

CLEAR ●
WORLD



2024 ● MENA EARLY STAGE DATA HANDBOOK

Complete Benchmarks • <https://clear.world/handbook>

57 charts and 48 data insights to use in your operations and tactical decision-making
48 are published only in this Handbook



2024 MENA EARLY STAGE DATA HANDBOOK

Edited By Edén Rabbie
April 2024

<https://clear.world/handbook>

Market conditions and available pipeline, **valuation benchmarks**, round sizes, founder dilution, graduation rates, failure rates, success probabilities, and holding period from seed to series A to series B — with scientific reliability.



Seminal Work

This series covers topics crucial to the tech industry and startup scene for the first time in MENA history. Clearworld plans on maintaining and updating it every year.

The first report of the Data Handbook series was published in March 2023 and contained for the first time in MENA history benchmarks of valuations and dilution

This 2024 edition is the second in the series

TECH FOUNDER

Before Building

PAGE 18 How crowded is your market

PAGE 31 Success chances of getting to Seed

Before Fundraising

How long it takes to raise your round, your success probabilities

PAGE 31 To Seed stage

PAGE 45 To Series A

PAGE 59 To Series B

During Fundraising

Round benchmarks, expected investors in the deal, ticket size, dilution

PAGE 31 Seed stage

PAGE 45 Series A

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EARLY STAGE INVESTOR

Portfolio Construction

PAGE 25 Pipeline size and quality expectations

Deployment or Liquidity

Stage benchmarks, expected investors in the deal, ticket size, dilution

PAGE 31 Seed stage

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Portfolio Management

Holding period, success and failure probabilities

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ANGEL INVESTOR

Looking For Startups

PAGE 25 Pipeline size and quality expectations

Cutting A Check

Round benchmarks, ticket size, equity ask

PAGE 31 Seed stage

Estimate Its Time Horizon

How long it takes the startup to next stage, your success probabilities

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PAGE 45 Seed stage

Your Startup Is Fundraising

Stage benchmarks, expected investors in the deal, ticket size, dilution

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ACCELERATOR / PROGRAM RUNNER

Looking For Startups

PAGE 25 Pipeline size and quality expectations

Distribute Money

Round benchmarks, ticket size

PAGE 31 Seed stage

Measure Your Impact

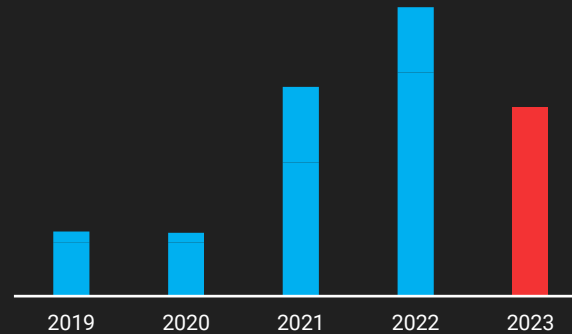
How long it takes the startup to next stage, your success probabilities

PAGE 31 Pre-seed looking to raise Seed

PAGE 45 Seed stage looking to get to Series A

Use the Handbook for Your Specific Path
We recommended these sections for each group based on their standard path

SPECIAL BRIEF



DID MENA VENTURE COLLAPSE IN 2023?

SHORT ANSWER: NO

- What Actually Happened in 2023
- How To Avoid Misinformation in the Future

2023 YEAR IN REVIEW

On the surface, the \$4 billion raised by startups across the Middle East and North Africa (Mena) in 2023 demonstrated a modest growth of 1.7 per cent year on year, but this belies a more dismal picture for the region. Half of this came from debt financing, which tripled last year to \$1.77 billion. Discounting this debt, the total raised by startups amounts to \$2.25 billion, a drop of almost 35 per cent compared to 2022.

Introduction

In 2023, MENA's venture ecosystem underwent significant changes, tackling the impact of the slowdown being observed globally. The region witnessed a 23% decline in total funding compared to 2022, with a significant reduction of 35% in non-MEGA funding. The restrained investor appetite was reflected on the level of deals, which experienced a 34% decrease year-on-year.

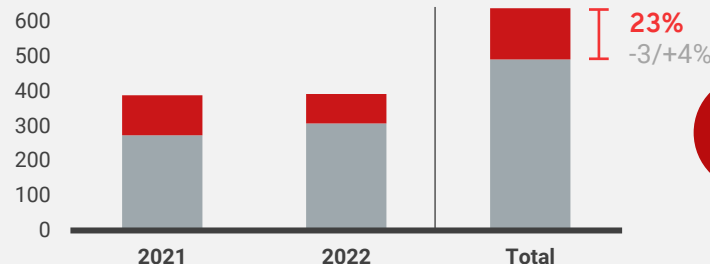
WHAT DATA SHOWS

Massive number of 2021/2022 vintages finished deploying in 2022, involving 23% of investor base and 28% of capital power in MENA, causing a 24~33% 'void' in 2023

20-27% of funds active in 2021-2022 finished deploying in 2022, many of their managers began creating new funds in 2023. The combination of completing vintage deployment and seeking new LP commitment created a 24-33% drawdown in investment activity in 2023

To an outsider, this is a collapse. In reality, it is a start of a new business cycle by a large portion of investors committing to tech in MENA for the next 5-7 years

Active Investors in MENA 2021-2022

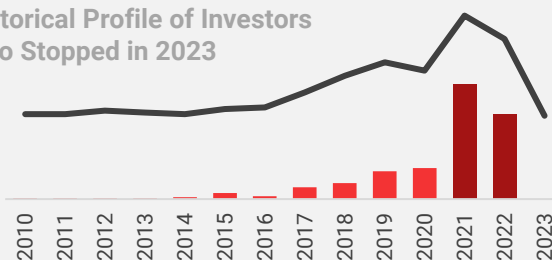


1

20-27% of investors who were active in 2021 and 2022 stopped in 2023

The combined activity of these 125-175 investors accounts for 24-33% of all invested capital in 2021-2022

Historical Profile of Investors Who Stopped in 2023

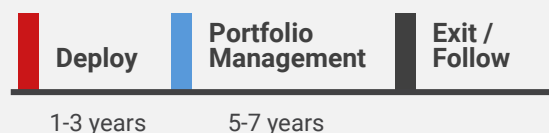


2

67% of that investor group alone are new, only active in 2021-2022

That's a large group of roughly 80-120 investors

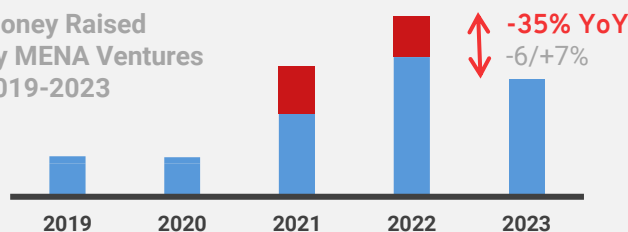
Standard Fund Business Cycle: 7-10 Years



3

Investors showing activity spike for two consecutive years means they're in a standard deployment phase of a new business cycle

Money Raised By MENA Ventures 2019-2023



4

When that massive group of investors finished deploying in the same year and stepped aside to create new funds, they left a void the size of their activity

That's how the 35% 'drop' happened in 2023 and drew media's attention

WHAT DATA SHOWS

2023 MENA was at all-time high level

2023 is the third highest performance in MENA history

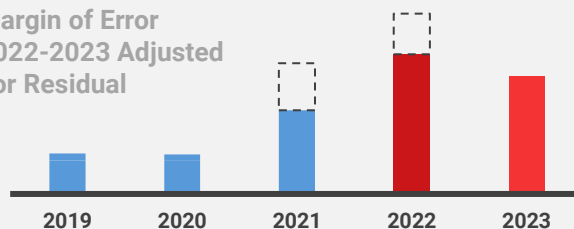
Correcting the 'void' by removing those investors' footprint would rank 2023 in second place

Additionally, knowing that only 70-78% of deals are disclosed in MENA, factoring in this margin of error of disclosure coverage would make the difference between 2022 and 2023 not statistically significant

In all cases, 2023 was not a collapse in MENA

Compare MENA to US, which did collapse to its pre-pandemic levels in 2023

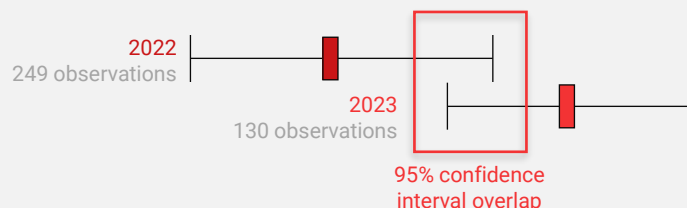
Margin of Error 2022-2023 Adjusted For Residual



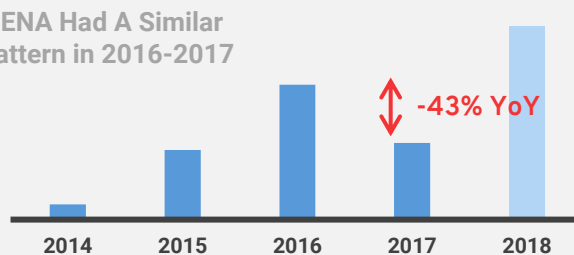
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2023 is at all-time high levels

- It's the third highest in MENA history (without adjustment)
- Second highest (with adjustment)
- No statistically significant difference from all-time high



MENA Had A Similar Pattern in 2016-2017



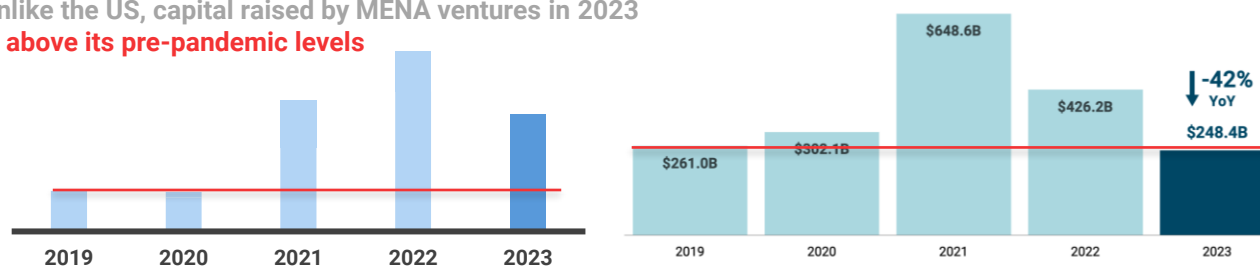
6

MENA saw a similar pattern in 2016-2017, when Saudi SWF first injected massive LP capital for venture

A large portion of fund managers used that LP capital to create funds and start a new business cycle, similar to 2021-2023

Activity recovered in the next year

Unlike the US, capital raised by MENA ventures in 2023 is above its pre-pandemic levels



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State of Venture: 2023 recap Source: CB Insights

How To Avoid Misinformation in the Future

We recommend adding **quality control gates to your operations**

To ground all statements in proper MENA-specific context, and avoid being influenced by unbased narratives or global VC topic-of-the-day

Clearworld's Common Intelligence not-for-profit initiative is created to improve visibility of everyone working on the tech innovation space in MENA to avoid past mistakes

Our doors are open to everyone who wishes to improve their decision-making process

Statement	Data Verdict	Correction
The venture space in MENA collapsed in 2023	Misinformative	22-27% of fund managers in MENA finished deploying in 2022 and many spent 2023 creating new funds, which made it slower in comparison to 2022. MENA today is still at all-time high levels (with 95% confidence).
MENA venture funding has collapsed because the Feds rate is at 5.5%	Incorrect	It is unaffected by Feds rate; the main LPs in MENA have SWF capital made available for tech equity at standard terms. Fund managers in MENA don't need to convince the main LPs in MENA of venture investment or get compared to bond yields.
MENA venture investment is going through a decline in the same fashion of the global VC industry collapse	Incorrect	Lack of LP money did not crash the MENA venture space like it did around the world; fund managers in MENA did not run out of LP money.
MENA venture investment is going through pain	Incorrect	The main challenge for fund managers in MENA is finding good startups who can grow in the current macro conditions.
There is no funding left for startups in MENA	Incorrect	There is SWF capital allocation still unused (2023 estimate: \$4.6Bn).
MENA needs more new tech founders	Correct	See page 26 for more context.

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Special Brief: Tech Talent in Tunisia Needs Us

How Europe scaleups and unicorns are poaching Tunisia's tech talent in the current rough economy; MENA can take back thousands of top quality software engineers

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Special Brief: Did MENA Venture Collapse in 2023?

How data explains the drawdown in 2023 investment activity and why it's a mistake to call it a collapse in any context

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Startup Population and Market Situation in MENA 2024

Viable pipeline of startups in MENA today by stage and geolocation, highlight key changes in population composition in each stage since last year

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Dealflow Quality in MENA 2024

Pipeline noise and expected dealflow quality, where to find VC-investable startups in MENA today

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Seed Stage in MENA 2024

Success and failure rates of getting to Seed, average age, Seed premoney valuations, round and ticket size, dilution

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The Road to Series A in MENA 2024

Seed holding period, seed-to-A success and failure rates, series A premoney valuations, round and ticket size, dilution

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Crossing to Growth Stage in MENA 2024

Series A holding period, series A to Series B success and failure rates, series B round and ticket sizes

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Methodology, Information About This Effort and How You Can Support it

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Final Remark From the Editor

※ This version of the Handbook is the final version. Charts and insights are finalized. Methodology remarks are mentioned in the footnote section of each page and detailed on dedicated pages. This Handbook is part of Clearworld's Common Intelligence Initiative, the first and only private-sector economic development not-for-profit initiative in MENA to date, built to push tech innovation in MENA to evolve into systemic industrialization by empowering guided economic activity through publicly accessible highest quality market insights.

18k

Companies

Self-identifying as 'startup',
founded in MENA
since 1/1/2008

4,604 are tech ventures

13,844 are not tech ventures,
but still used in research
hypothesis testing

1.9k

Non-MENA

Non-MENA tech ventures
whose cap table includes
investors from MENA or
investors active in MENA

Used in comparisons,
benchmarks and hypothesis
testing

1.9k

Investors

From MENA or active
in MENA after 1/1/2010

915 MENA-based investors

1,091 Non-MENA investors

7.9k

Funding Deals

Announced after 1/1/2010

4,460 with tech ventures

2,856 with MENA ventures

1,604 Non-MENA ventures

3,307 seed to post-B

※ All datasets are updated to 01 April 2024. For information on data treatment and preparation process, see "Methodology" on page 70

DATA HANDBOOK

IMPORTANT CHANGES TO OUR METHODOLOGY

Accelerators Are Not Investors

We exclude from the active dataset all investment deals where the investor is only an accelerator or a group of accelerators.

Accelerators in MENA follow an events management business model; counting them as investors would skew the count and deal size data and lead to unrealistic insights about investment in MENA tech.

Blockchain and AI Don't Mix

For companies who self-report their sector as both blockchain and AI, we remove their AI classification.

AI has real-world use cases, while blockchain tends to have use cases in a specific crypto-leaning world. Conflating both would dilute AI's real-world use cases and lead to unrealistic insights about AI in MENA.

Tunisia Is Moved To Our Watch List

We exclude Tunisian companies from the active datasets.

Holding foreign currency, spending cross-borders and foreign equity ownership continue to be challenges; it doesn't allow startups to use standard holding company structure and doesn't allow MENA investors to consider them for dealflow.

Including Tunisian companies in our samples would inflate our MENA insights in the early seed and pre-seed stages and raise the failure rates at those stages.

However, the fact remains that Tunisia has one of the top tech talent pools in MENA, and it is being drained by Europe.

It is worth considering winning back this tech talent pool.

[See next page for why Tunisia tech talent can be valuable to MENA](#)

SPECIAL BRIEF

TECH TALENT IN TUNISIA NEEDS US

- Europe is poaching away MENA's tech talent in Tunisia
- Is Tunisian tech talent valuable to global unicorns
- The opportunity for MENA to win back a large pool of tech talent

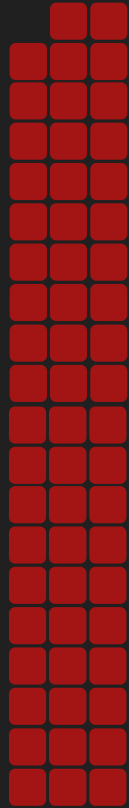
59%

Europe has drained
59% of Tunisia's tech
talent, and 50% of its
senior tech engineers

On top of that,
60% of tech engineers
in Tunisia itself work for
a European company*

* Remotely or through subsidiary

5k Engineers
1.5k Seniors



Meanwhile,
UAE and Saudi
are home to 1%



Tunisia: MENA's Lost Expensive Asset

...and while,
UAE and Saudi
are home to **1%**
of Tunisia's tech
engineers

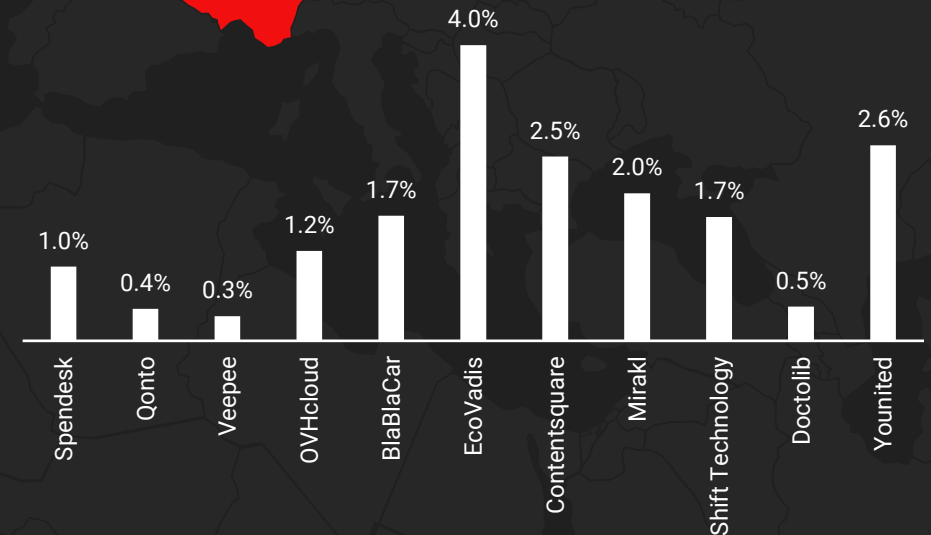
1.4%

of tech engineers in
44% of France's unicorns
are from Tunisia

Top tech
scaleups
in Europe see
the value in
Tunisia's
tech talent

Average per France unicorn:
1.6% of tech engineers
and 1.5% of senior engineers

* Out of 2918 engineers at those unicorns



Tunisia: MENA's Lost Expensive Asset

It's Time for MENA to Win Back This Expensive Asset

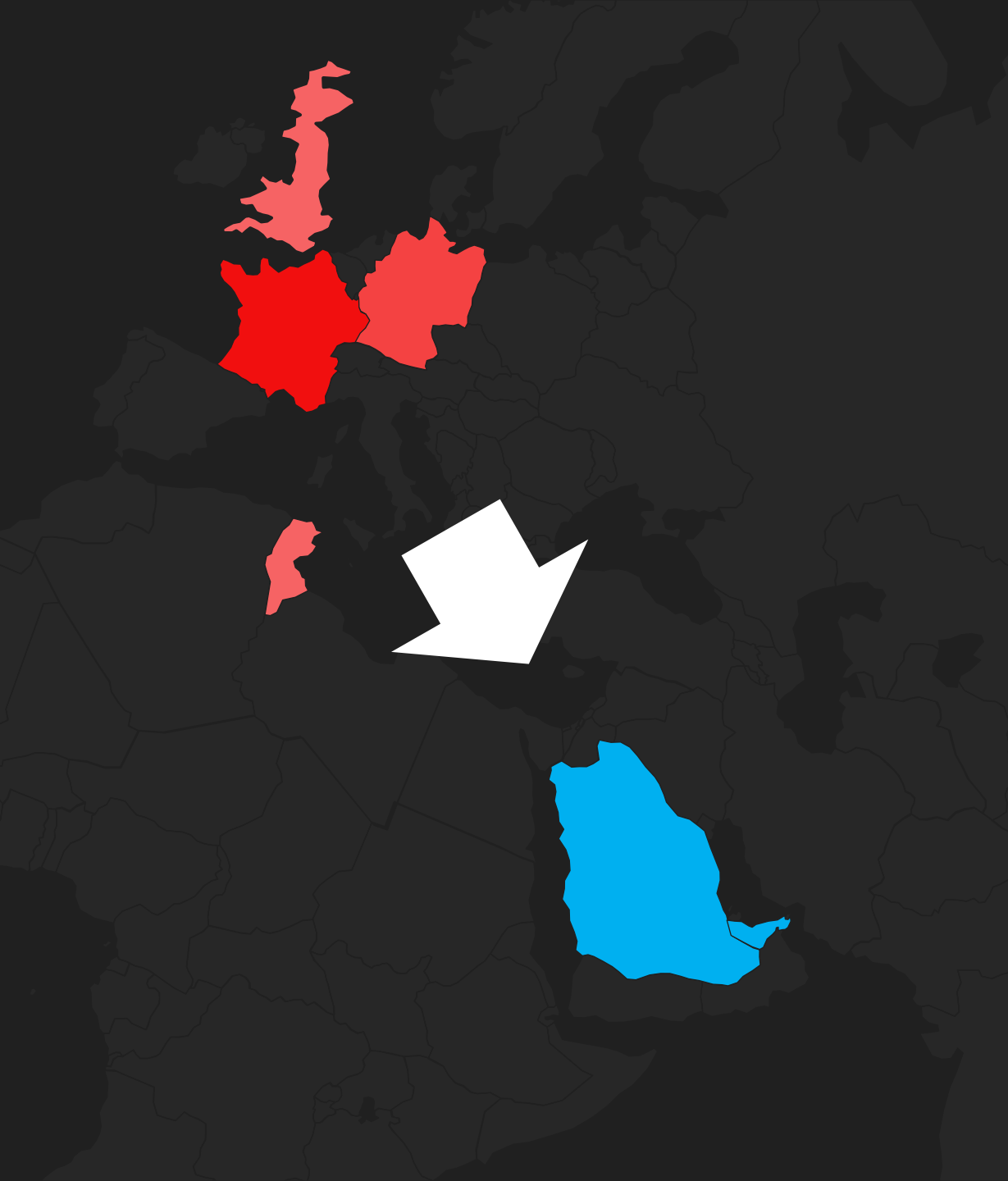


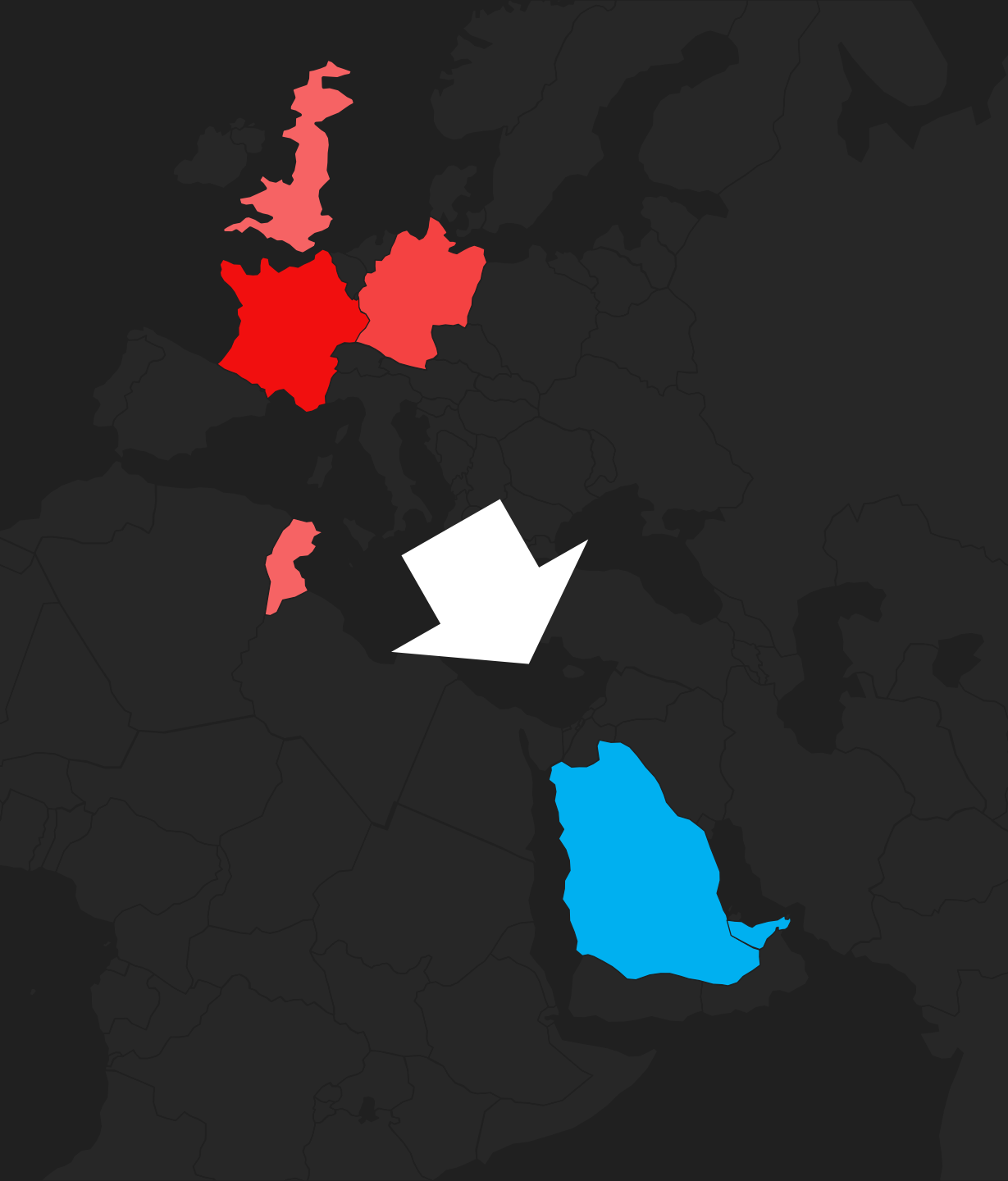
All Three High Quality Tech Talent Pools in MENA Are Going Through Extreme Economic Conditions

Geopolitical conflict in Europe and the Middle East has put unprecedented pressure on Egypt, Jordan and Tunisia's economies

While Egypt and Jordan talent have reliable path in MENA/GCC, Tunisia's engineers can't build viable startups at home and are drained by Europe

With a talent attraction and cultural integration effort, MENA/GCC can **win back this expensive asset from Europe's scaleups and unicorns to build MENA's growth stage tech industry**





Clearworld is ready to provide any insight and visibility support *pro bono* to structured official efforts that would lead to the integration of senior and mid-level tech talent in MENA's economies from anywhere around the world.

