

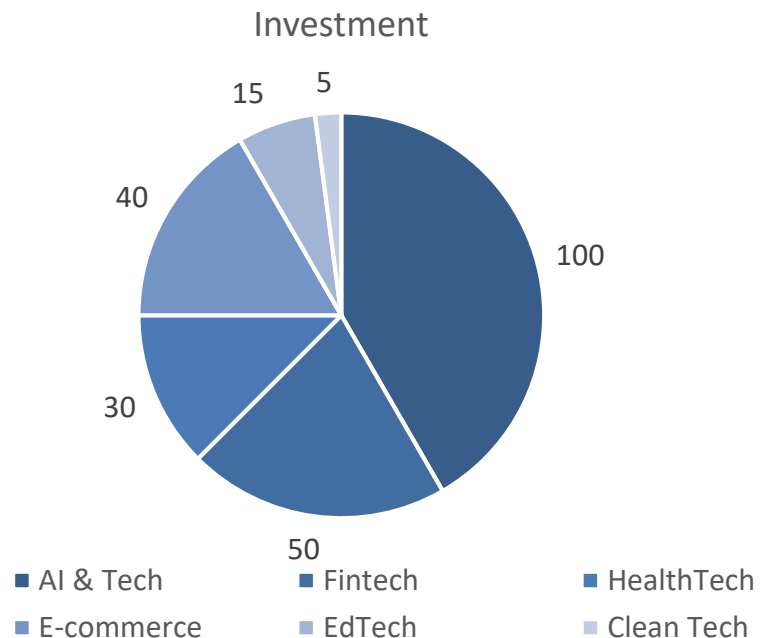


Exploring Egypt's Disruptive Startups During 2024



Egypt's Dynamic Startup Scene & Funding per Sectors

In this blog series, we'll be delving into the exciting world of Egypt's startup ecosystem in 2024. We'll analyze the latest trends, investment deals, and success stories. By understanding the financial strategies and challenges faced by these innovative startups, we can provide valuable insights to help your business thrive.



Executive Summary

In 2024, the Egyptian startup ecosystem witnessed unprecedented growth and investment activity, with total investments exceeding USD 400 million across various sectors. The AI and tech sector experienced substantial investments surpassing USD 100 million, reflecting the growing interest in AI-driven solutions and technological innovations. Fintech emerged as a leading sector, with over USD 50 million invested in payment solutions and financial technologies. Healthtech followed closely, with investments exceeding USD 30 million in healthcare innovations and pharmaceutical delivery platforms. The e-commerce sector attracted significant funding, totaling USD 40 million, with a focus on enhancing online retail platforms and logistics infrastructure. Edtech emerged as a promising sector, with investments totaling USD 15 million, showcasing the rise of educational technology solutions and online learning platforms. Additionally, cleantech investments reached USD 5 million, emphasizing sustainable transportation solutions and eco-friendly initiatives.

Navigating the Investment and Funding Landscape for Startups in 2024



Egyptian private equity firm Ezdehar Management acquired a minority stake in local pharma delivery startup Yodawy through a USD 10 million investment on January 16, 2024. The investment will help Yodawy expand its client base and enhance its tech-enabled prescription capabilities. Yodawy's pharma delivery app with an AI approval engine and digitized prescription tool has raised a total of USD 16 million from investors like Algebra Ventures, Global Ventures, Delivery Hero, and P1 Ventures.



Edtech startup Edura closed a six-figure USD pre-seed funding round led by Smart Zone Startup Studio on January 23, 2024. The funds will be utilized to enhance the platform, expand operations, and increase marketing efforts, reflecting the increasing demand for online learning solutions.



January 28, 2024: Egyptian AI startup DXwand raised USD 4 million in a Series A funding round led by Algebra Ventures, Shorooq Partners, and Dubai Future District Fund. The funds will be used for regional expansion and AI research in generative AI and retrieval augmented generation (RAG), showcasing the growing interest in AI-powered solutions.



