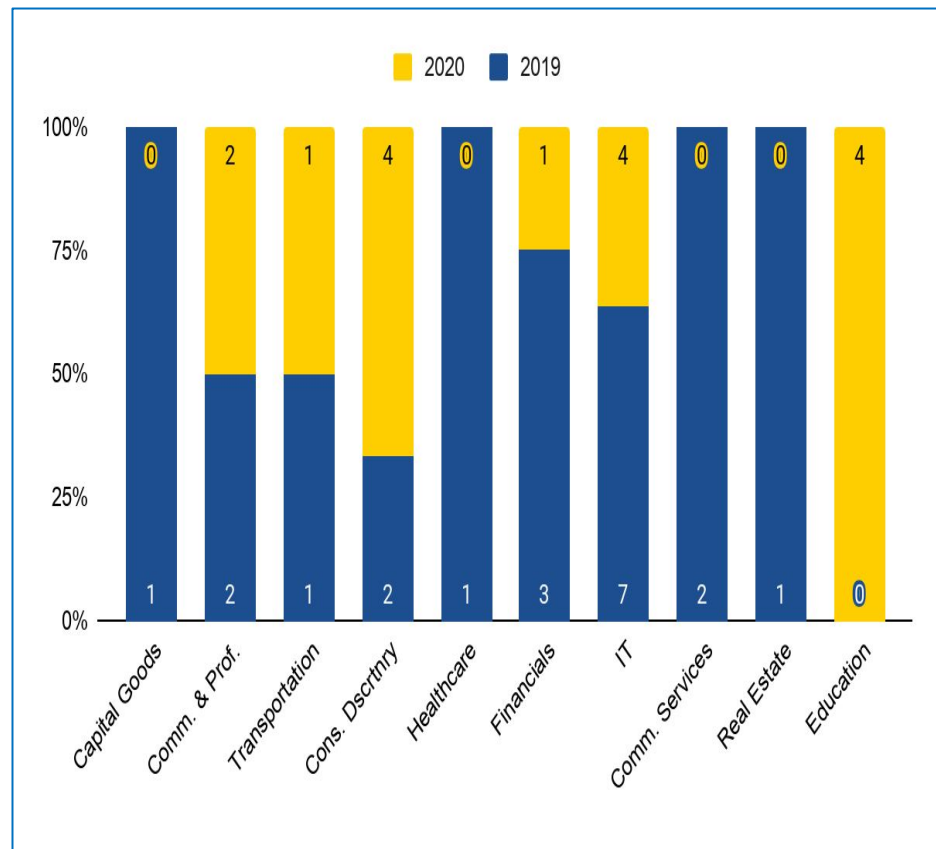
Tunisia Funding Stage in 2019 - 2020

- 2019 saw 77% of seed stage funding, followed by 23% of undisclosed stage funding.
- 2020 has seen 93% of seed stage funding, followed by 7% of undisclosed stage funding.
- In 2019 & 2020, early stage, late stage and private equity had no funding.
- Compared to 2019 seed stage funding saw 16% increase whereas undisclosed stage funding saw 16% decrease in 2020.






Tunisia Sector Overview in MENA 2019 - 2020

- Top 5 sectors based on the company count that were invested in Tunisia during 2019 & 2020 are: **Information Technology (IT), Consumer Discretionary, Commercial & Professional Services, Financials and Transportation.**
- Compared to 2019, Consumer Discretionary sector saw a 15% increase, Commercial & Professional Services sector saw 3% increase and Transportation sector saw 1% increase whereas Information Technology sector saw 10% decrease and Financials sector saw 9% decrease in 2020.



Tunisia Top Funded Companies 2020

Company	Year Founded	Funding Amount	Funding Date	Funding Stage	No. of Investors
	2019	\$1M	18 th July 2020	Seed	1
	2011	\$554K	20 th January 2020	Seed	1
	2017	\$500K	10 th January 2020	Seed	1