[Reach out to us](#)

corporate@clear.world

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2024 MENA EARLY STAGE
DATA HANDBOOK

**STARTUP POPULATION
AND MARKET SITUATION
IN MENA 2024**

- Viable pipeline of startups in MENA today by stage and geolocation
- Key changes in population composition in each stage since last year

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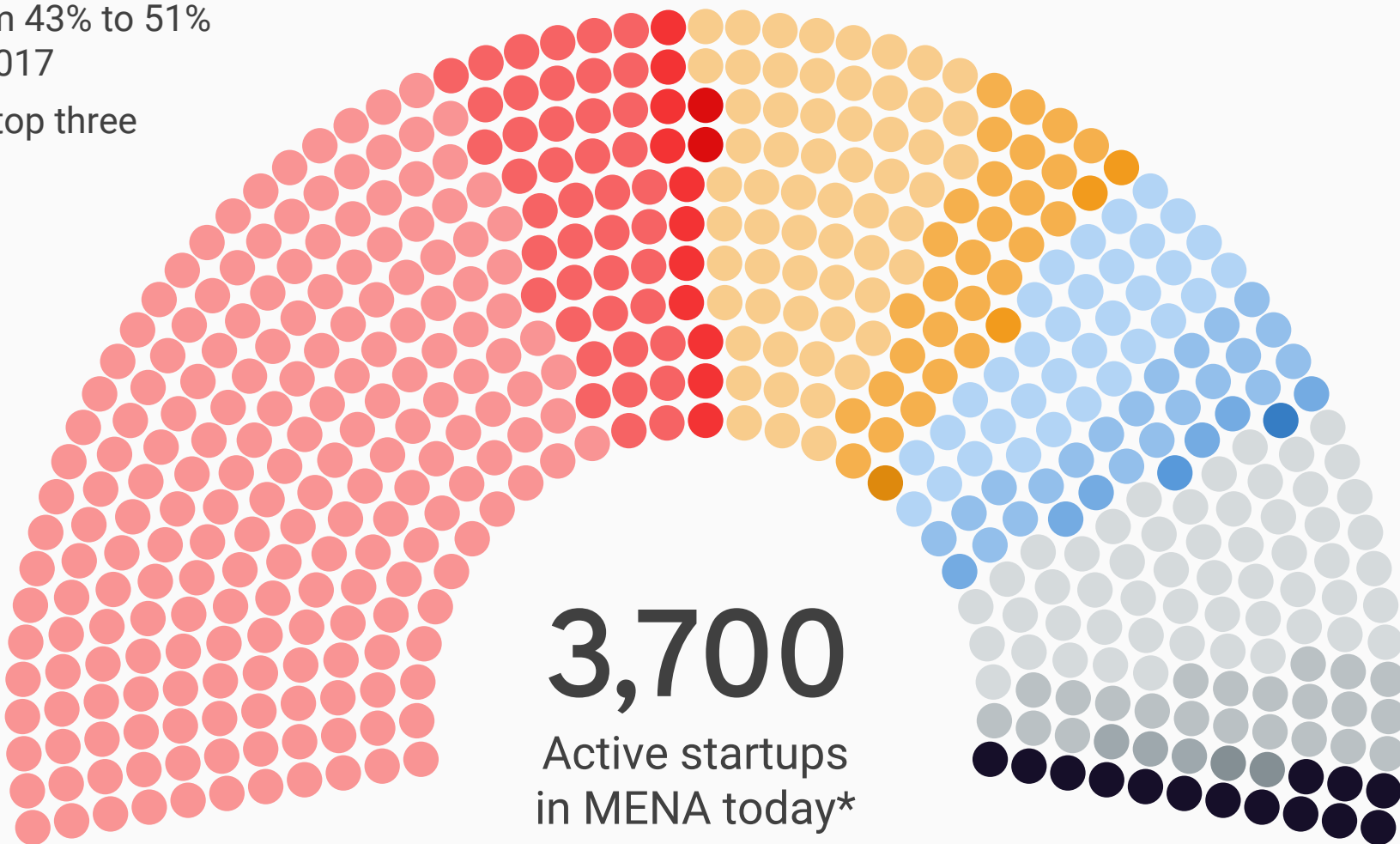
Where to find active startups in MENA 2024?

Half the Startups Are in UAE

UAE's market share has increased from 43% to 51% it remains the largest in MENA since 2017

Market share of countries outside the top three has dropped from 23% to 16%

	Market Share		
UAE	51.5%	↑↑	UP FROM 43% IN 2023 HANDBOOK
Egypt	19%	=	WITHIN THE 2023 HANDBOOK LEVELS
Saudi	13%	=	WITHIN THE 2023 HANDBOOK LEVELS
Rest of MENA	16.5%	↓↓	DOWN FROM 23.4% IN 2023 HANDBOOK
Margin of error	±3%		
Unfunded & pre-seed			
Seed			
Series A			
Series B			
Post-B			



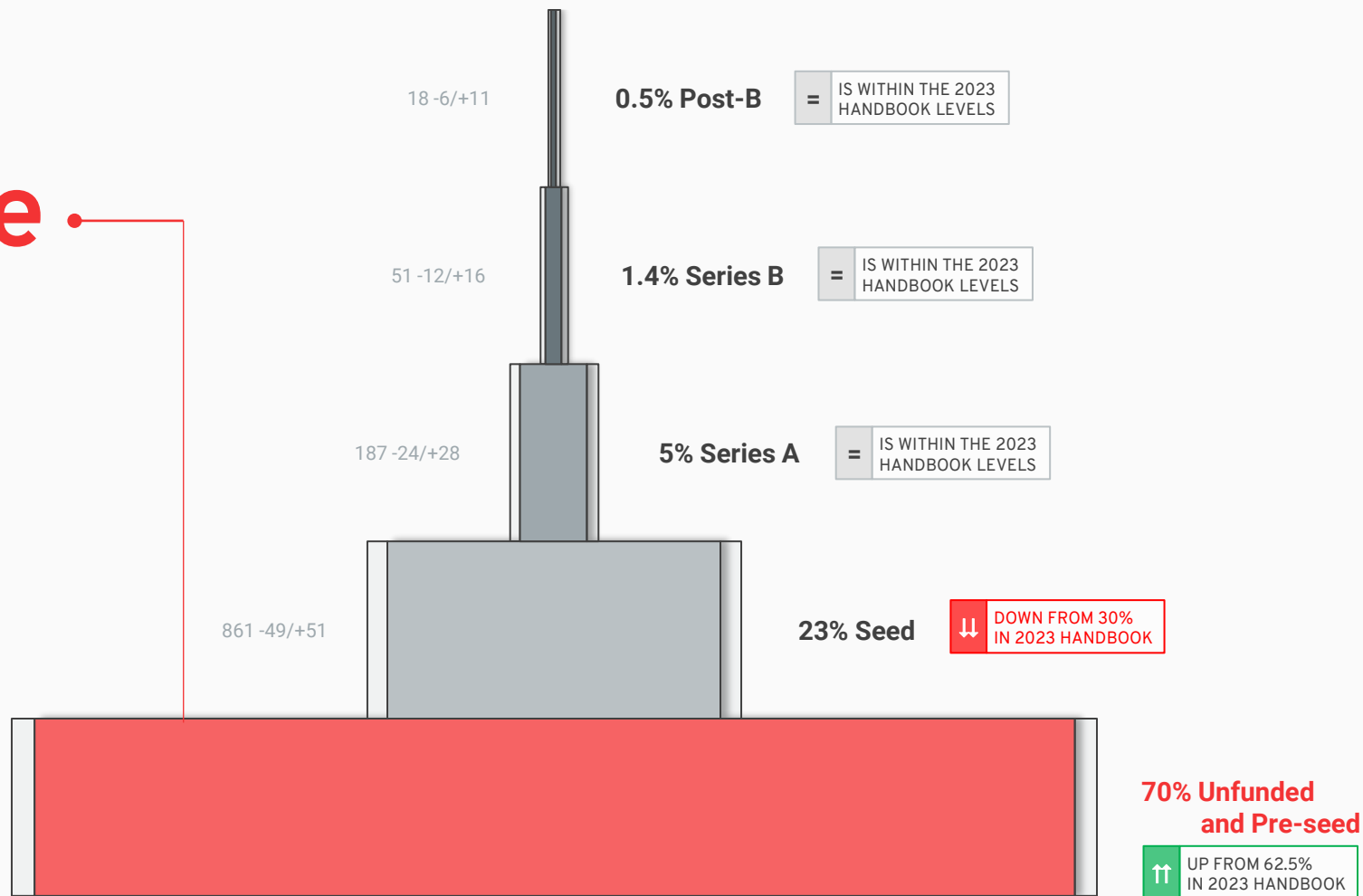
* Additionally, 550 startups (-7.7/+8.2%) are not VC-backed (PE, ICO, etc.)
 Dataset of MENA startups founded since 2008, size N*=10276; active startups N=4259; startups discounting non-VC backed o=3709; population proportion of UAE p̂=0.51, 95% CI margin of error ±1.8%; UAE market share difference 2023 Handbook vs 2024 δ=9%, 95% CI [0.06, 0.11] (statistically significant)

What stage are the active startups in MENA 2024?

More Supply for More Early-Phase Investors

70% of startups in MENA are unfunded and pre-seed

A larger base is healthier to replenish the tech pool in MENA



Dataset of MENA startups founded since 2008, size N*=10276; active startups N=4259; startups discounting non-VC backed o=3709, population proportion of Unfunded and Pre-seed $\hat{p}=0.7$, 95% CI margin of error $\pm 1.5\%$; population proportion of Unfunded and Pre-seed startups 2023 Handbook vs 2024 $\delta=7\%$, 95% CI [0.05, 0.1] (statistically significant), Seed $\delta=7\%$, 95% CI [0.04, 0.09] (statistically significant)

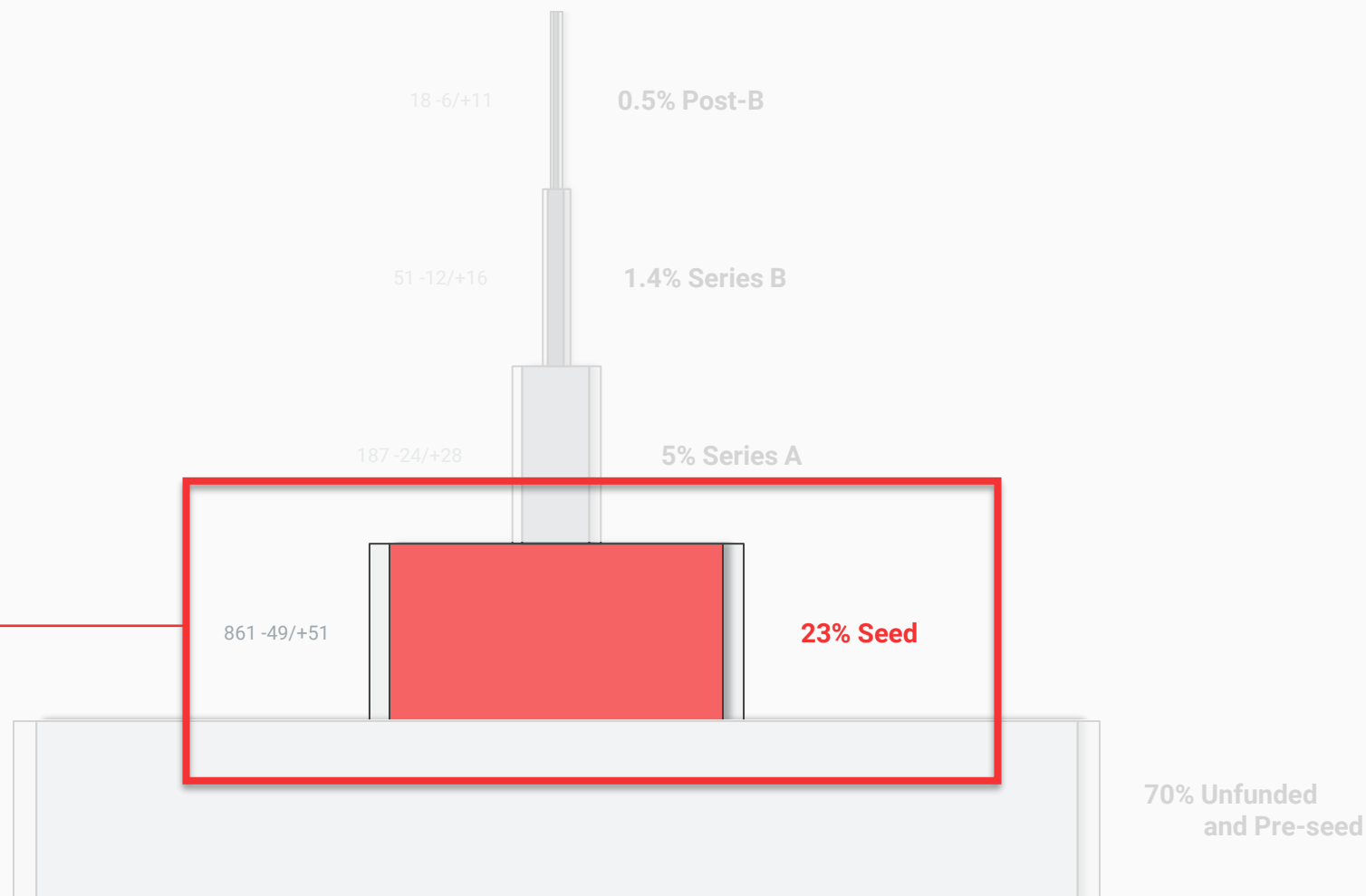
What stage are the active startups in MENA 2024?

Headache for Series A Investors

The population of Seed startups remained unchanged since last year (861 vs 858), a sign that **the base of viable deals for Series A is tightening**

Expect a competitive scene if you invest at series A, unless you adopt the prevalent co-investment trend in MENA.

For more on the co-investment trend, read Clearworld's "Deciding On Investment Thesis In MENA 2024"



What stage are the active startups in MENA 2024?

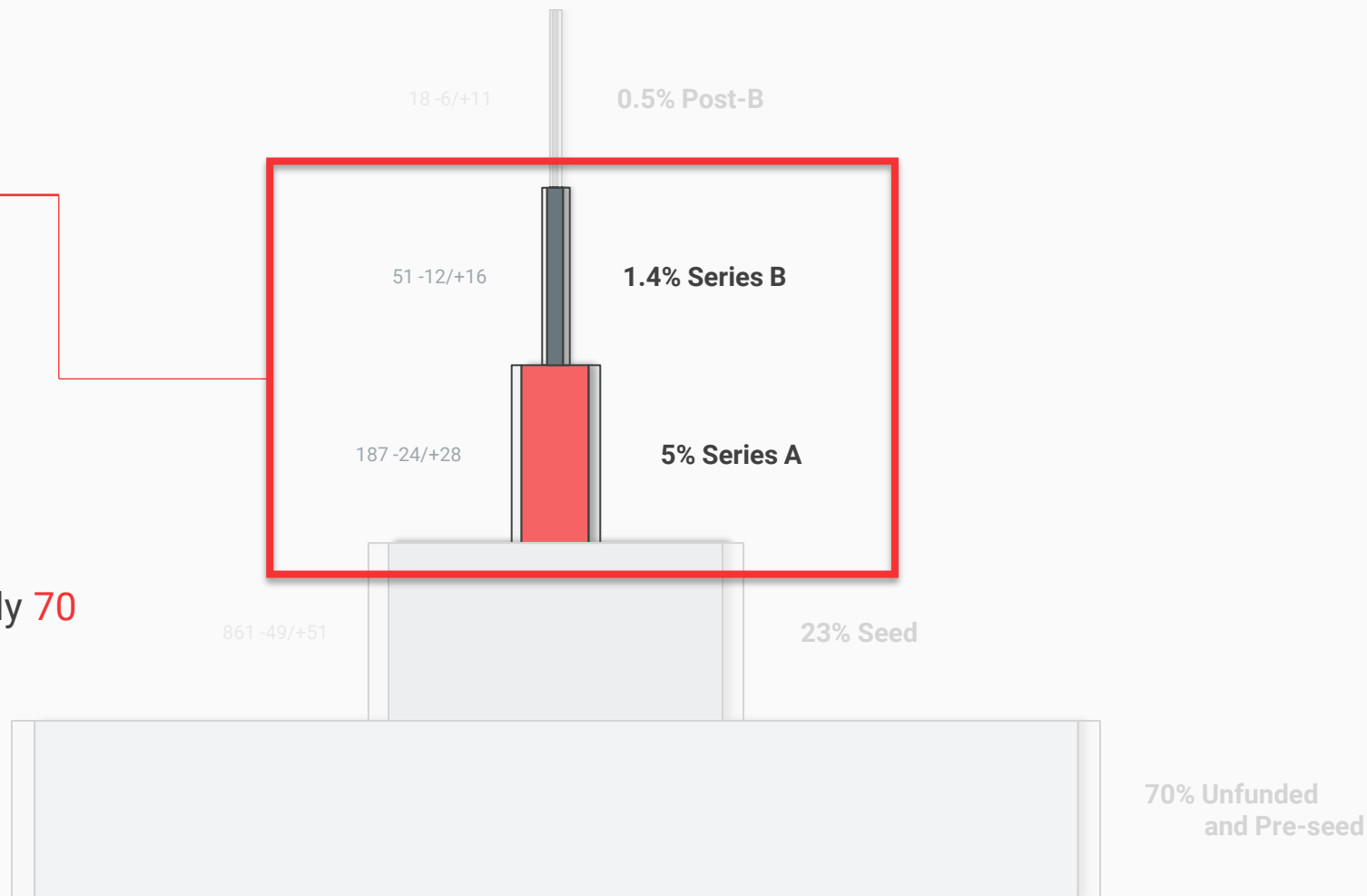
The Growth Stage Hurdle is Growing

Series B investment dealflow pool grew from 150 Series A companies last year to **187**

To put this in perspective, MENA saw roughly **70** Series B deals in the last 5 years combined

If you are a series A company, expect a more difficult funding scene moving forward

If you are a series A investor, more resourceful deal-making or management of lengthier holding periods might be expected

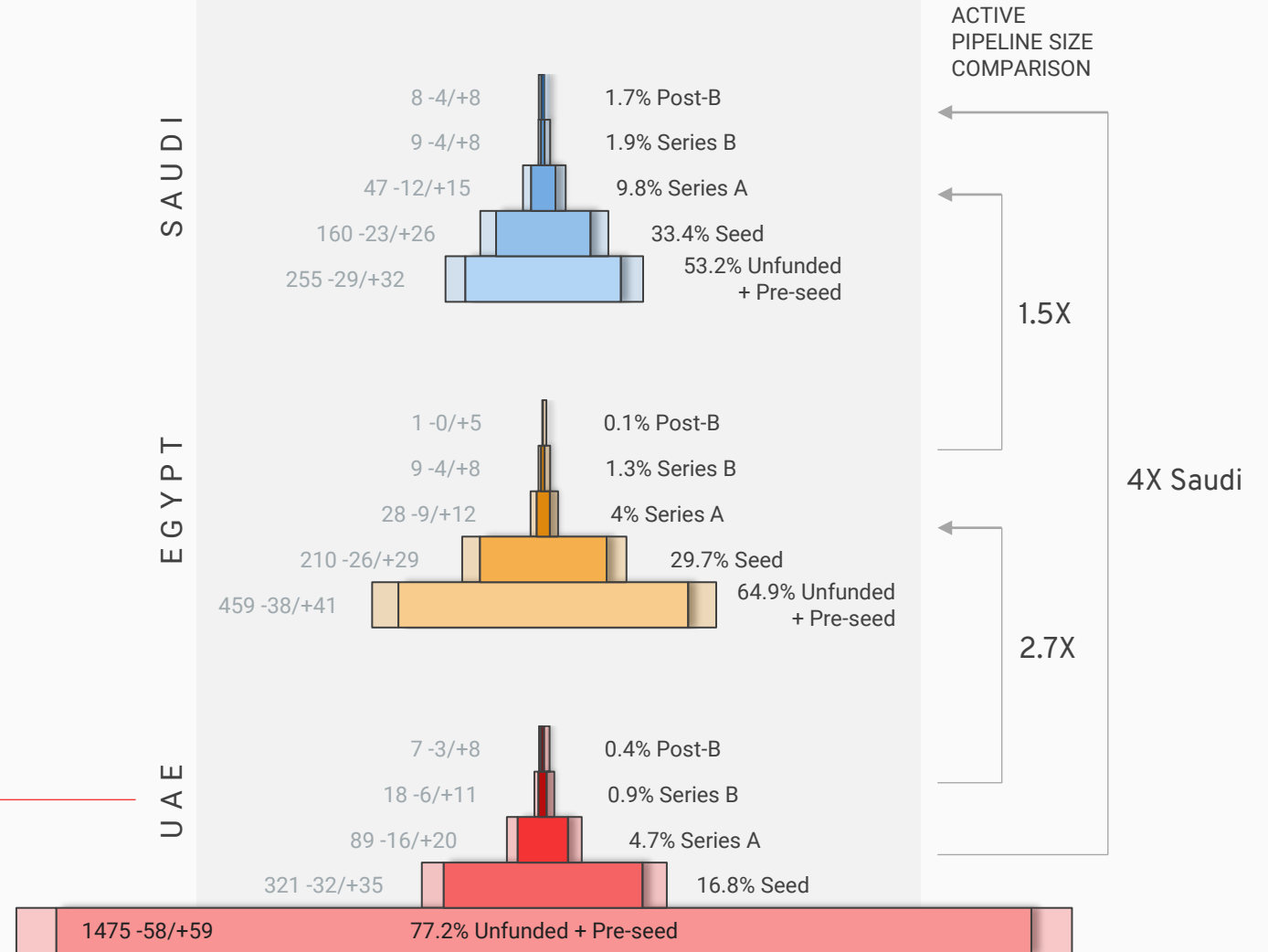


What stage are the active startups in MENA 2024?

UAE Still Has the Largest Pipeline Across Stages

1.6X

the size of Saudi and Egypt combined



Dataset of MENA startups founded since 2008, size N*=10276;

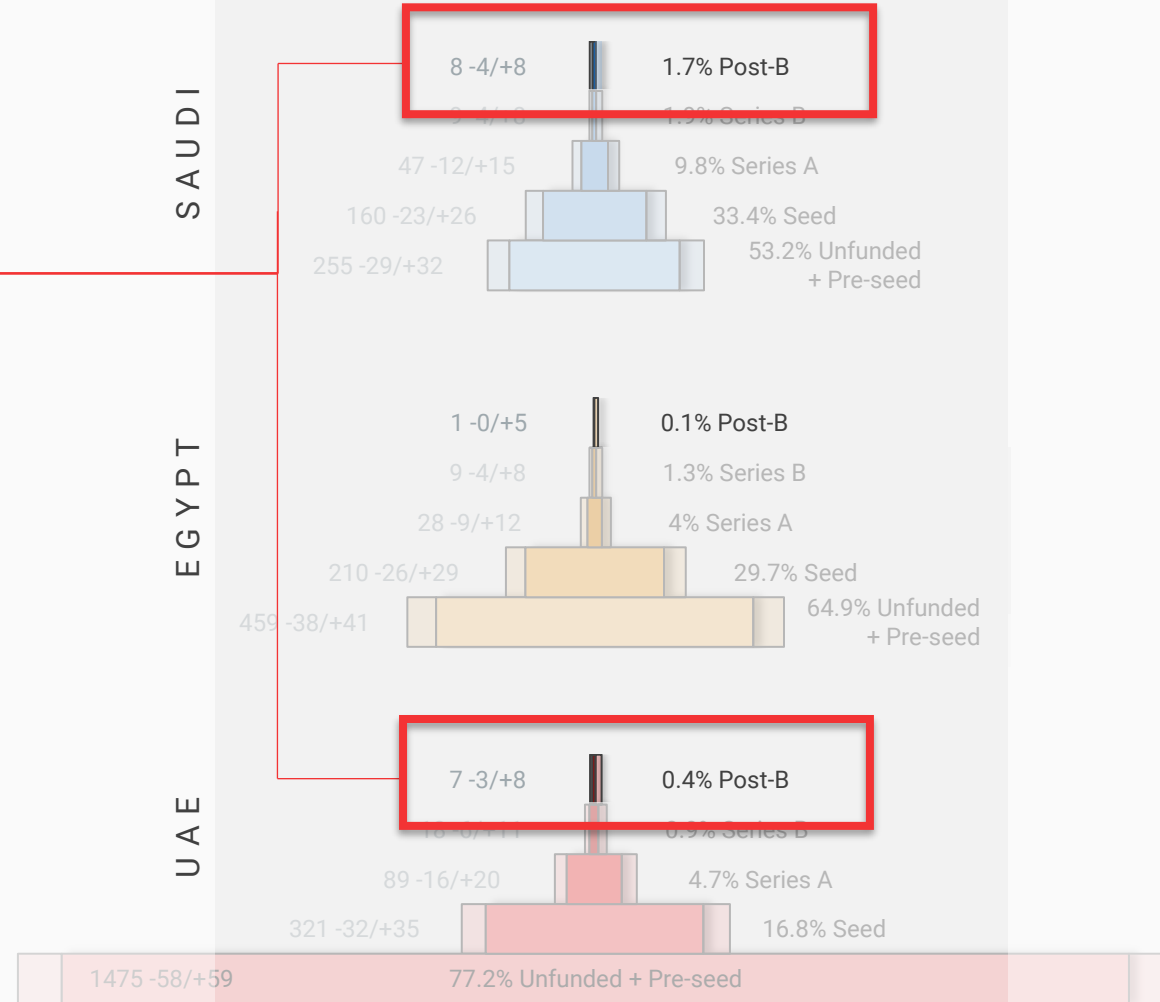
active startups excluding non-VC backed o=3709, 95% CI margin of error ±3%; population proportion of UAE vs Egypt + Saudi δ=20%, 95% CI [0.17, 0.22] (statistically significant), 20%/32%=63%

What stage are the active startups in MENA 2024?

UAE and Saudi Share the Lead in Post-Series B

The quick rise in Saudi's Series B population is a strong indicator that Saudi is actively solving the growth stage hurdle

To understand why building and investing in growth stock tech is becoming viable in MENA today and the critical role Saudi plays in it, read Clearworld's "Deciding On Investment Thesis In MENA 2024"



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2024 MENA EARLY STAGE

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DEALFLOW QUALITY IN MENA 2024

- Pipeline noise and expected dealflow quality
- Where to find VC-investable startups in MENA today

CHARTS 5	INSIGHTS 5	EXCLUSIVE CONTENT 5
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What quality to expect for venture dealflow in MENA 2024?

