

HEADLINE

Covid impact felt in Q3 2020 with 50% drop in investment deals in MENA from Q2

[Magnitt's Q3 2020 report](#) shows that the quarter has seen the lowest number of investments since Q1 2018, highlighting the impact of COVID-19 6 months later, with a 50% decline in the number of startup investments compared to Q2 2020, reflecting the impact of decisions taken by investors in Q1 and Q2.

INVESTMENTS

Startup	Sector / Industry	Location	Amount & Round	Investors
Sweetheart Kitchen	F&B	UAE	\$17.7M, Series C	led by Peter Schatzberg, from Delivery Hero
FoxPush	IoT	UAE	\$15M, undisclosed round	JGroup (Lebanon)
Kaykroo	F&B	UAE	\$4M, Pre-Series A	family offices and regional investors
Floward	Consumer services	Kuwait	\$2.75M, Bridge	led by Impact46, from Faith Capital, BNK, et al
Retailo	Retail	KSA	\$2.3M, Pre-Seed	led by Shorooq Partners, from 500 Startups and 92-Ventures
NowPay	Finance	Egypt	\$2.1M, Seed	led by Foundation Ventures & Endure Capital, from BECO, 500 Startups, Plug and Play, 4dx Ventures, MSA Capital, EFG-EV Fintech, and Ebtikar, and angels
Flick	Finance	Egypt	\$1M, Pre-Seed	Angel investor
Garage	Transportation	KSA	\$260K, Pre-Seed	Angel investors
IQRAA	Education	Jordan	\$115K, Pre-Seed	Undisclosed
Amjaad Technology	IoT	Egypt	Undisclosed amount, Pre-Series A	Dhaman Bahraini
Brantu	Fashion	Egypt	undisclosed amount, Series A	led by Sawari Ventures
Dreevo	Logistics	Egypt	undisclosed amount, Pre-Seed	EF Logistics
La Reina	Fashion	Egypt	undisclosed amount, Seed	500 Startups, Algebra Ventures, and angels
MARJ3	Education	Egypt	undisclosed amount, Seed	Expert DOJO (US) and angels
Milango	Community Management	Egypt	undisclosed amount, Seed	A15 and angels
Miswag	Consumer services	Iraq	undisclosed amount, Seed (2 nd close)	led by Euphrates Iraq Fund and Shwan Ibrahim Taha, and existing investors

INVESTMENT HIGHLIGHTS

2020 YTD investments in MENA Startups

From Magnitt's Q3 2020 MENA Venture Investment Report,

\$803M Total funding for 2020 YTD

360 Total number of deals for 2020 YTD

40% Deal share of E-commerce and Fintech startups

Q3 2020 saw a 50% decline in the number of startup investments compared to Q2 2020; the lowest number of deals of any quarter since Q1 2018.

Despite this decline, the YTD amount invested in MENA startups has already matched full funding for 2019 of ~\$802M

2020 has seen a record H1 for capital deployed driven by an increase in average deal-size at both Series A (up by 34%) and Series B (up by 91%) from 2019.

The UAE ranked 1st by number of deals (with 26% of all deals), as well as by amount of capital invested;

E-commerce gets top spot by deal-share with 21% of all deals in 2020, overtaking FinTech. Together, the industries made up 40% of all deals in MENA in Q3.

STARTUPS

F&B and retail startup **FOODICS (KSA)**, launches **FOODICS CAPITAL**, a \$100M (SAR 375m) fund to further support Saudi SME F&B merchants post COVID-19 through Shariah-compliant microloans, offering loans from \$5K up to \$133K with approval within 7 days.

Dtec-based company and advertising intelligence platform in MENA **ArabyAds acquires AdFalcon**, a pioneering advertising and data platform, and former technology hub of Noqoush Media Group

B2B healthcare marketplace platform **Aumet acquires Uniorder** (Jordan), an order management platform and connections channel between pharmacies and warehouses, which would allow Aumet to offer services to remote pharmacies within Jordan

Abu Dhabi-based non-profit organization **Emirates Angels Investors Association** has been launched by a group of young investors with focus on launching training programs to educate startups on investors and entrepreneurship. The organization is registered Under the Ministry of Social Development in the UAE.

Berlin-based micro-mobility provider **TIER launches its first fleet of e-scooters in Dubai**, the first to launch since e-scooter service was banned by RTA on safety grounds in 2019. Designated parking spots for the e-scooters have been outlined across Dubai for both TIER and Arnab, which has been operational in Abu Dhabi over the past year

Crown Prince of Dubai HH Sheikh Hamdan announces the **Nasdaq Dubai Growth Market**, to support SMEs to achieve a streamlined and cost-effective listing (IPO) on the region's international exchange for businesses with at least one year of operation, valued below \$250M. The initiative is expected to launch next year.

VC NEWS

Sharif El-Badawi and Hasan Haider, former managing partners of 500 Startups' Falcons Fund launched **Plus Venture Capital (+VC)** with a \$60M debut fund to invest in early-stage tech startups MENA region and its diaspora. The fund will target 120 startups in 3 years.

Foundation Ventures launches its debut Egypt-focused fund for early-stage Egyptian investments ranging from Pre-Seed to Series A, with initial deployment in 4 startups: two fintech, one consumer internet/entertainment and one logistics startup

COWORKING

Hub71 partners with French national investment bank, **Bpifrance** to launch programmes to provide select startups in the Abu Dhabi and French tech ecosystems access to mentorship, partnerships and investors. They also agreed to explore co-investment opportunities in startups

ARTICLES WORTH READING

Magnitt

[The 3 top funded startups keeping MENA entertained](#)

[The fabulous 4 Fashion and Beauty startups influencing the industry](#)

[Transformative Transport: The startups headlining the industry's growth](#)

Wamda

[The unstoppable growth of e-grocery](#)
[The issue of open banking \[part one\]](#) and [\[part two\]](#)

Arabian Business

[Inside the Gulf's digital retail revolution](#)

ACCELERATORS / INCUBATORS

TechStars Hub71 Accelerator to select 10 startups for its program to kick off in 10th January 2021 which will be run virtually.

Fintech Saudi to launch Fintech Accelerator powered by Flat6Labs. Accelerator to consider startups with fintech solutions should display interest in KSA market and have validated business models with traction over past 3 months.

Bahrain Fintech Bay (BFB) partners with **US State Department's Middle East Partnership Initiative (MEPI)**, to launch virtual acceleration program "**Build for Bahrain**" to support 20 tech-enabled local startups into building an MVP. Top 3 teams will receiving further funding to develop their solution.

Amazon Web Services and Halcyon Incubator (US), partner to launch the incubator "**2021 Bahrain Women's Intensive**" which will support 10 women-led, Bahrain-based startups via a virtual program of training & mentorship, and introduce them to the U.S. market and investors

Google to launch Google for Startups Accelerator Programme for MENA startups. The 3- month program is slated to begin in November with a cohort of 15 startups

EVENTS UPCOMING

04 Nov | The Future of Agritech in MENA (online)

05 Nov | AMA with Dtec Ventures (online)

19 Nov | Deadline to apply: Yalla Fintech 2020 - Arab Hackathon for Financial Inclusion

24 Nov | STEP Saudi 2020 (online)



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