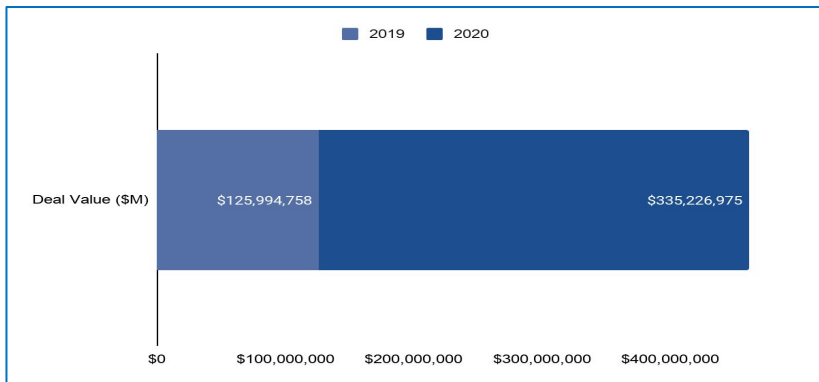
Turkey Funding Ecosystem

Turkey is transforming into a very enticing and competitive community of startups. The principal purposes of this ecosystem are: incentives for talent, a diverse market, and revenue. Turkey is famous for its young and resilient population, efficient knowledge and training in technical and engineering skills, an attractive cost structure, a dynamic labor market, and finally, extensive incentives and tax benefits for R&D initiatives.

This is what makes Turkey's technology ecosystem larger than others in the MENA region. The ecosystem is powered primarily by 'localized versions' of e-commerce, content, and SaaS business models that have proven to be successful in the country. In response to technological advances and new business applications in the emerging ecosystems, the focus of software entrepreneurship in Turkey is expected to evolve. This goes back to public efforts as well as efforts to expand the technology ecosystem, which are vital for the growth and success of Turkey's startup scene.

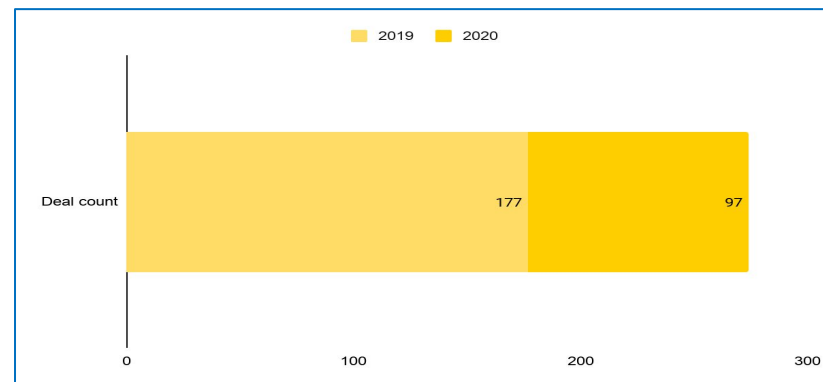
Moreover, in efforts to support the development of the startup scene, the Turkish Government and accelerators have helped the startup ecosystem come a long way in the past few years. This was a significant progress as the Turkish startups witnessed an increased number of venture capital funds and investment activities as they successfully gained the trust of both local and foreign investors.

Deal Value



Funding amount (Deal value) in 2020 increased around by 46% compared to 2019. In 2019 a total of \$125.9 million was invested over a year whereas in 2020 around \$335.2 million was invested.