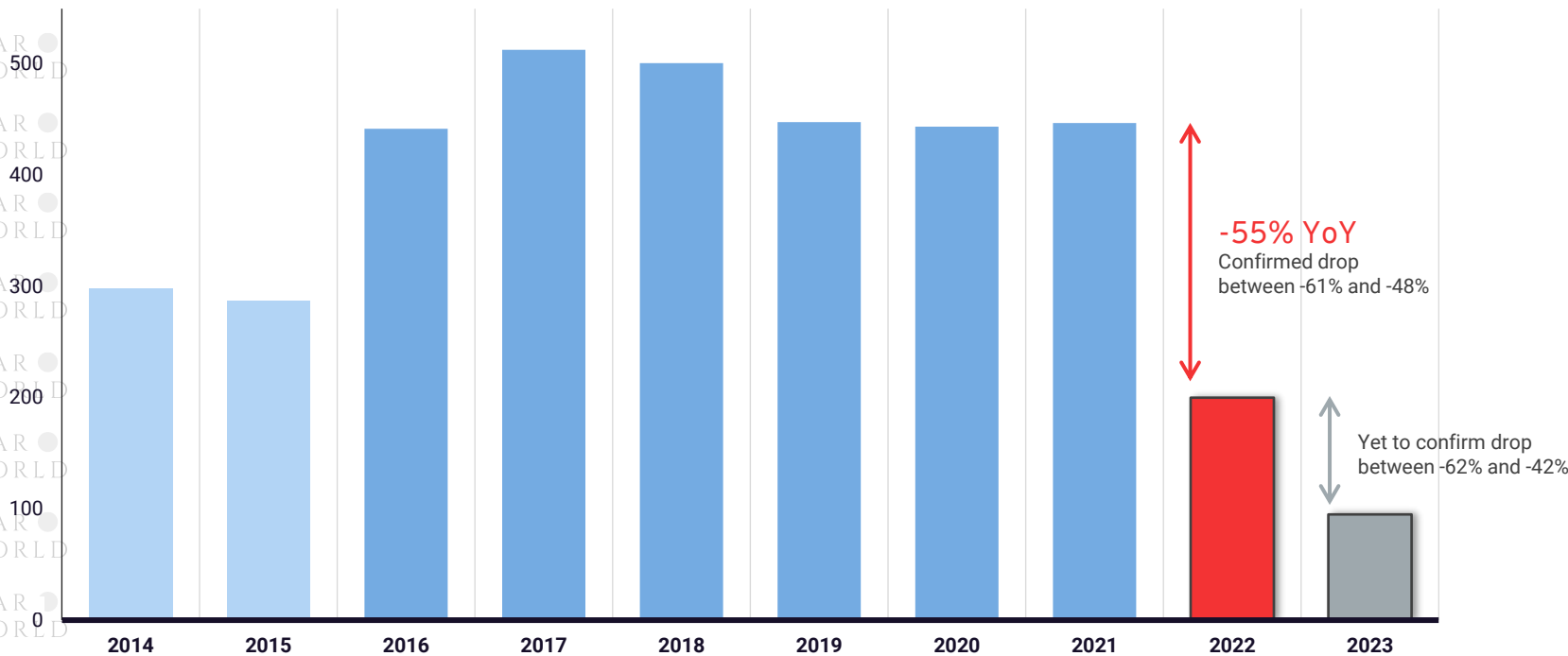
Finding Good New Tech Startups is Getting Challenging

MENA Sees Fewer New Tech Founders

Building a tech startup is not seen as an attractive career option as it used to be

Talent prefer to join well-established companies over building a tech startup in the current global economic conditions

Note: The sharp decline in new founders is a worldwide trend since the 2019 peak, including in the US and EU^a



Profile Snapshot: **New Ventures By Foundation Year (Cohort)**
Count and YoY from 3675 Observations, MENA 2014-2023 (as of 04/2024)

* **Venture:** Startup who fits VC minimum criteria

* **VC minimum criteria:** Not IT development companies, marketing agencies nor similarly non-product/non-tech-based companies

Dataset of MENA startups founded since 2008, size N*=17564; ventures N=4363, 2022 new ventures 95% CI margin of error -6%/+7%, 2023 95% CI margin of error -9%/+11%

^aUS and EU trend covered at Crunchbase (2023) <https://news.crunchbase.com/venture/startup-creation-challenges-opportunities-charts-sagie/>

This insight has not been covered before in MENA

What quality to expect for venture dealflow in MENA 2024?

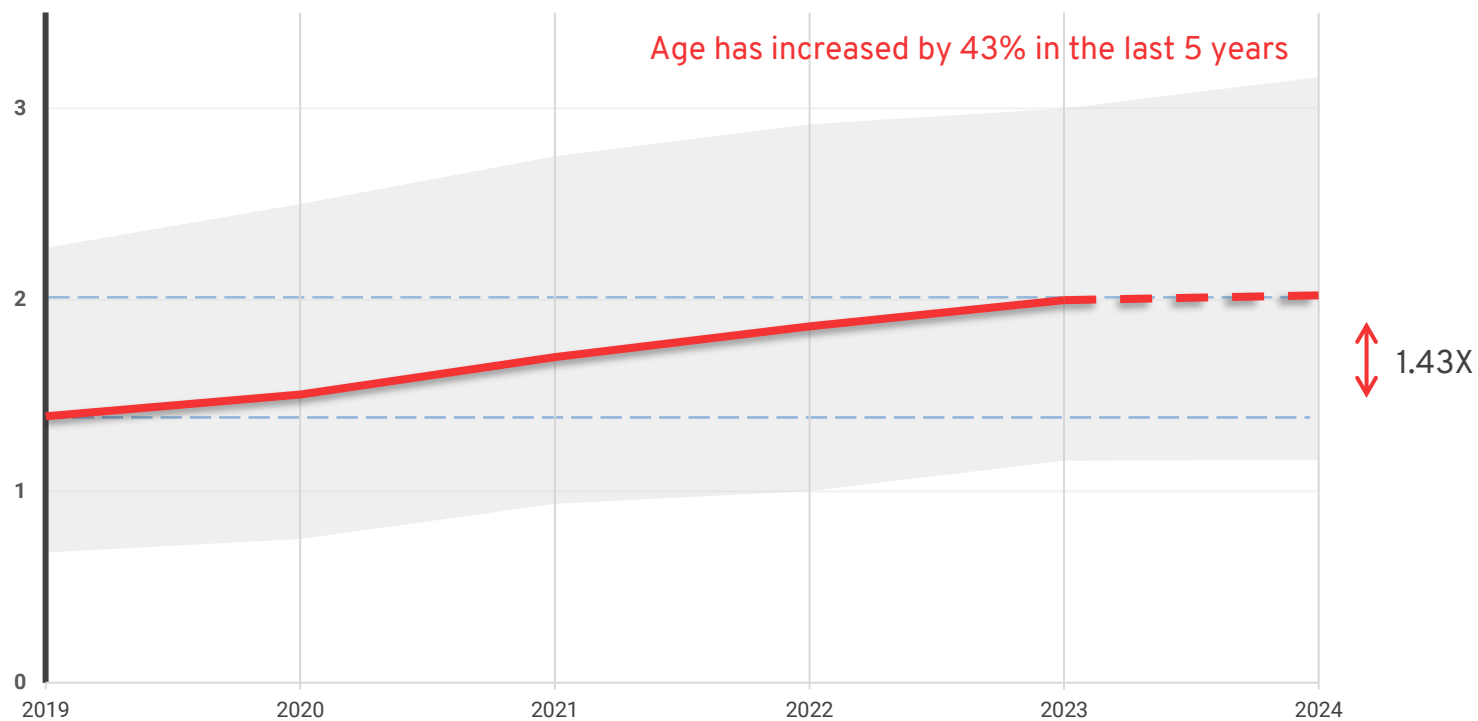
Finding Good New Tech Startups is Getting Challenging

To Overcome the Shortage of New Tech Founders, Investors in MENA Are Expanding Their Intake to Older Companies

The abundance of SWF LP capital in MENA earmarked for tech equity encouraged investors to keep deploying

A breed of newly-funded ventures older than any time before is emerging in MENA

See page 34 for more on company age



Historical Profile: Years From Company Foundation Until First Seed Raise
5-yr Moving Median and IQR At End of Year, MENA Ventures 2019-2024

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size N*=1728; MENA seed N=1080, raised in the last 5 years o=533; median absolute deviation 0.920, σ 0.62

This insight has not been covered before in MENA

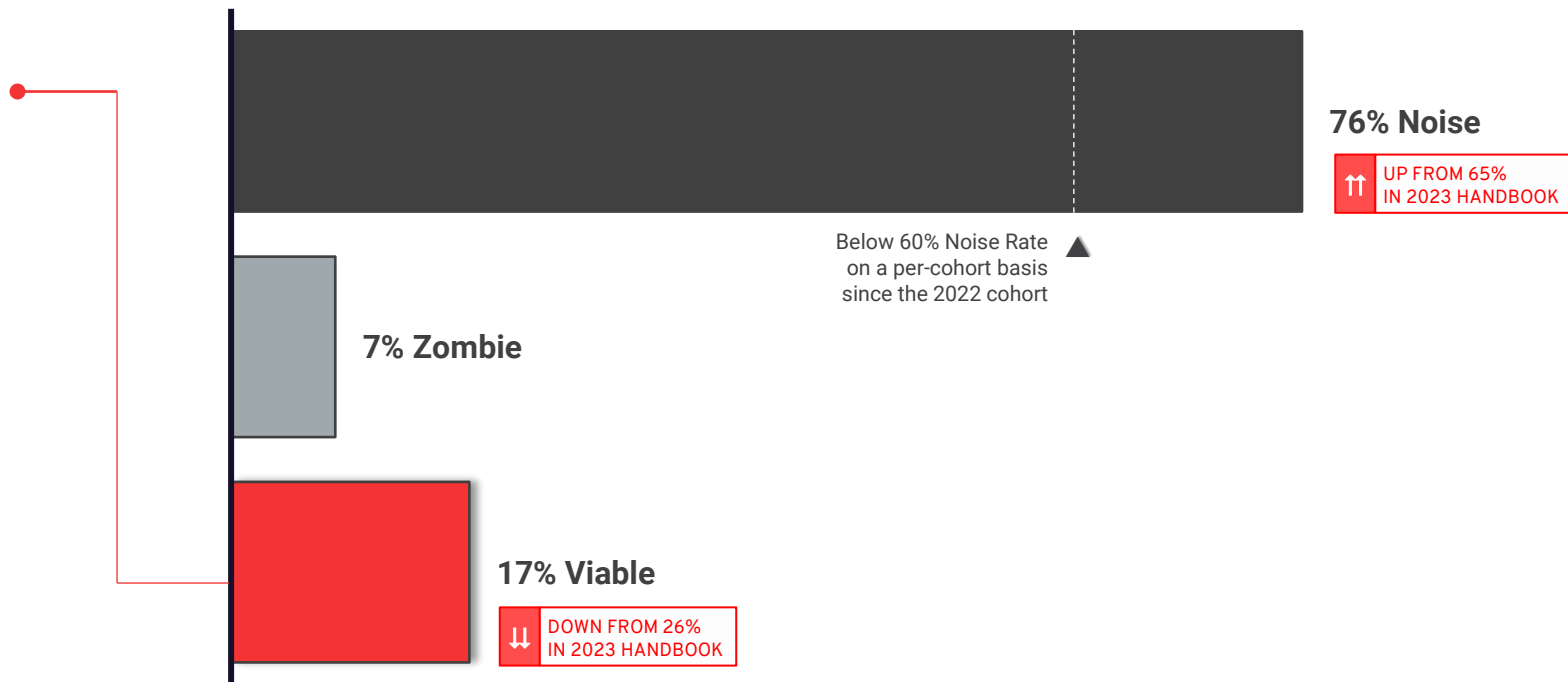
What quality to expect for venture dealflow in MENA 2024?

Finding Good New Tech Startups is Getting Challenging

1/6th

1 of every 6 companies active in MENA 2024 and self-identify as 'startup' is fit for VC minimum criteria

Expect 83% of your pipeline to be irrelevant SMEs if you are an investor, program runner or an accelerator shopping for new startups

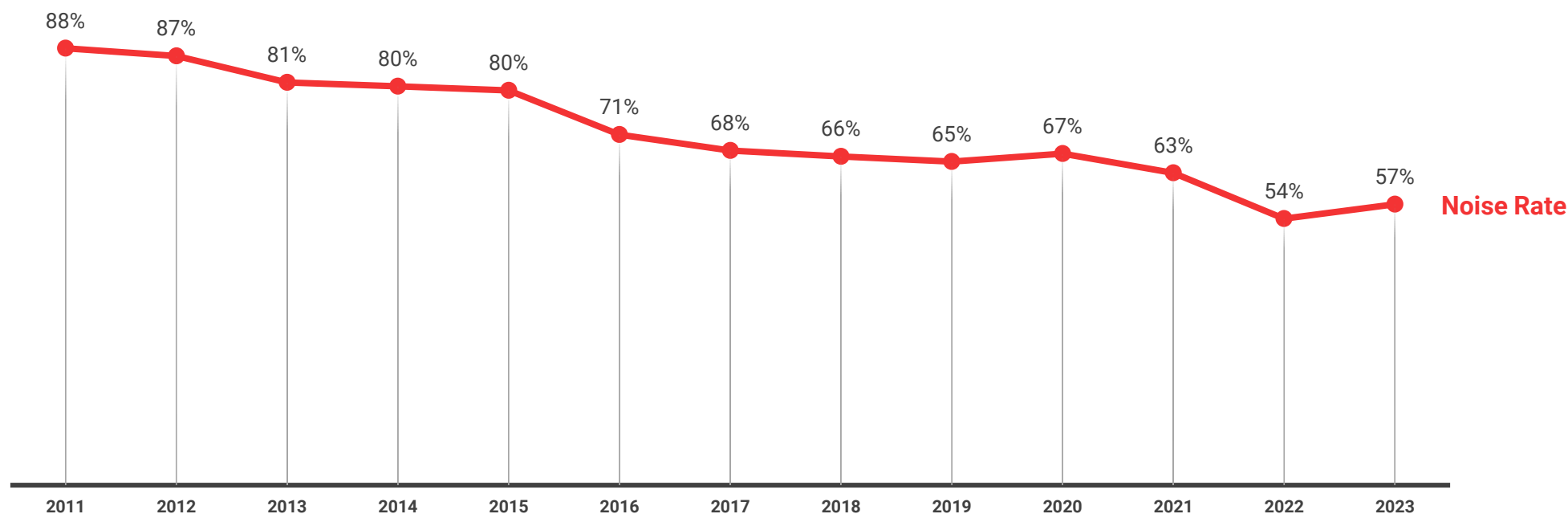


※ **Active** includes companies who report their status as "Active", including who shutdown and neglect to update their public information and/or digital footprint
 ※ **VC minimum criteria:** Not IT development companies, marketing agencies nor similarly non-product/non-tech-based companies
 ※ **Zombie companies:** Companies who are too old to raise seed (exceeded the anomaly upper bound defined as quartile 3 + 1.5 IQR) as of 04/2024
 ※ Dataset of MENA startups founded since 2008, size N=17564; 95% CI margin of error ±1%; classifier model performance: precision 93%, specificity 91%, FPR 8%
 population proportion of Noise Rate 2023 Handbook vs 2024 δ=11%, 95% CI [0.1, 0.12] (statistically significant), Viable Rate δ=-9% 95% CI [-0.08, -0.1] (statistically significant)

What dealflow quality to expect in the MENA venture space?

Newer Startups Have Less Confusion About What 'Startup' Should Do

Improved Culture: Though irrelevant SMEs who inaccurately self-identify as 'startup' to access the tech investment scene do crowd it, the newer generations of companies show better understanding of what 'startup' and 'tech' should do



Per-Cohort Noise Rate: Percentage of new additions of IT development companies, marketing agencies and similarly non-product/non-tech-based companies out of all companies who are listed on MENA startup discovery platforms for that year (as of 04/2024)

Where to find active ventures in MENA 2024?

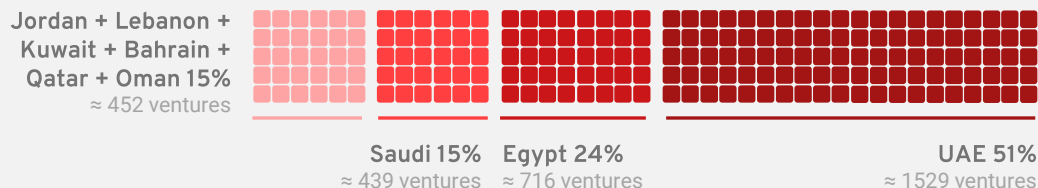
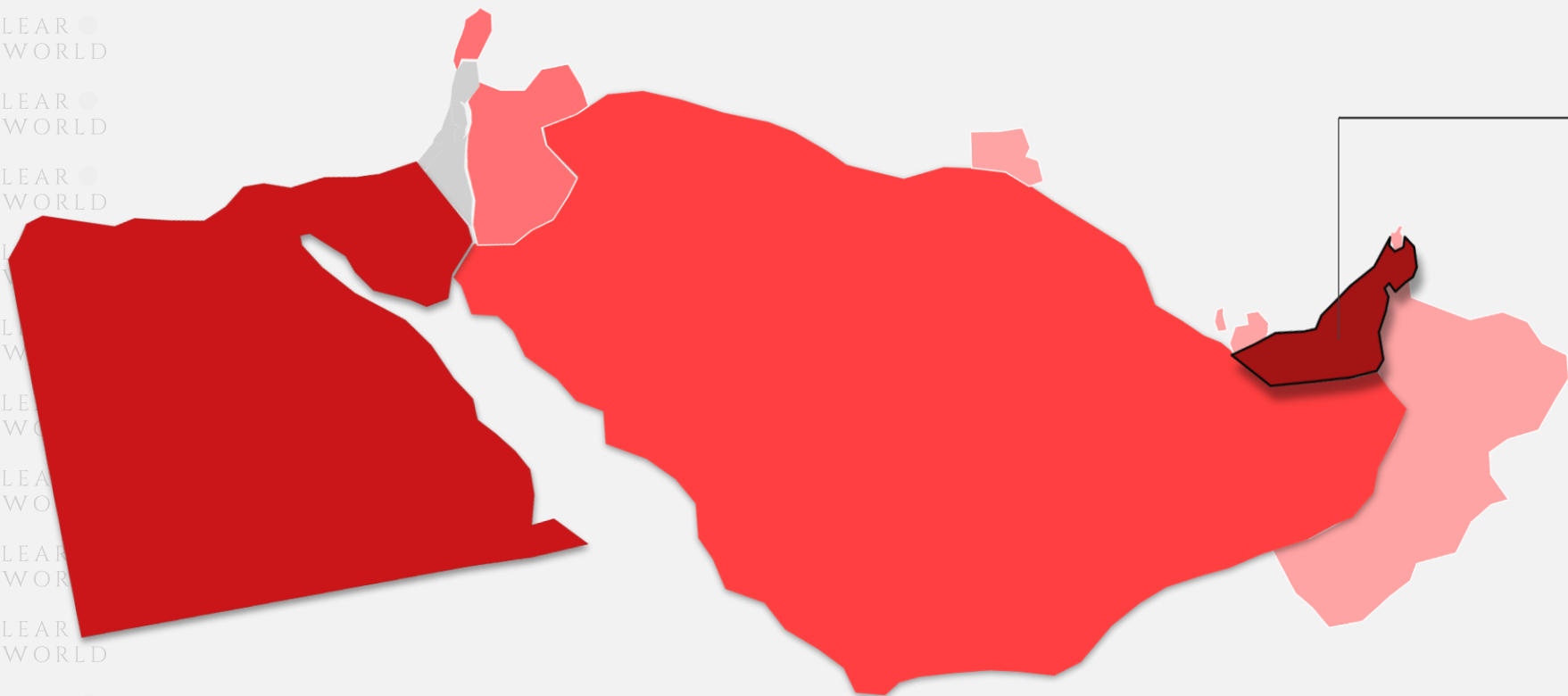
Venture Hubs: Startups Fit for VC Minimum Criteria

51%

UAE is Home to 51.6% of Active Ventures in MENA

With over 1500 ventures, UAE remains the largest base of startups fit for VC minimum criteria in MENA 2024

No other country in MENA reached the 1000 ventures mark since UAE surpassed it in 2019

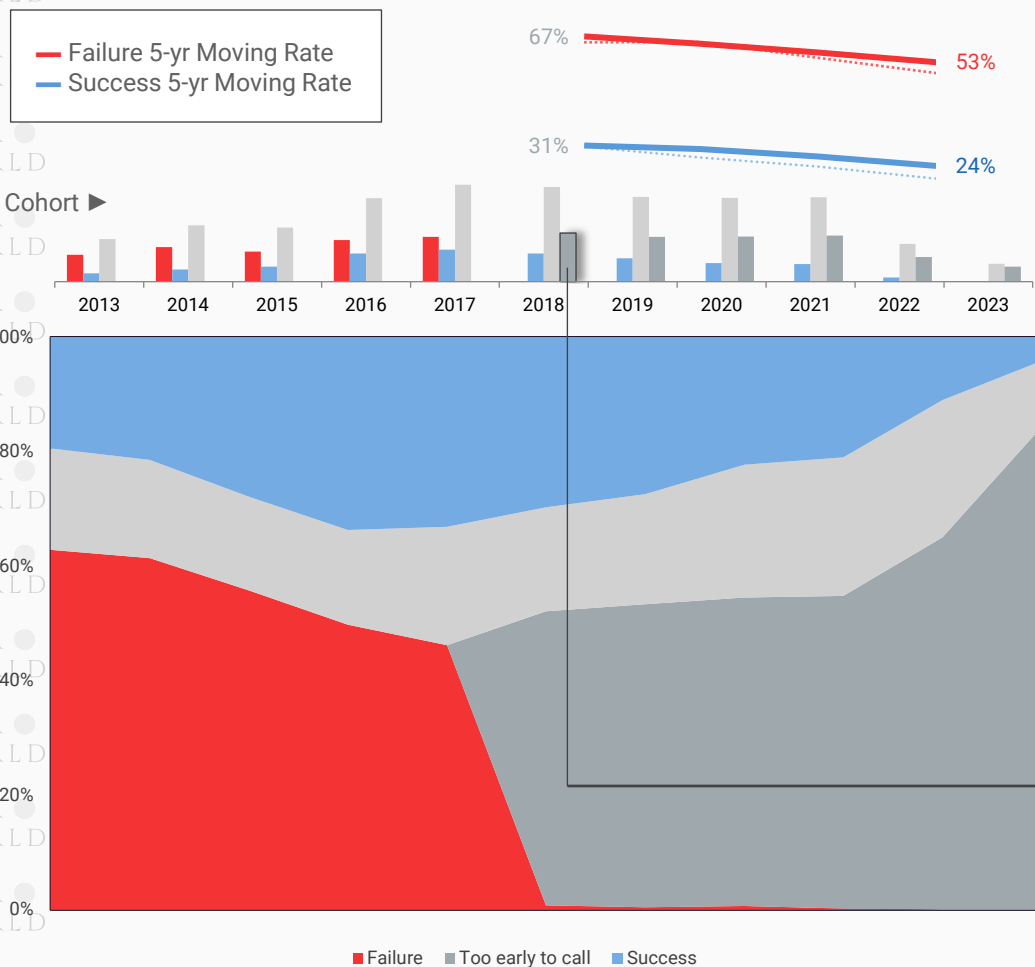


This insight has not been covered before in MENA

※ VC minimum criteria: Not IT development companies, marketing agencies nor similarly non-product/non-tech-based companies

Dataset of MENA startups founded since 2008, size N*=17564; active startups N=4259, ventures = startups fit for VC minimum criteria o=2962; UAE population proportion 95% CI margin of error ±2%

How many make it to Seed stage in MENA 2024?



Reaching to Seed Stage in MENA 2024

Success 24%

IS WITHIN THE 2023 HANDBOOK LEVELS

Failure 53%

UP FROM 47% IN 2023 HANDBOOK

Danger Zone: By 2025, 257 more startups will confirm failure – that's 21% of the pipeline available today effectively getting written-off

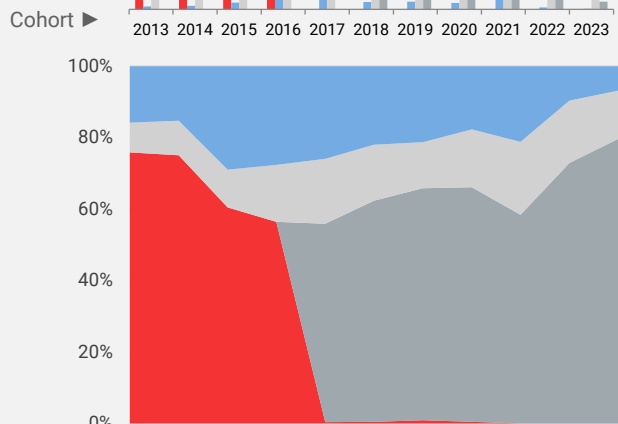
Failure 5-yr Moving Rate: Counts companies who shutdown or are too old to raise seed (exceeded the anomaly upper bound defined as quartile 3 + 1.5 IQR) as of the measurement year divided by the cohort size to which these companies belong, pooled over a 5-yr window; measurement years are each from 2019 to 2023; MENA startups sample size N=4363; conversions to seed n=1074, Success 95% CI margin of error -5/+7%, Failure ±3%; difference of To-Seed Success 2023 Handbook vs 2024 δ=-4%, 95% CI [-0.11, 0.03] (not statistically significant); Failure δ=6%, 95% CI [0.02, 0.1] (statistically significant)

Pre-Seed In UAE Needs To Improve

Success rate of reaching Seed stage has dropped significantly in UAE since last year, while it remained stable in Saudi and Egypt

More attention should be given to improving the quality of pre-seed startups in UAE

Failure 5-yr Moving Rate ▶ 79% **67%**
Success 5-yr Moving Rate ▶ 25% **18%**



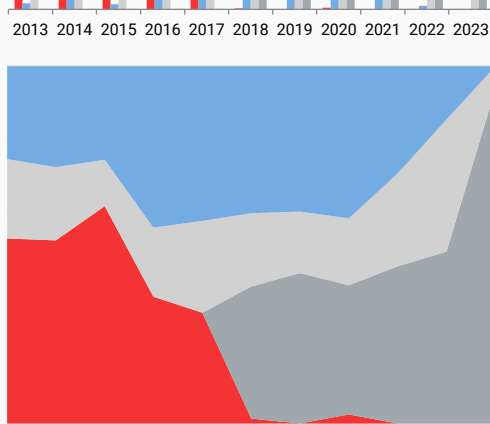
U A E

18% **67%**

⬇️ DOWN FROM 26%
IN 2023 HANDBOOK

⬆️ UP FROM 57%
IN 2023 HANDBOOK

55% 41% **48%** **37%**



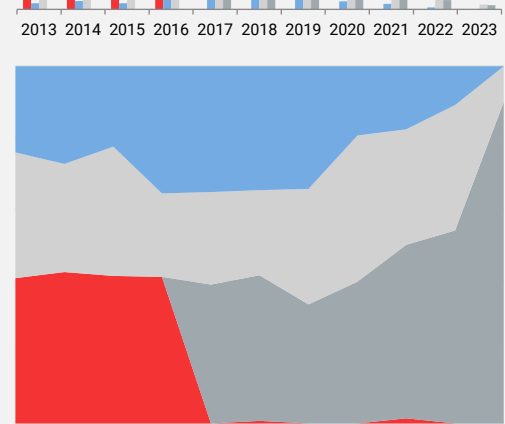
S A U D I

37% **48%**

Conversion
Success Rate =

Conversion
Failure Rate =

50% 44%
33% 27%



E G Y P T

27% **44%**

IS WITHIN THE 2023
HANDBOOK LEVELS

※2023 Level: 36%

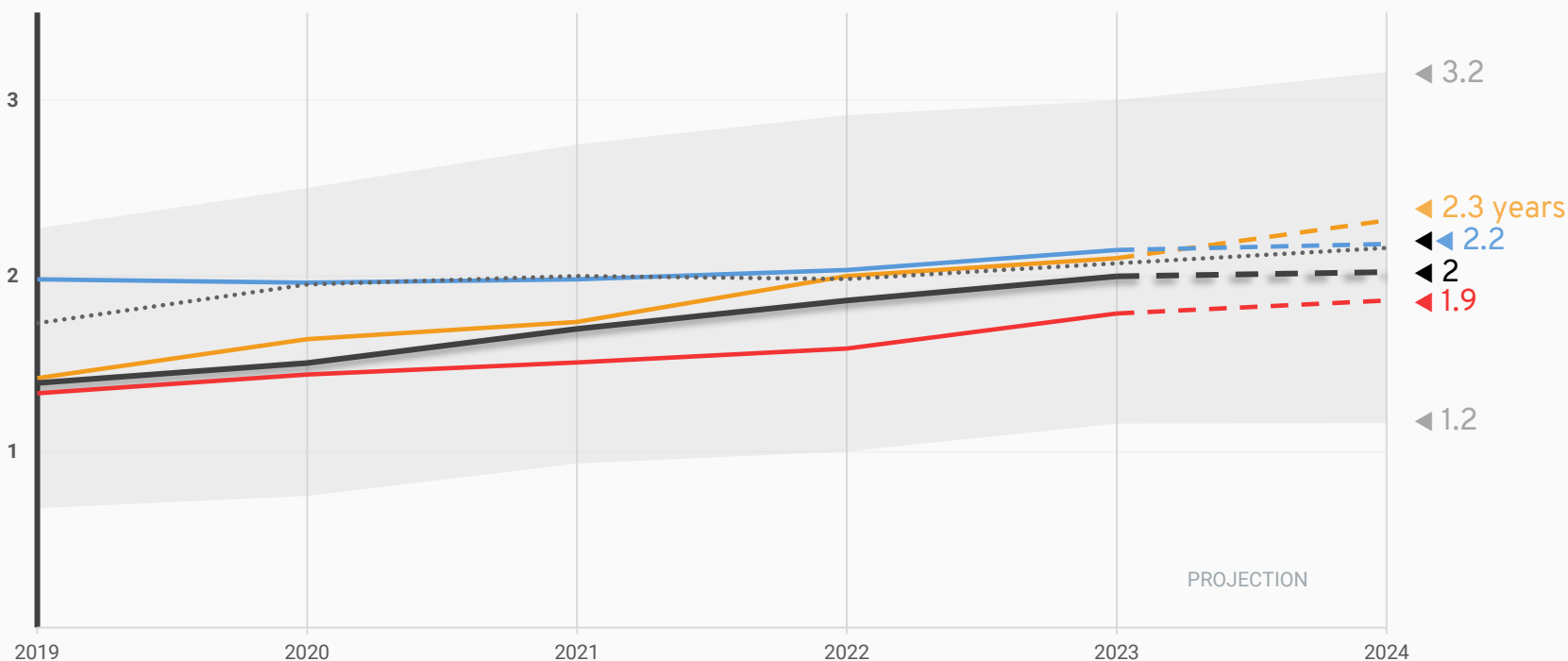
■ Failure ■ Too early to call ■ Success

※ See previous page for definitions and how calculations are made. MENA startups sample size N=4363; conversions to seed o=1074; To-Seed Success 2023 Handbook vs 2024 UAE δ =-8%, 95% CI [0.03, 0.13] (statistically significant); Failure UAE δ =11%, 95% CI [0.02, 0.19] (statistically significant), Egypt δ =8%, 95% CI [-0.02, 0.19] (not statistically significant)

How old are the startups who get seeded in MENA 2024?

