

### HEADLINE

#### **Kitopi: The new unicorn on the block**

With its Series C funding round of \$415M, Dubai-based cloud kitchen startup [Kitopi becomes the third Middle Eastern unicorn](#). The round is largest-ever raised by a venture-backed company in the Middle East & North Africa. It is also the first investment by SoftBank in a Middle Eastern company

#### **Swvl eyes IPO via SPAC**

Dubai-based ride-sharing company [Swvl plans to go public in a merger with special purpose acquisition company \(SPAC\)](#) Queen's Gambit Growth Capital, Swvl said Tuesday. The deal will see Swvl valued at roughly \$1.5 billion.

### STARTUPS

HH Sheikh Mohammed launches the National Program for Coders in collaboration with Google, Microsoft, Amazon, Cisco, IBM, HPE, LinkedIn, Nvidia and Facebook, with the aim of training and attracting 100,000 coders, establishing 1000 digital companies within five years and increasing investment in startups from AED 1.5 billion to AED 4 billion

Dubai's Ruler also announced the new structure for Dubai's business chambers with the creation of 3 entities: Dubai Chamber of Commerce, Dubai Chamber of Digital Economy, and Dubai International Chamber. The Dubai Chamber of Digital Economy is tasked with launching projects and developing studies on the new future economy to transform Dubai into an international tech hub.

Abu Dhabi reduces business setup as well as license renewal fees to AED 1,000 under efforts led by the Abu Dhabi Department of Economic Development (ADDED). The new fees include six activities within the business licence and will cover all fees from Abu Dhabi Government entities. Federal fees will continue to apply.

Amazon is set to launch Amazon.eg in Egypt later in 2021, with Amazon Seller Central, the company's seller management tool, now open for registration in Egypt via sell.amazon.eg, where individuals can set up their accounts.

Event management software startup **Eventtus (Egypt) gets acquired by US-based Bevy**, an enterprise software startup for virtual conferences and community events. The acquisition will add mobile in-person conference app to Bevy's tech stack.

Saudi Research & Media Group (SRMG), acquired a 51 percent stake in the Arabic podcast platform **Thmanyah**. SRMG is paying \$9M, giving the startup a valuation of \$17.4M

Careem announced an extension of its partnership with Justmop, to offer PCR testing across Dubai for AED 199, with results in 24-hours. This follows the release of their "Get Vaccinated" tool in March 2021, a feature that allows customers in Abu Dhabi, Dubai, Sharjah and Ajman to book a ride to a vaccination site with just two taps