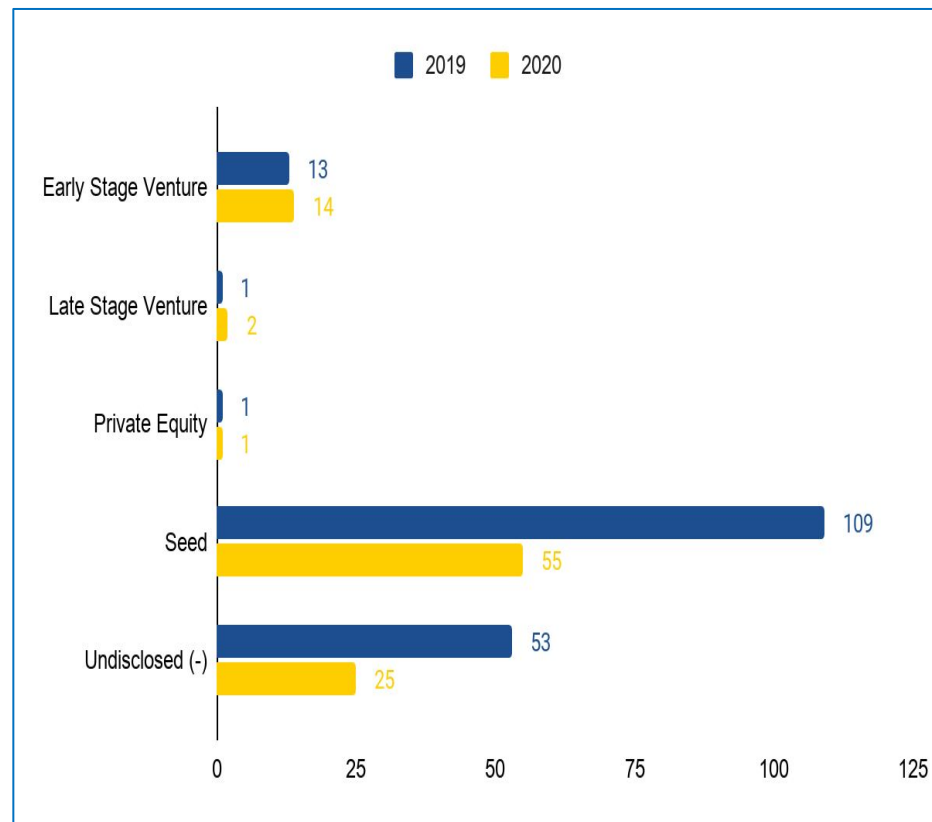
Deal Count



Funding count (Deal count) in 2020 decreased around by 30% compared to 2019. In 2019 a total of 177 investments were made by investors whereas in 2020 97 investments were made .

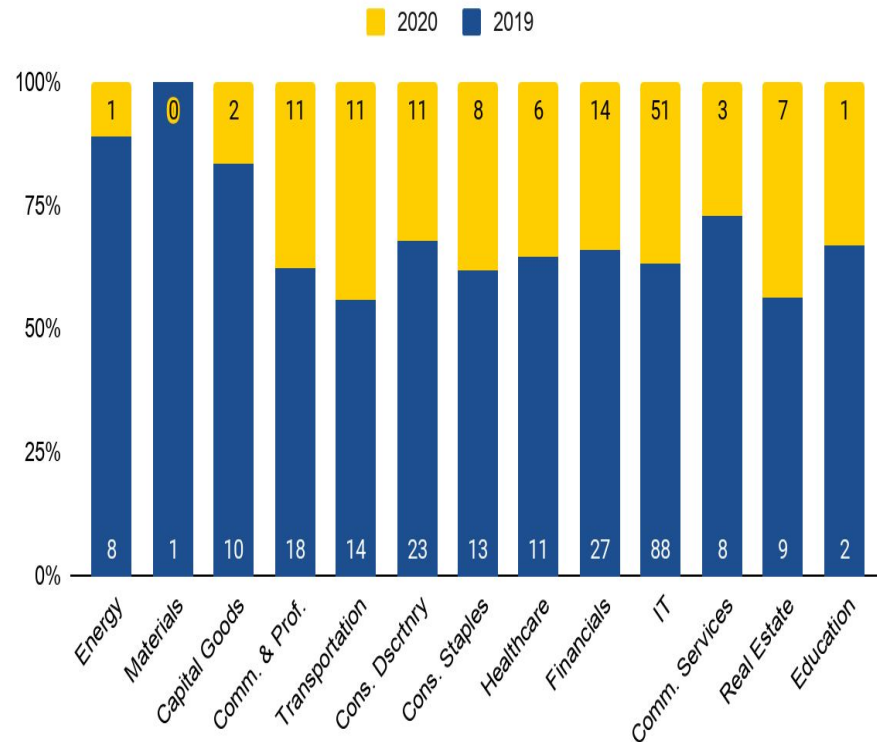
Turkey Funding Stage in 2019 - 2020

- 2019 saw 62% of seed stage funding, followed by 30% of undisclosed stage funding, and 7% of early stage funding.
- 2020 has seen 57% of seed stage funding, followed by 26% of undisclosed stage funding and 14% of early stage funding.
- Compared to 2019 early stage funding saw 7% increase and late stage funding saw 2% increase whereas seed stage funding saw 5% decrease and undisclosed funding stage saw 4% decrease.
- In 2019 & 2020, private equity stage funding accumulated 1% of the funding.