2 Years, In Line with Startups Outside MENA

Better Chance For Older Startups: Investors are increasingly more open to seed older MENA startups, moving the median age from 18 months in 2019 to 2 years in 2024 (+33%) ● The normal range is increasing since 2018, now at 1.2-3.2 years



Age At First Seed Raise 2023 and 2024			
UAE	1.8	1.9	
Overall MENA	2	2	
Non-MENA	2.1	2.2	
Saudi	2.1	2.2	
Egypt	2.1	2.3	
75% of all MENA	≥ 1.2	≥ 1.2	
75% of all MENA	≤ 3	≤ 3.2	

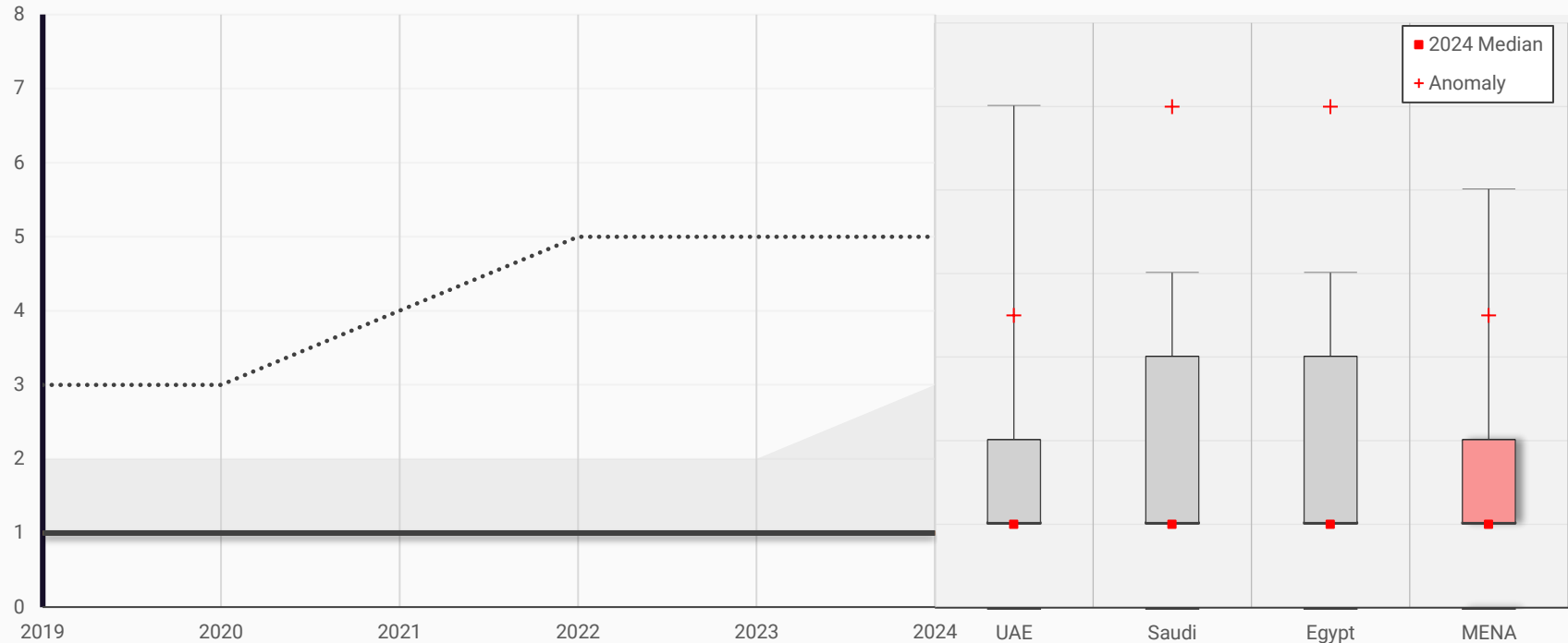
Historical Profile and Comparison: **Years From Company Foundation Until First Seed Raise**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

L-estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size N*=1728; MENA seed N=1080, raised in the last 5 years o=533; median absolute deviation 0.920, σ 0.62, stable since 2023

How many investors participate in the seed round in MENA 2024?

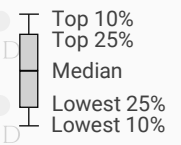
One, Rarely Above Three

More Co-Invest: Saudi and Egypt continue to carry an uptrend that makes having two investors split the seed round not very uncommon



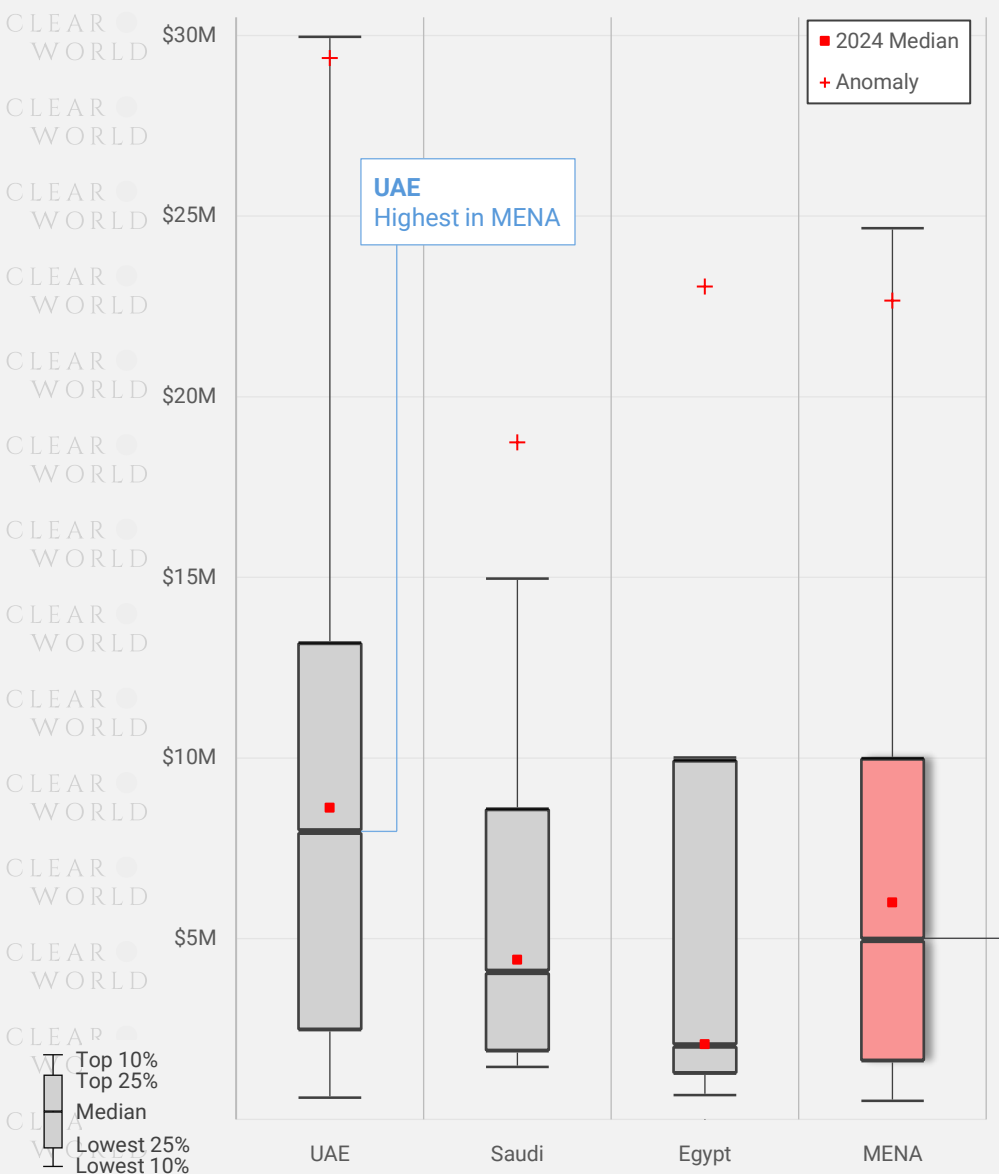
**Investor Count At Seed Raise
2023 and 2024**

Non-MENA	6	6
Saudi	2	2
Egypt	2	2
Overall MENA	1	1
UAE	1	1
75% of all MENA	≥ 1	≥ 1
75% of all MENA	≤ 3	≤ 3



Historical Profile: **Number of Investors at Seed Raise (left) with Detailed Profile 2023/2024 (right)**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

L-estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024 to adjust for data latency; sample size excludes accelerator rounds N=2056; MENA disclosed seed N=1113; announced in the last 5 years o=723



What premoney valuation to expect when raising Seed in MENA 2024?

\$5M

UP FROM \$3M IN 2023 HANDBOOK

The Normal Range in MENA is **\$1.6M to \$10M**

UAE Still Leads: with a median of \$8M and larger spread, UAE is well above MENA in seed valuations

The Elite: 15% of seeded companies in MENA are spread across a wide span between \$10M and \$25M

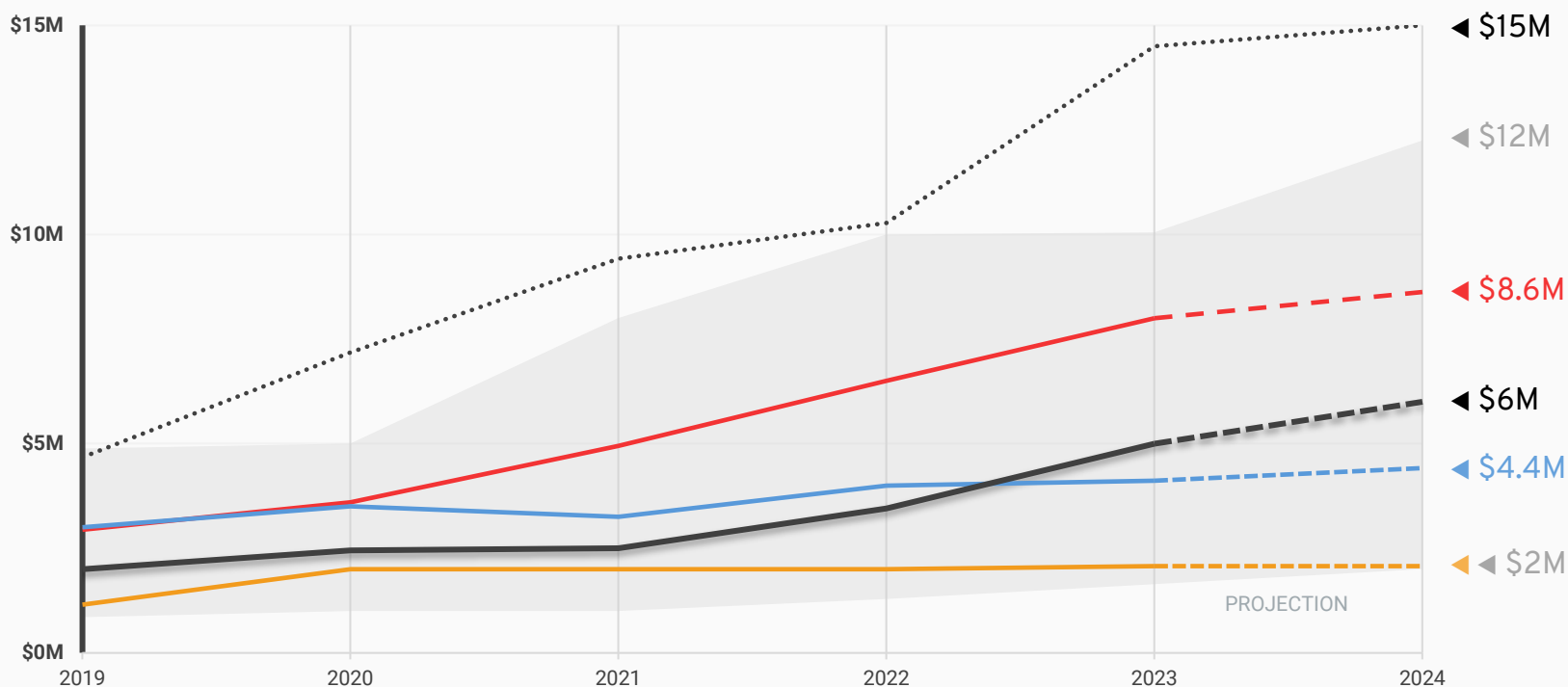
Seed premoney valuations above the \$23M mark are outliers

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N*=2097; MENA disclosed seed N=175; announced in the last 5 years o=112, median absolute deviation 4.19M, σ 2.8M, larger margin since 2023; difference of MENA Premoney At Seed medians 2023 Handbook vs 2024 Mann-Whitney U(N=227)=5475.5, z=-1.94, p-value=.0523 (statistically significant at alpha=.1)

Trends in MENA Seed round premoney valuation for 2024

UAE Valuations Continue to Push MENA Averages Higher Since 2021

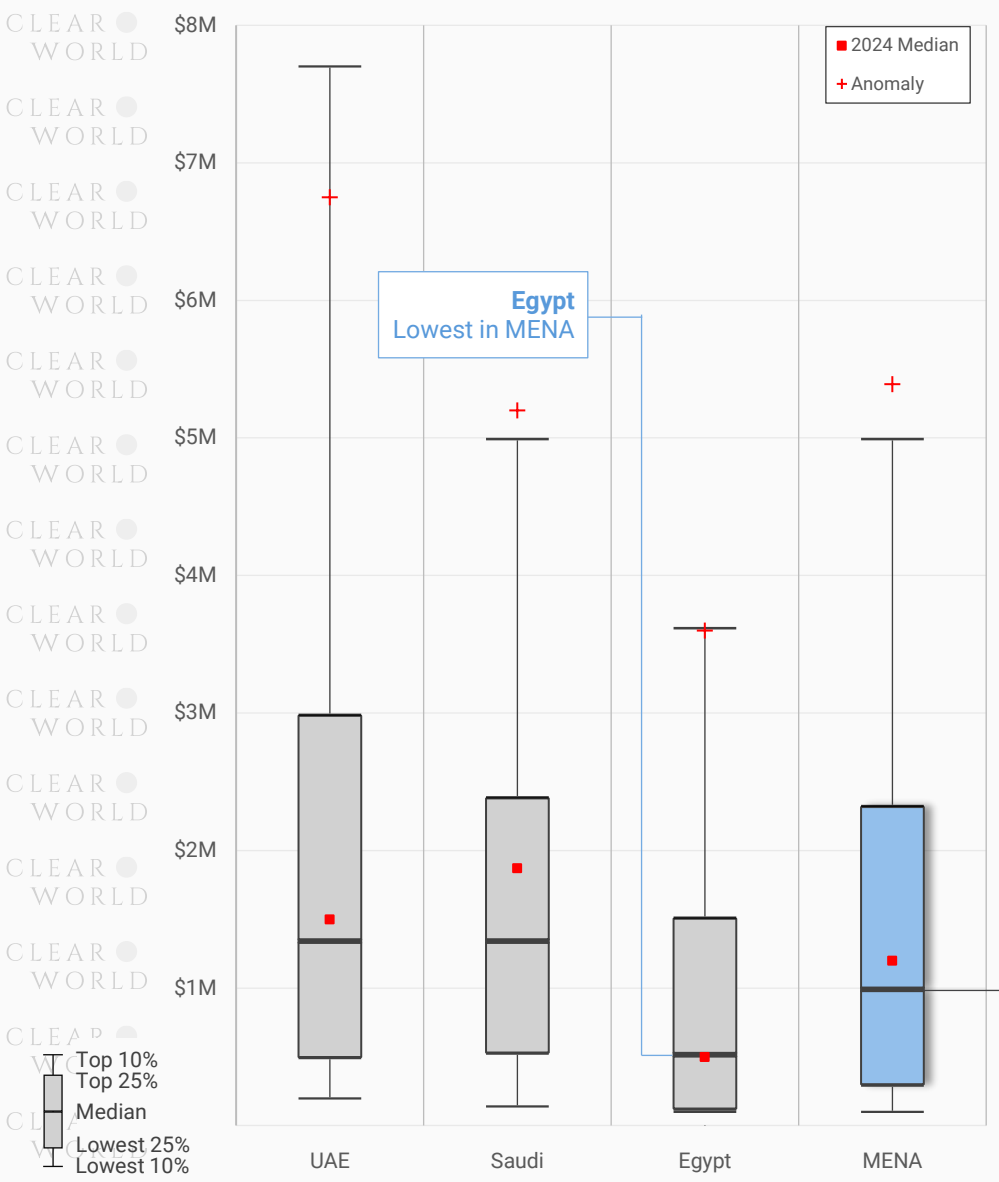
Meanwhile, Saudi and Egypt valuations consolidate ● MENA remains below the valuation levels outside MENA specifically in deals where MENA investors also participate



Premoney Valuation At Seed Round 2023 and 2024			
Non-MENA	\$14.5M	\$15M	
UAE	\$8M	\$8.6M	
Overall MENA	\$5M	\$6M	
Saudi	\$4M	\$4.4M	
Egypt	\$2M	\$2M	
75% of all MENA	≥ \$1.6M	≥ \$2M	
75% of all MENA	≤ \$10M	≤ \$12M	

Historical Profile and Comparison: **Premoney Valuation At Seed Round**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N=2097; MENA disclosed seed N=175; announced in the last 5 years o=112, median absolute deviation 4.19M, σ 2.8M, larger margin since 2023



How much capital to expect when raising Seed in MENA 2024?

\$1M

↑ UP FROM \$870K IN 2023 HANDBOOK

The Normal Range in MENA is **\$300k to \$2.3M**

Cheap Seeding in Egypt: Median size of seed rounds in Egypt remain unchanged, even with discounting accelerator-only rounds; At \$500k, it is the smallest in MENA

The Elite: 15% of seeded companies in MENA are spread across a wide span between \$2.3M and \$5M

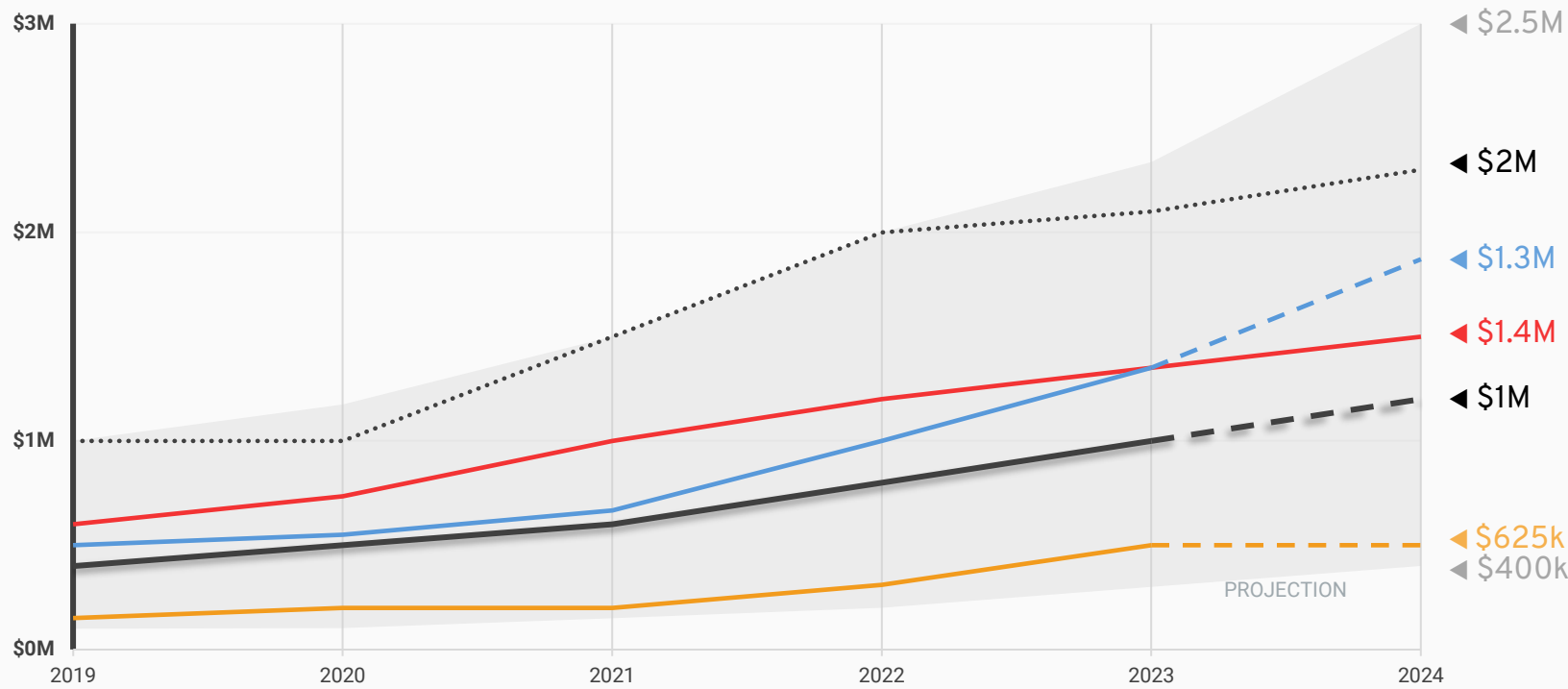
Companies who raise \$5.5M+ in a single seed round are outliers

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N*=2097; MENA disclosed seed N=1113; announced in the last 5 years o=723, median absolute deviation 872k, σ 588k, larger margin since 2023; difference of MENA Money Raised At Seed medians 2023 Handbook vs 2024 Mann-Whitney U(N=1475)=247160, z=-3.02, p-value=.002 (statistically significant at alpha=.1)

Trends in MENA Seed round size for 2024

Saudi Inflationary Pressure: Money Raised At Seed Stage Continues Higher

Seed round size in Saudi has doubled since 2021, a faster rate than elsewhere in MENA ● MENA today is within the level of seed rounds outside MENA, specifically in deals where MENA investors also participate



Round Size At Seed Raise 2023 and 2024			
Non-MENA	\$2.1M	\$2.3M	
Saudi	\$1.3M	\$1.9M	
UAE	\$1.3M	\$1.9M	
Overall MENA	\$1M	\$1.2M	
Egypt	\$500k	\$625k	
75% of all MENA	≥ \$300k	≥ \$400k	
75% of all MENA	≤ \$2.3M	≤ \$3M	

Historical Profile and Comparison: Round Size At Seed Raise
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N=2097; MENA disclosed seed N=1113; announced in the last 5 years o=723, median absolute deviation 872k, σ 588k, larger margin since 2023

How much dilution to expect when raising Seed in MENA 2024?