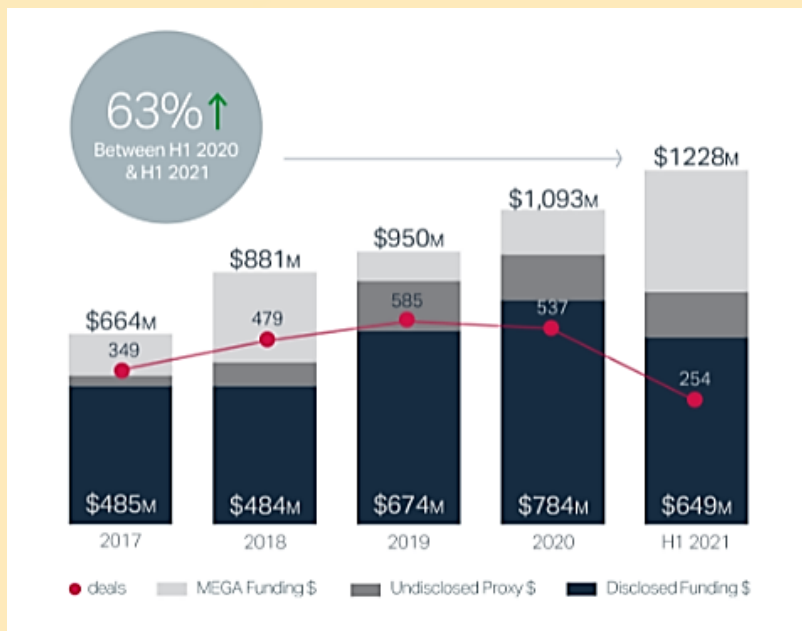
### INVESTMENTS

Startup	Sector / Industry	Location	Amount & Round	Investors
Kitopi	F&B	UAE	\$415M Series C	led by Softbank Vision Fund 2, from Chimera, DisruptAD, B. Riley, Dogus Group, Next Play Capital and Nordstar
MaxAB	Consumer Services	Egypt	\$40M Series A	led by RMBV, from IFC, Flourish Ventures, Crystal Stream
iWire	IoT	UAE	\$34M Series A	led by Noor Capital, from Bpifrance
Selfologi	Health & beauty	UAE	\$17.5M undisclosed round	led by Tamer A Wali (angel) and Xenel International group.
Nejree	Fashion	KSA	\$15M Series A	led by Impact46
elmenus	F&B	Egypt	\$10M Pre-Series C	led by Fawry, Luxor Capital (USA) and Marakez
Yodawy	Health	Egypt	\$7.5M Series B	led by MEVP, Global Ventures, Algebra Ventures; from CVentures, P1 Ventures, et al
Taager	Social commerce / Logistics	UAE	\$5M Series A,	led by Draper Associates (USA), from Global Ventures, B&Y Ventures
Udrive	Transportation	UAE	\$5M undisclosed round	Cherif Sleiman of Infoblox and Asif Keshodia
Sabbar	Human resources	KSA	\$4M Pre-Series A	led by STV, from Derayah VC and SEEDRA Ventures
GoodsMart	Consumer services	Egypt	\$3.6M, undisclosed round	led by Sawari Ventures
Sehteq	Health insurance	UAE	\$3M debt financing	971 Capital
Wajeez	Education	Jordan	\$3M Pre-Series A	led by STV, from Shorooq Partners, Mawdoo3, and Wise Venture
WeDeliver	Logistics	KSA	\$2.4M Pre-Seed	from Salasel Alemdad, VEST investment company, Paltel Telecom Group, et al
Speero	Automotive	KSA	\$1.8M Pre-Series A	led by Nuwa Capital and EQ2 Ventures, from JIMCO, Impact46, Access Bridge Ventures et al
IR4LAB	Human Resources	KSA	\$1.5M undisclosed round	Wa'ed (Aramco)
Spendwisor	Finance	Qatar	\$1M pre-Seed	led by Erhama Nasser Al-Kaabi and other angels
Yalla Xash	Finance	Morocco	\$675K Series A	Maroc Numeric Fund II
Estshara	Health	Egypt	\$500K Seed	led by Egypt Ventures
Damanesign	Enterprise SaaS	Morocco	\$450K undisclosed round	led by Maroc Numeric Fund II
LNKO	Consumer services	Morocco	\$335K	CDG Invest
Clara	Legal	UAE	Undisclosed amount & round	DIFC Fintech Fund
Ketish	Health / wellness	UAE	undisclosed amount, Seed	Huda Beauty Angels
Majarra	Media & Entertainment	UAE	undisclosed amount & round	North Base Media
Nawy	Real estate	Egypt	undisclosed amount, Seed	led by Sawiris family office
ShipBlu	Logistics	Egypt	undisclosed amount, Pre-Seed	led by Nama Ventures, from Y-Combinator and angel investors from San Francisco, CA, and Saudi Arabia.
WorkFam	Human resources	UAE	undisclosed amount & round	Gellify, Azimut Digitech Fund

### INVESTMENT HIGHLIGHTS

### Insights from MENA H1 2021

Source: Magnitt



- H1 2021 recorded \$1.2BN invested in MENA based startups across the region. This surpasses the capital raised for the whole of 2020 of \$1.1BN by 12%.

**Note:** The figures exclude venture debt investments, an instrument that is relatively new in the region

- The record funding was boosted by Kitopi's \$415M mega deal
- Despite overall VC funding in MENA observing a high amount, the number of transactions dropped by 20% YoY

- Top 3 MENA countries: UAE (26%), Egypt (24%), KSA (21%)
- Among the three, Egypt is the only country to observe a deal count increase YoY
- KSA almost closed the deal count gap with UAE with the latter being ahead by only 11 deals

**\$1.2B**

Total funding for H1 2021

**71%**

Of total capital deployed are for startups in UAE, KSA and Egypt

#### Other highlights

- Increased international appetite for MENA startups.** Soft Bank's participation along with Disrupt AD, Riley amongst others reflects a growing international interest in local startups. Early this year Sequoia made its first investment in the MENA region along with other regular international investors including Endeavour Catalyst, MSA Capital, Kingsway capital and Tiger Global.
- Honed focus on later stage investment highlighting the gradual maturity of the ecosystem.** Investors' preference for transactions at later stage deals over riskier earlier stage startups in 2020 is seen this year. This raises the concern around neglecting early-stage investment which sets the pipeline for future deal flow.
- Investor returns starting to bear dividends.** H1 2021 sees the seeing the return of Exits in the MENA region with companies such as Mumzworld, Spotii and Synkers.

### VC NEWS

**Abu Dhabi Investment Office (ADIO)** invests in three tech companies as part of its Dh2 billion (\$545 million) Innovation Programme: UAE-based last-mile delivery Lyve and home services marketplace Rizek and UK-based AI-driven authentication solutions provider Callsign. The startups are provided with competitive financial incentives, including rebates on highly skilled payroll and high-tech CAPEX, as well as non-financial incentives, such as support with establishment processes and ecosystem engagement

US-based **Liquidity Capital** partners with **Dubai-based Yas Investments** to launch a \$100M sector-agnostic venture debt fund in ADGM, focused on financing Mena-based tech startups

### ACCELERATORS / INCUBATORS

**Creative Zone**, the UAE's largest business start-up consultancy, partners with **Sharjah Media City (Shams) to launch an accelerator programme, StartupX**. The program will annually invest AED100,000 (\$27,225) worth of business support services in four selected startups. They will also receive year-long free trade license from Sharjah Media City, free banking, discounted insurance protection, among other benefits

[Google selects 12 startups for its 2nd cohort of Google for Startups Accelerator MENA](#), three-month digital accelerator program for Seed to Series A technology startups based in the region. The 12 tech startups come from six Arab countries across automotive, agriculture, fitness, fintech, real-estate, e-commerce and entertainment sectors.

### ARTICLES WORTH READING

#### Magnitt

- [The 2021 MENA Sprint: Records are set to be broken!](#)
- [The Wrap Up: Insights from MENA H1 2021](#)
- [Falling tide of accelerators: Explaining the slump in VC deal flow](#)

#### Wamda

- [How the gig economy is disrupting the region's startup ecosystem](#)
- [Can Dubai become the capital for next-gen healthtech startups?](#)

#### Arabian Business

- [How the Covid pandemic continues to impact Middle East consumers](#)
- [Appetite for digital banking grows in the Gulf as Covid pandemic continues](#)

### COWORKING

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