Turkey Sector Overview in MENA 2019 - 2020

- Top 5 sectors based on the company count that were invested in Tunisia during 2019 & 2020 are: **Information Technology (IT), Financials, Consumer Discretionary, Commercial & Professional Services and Transportation.**
- Compared to 2019, Information Technology sector saw 2% increase and Commercial & Professional Services sector saw 1% increase, Transportation sector saw 3% increase whereas Financials and Consumer Discretionary sector saw 1% decrease respectively in 2020.



Turkey Top Funded Companies 2020

Company	Year Founded	Funding Amount	Funding Date	Funding Stage	No. of Investors
---------	--------------	----------------	--------------	---------------	------------------



2013

\$130M

15th July 2020

Private Equity

1



2015

\$38M

16th January 2020

Early Stage
Venture

2



1938

\$29M

20th July 2020

Undisclosed (-)

1

Covid-19 in the MENA Region

Covid-19 Impact on the MENA Region

Covid-19 in the MENA region

As businesses continue to adapt to the reality of an on-going pandemic outbreak and the severe restrictions of lockdowns imposed by governments to control the spread of the novel Coronavirus, the impact has not been that negative for everyone.

Fintech, Edtech, and Healthtech were amongst the top funded industries in the MENA region amid the pandemic. This was a result of the sudden switch to remote working, distance learning, and the increased demand for innovative technological services that can help people adapt to this sudden change. Similarly, people's interest in attaining information related to health was elevated which led to a higher interest in Healthtech investments.

The increase in investments and fundings witnessed in 2020 has proven that despite the lockdown and strict safety measures, the region was able to maintain as well as improve its ecosystem. Many startups have taken advantage of the situation to penetrate the market with innovation and bridge gaps that the outbreak brought to light. So, we anticipate that the future following the outbreak might lead to:

- *Regional startups and businesses to be more focused on health and wellbeing, e-commerce, agriculture technology, entertainment, cybersecurity, Virtual Reality, and food.*
- *The investment appetite for traditional technologies and service platforms is expected to decrease.*
- *Businesses, especially SMEs, that lack digital capabilities or the ability to digitize parts of their business model are most likely to disappear.*

On the other hand, potential areas of growth in the region might be in:

- *Automation of traditional manufacturing and industries.*
- *Business development of fields such as the internet of things (IoT), robotics, health, and biotech.*

2021 Expectations

Trending Industries and Recovery in the MENA Region

Expectations: Investment Trends in 2021

It is almost impossible to predict the future of markets. 2020 has been a very challenging year for startups, businesses, and investors. The global pandemic outbreak experience surely taught investors that what really matters when it comes to investments are well-fixed principles and long term investments at the right cost are the way to go.

This eventful year's lesson was teaching investors not to get caught up in the latest trending stocks, sectors, industries, or investment trends. Unfortunately, many investors acted impulsively in response to the market dip that took place in March following the pandemic. The recovery from this recession was predicted to be a slow one, but in fact the regional market has bounced back by approximately 60%. Thus, investors are advised to keep a diverse portfolio that is able to maintain sudden market unpredictable events rather than a portfolio that depends on predictions.

Yet, it is inevitable to disregard the market trends that might touch investors in 2021.

Expected trending tech industries are:

- Edge AI
- 5G in Factories
- Financial Services
- Cybersecurity
- Workforce Technologies
- Healthcare Technologies
- Food Technologies
- Banking Technologies

The Region's Recovery

The outlook for 2021 is that most countries in the region will see growth. This returns back to the way governments in the region responded to the outbreak with measures that will ensure a rapid recovery as lockdowns and restrictions are lifted.

This bounceback is anticipated to witness a more advanced digital innovation across every sector and industry as a result of the increased use of the internet. Also, sectors that have been impacted severely such as tourism and travel, retail, and real estate are seeking an accelerated recovery. Finally, we are expecting to see new means of doing business. Startups and businesses around the region are working towards improving the balance between remote working and workplace environments, as well as implementing faster automation processes across industries.

Finally, the MENA region's startup scene will continue to maintain the increased interest by investors, governments, corporates and other institutions in the startup ecosystem space. Owing to its favorable demographics, not just local companies, but foreign investors and businesses are looking to expand their presence in the Middle East. They are looking for local startups to invest or acquire, thus recognizing the quality of the startups that have been identified and developed in the region.

investera⁺