10%

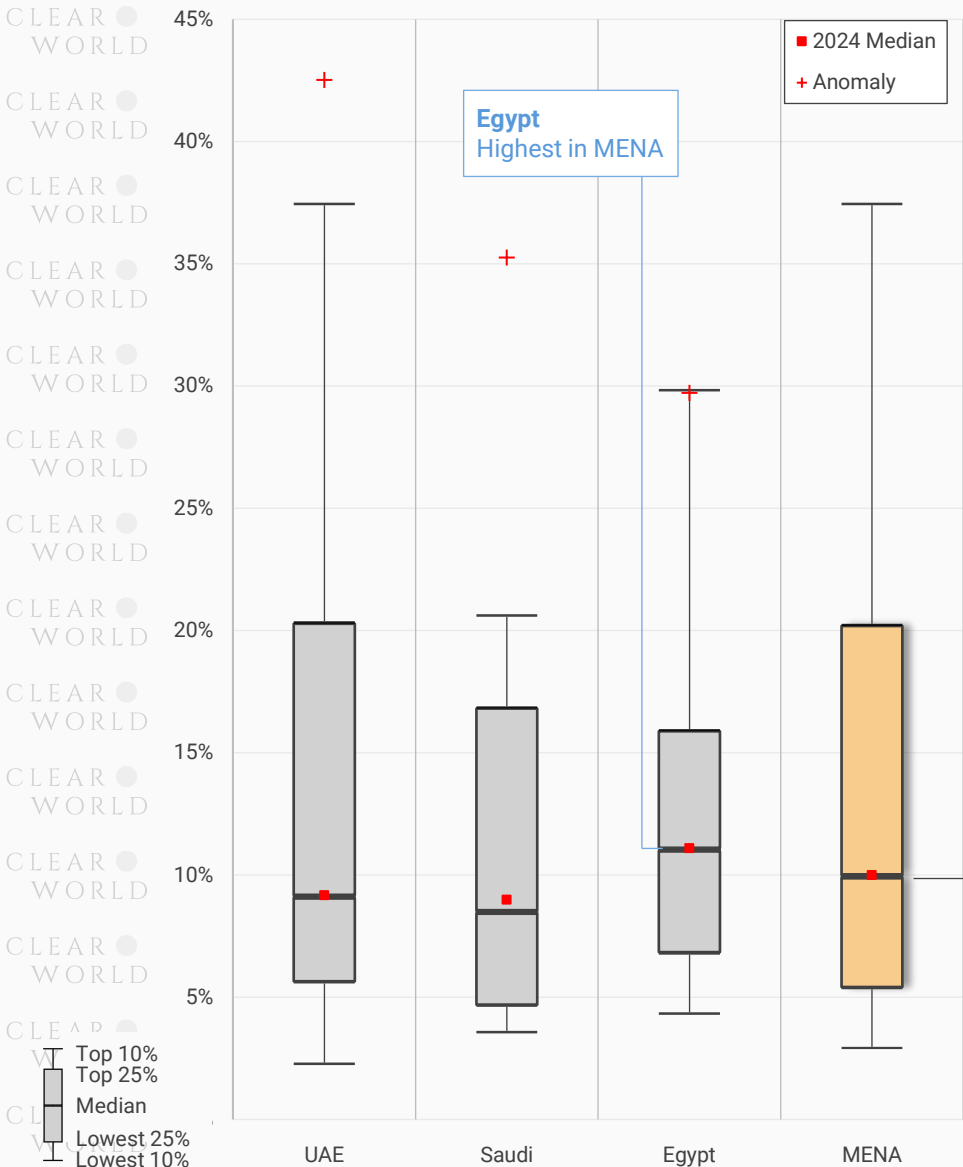
IS WITHIN THE 2023 HANDBOOK LEVELS

The Normal Range in MENA is 5.4% to 20%

Seller Power: 15% of seeded companies in MENA raised at exceptionally low dilution between 2.9% and 5.4%

Healthier PE Interest: UAE and Saudi still show a significant above median spread, indicating traces of PE-like dealmaking preference; however, forcing a 51% deal is finally a thing from the past

Above 20% is rare, while >37.5% is outlier territory

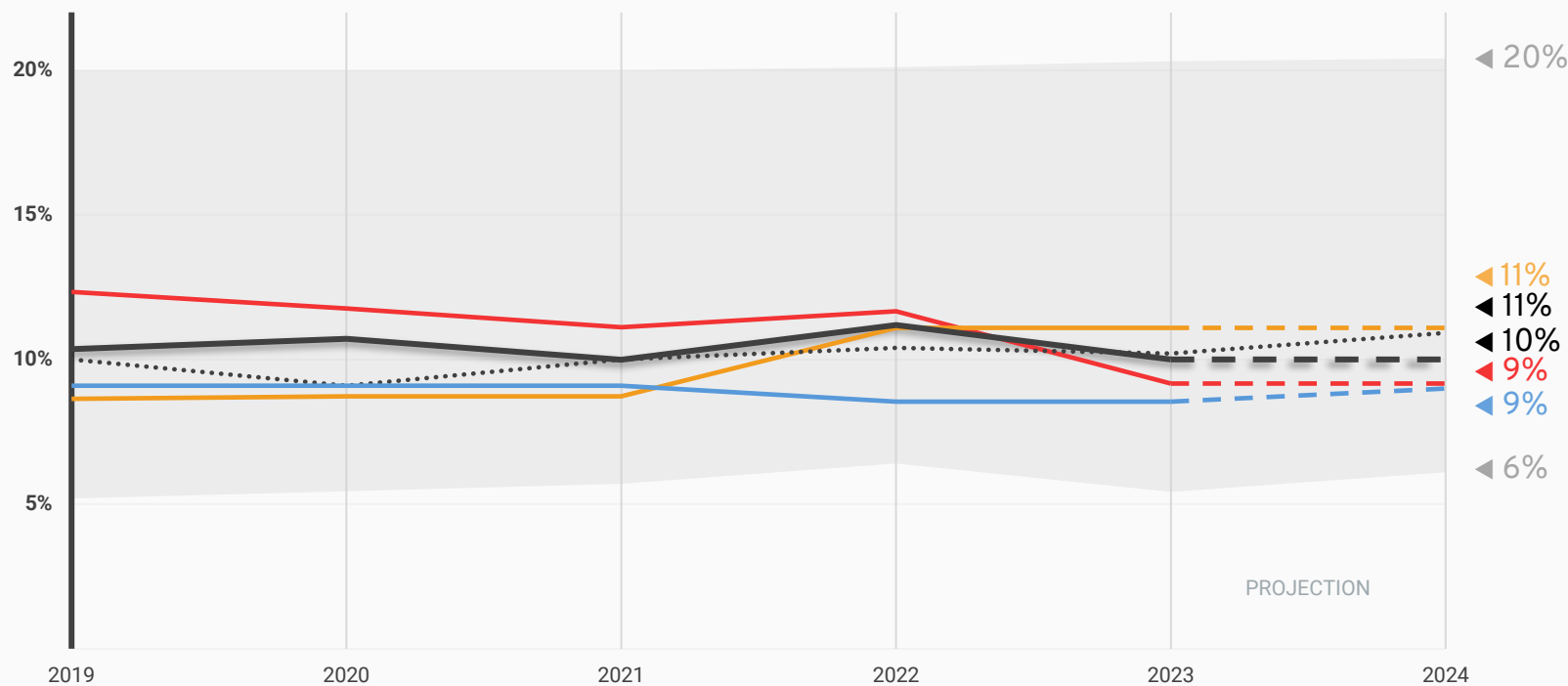


Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N*=2097; MENA disclosed seed N=154; announced in the last 5 years o=98, median absolute deviation 6%, σ 4.1%, smaller margin since 2023; Saudi o=8, Egypt o=10; difference of MENA Dilution At Seed medians 2023 Handbook vs 2024 Mann-Whitney U(N=196)=4714.5, z=-.215, p-value=.829 (not statistically significant at alpha=.1)

Trends in dilution at Seed round in MENA for 2024

Standardized: Expect 9-11% Anywhere in MENA

Dilution at seed stage is practically the same across MENA with no statistically-significant difference, partly due to the increased visibility and shared knowledge among market players ● Today, investors approach MENA seed rounds with similar equity expectations to seed rounds outside MENA



Region	2023	2024
Egypt	11%	11%
Non-MENA	10%	11%
Overall MENA	10%	10%
UAE	9%	9%
Saudi	8.5%	9%
75% of all MENA	≥ 5.4%	≥ 6%
75% of all MENA	≤ 20%	≤ 20%

Historical Profile and Comparison: **Dilution At Seed Raise**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N=2097; MENA disclosed seed N=154; announced in the last 5 years o=98, median absolute deviation 6%, σ 4.1%, smaller margin since 2023; Saudi o=8, Egypt o=10

What ticket size to expect when raising Seed in MENA 2024?

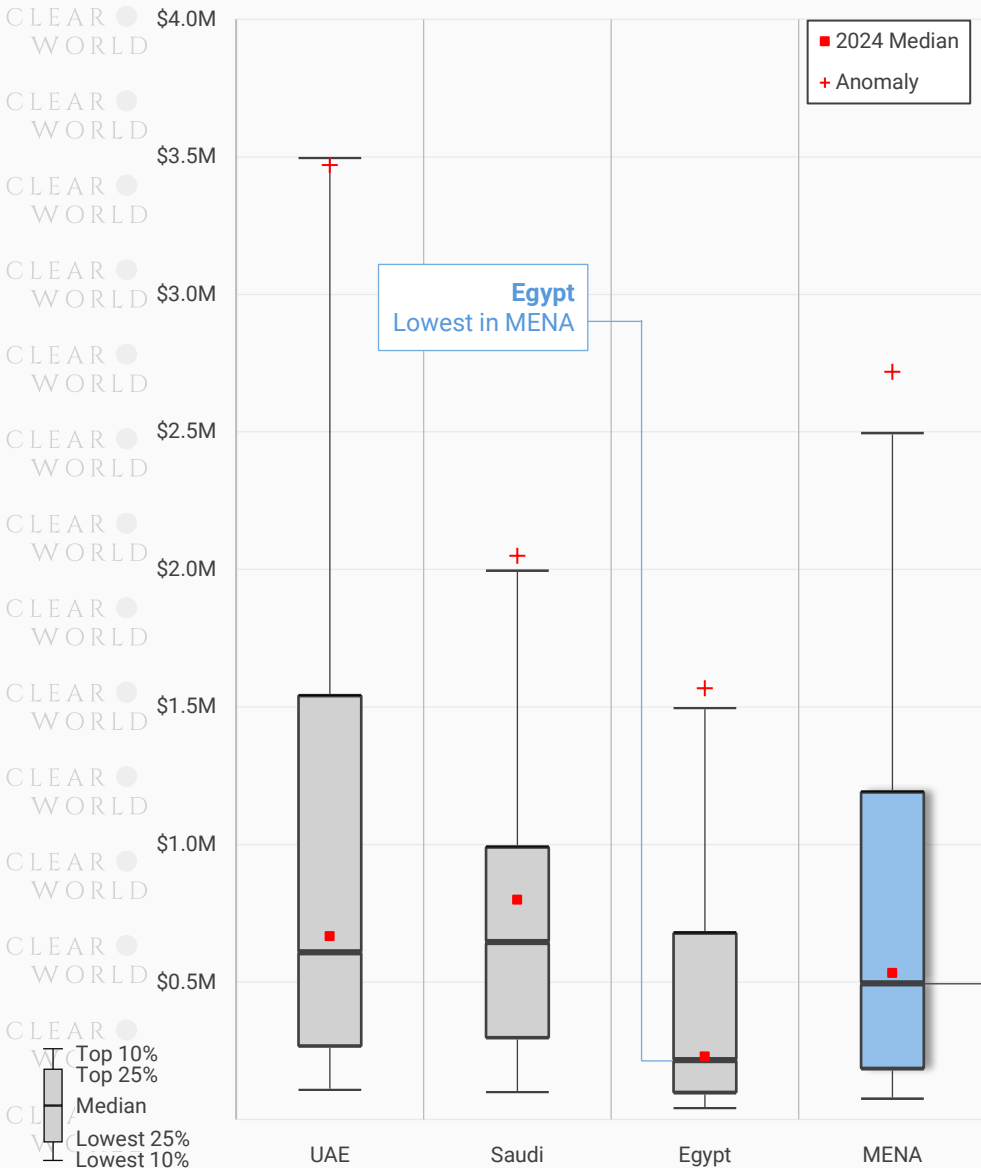
\$500k

= IS WITHIN THE 2023 HANDBOOK LEVELS

The Normal Range in MENA is **\$190k to \$1.2M**

UAE Big Spread: 40% of seeded UAE companies are spread across a massive span between \$610k and \$3.5M, indicating a more diverse pool of seed stage investors active in UAE

Seed rounds with >\$2.5M tickets in MENA are outliers

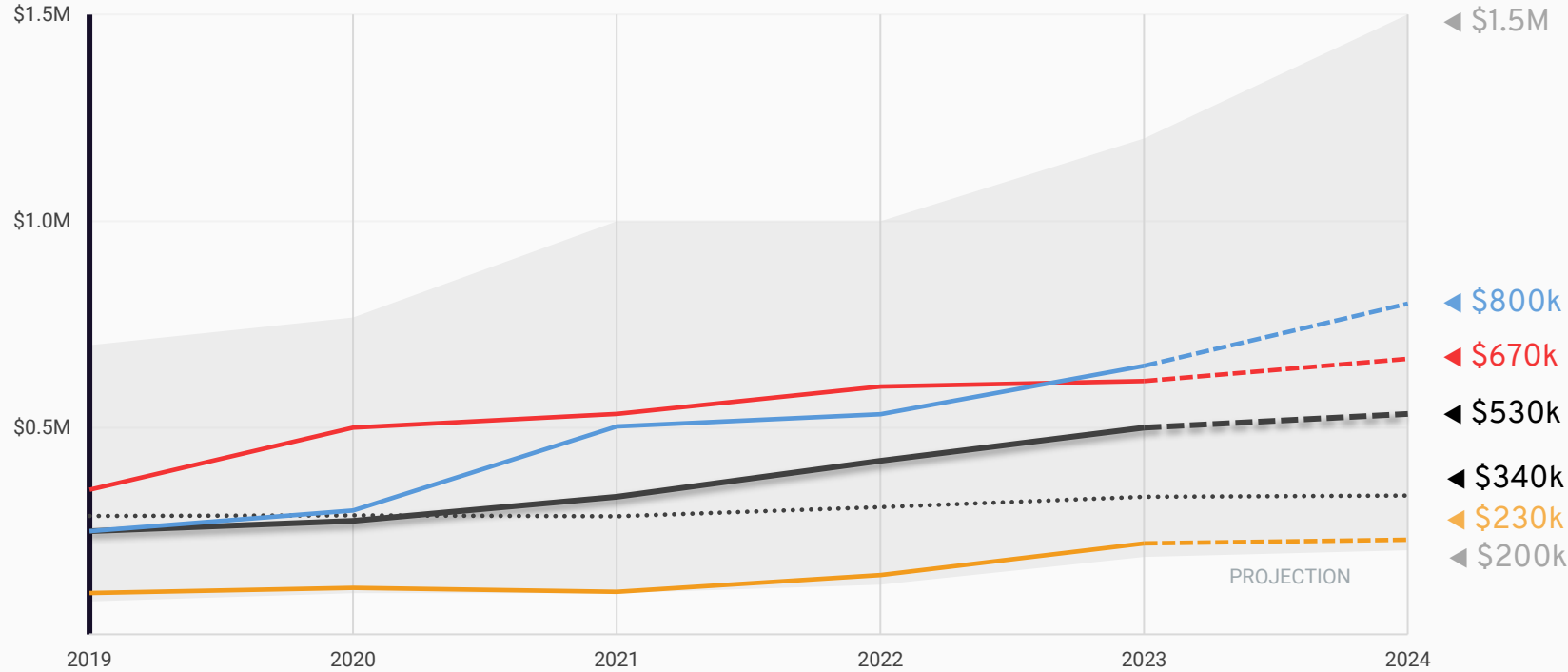


Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024 to adjust for data latency; sample size excludes accelerator rounds N*=2056; MENA disclosed seed N=1113; announced in the last 5 years o=723, median absolute deviation 872k, σ 588k, larger margin since 2023

Trends in MENA Seed round tickets size for 2024

Seed Tickets in Saudi Continue to Overheat

This further highlights the high demand and entry requirements for Saudi seed stage investing ● Seed tickets in MENA continue to be larger than abroad after 2020, specifically in rounds where the same investors in MENA also participate



Ticket Size At Seed Raise 2023 and 2024			
Saudi	\$650k	\$800k	
UAE	\$610k	\$670k	
Overall MENA	\$500k	\$530k	
Non-MENA	\$330k	\$340k	
Egypt	\$220k	\$230k	
75% of all MENA	≥ \$190k	≥ \$200k	
75% of all MENA	≤ \$1.2M	≤ \$1.5M	

Historical Profile and Comparison: **Ticket Size At Seed Raise (Uniform Split Among Participants)**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures*

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024 to adjust for data latency; sample size excludes accelerator rounds N=2056; MENA disclosed seed N=1113; announced in the last 5 years o=723, median absolute deviation 872k, σ 588k, larger margin since 2023

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2024 MENA EARLY STAGE

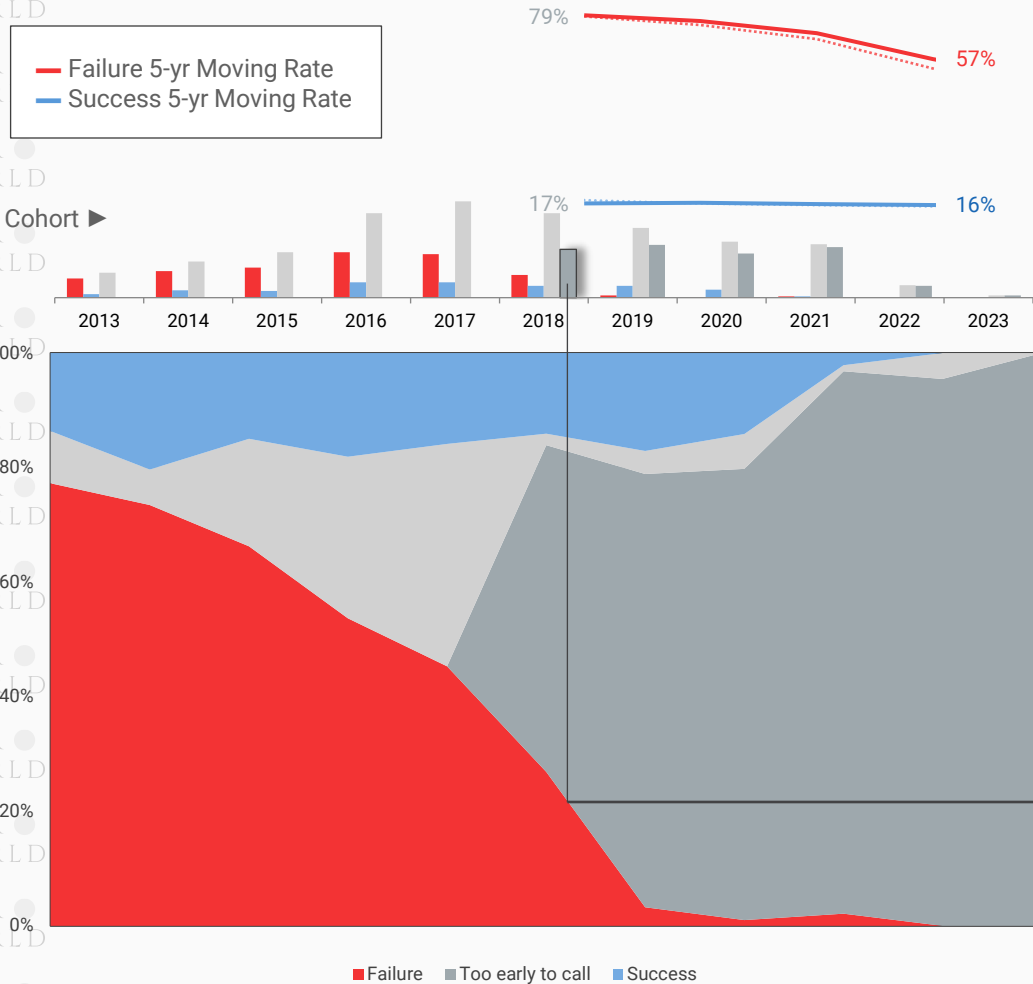
DATA HANDBOOK

THE ROAD TO SERIES A IN MENA 2024

- Success and failure rates of getting from Seed stage to Series A
- Seed stage holding period
- **Series A Benchmarks:** Premoney valuations, round and ticket sizes, number of expected investors in the round, dilution

CHARTS 15	INSIGHTS 12	EXCLUSIVE CONTENT 12
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How many make it from Seed stage to Series A in MENA 2024?



Moving From Seed to Series A in MENA 2024

Success 16%

= IS WITHIN THE 2023 HANDBOOK LEVELS

Failure 57%

= IS WITHIN THE 2023 HANDBOOK LEVELS

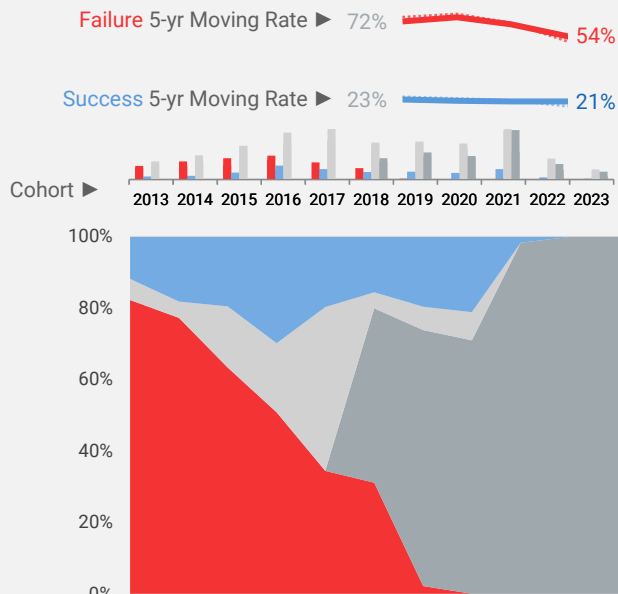
Danger Zone: By 2025, 85 more seed startups will confirm failure – that’s 23% of the pipeline available today effectively getting written-off

* **Failure 5-yr Moving Rate:** Counts companies who shutdown or are too old to raise series A (exceeded the anomaly upper bound defined as quartile 3 + 1.5 IQR) as of the measurement year divided by the cohort size to which these companies belong, pooled over a 5-yr window; measurement years are each from 2019 to 2023; MENA seed-funded sample size N=1074; conversions to series A n=148, Success 95% CI margin of error ±3%, Failure -6/+7%; difference of Seed-To-A rates 2023 Handbook vs 2024 concluded not significant by looking s.t. 2023 values are contained within the 2024 margin of error, Success 14% vs 16%, Failure 52% vs 57%

Success Rates Are Stable

Seed-to-series A success rate is stable across MENA's top three hubs since last year

Saudi has caught up with UAE at the lead, while Egypt continues to show extremely high failure rate (70% levels) that warrants critical intervention to improve or provide a lifeline for advanced seed stage ventures in Egypt

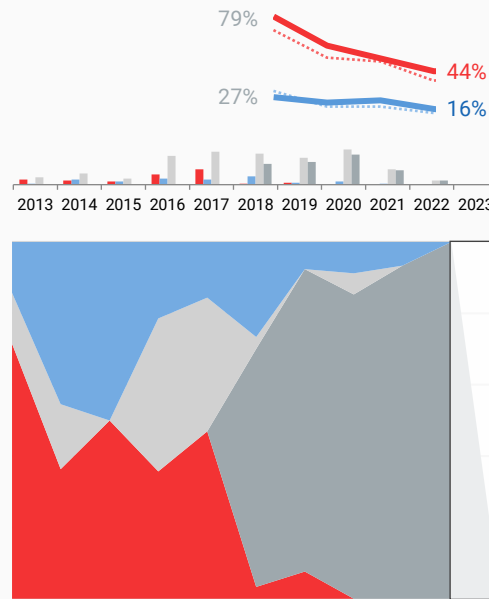


U A E

21% 54%

IS WITHIN THE 2023 HANDBOOK LEVELS

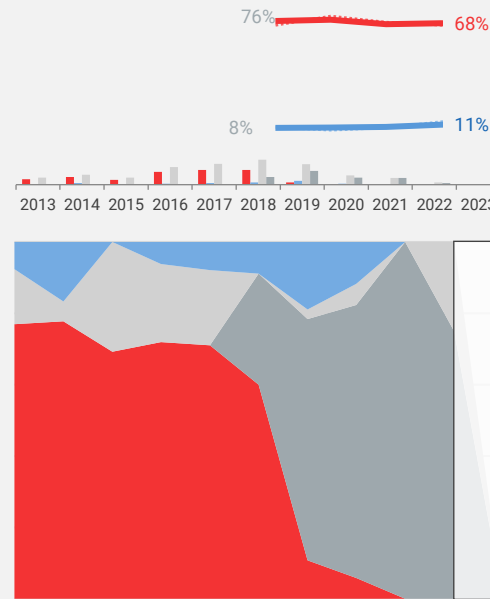
※2023 Level: 18%



SAUDI

16% 44%

Conversion Success Rate = Failure Rate =



EGYPT

11% 68%

IS WITHIN THE 2023 HANDBOOK LEVELS

※2023 Level: 8%

※2023 Level: 79%

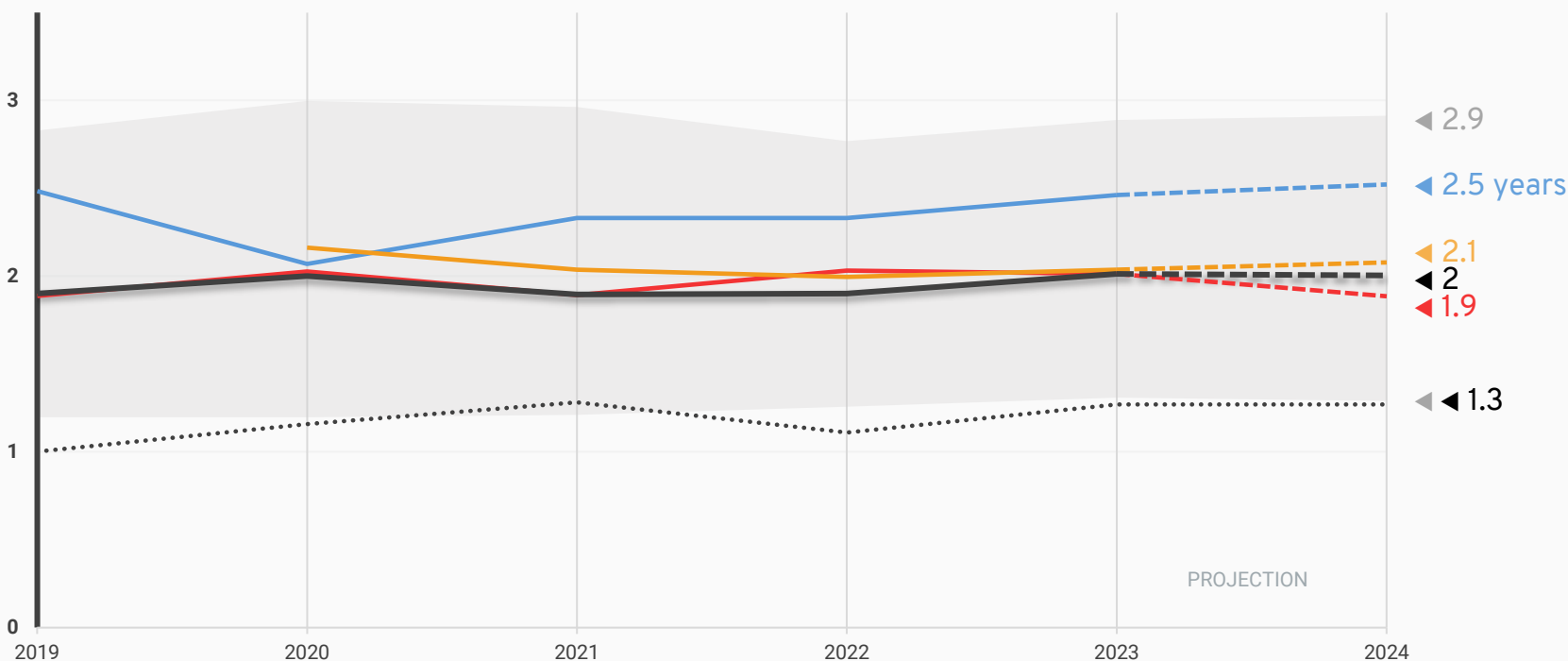
Failure Too early to call Success

※ See previous page for definitions and how calculations are made. MENA seed-funded sample size N=1074; conversions to series A o=148, Success 95% CI margin of error UAE -5/+7%, Egypt -5/+9%, Failure Egypt -12/+15; difference of Egypt Failure Rate 2023 Handbook vs 2024 concluded not significant by looking s.t. 2023 values are contained within the 2024 margin of error, 79% vs 68%

How long does it take to move from seed to series A in MENA 2024?