Egyptian-UK fintech player Zeal raised USD 4 million in a funding round led by Raed Ventures and Curs Capital on January 18, 2024. The funds will be used to leverage AI, expand the product portfolio, and facilitate integration with point-of-sale terminals, emphasizing the expansion across Europe, the Middle East, and Africa.

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Egyptian AI-powered logistics startup Roboost raised USD 3 million in a funding round led by Silicon Badia, with participation from Flat6Labs, RZM Investment, and Saudi angel investors on January 30, 2024. Roboost uses AI to automate delivery management processes and operates in Egypt, Saudi Arabia, Kuwait, Morocco, and Tunisia. The funds will be used for regional expansion, e-commerce and middle-mile offerings, and developing automated solutions.



On February 28, 2024, healthtech startup Pharma Marts secured a six-figure USD investment from Acasia Ventures to support its platform growth and expansion into new markets. This investment highlights the continued interest in innovative healthcare solutions.



On April 22, 2024, Egyptian HR tech startup Blueworks secured USD 1 million in a pre-seed funding round led by Saudi VC Khwarizmi Ventures. The funding will be utilized to enhance the product, expand the team, and position Blueworks as the preferred destination for companies seeking to optimize blue-collar workforce management. With a focus on streamlining scheduling, communication, and payroll, Blueworks currently serves the F&B and retail sectors and has plans to extend its services to industries such as manufacturing, construction, and facility management.



Moving forward to June 26, 2024, Egyptian fintech startup Connect Money announced a successful seed funding round, raising USD 8 million. The investment was spearheaded by Disruptech Ventures and Algebra Ventures, highlighting confidence in Connect Money's offerings. The newly acquired capital will support the launch of five new business verticals in North Africa, marking a strategic expansion phase for the startup.

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In September 12, 2024, Paymob, another Egyptian fintech startup, secured USD 22 million in a Series B extension round led by EBRD Venture Capital. This additional funding brought Paymob's total Series B financing to Egypt and the wider MENA region, including key markets like the UAE, Saudi Arabia, and Oman.



On September 19, 2024, Egyptian AI startup Farid secured a pre-seed funding round of USD 250k from Saudi businesswoman Amal bint Abdulaziz Al-Ajlan on September 26, 2024. The investment reflects the increasing interest in educational technology solutions, particularly those addressing character-building and mental health support for children.



On September 18, 2024, B2B payment platform Settle raised USD 2 million in a pre-seed funding round led by Abu Dhabi-based Shorooq Partners on September 19, 2024. The investment will focus on automating B2B payments and streamlining financial processes for businesses, highlighting the rising demand for digital payment solutions.



On July 16, 2024, Egyptian B2B e-commerce platform MaxAB and Kenyan B2B e-commerce platform Wasoko announced plans to merge in the coming weeks. The combined entity, to be named Maxoko, is expected to generate annual operations worth USD 500 million and cater to a vast network of over 450,000 merchants spanning eight African countries. With Wasoko shareholders claiming a controlling 55% stake in the merged company, Maxoko intends to amplify its presence in key markets such as Egypt, Morocco, Rwanda, and Kenya. Both companies share a vision of digitizing the informal retail sector across Africa, with aspirations of transitioning towards a public listing in the future.

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On October 24, 2024, an undisclosed Egyptian investor acquired a non-controlling stake in Simplex, an industrial machinery manufacturer, in an eight-figure EGP deal on October 29, 2024. The investment will fuel Simplex's expansion into new markets like Tunisia, Morocco, and Algeria, marking a strategic move towards industrial growth and international market penetration.



Egyptian AI startup DXwand launched software to automate customer service conversations and extract information from these conversations. The company specializes in knowledge mining and generative AI, with a focus on enhancing customer service efficiency.



On October 31, 2024, Saudi-based real estate appraisal platform Ayen acquired Egyptian construction tech Elmawkaa in a SAR seven-figure deal. This strategic acquisition aims to integrate Elmawkaa's construction materials marketplace into Ayen's platform, enhancing property valuation services and expanding into property renovation suggestions. The move showcases Ayen's ambition for growth and expansion into new markets.



