

Egypt VC Investing Grows for 5th Year in a Row, Leading MENA Region by Deals Closed and All-Time High of 17 Exits

Egypt led number of deals in MENA with 26% of total; Flat6 Labs, Falak Startups, A15, Disruptech, 500 Global among investors with 5+ investments in 2022.

DUBAI, UNITED ARAB EMIRATES, February 7, 2023 /EINPresswire.com/ -- [MAGNiTT](#), the largest verified data platform tracking venture capital investments across emerging markets, released the 2023 edition of its annual [Egypt Venture Investment Report](#) today, in partnership with Egypt's [IT Industry Development Agency \(ITIDA\)](#).



The report provides an in-depth analysis of the Venture Capital investment landscape in Egypt's homegrown technology startups, revealing a 3.2% increase in funding to a record of \$517 million in 2022. This all-time high was achieved despite the lack of any mega deals (\$100 million or more) in 2022, and with slightly fewer deals (160) than in 2021 (165), placing Egypt ahead of all MENA countries in the number of VC deals in 2022 and second to Nigeria in the African continent.

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Egyptian startups returned to the leading position in MENA in the number of VC deals. This demonstrates the core strength of our ecosystem and the unmatched talents of our tech-savvy entrepreneurs.”

*Ahmed Elzaher, Acting CEO of
ITIDA*

Ahmed Elzaher, the Acting Chief Executive Officer of ITIDA and Assistant Minister for Ecosystem Development at Egypt's Ministry of Communications and Information Technology, commented: “Egyptian startups once again returned to the leading position in the MENA region in the

number of venture investment deals. This undoubtedly demonstrates the core strength of our ecosystem, and the unmatched talents of our gifted tech-savvy entrepreneurs who could discover and leverage the opportunities in various industries.

“We will continue to support the country’s burgeoning startup ecosystem. We will also continue to expand our CREATIVA innovation hubs across the country in order to reach a wider pool of talents and to build the capabilities of our startups and their teams in various stages,” Elzaher added.

Philip Bahoshy, Chief Executive Officer of MAGNiTT, said: “Despite challenging circumstances in 2022 globally, Egypt’s startup sector continued to attract strong interest from Venture Capital investors. If we exclude the impact of mega deals, Egypt’s venture investments increased in funding by a substantial 35.7% in 2022 and surpassed total funding for 2021 even when factoring in the Halan fundraise that year. As the most populous Arab country, Egypt’s large market and its significant talent pool, combined with its low costs of operations and regulatory developments, make it a fertile ground for innovative entrepreneurs.”



Philip Bahoshy, CEO of MAGNiTT



Bahoshy added, “These types of trends demonstrate the tremendous value that our customers – governments, regulators, investors, and founders – are obtaining thanks to the real-time analytics and unprecedented depth and verification we are able to deliver via the MAGNiTT data platform. Working with our partners at ITIDA, we will continue to support robust policy development and decision-making that is driven by insightful data.”

Key Insights from Egypt’s Venture Investment Landscape

Egypt’s 160 deals in 2022 captured 26% of total deals reported in the MENA region and 23% of Africa deals. In terms of funding levels, Egypt ranked third in MENA (second only to the UAE and KSA) and Africa (after Nigeria and Kenya). Unsurprisingly and in line with other Emerging Venture Markets in the Middle East, Africa, Pakistan, and Turkey, the top three positions in funding and a number of deals continued to be dominated by FinTech, E-commerce, and Transport & Logistics.

In 2022, E-commerce startups closed the most VC deals in Egypt, accounting for 23% of the total, while FinTech ranked second with 18%, in a switch of rankings unlike the rest of the MENA markets and many other Emerging Venture Markets in general. Fintech continued to lead the funding flow in Egypt as it aggregated 42% of the total funding reported in the country in 2022. Transport & Logistics ranked third in both deals and funding, capturing shares of 11% and 12% respectively.

The top five disclosed funding rounds in Egypt during 2022 were Paymob's \$50 million Series B fundraising in May 2022, MaxAB's \$40 million Pre-Series B and MoneyFellows' \$31 million Series B fundraises in October 2022, Brimore's \$25 million Pre-Seed round in January 2022, and Lucky's \$25 million Series A round in March 2022.

Meanwhile, exits in the Egyptian VC market doubled their 2021 levels in 2022, reporting a new all-time high of 17 transactions. These represented 24% of the all-time-high 70 exits reported in the MENA region in 2022. While exits are usually a sign of maturity, it is still unclear if the exits taking place in the region are an aftermath of the liquidity crunch as startups might be struggling with funding and investor payback.

Within Emerging Venture Markets (EVMs), MAGNiTT's data shows that the MENA region continues to attract significant interest, surpassing its 2021 funding levels and crossing the \$3 billion mark in 2022. This increase was largely driven by a 72% jump in funding for Saudi Arabian startups, while Egypt led the number of deals in MENA at 160 transactions. Africa also saw close to \$3 billion of investment, driven by Nigerian startups raising 29% of funding and closing 198 deals. Turkey led EVMs overall in the number of deals, with 295 transactions in 2022.

-Ends-

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