Seed Holding Period: 2.5 Years in Saudi, 2 Years Everywhere Else

Standard Levels: The normal range of seed holding period in MENA is stable since 2020, roughly between 1 and 3 years



Seed Holding Period To Series A (Years) 2022 and 2023		
Non-MENA	1.3	1.3
UAE	2	1.9
Egypt	2	2.1
Overall MENA	2	2
Saudi	2.5	2.5
75% of all MENA	≥ 1.3	≥ 1.3
75% of all MENA	≤ 2.9	≤ 2.9

Historical Profile and Comparison: **Years From First Seed Raise Until First Series A Round**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

L-estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; MENA converted seed to series A N=148; o=111, median absolute deviation 0.76, σ 0.51, smaller margin since 2023

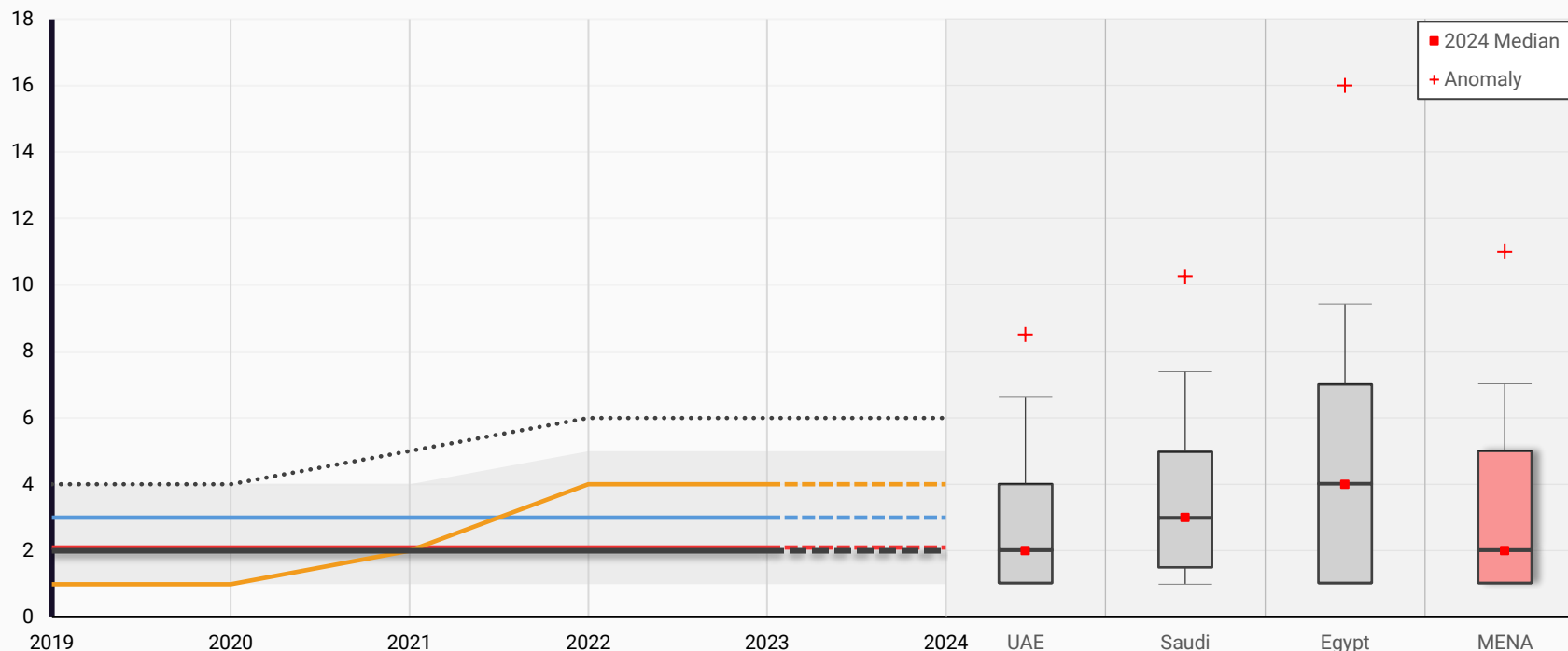
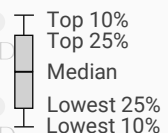
How many investors participate in the series A round in MENA 2024?

Two to Three, Rarely Above Five

The normal range in MENA remains stable between 1 and 5 co-investors per series A round ● Egypt companies continue to see more co-investors at series A, making seeing 7 participants in a series A round not uncommon

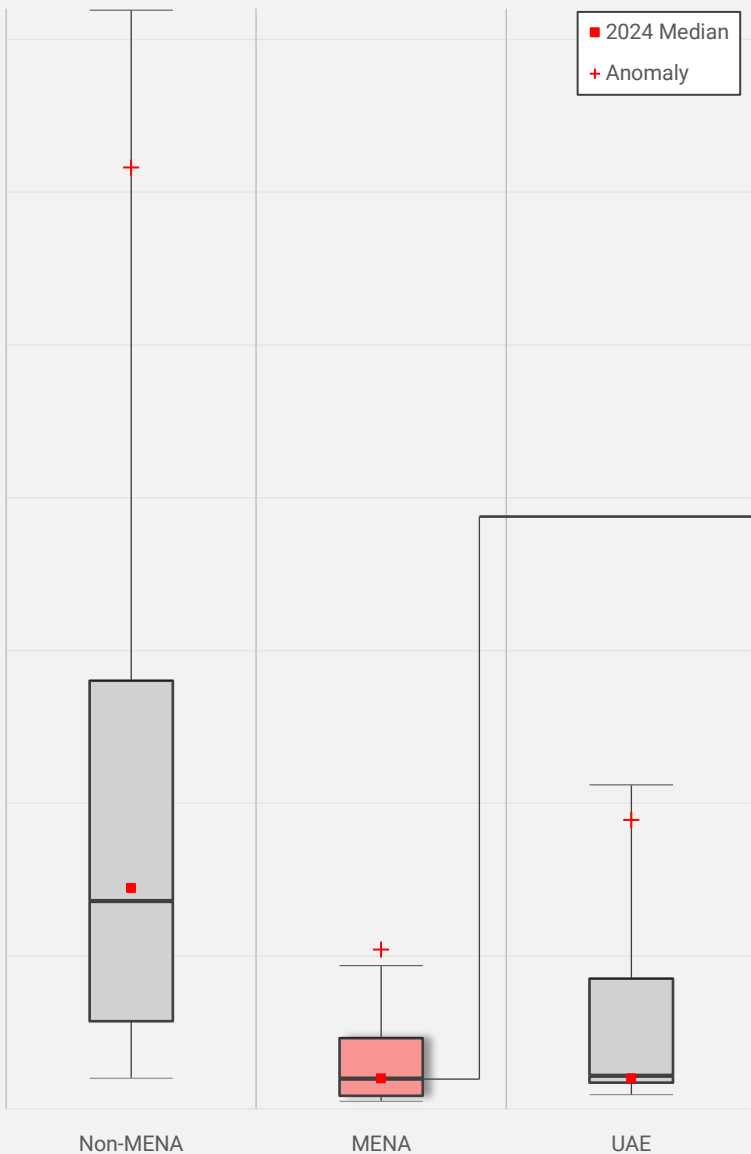
**Investor Count At Series A Raise
2023 and 2024**

Non-MENA	6	6
Egypt	4	4
Saudi	3	3
Overall MENA	2	2
UAE	2	2
75% of all MENA	≥ 1	≥ 1
75% of all MENA	≤ 5	≤ 5



Historical Profile: **Number of Investors at Series A Raise (left) with Detailed Profile 2023/2024 (right)**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

L-estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N=2097; MENA disclosed series A N=277; announced in the last 5 years o=182; Egypt o=37



What premoney valuation to expect when raising Series A in MENA?

\$10M

IS WITHIN THE 2023 HANDBOOK LEVELS

※ 2023 Level: \$11M

The Normal Range in MENA is **\$4M to \$24M**

UAE is Higher Than MENA Average: The top 25% of series A rounds in UAE are priced over \$43M, well above MENA's \$24M

The Elite: 15% of companies who raise series A in MENA are priced between \$24M and \$47M

Premoney valuations above the \$53M mark are outliers, while in UAE outlier threshold is at the \$95M mark

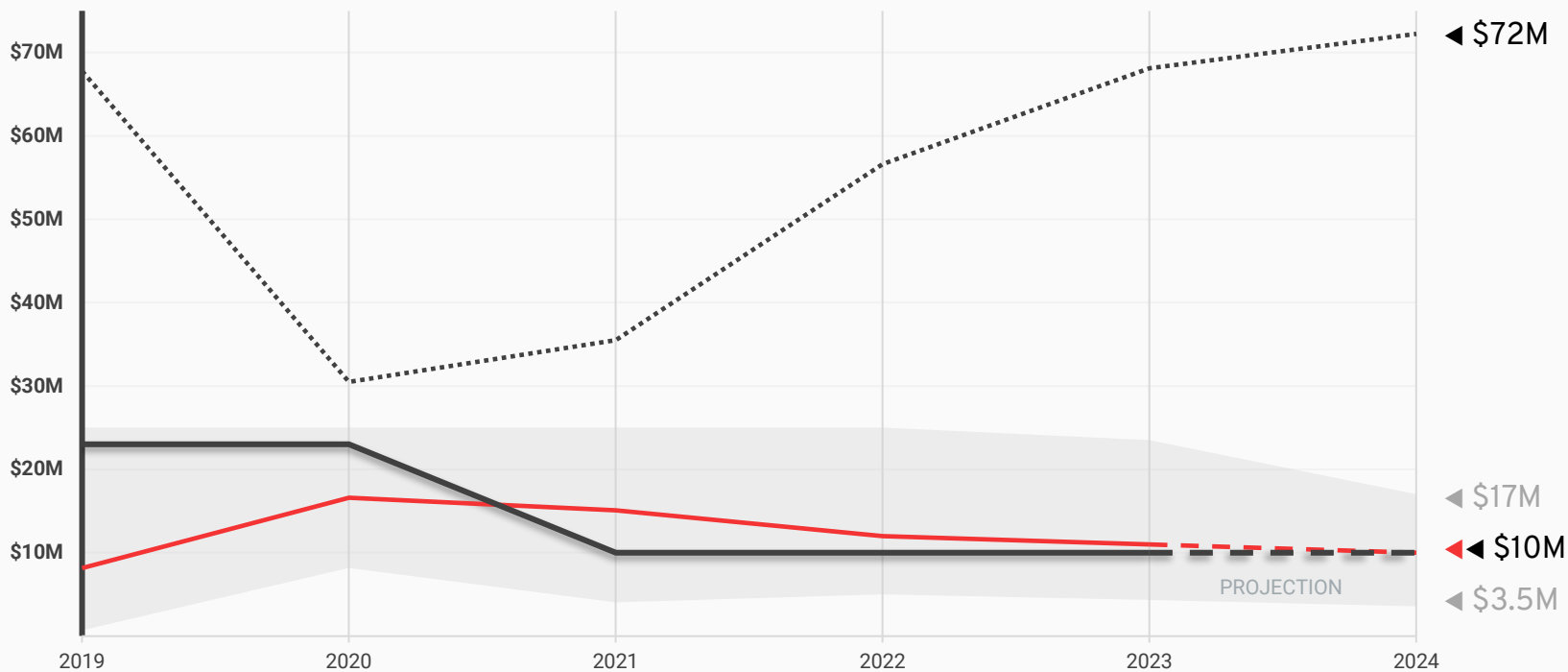
Top 10%
Top 25%
Median
Lowest 25%
Lowest 10%

※ Less than 5 records from Saudi and Egypt; however, the interquartile range is reliable to use for rest of MENA and for use in further treatment to cover Saudi and Egypt; Non-MENA data is reliable
L-estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size N*=2097; MENA disclosed series A N=34; in the last 5 years o=23, median absolute deviation 6.9M, σ̂ 4.6M, smaller margin since 2023

Trends in MENA Series A round premoney valuation for 2024

Series A At Discount in MENA

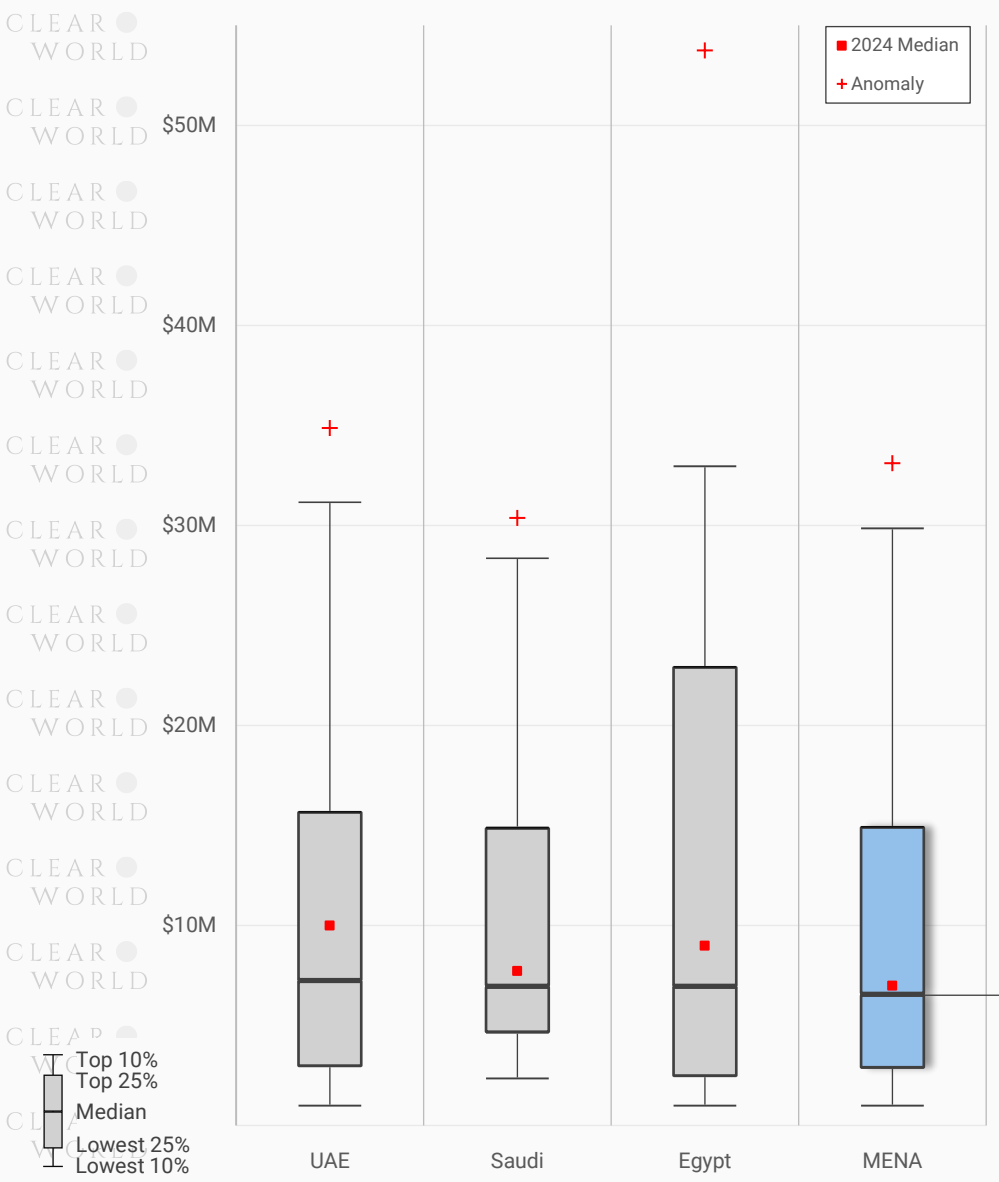
Series A valuations remain stable in MENA outside Saudi and Egypt, well-below the levels seen outside MENA where the same investors in MENA participate



Historical Profile and Comparison: **Premoney Valuation At Series A Round**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

Non-MENA	\$68M	\$72M	
Overall MENA	\$10M	\$10M	
UAE	\$10M	\$10M	
75% of all MENA	≥ \$4M	≥ \$3.5M	
75% of all MENA	≤ \$23M	≤ \$17M	

* Less than 5 records from Saudi and Egypt; however, the interquartile range is reliable to use for rest of MENA and for use in further treatment to cover Saudi and Egypt; Non-MENA data is reliable
L-estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size N*=2097; MENA disclosed series A N=34; in the last 5 years o=23, median absolute deviation 6.9M, σ 4.6M, smaller margin since 2023



How much capital to expect when raising Series A in MENA 2024?

\$6.6M

IS WITHIN THE 2023 HANDBOOK LEVELS

※2023 Level: \$6.7M

The Normal Range in MENA is \$3M to \$15M

Egypt is Thriving: In contrast with UAE and Saudi, Egypt companies have many paths towards expansion (Egypt vs Africa vs GCC), allowing for a diverse mark-to-market pricing of the round based on the company's sector and target market. This is reflected on the wider spread in round size

The Elite: 15% of companies who raise series A in MENA are spread across a wide span between \$15M and \$30M

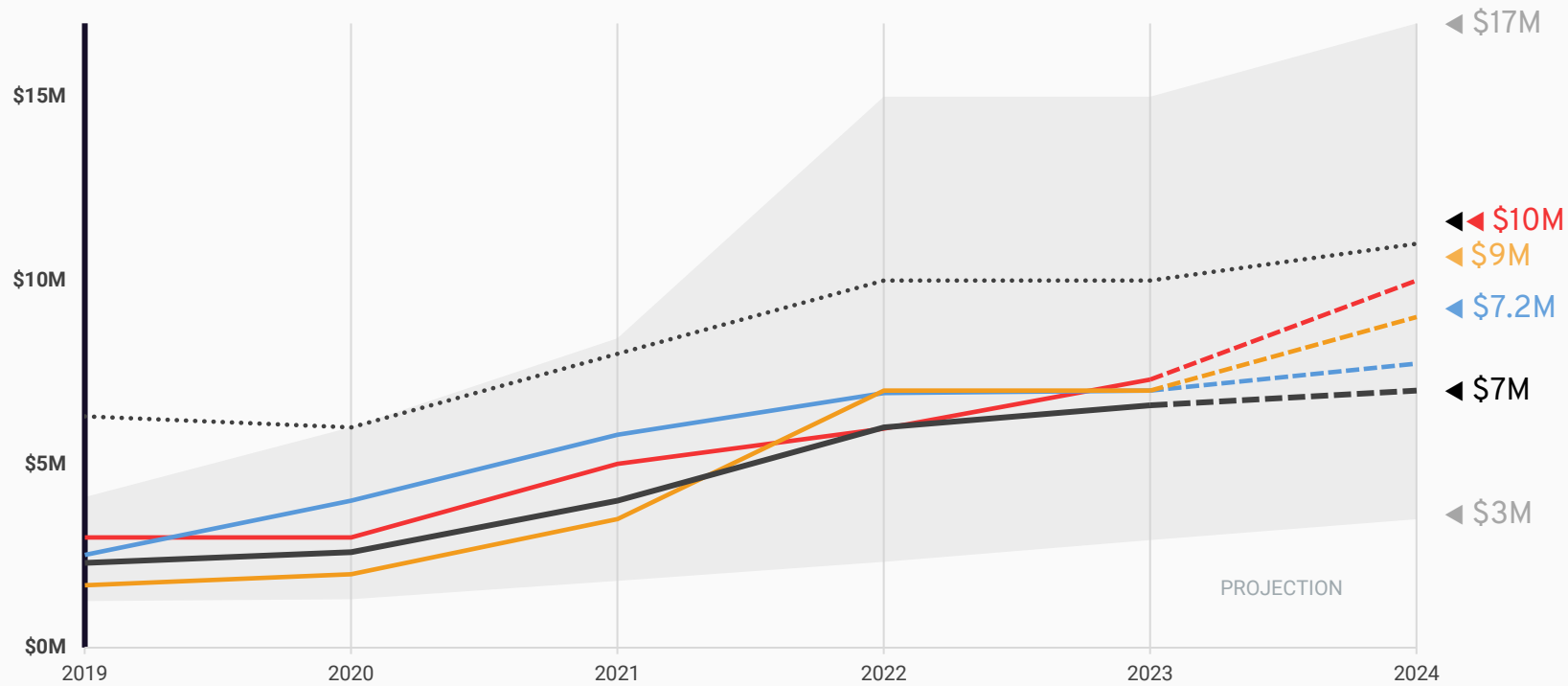
Companies who raise \$33M+ in a single series A round are outliers

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N*=2097; MENA disclosed series A N=277; announced in the last 5 years o=182, median absolute deviation 4.5M, σ 3M, smaller margin since 2023

Trends in MENA Series A round size for 2024

Significantly Cheaper Series A Outside the Top Three

\$7M has become the expected average in MENA series A, though this figure drops significantly outside the top three hubs; the normal range of money raised at Series A in Rest of MENA is \$1.3M to \$5M, which brings the overall MENA average below the top three, and makes a case for redomiciling when the venture approaches Series A



Round Size At Series A Round 2023 and 2024			
Non-MENA	\$10M	\$11M	
UAE	\$7.3M	\$10M	
Egypt	\$7M	\$9M	
Saudi	\$7M	\$7.7M	
Overall MENA	\$6.7M	\$7M	
75% of all MENA	≥ \$3M	≥ \$3.5M	
75% of all MENA	≤ \$15M	≤ \$17M	

Historical Profile and Comparison: **Round Size At Series A Raise**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N=2097; MENA disclosed series A N=277; announced in the last 5 years o=182, median absolute deviation 4.5M, σ 3M, smaller margin since 2023

How much dilution to expect when raising Series A in MENA 2024?

20%

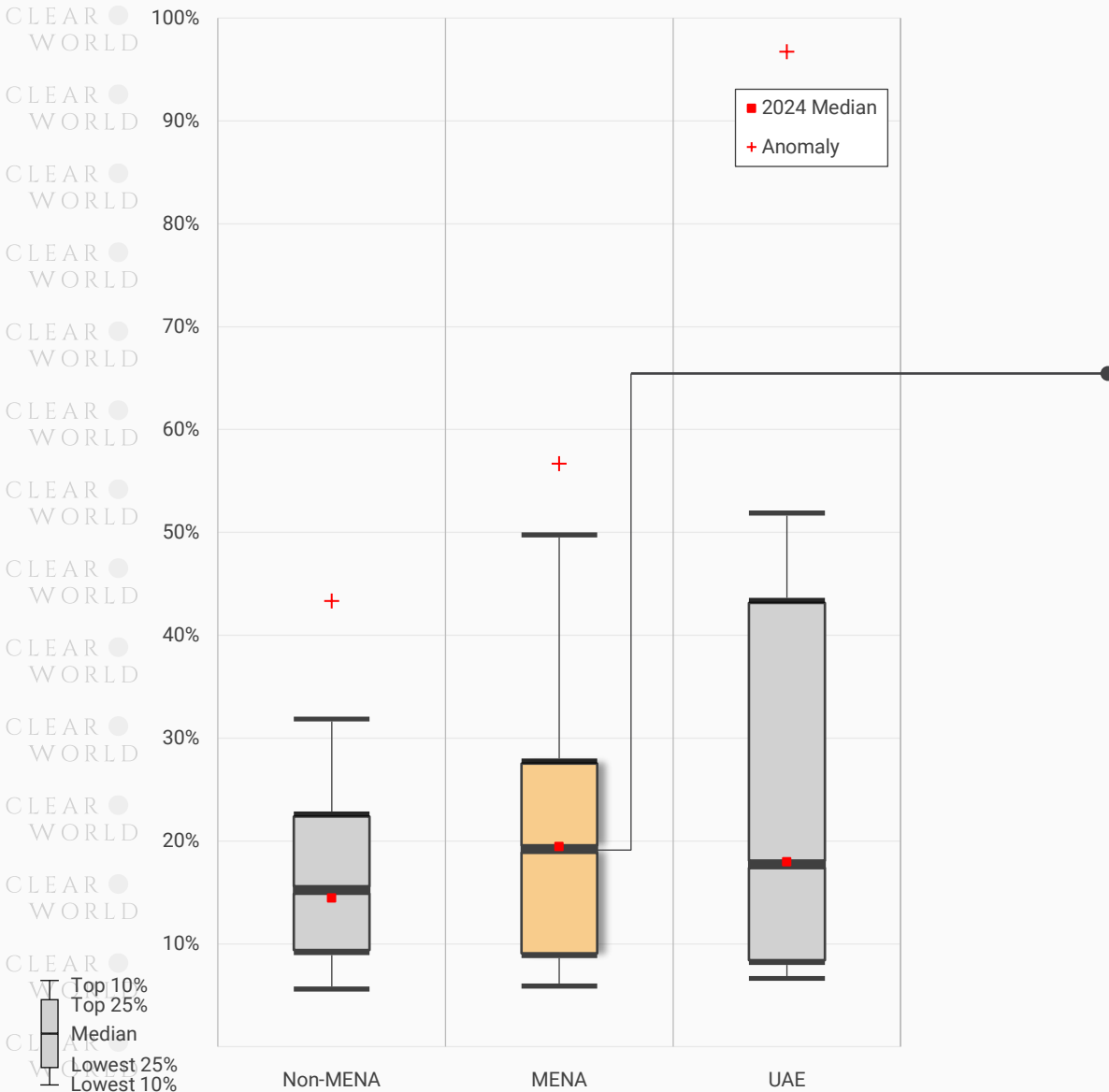
= IS WITHIN THE 2023 HANDBOOK LEVELS

The Normal Range in MENA is 9% to 28%

Large Dilutions in UAE: Though the average remains within the global levels of Series A dilution, 40% of UAE ventures raise at higher dilutions (18%-43%), usually a sign of potential distress or imminent structured exit deal

The Elite: 15% of companies in MENA raise Series A at much smaller dilutions (6%-9%)

Above 50% is rare, while >57% is outlier territory



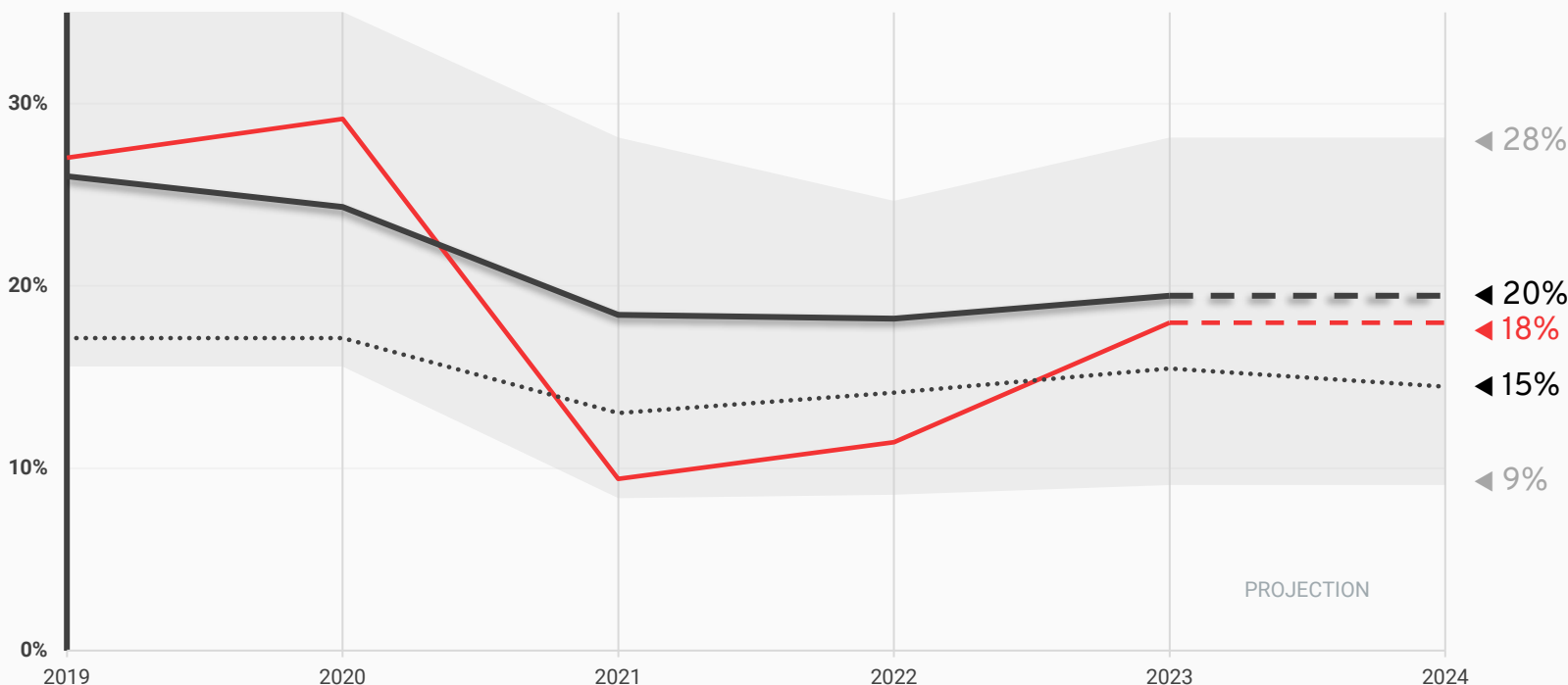
* Less than 5 records from Egypt, no records from Saudi; however, the interquartile range is reliable to use in further treatment to cover Saudi and Egypt; Non-MENA data is reliable