Almentor, an online learning platform, is preparing for an international IPO to fuel global expansion and enhance its AI capabilities. Seeking \$10 million for AI integration and marketing efforts, Almentor offers diverse content in Arabic and English, catering to learners in the MENA region and beyond. The focus on AI aligns with the trend of personalized learning experiences in edtech, aiming to provide tailored paths for users and stay competitive in the market.

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**CORE
VISION**
INVESTMENTS



VeFund, a startup evaluation and investor connections platform, was recently acquired by Saudi-based venture capital firm CoreVision. The strategic stake acquisition is set to propel VeFund's expansion into a secondary market for startups in Saudi Arabia, providing a platform for investors to trade safe notes.

Egyptian fintech startup MoneyHash raised USD 4.5 million in a seed funding round led by COTU Ventures and Sukna Ventures. The funds will be used to invest in technology and expand regionally, showcasing the strong support for financial technology solutions in the region.

Venture Capital

Venture capital firms fuel innovation in startups by investing in promising ventures and offering guidance for growth. From fintech to health-tech, they drive diverse sectors and emerging trends, creating a dynamic ecosystem for collaboration. These partnerships go beyond financial backing, shaping the next wave of groundbreaking ideas.



Continuing the momentum on Monday, 28 October 2024, Sawari Ventures announced the upcoming launch of Sawari Ventures Fund II in early 2025. With a target size of USD 200 million, the dual fund structure will focus on investing in Egypt and other North African markets, particularly in Series A and B stage startups within sectors such as fintech, deeptech, edtech, healthtech, climate tech, and agritech. Sawari Ventures aims to deploy the entire fund over a four to five-year period, indicating a strategic approach to fostering innovation and growth in the region's startup ecosystem.

PARTECH

Global tech investment firm Partech closed its second Africa-focused fund, Africa II, at over USD 300 million on February 20, 2024. The oversubscribed fund will invest in tech startups across Africa, with a focus on leveraging technology to address significant challenges. The fund attracted investments from various sources, including commercial investors and development finance institution .

Beltone

Lastly, on Tuesday, 8 October 2024, Beltone Venture Capital made its first international investment in VelyVelo, a French e-bike rental company with a significant presence in Morocco. This strategic move marks BVC's venture beyond Egypt and sets the stage for further international investments. With a track record of investing in various sectors since April 2023, BVC is actively exploring opportunities in Morocco and other North African markets, signaling a commitment to diversifying its investment portfolio for sustained growth.



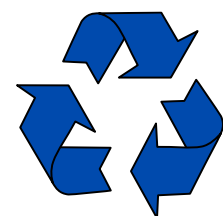
April 23, 2024, Acasia Ventures participated in a USD 1.5 million pre-seed round for Kenyan e-commerce startup Tappi, focusing on expanding Tappi's sales force team and establishing strategic partnerships across Africa. This investment underlines the cross-border collaborations and regional expansion strategies in the startup ecosystem.

Wrap-up

Owing to its young, dynamic and tech-savvy population, Egypt is brimming with new opportunities and tech-driven businesses. Many Egyptian tech/tech-enabled startups continue to play a key role in transforming the country into a digital economy. As a locomotive for growth, startups are offering world-class solutions to today's complex and unprecedented challenges.

In recent years, Egypt's startup ecosystem has been on the upswing, becoming one of the Arab world's largest startup hubs. Over the last decade, over 280 startups have been founded.

Egypt currently houses over 2.1k startups with a total valuation of more than USD 8 bn. The country's startup ecosystem employs over 50k people. Looking ahead, the future of startups in Egypt appears promising and brimming with potential. With a strong foundation laid by the existing tech-driven businesses and a supportive ecosystem, the trajectory is set for continued growth and innovation. As Egypt embraces digital transformation and positions itself as a hub for entrepreneurship, we can anticipate a surge in the number of startups emerging to address diverse challenges and cater to evolving market demands. As these startups continue to harness the energy of the country's young, dynamic population and leverage cutting-edge technologies, Egypt is poised to further solidify its position as a leading player in the global startup landscape.





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