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N*=65; MENA disclosed series A N=27; announced in the last 5 years o=17, median absolute deviation 10.4%, σ 7%, larger margin since 2023; difference of Dilution At Series A 2023 Handbook vs 2024 concluded not significant by looking s.t. 2023 values are contained within the 2024 margin of error, 18.2% vs 20%

Trends in dilution at Series A round in MENA for 2024

In Line With Non-MENA

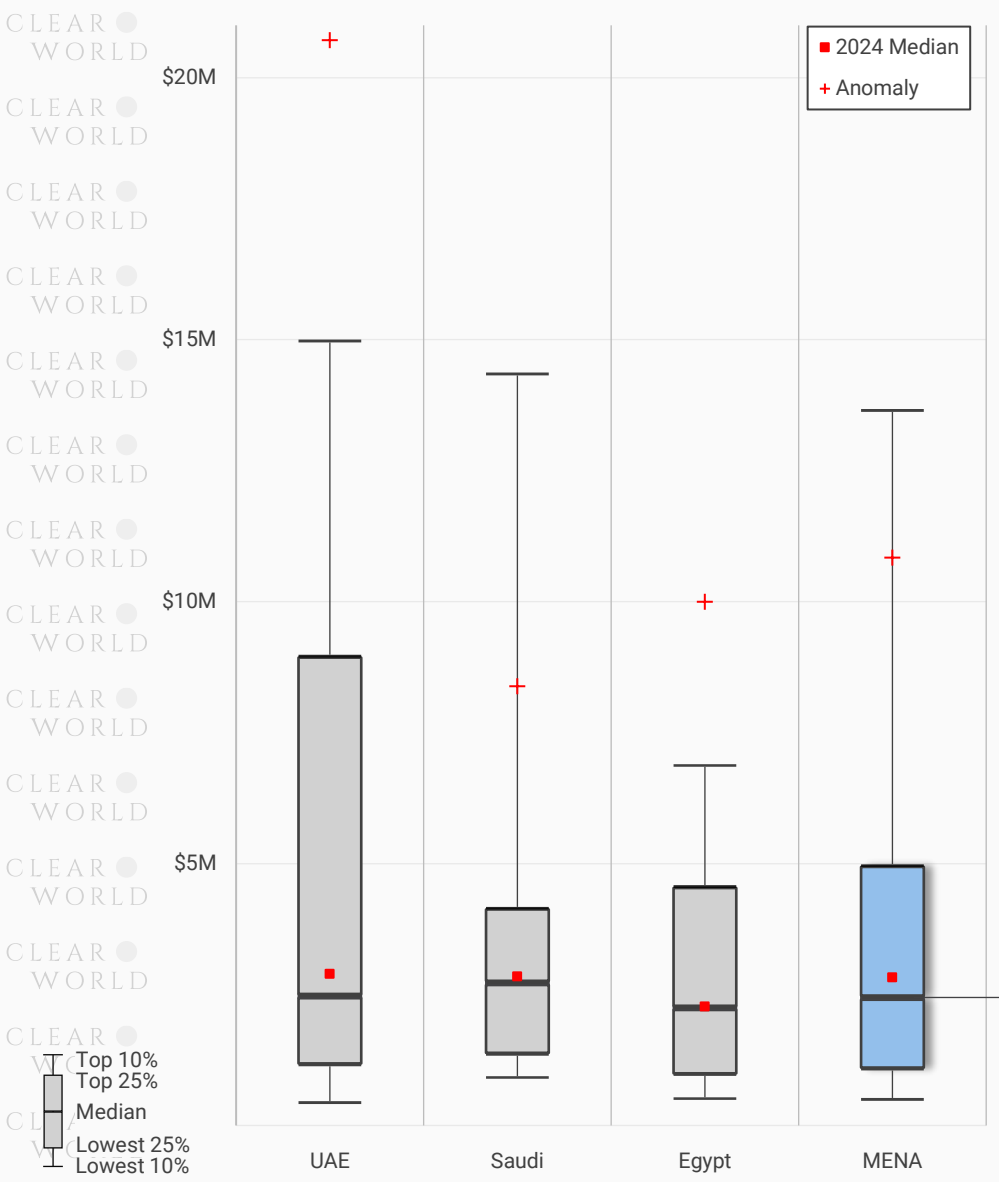
Series A dilution in MENA is within the levels seen abroad (9%-23%), a sign of VC-like practices becoming the standard. This is a welcomed progress after years of exceptionally high dilutions in the earlier years of tech investment in MENA.



Category	2023 (%)	2024 (%)
Overall MENA	20%	20%
UAE	18%	18%
Non-MENA	16%	15%
75% of all MENA	≥ 9%	≥ 9%
75% of all MENA	≤ 28%	≤ 28%

Historical Profile and Comparison: Dilution At Series A Raise
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

* Less than 5 records from Egypt, no records from Saudi; however, the interquartile range is reliable to use in further treatment to cover Saudi and Egypt; Non-MENA data is reliable. Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N*=65; MENA disclosed series A N=27; announced in the last 5 years n=17, median absolute deviation 10.4%, σ 7%, larger margin since 2023



What ticket size to expect when raising Series A in MENA 2024?

\$2.5M

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The Normal Range in MENA is **\$1.1M to \$5M**

UAE Has Its Own Rules: The wider spread above the average in UAE allows for larger ticket sizes, compared to much more standardized Series A tickets in Saudi and Egypt

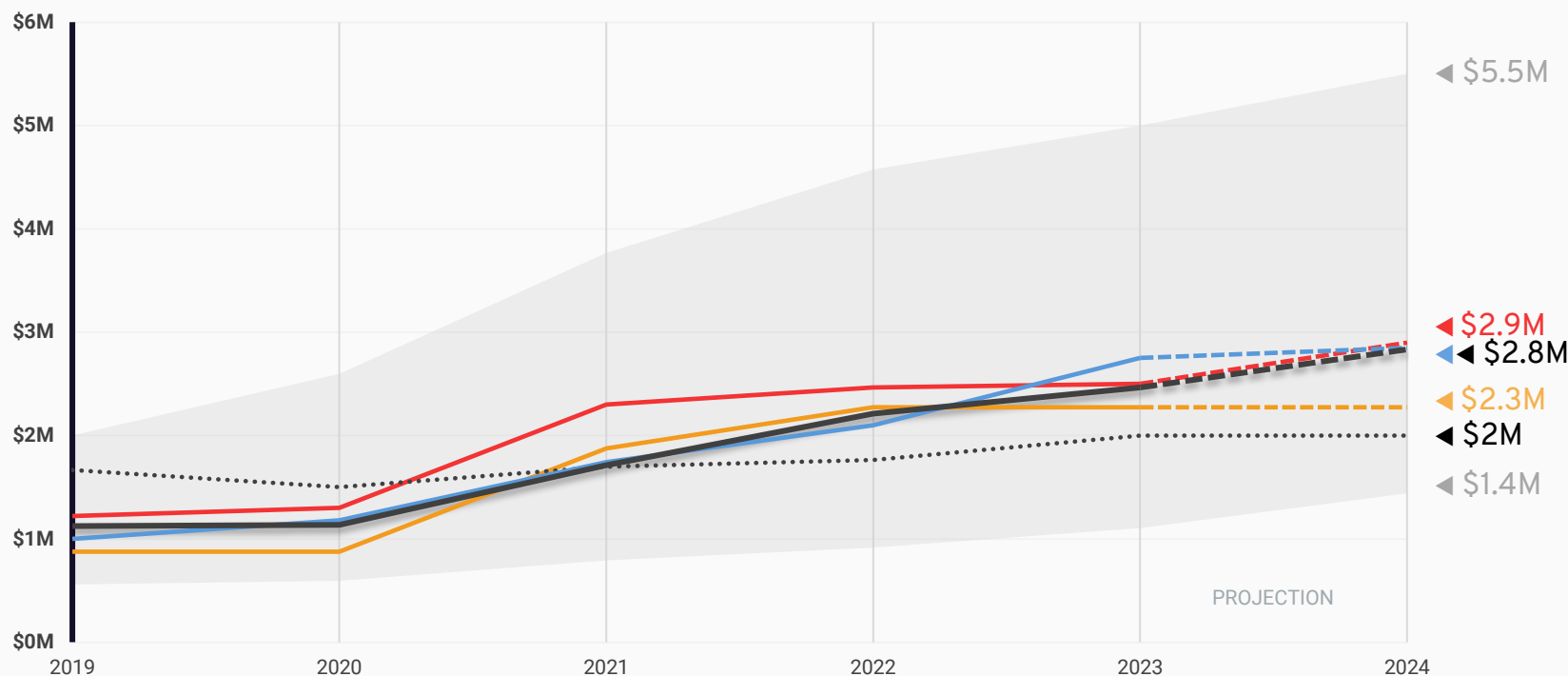
Bigger Spenders: 15% of Series A rounds have tickets sizes between \$5M and \$14M

Series A rounds with >\$11M tickets in MENA are outliers

Trends in MENA Series A ticket size for 2024

Series A Ticket Size Rally Continues in MENA

Ticket sizes in MENA continue to be larger than abroad, specifically in rounds where the same investors also participate

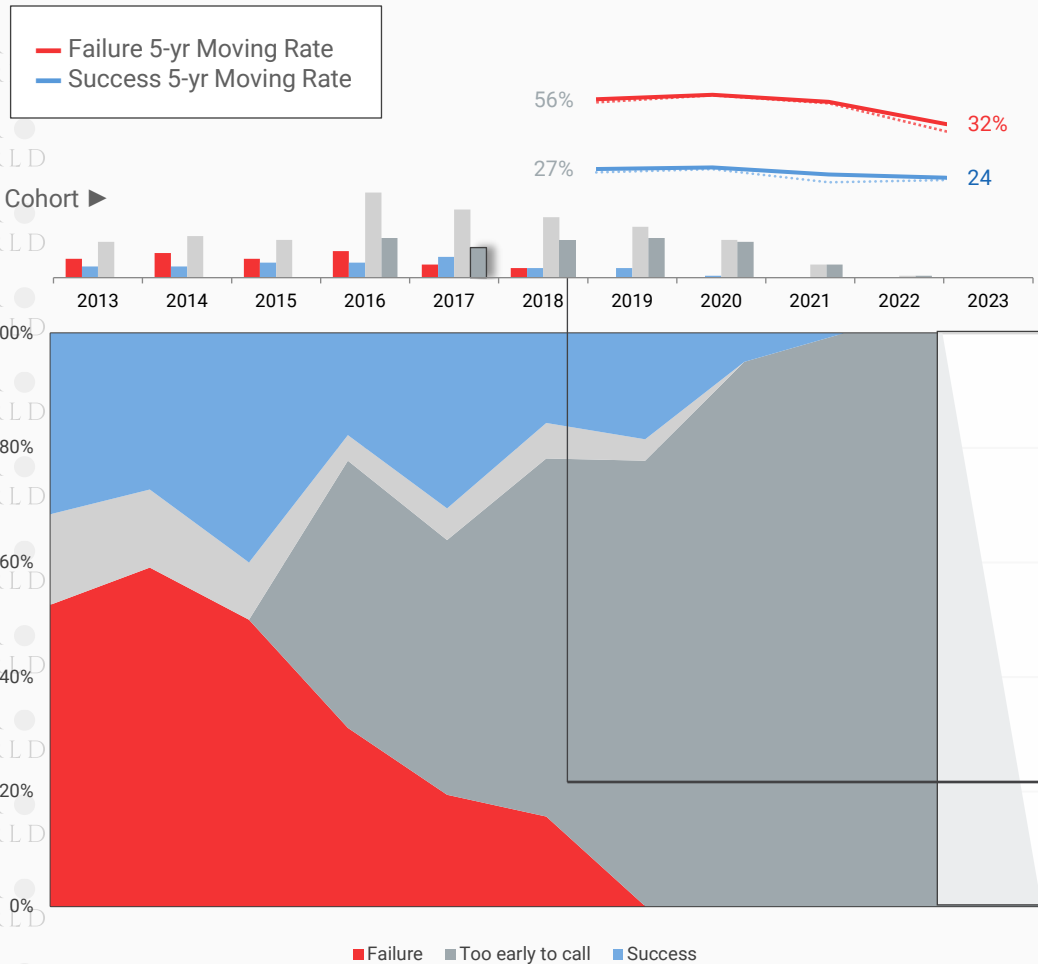


Ticket Size At Series A Round 2023 and 2024			
UAE	\$2.5M	\$2.9M	
Saudi	\$2.8M	\$2.8M	
Overall MENA	\$2.5M	\$2.8M	
Egypt	\$2.2M	\$2.3M	
Non-MENA	\$2M	\$2M	
75% of all MENA	≥ \$1.1M	≥ \$1.4M	
75% of all MENA	≤ \$5M	≤ \$5.5M	

Historical Profile and Comparison: **Ticket Size At Series A Round (Uniform Split Among Participants)**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N=2097; MENA disclosed series A N=277; announced in the last 5 years o=182, median absolute deviation 1.6M, σ 1.08M, smaller margin since 2023

How many make it to growth stage in MENA 2024?



Advancing Beyond Series A in MENA 2024

Success 24%

= IS WITHIN THE 2023 HANDBOOK LEVELS

Failure 32%

= IS WITHIN THE 2023 HANDBOOK LEVELS

Danger Zone: By 2025, 21 more Series A ventures will confirm failure – that's **20% of the pipeline** available today effectively getting written-off

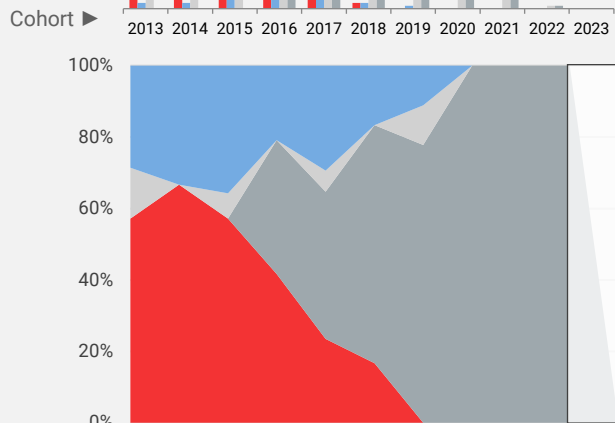
Failure 5-yr Moving Rate: Counts companies who shutdown or are too old to raise series A (exceeded the anomaly upper bound defined as quartile 3 + 1.5 IQR) as of the measurement year divided by the cohort size to which these companies belong, pooled over a 5-yr window; measurement years are each from 2019 to 2023; MENA series A-funded ventures sample size N=253; conversions to next stage $\sigma=59$; Success 95% CI margin of error -7/+9%, Failure -8/+11%; difference of A-To-Post-A rates 2023 Handbook vs 2024 concluded not significant by looking s.t. 2023 values are contained within the 2024 margin of error, Success 27% vs 24%, Failure 33% vs 32%

Growth Stage is UAE's Best Success Rate

In UAE, if the venture doesn't exit at Series A, it has higher chances of graduating to the next stage than it had in any of its previous stage

Success and failure rate levels haven't shown statistically-significant change since last year as MENA draws closer to resolving the growing backlog of Series A ventures

Failure 5-yr Moving Rate ▶ 64% → 39%
Success 5-yr Moving Rate ▶ 29% → 24%



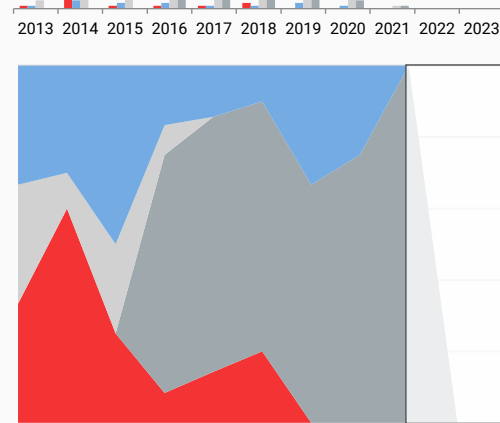
U A E

24% **39%**

= IS WITHIN THE 2023 HANDBOOK LEVELS

※ 2023 Level: 32% ※ 2023 Level: 28%

60% → 26%
28% → 21%

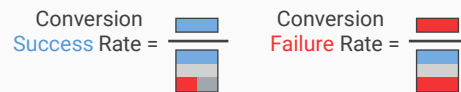


S A U D I

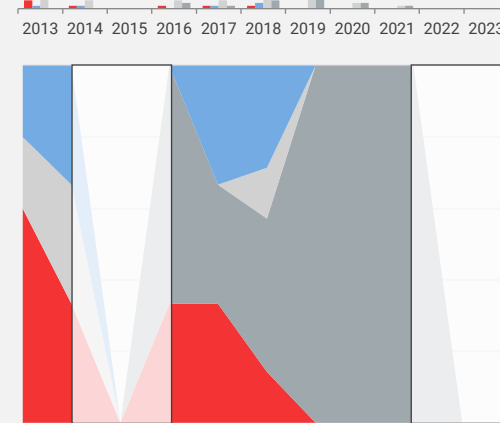
21% **26%**

= IS WITHIN THE 2023 HANDBOOK LEVELS

※ 2023 Level: 20%



54% → 25%
17% → 15%

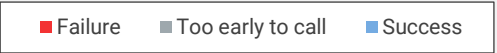


E G Y P T

15% **25%**

= IS WITHIN THE 2023 HANDBOOK LEVELS

※ 2023 Level: 26% ※ 2023 Level: 20%

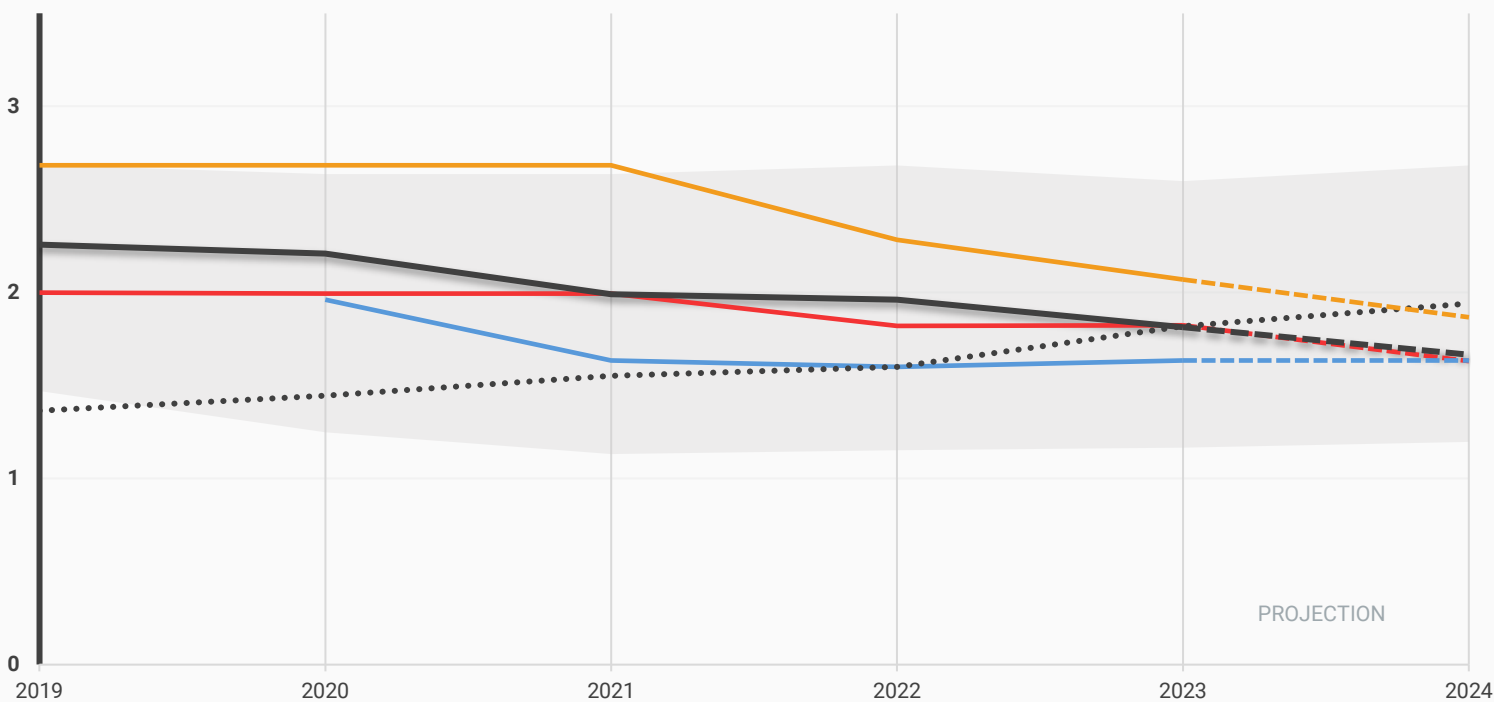


※ See previous page for definitions and how calculations are made. MENA series A-funded ventures sample size N=253; conversions to next stage o=59, Success 95% CI margin of error -7/+9%, Failure -8/+11%; difference of Egypt Success Rate 2023 Handbook vs 2024 δ=11%, 95% CI [-0.25, 0.48] (not statistically significant); rest of differences concluded not significant by looking s.t. 2023 values are contained within the 2024 margin of error

How long does it take to move from series A to the next stage in MENA?

Series A Holding Period: Less Than 2 Years

Median continues to converge and contract rapidly; the entire MENA normal range is roughly between 1 and 2.5 years
When it comes to Series A holding period, MENA ventures today are at the same level of ventures outside MENA



Series A Holding Period To Next (Years) 2023 and 2024		
Saudi	1.6	1.6
UAE	1.8	1.6
Overall MENA	1.8	1.7
Egypt	2.1	1.9
Non-MENA	1.8	1.9
75% of all MENA	≥ 1.1	≥ 1.2
75% of all MENA	≤ 2.6	≤ 2.7

Historical Profile and Comparison: **Years From First Series A Raise Until the Next Stage Raise (Most Commonly Series B)**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

L-estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; MENA converted series A to next stage N=59, o=44; median absolute deviation 0.71, σ 0.48, smaller margin since 2023

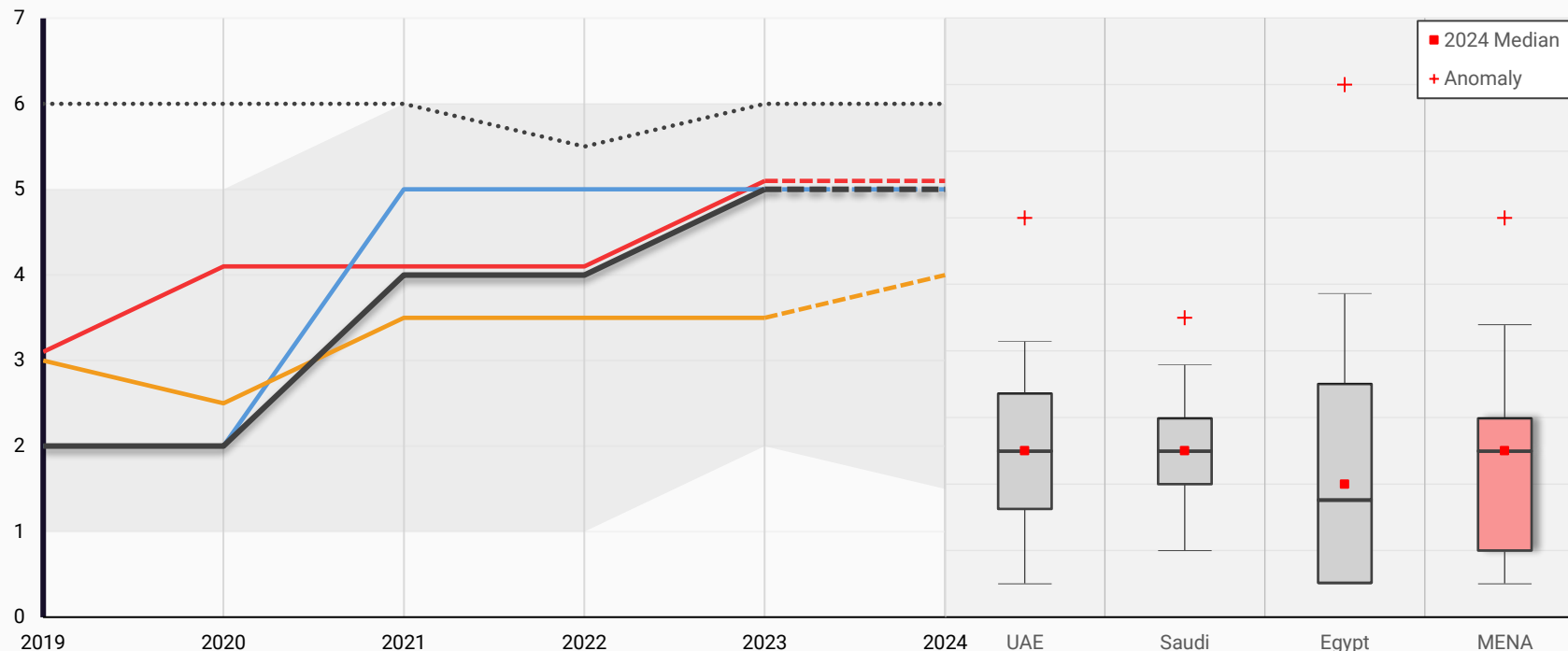
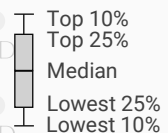
How many investors participate in the series B round in MENA?

Five to Six, Same As Series B Outside MENA

The normal range in MENA remains stable between 2 and 6 co-investors per series B round. Some Egypt companies may see less co-investors, depending on whether they close with MENA investors or EU/China/Africa investors.

**Investor Count At Series B Raise
2023 and 2024**

Non-MENA	6	6	
Egypt	4	4	
Saudi	5	5	
Overall MENA	5	5	
UAE	5	5	
75% of all MENA	≥ 2	≥ 2	
75% of all MENA	≤ 6	≤ 6	



Historical Profile: **Number of Investors at Series B Raise (left) with Detailed Profile 2023/2024 (right)**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

L-estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N=2097; MENA disclosed series B N=94; announced in the last 5 years o=63; Egypt o=12

How much capital to expect when raising Series B in MENA 2024?

\$15M

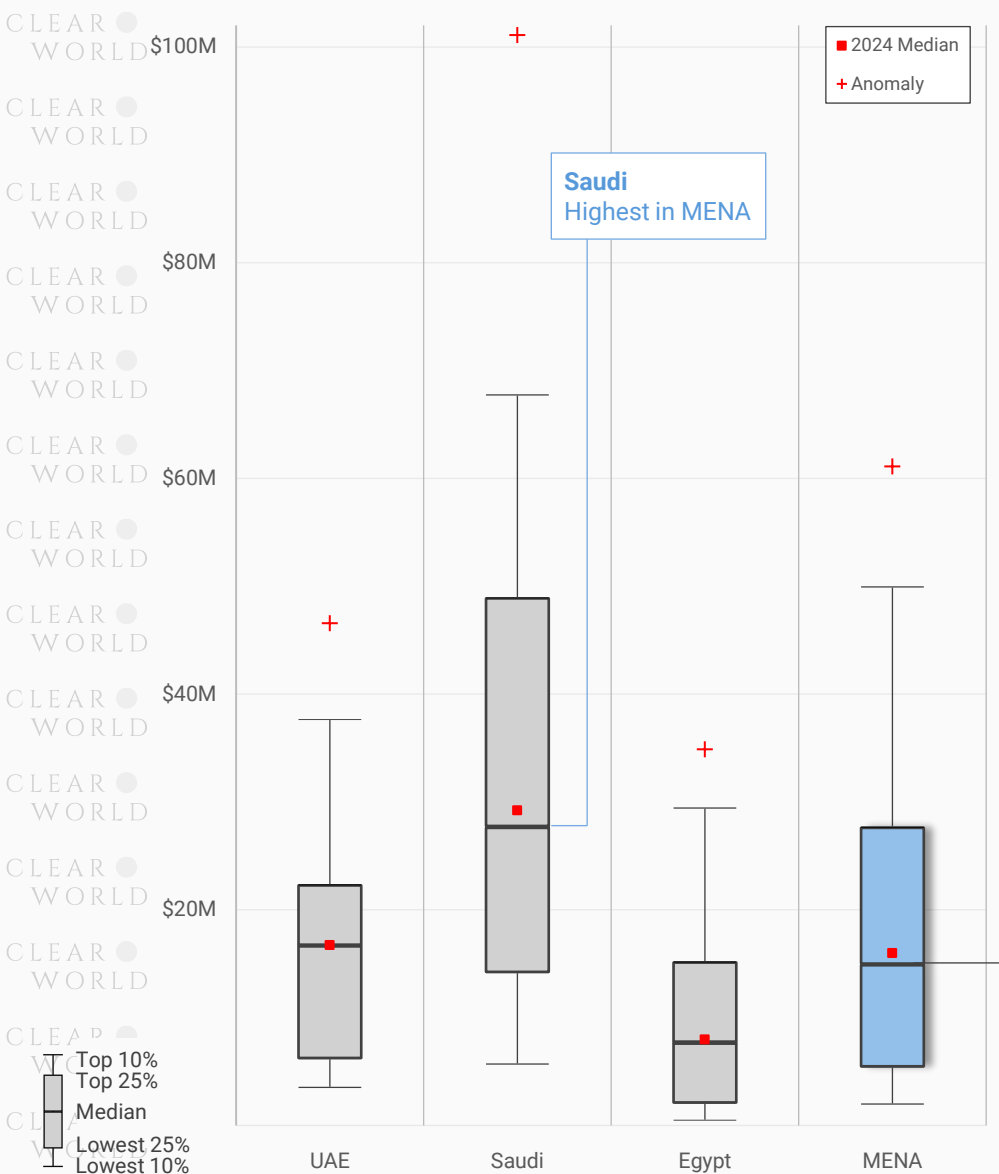
IS WITHIN THE 2023 HANDBOOK LEVELS
*2023 Level: \$15M

The Normal Range in MENA is **\$5.5M to \$28M**

Saudi Price Spike: 75% of Series B rounds in Saudi are above the MENA average, while 50% of Saudi's rounds see prices that are considered rare elsewhere in MENA, including in UAE

The Elite: 15% of companies who raise series B in MENA are spread across a wide span between \$28M and \$50M

Companies who raise \$61M+ in a single series B round are outliers, and that threshold is pushed to \$101M in Saudi



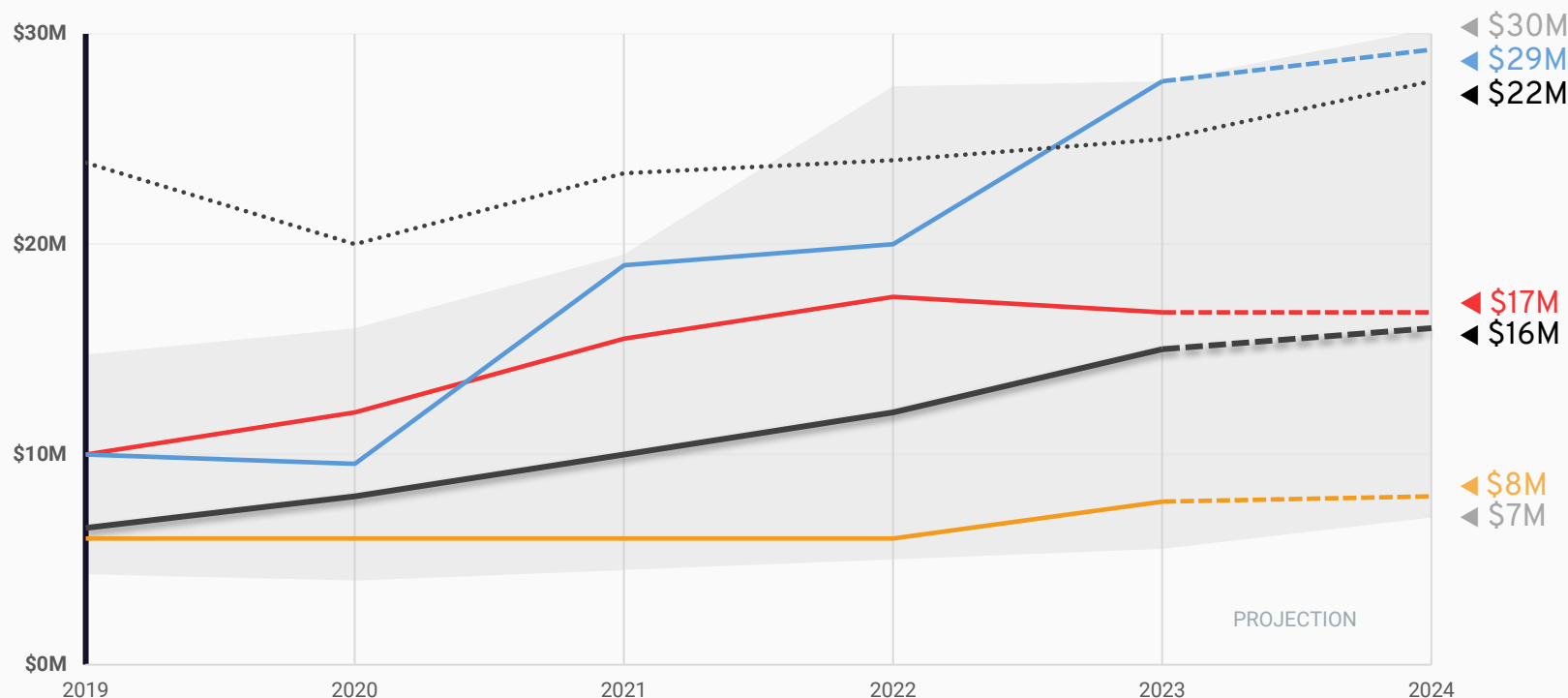
Top 10%
Top 25%
Median
Lowest 25%
Lowest 10%

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N*=2097; MENA disclosed series B N=94; announced in the last 5 years o=63, median absolute deviation 10.5M, σ 7.08M, stable margin since 2023; Saudi o=18

Trends in MENA Series B round size for 2024

The Saudi Growth Stage Rally Continues

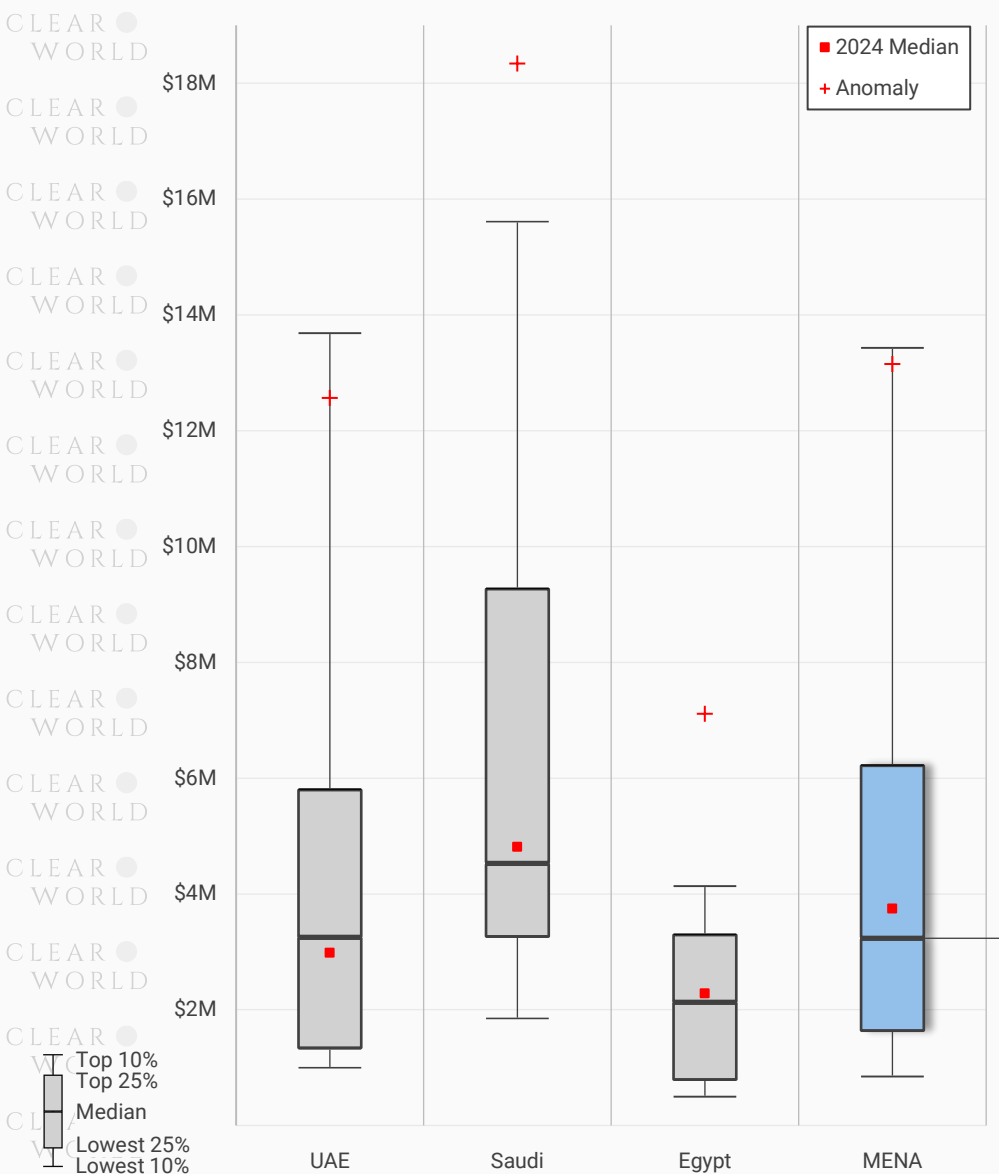
Since 2020, the SWF LP capital injection with the announced purpose of creating Saudi unicorns has triggered a rally in Series B average size in Saudi to the point it surpassed the average outside MENA where the same investors participate



Round Size At Series B Round 2023 and 2024			
Saudi	\$28M	\$29M	
Non-MENA	\$25M	\$28M	
UAE	\$17M	\$17M	
Overall MENA	\$15M	\$16M	
Egypt	\$8M	\$8M	
75% of all MENA	≥ \$5.5M	≥ \$7M	
75% of all MENA	≤ \$28M	≤ \$30M	

Historical Profile and Comparison: **Round Size At Series B Round**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N=2097; MENA disclosed series B N=94; announced in the last 5 years o=63, median absolute deviation 10.500M, σ 7.082M, stable margin since 2023; Saudi o=18



What ticket size to expect when raising Series B in MENA 2024?

\$3.2M

IS WITHIN THE 2023 HANDBOOK LEVELS
*2023 Level: \$4M

The Normal Range in MENA is **\$1.6M to \$6.2M**

Pricier Entry in Saudi: Investing in Saudi Series B requires a larger ticket commitment compared to MENA, though some UAE growth stage investors would still bear to get in

Volatility: UAE and Saudi Series B tickets show significant spread, with \$10M tickets not being an anomaly anymore

Series B rounds with >\$13M tickets in MENA are outliers, and that threshold is pushed to \$18M in Saudi

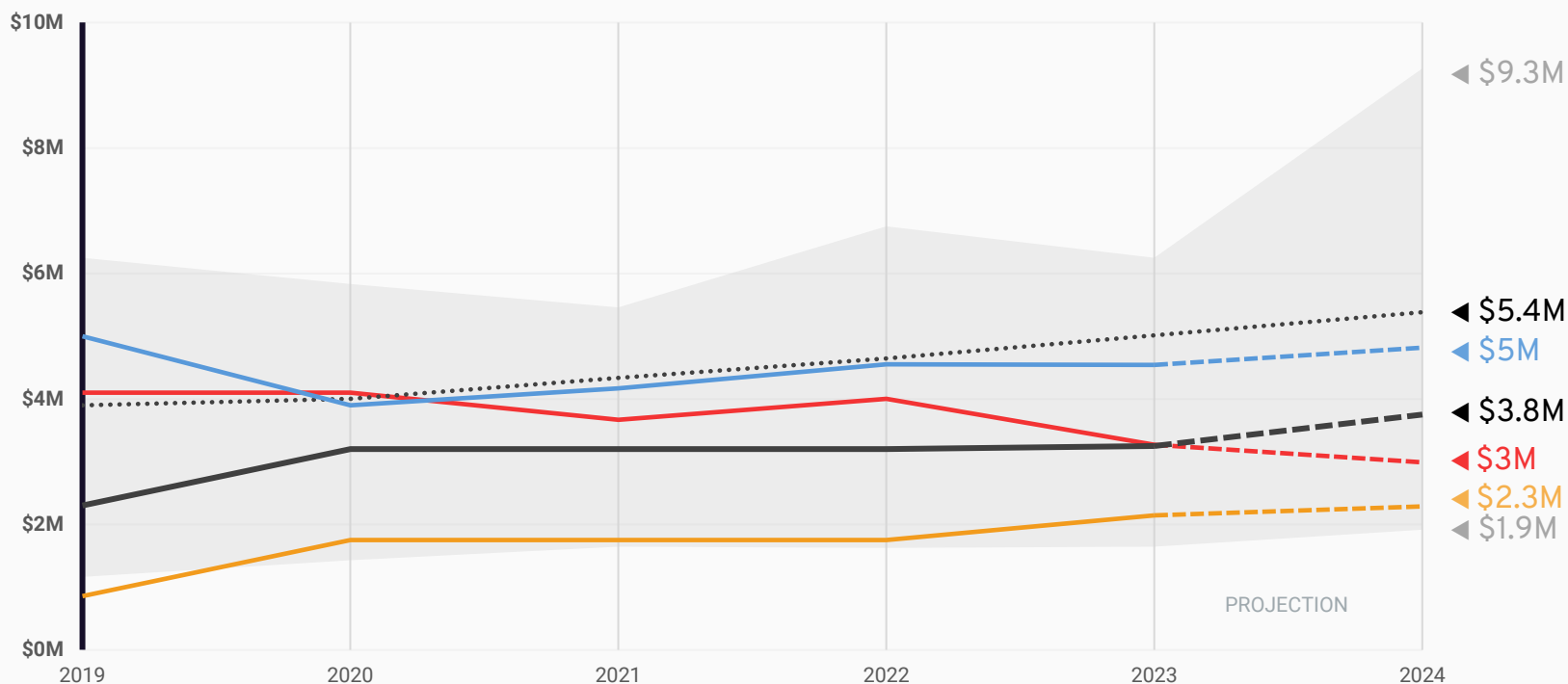
Top 10%
Top 25%
Median
Lowest 25%
Lowest 10%

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N*=2097; MENA disclosed series B N=94; announced in the last 5 years o=63, median absolute deviation 2.0M, σ 1.348M, smaller margin since 2023; Saudi o=18

Trends in MENA Series B ticket size for 2024

Wide Range, But the Convergence Around \$3M-\$4M Continues to Hold

Average ticket sizes in MENA are fairly standardized, which shows a more prevalent tendency to increase the number of co-investors in the round rather than increasing the ticket size, though this applies only to the average Series B rounds



Ticket Size At Series B Round 2023 and 2024		
Non-MENA	\$5M	\$5.4M
Saudi	\$4.5M	\$5M
Overall MENA	\$3.2M	\$3.8M
UAE	\$3.2M	\$3M
Egypt	\$2.1M	\$2.3M
75% of all MENA	≥ \$1.6M	≥ \$1.9M
75% of all MENA	≤ \$6.2M	≤ \$9.3M

Historical Profile and Comparison: **Ticket Size At Series B Round (Uniform Split Among Participants)**
5-yr Moving Median At End of Year, MENA Ventures vs Non-MENA Ventures* 2019-2024

Estimators on 5-yr moving basis ending 1/1/2024 measured in 04/2024; sample size excludes accelerator rounds N=2097; MENA disclosed series B N=94; announced in the last 5 years o=63, median absolute deviation 2.0M, σ 1.348M, smaller margin since 2023; Saudi o=18

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2024 MENA EARLY STAGE

DATA HANDBOOK

METHODOLOGY,
INFORMATION ABOUT THIS EFFORT,
HOW YOU CAN SUPPORT IT

DATA HANDBOOK

CLEARWORLD MODEL

<p>LAYER 1</p>	<p>Agnostic Data Input</p>	<p>Accepts all data sources</p>	<p>COMPANIES 18,000</p> <p>4.4k Tech ventures 13.6k Control group</p>	<p>INVESTORS 1,900</p> <p>900 MENA based 1000 Non-MENA based active in MENA</p>	<p>DEALS 7,900</p> <p>4,500 By MENA companies 3,400 Non-MENA companies with MENA investors</p>
<p>LAYER 2</p>	<p>260 Procedures</p>	<p>To treat noise, partial data, and rehabilitate the input datasets</p>			
<p>LAYER 3</p>	<p>160 Enrichment Features</p>	<p>Generate the features that can answer business objectives of policymakers, investors and business owners</p>			
<p>LAYER 4</p>	<p>Methodology Standards</p>	<p>Frameworks and tools to stress test and generate insights, compare results, and conduct hypothesis testing and academic research</p>			

DATA HANDBOOK

TESTS AND STATISTICAL TREATMENT

Insight Number	Treatments					
	B	L	M	W	P	U
06-18						
19-20, 22, 24, 26-28						
21, 23, 25						
29-30						
31-40						
41-42						
43-48						

- B** Binomial population proportion difference and Newcombe difference of differences
- L** L-statistics and non-parametric treatments
- M** Median absolute deviation and variance estimator
- W** Wilson score confidence interval
- P** Propagation of Wilson score confidence intervals
- U** Mann-Whitney U, Kolmogorov-Smirnov tests

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Newcombe, R. G. (1998). Interval estimation for the difference between independent proportions: comparison of eleven methods. *Statistics in medicine*, 17: 873-890. [doi:10.1002/\(SICI\)1097-0258\(19980430\)17:8<873::AID-SIM779>3.0.CO;2-I](https://doi.org/10.1002/(SICI)1097-0258(19980430)17:8<873::AID-SIM779>3.0.CO;2-I)

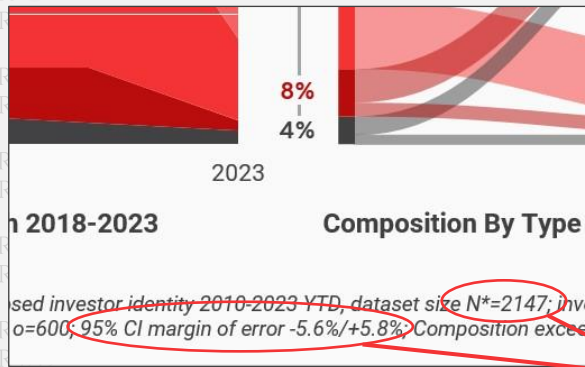
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Wallis, S. (2013). Binomial Confidence Intervals and Contingency Tests: Mathematical Fundamentals and the Evaluation of Alternative Methods. *Journal of Quantitative Linguistics*, 20:3, 178-208. [doi:10.1080/09296174.2013.799918](https://doi.org/10.1080/09296174.2013.799918)

DATA HANDBOOK

HOW TO INVALIDATE OUR FINDINGS



For Population Proportions

Analysis of the 95% confidence interval margin of error is sufficient to establish comparison of alternative findings.

A visual method to set the level where our insight is invalidated is to identify a separate dataset completely at random, calculate its estimator's 95% CI margin of error, and check the overlap area between the two margins. If they do not overlap and the distance is significant between the two, then it provides a different story than ours. If your sample size is larger, or you find more samples corroborating the direction and distance, that would be the invalidation signal.

Given the asymmetry in most data in MENA, the best method to compare is Newcombe difference of differences.

We make sure to include the sample size (N) and 95% CI margin of error in the technical footnote on every insight.



For Nonparametric Treatments

Where L-estimators are used, interquartile range (IQR) is sufficiently able to contain all observations from the population from which the sample is drawn.

A quick method to set the level where the insight is invalidated is to identify a separate dataset completely at random, its size is larger than 50% the number of observations in our sample, and all its members show values outside of our reported IQR.

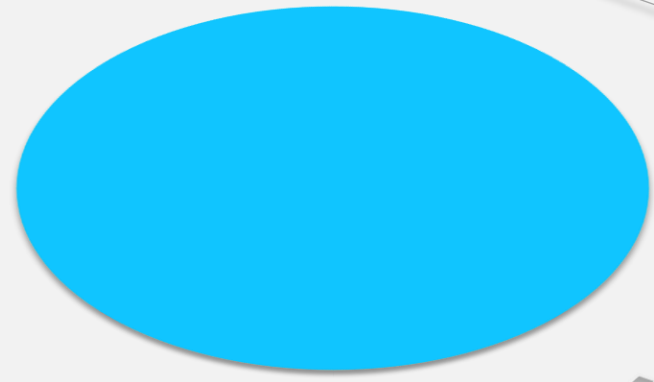
We make sure to include the number of observations (o) in the technical footnote on every insight.

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COMMON INTELLIGENCE

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WE PUBLISH
3 COLLECTIONS
TO COVER EVERY PILLAR

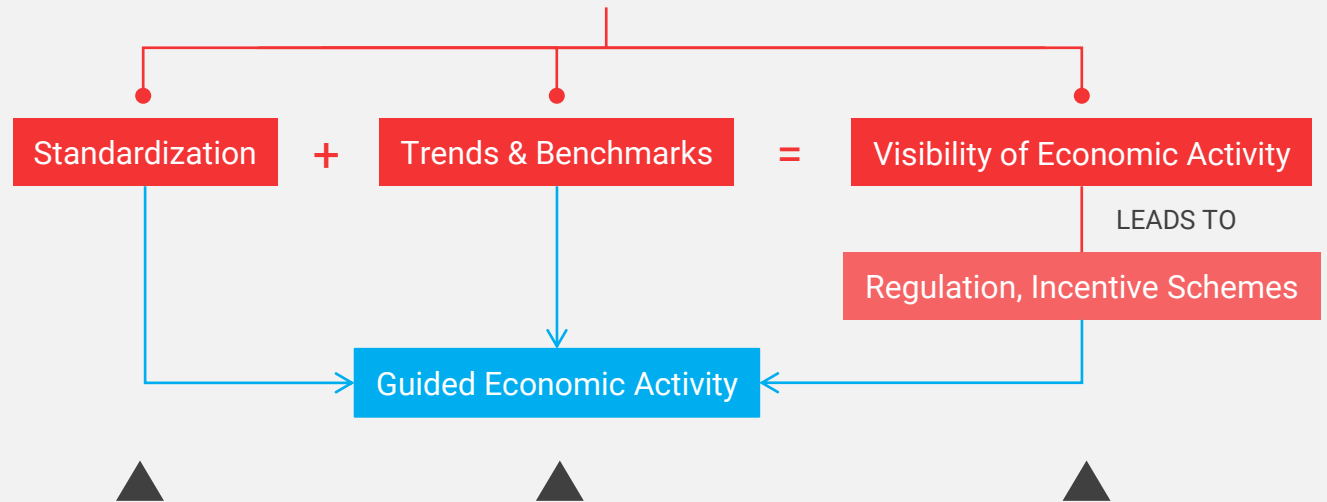
<https://clear.world/common>

COMMON INTELLIGENCE TO EXPEDITE THE EVOLUTION OF TECH INNOVATION IN MENA

How

Increasing market efficiency through public industry insights will increase the visibility of economic activity and enable policy intervention to guide it.

TECH INNOVATION INDUSTRIALIZATION



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BEST PRACTICES

MENA EARLY STAGE
DATA HANDBOOK

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and the **quality** of our work



The MENA Early Stage Data Handbook 2023

60 pages, April 2023

Complete benchmarks for tech venture investment in MENA, including round size, ticket size, dilution and premoney valuation.

The first ever valuation report in MENA history.

State of Economy in MENA Venture Space 2023

Policymaker Resources - 39 pages, July 2023

In-depth analysis of the economic impact of Saudi SWF capital injection on the tech venture space in MENA.

The first and only source on this topic to date.



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the **value** they add to the industry
and the **quality** of our work



MENA Startup Market Difficulty Report 2024

Best Practices - 108 pages, February 2024

Assessment and ranking of 30 sectors in MENA on how difficult each sector is for tech ventures: difficulty to fundraise, difficulty to reach customers and difficulty to compete in the market.

The first and only source on this topic to date.

Deciding On Investment Thesis In 2024

Best Practices - 42 pages, December 2023

Created to be a first touchpoint for new tech funds in MENA, especially for FDI purposes.

The first and only source on investment market dynamics in MENA to date.





Eden Rabbie

Partner - Director of Data
Science and Business
Insight at Clearworld

April 2024

2024 MENA Early Stage

Data Handbook

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Tolerating misinformation is second-hand smoking.

In our nascent industry, we owe it to ourselves to ensure only correct information is put in media.

It is unfair to hold journalists responsible for fact-checking industry news; it is often not their subject matter for them assess it. The responsibility then falls back on us, the professionals working in the industry.

When you are in a panel discussion, or an interview, or a meeting, make sure to correct misinformation. When you share something on social media, make sure it is factual. If we all are vigilant not to agree or accept or acquiesce to anything that is not real, it stops.

Today, as we enter the final stretches of Round 1 of Saudi's unicorn gameplan, we face a tough new challenge: we are running out of new tech founders. (see page 26)

Our collective objective, ideally, should be to make building tech a viable career option for a new generation of founders.

Misinformation makes that new generation steer away from tech and shoots our collective objective in the foot.

For that reason, let us all be a bit more diligent.

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