



STARTUP PANORAMA

EDITION 11

WHO'S WHO – 2020 UPDATE

دبي للمشاريع الناشئة

DUBAI STARTUP HUB

AN INITIATIVE OF DUBAI CHAMBER OF COMMERCE & INDUSTRY

Incubators

Logos of incubators: HI (Human Innovation Incubator), INTELAK (Aviator, Travel & Tourism), LOGX (an initiative by DP WORLD), Dtec (مركز دبي للتكنولوجيا الناشئة), FAZAA (مركز دبي للتكنولوجيا الناشئة), Spinneys, and SHELEADS.

Accelerators

Logos of accelerators: DIFC FinTech Hive, techstars, Startupbootcamp, DSCA (Dubai Smart City Accelerator), the Co, FOUNDER INSTITUTE, the GREENHOUSE (Chalhoub Group), Google for Startups, and womena.

Government Entities

Logos of government entities: Dubai Startup Hub (DUBAI STARTUP HUB), Dubai Future Foundation (مؤسسة دبي للمستقبل), Dubai SME (مؤسسة محمد بن راشد لتنمية المشاريع الصغيرة والمتوسطة), Federal Youth Authority (الإمسة الاتحادية للشباب), Expo 2020 Dubai UAE, and Dubai Economy (اقتصاد دبي).

Co-Working Spaces

Logos of co-working spaces: ASTROLABS, nook, NEST, letswork, the Co, Dtec, R:U Studio, wework, UNBOX, GlassQube Coworking, witwork, SERVCORP, and Regus.

Investors

PRE-SEED/ANGEL	SEED	SERIES A	SERIES B	LATE GROWTH
FasterCapital	womena®	Dubai International Financial Centre	STC (اتصالات السعودية)	BECO CAPITAL
Falcon Network	500	PHOENICIAN FUNDS	JABBAR	GulfCapital (Partners in Growth)
eureeca.com	ZASISSOO	ENBLING FUTURE	AB INVEST (Ab Investment Group Co.)	wamda capital
WATIN WOMEN'S ANGEL INVESTOR NETWORK	dbi (Dubai Angel Investors)	global.ventures	MIDDLE EAST VENTURE PARTNERS (ME VP)	Standard Chartered
M	SHOROOQ INVESTMENTS	ILIID PARTNERS	Morgan Stanley	
	DALE VENTURES	ARZAN VENTURE CAPITAL		
	COCOON VENTURES	moon shots		
	VillageCapital	Silicon Badia		
		VSQ		
		MINDSHIFT CAPITAL		

Events

Logos of events: Dubai Startup Hub (DUBAI STARTUP HUB), Dtec (مركز دبي للتكنولوجيا الناشئة), GEF (GITEX FUTURE STARS), step, TE DUBAI (TE DUBAI FOSTERING ENTREPRENEURSHIP), DUBAI CHAMBER DUBAI BUSINESS WOMEN COUNCIL, LaunchDXB (Connect, Launch, Scale up!), Entrepreneur MIDDLE EAST LIVE, and wamda.

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FUNDRAISING IN CHALLENGING TIMES

SWEETHEART KITCHEN

CEO Peter Schatzberg describes the bittersweet experience of securing \$17.7million in Series C funding during the pandemic

Just 15 months on since it was founded, Dubai-based startup Sweetheart Kitchen closed \$17.7 million (AED65 million) in Series C funding.

A significant accomplishment in even the best market conditions - but that the delivery-only, multi-brand virtual kitchen achieved the milestone in May this year is an especially noteworthy feat.

Peter Schatzberg and his team aren't celebrating, though.

While the pandemic didn't stand in the way of the company securing new capital - a sign that investors remain committed to the UAE's startup ecosystem - the founder and CEO is cognizant and sensitive to the fact that his triumph comes amid an ongoing crisis that is continuing to challenge businesses worldwide.

"During times like these you try and extract positivity anywhere you can, but this round did not feel more meaningful to us because it occurred during COVID-19," Schatzberg said.

"On the contrary, we realized how fortunate we were to have received funding when so many others were failing, [which is why] we did not have a celebration. We just made an announcement and got back to work."

The company, which has raised \$24.8 million in a previous round - adding up to a total of \$43 million so far - plans to use the funds to further invest in supply chain technology, food design and growing its team, as

well as launch new brands and kitchen units across the Middle East and North Africa (MENA).

Sweetheart Kitchen currently boasts a portfolio of 30 brands including Avocado Bravo, Affordabowls and Wingo.

"Closing funding during any economic downturn is bittersweet," Schatzberg added.

"Certainly you are appreciative that you get the opportunity to continue growing your business but this often comes at a lower valuation and round size than you might have had during better times."

The startup's biggest concern as it continues with its expansion plans, Schatzberg added, is the health of its employees with respect to COVID transmission while simultaneously ensuring business continuity so they can take home a salary and can care for their loved ones.

"It requires investment of time and money to assure necessary precautions are taken," he said.

"Fortunately, our team is built of seasoned professionals and some startup experts, and we have all seen our fair share of hard times before."

Seeing that entire countries in the MENA region were restricting internal and cross border travel, the company took "swift and decisive action transitioning from a scaling startup to a cost cutting enterprise", the CEO said. "But while we have not been able to open in Kuwait [as originally planned] and our UAE expansion has been



restricted, we have **managed to grow our revenue and to improve our margins and operations considerably in the UAE.**"

Schatzberg hopes his fundraiser helps give founders additional motivation and confidence to keep going, and urges them to "push hard and use this struggle to build mental and physical strength" as they navigate the new environment.

"[We're] going to have to adapt to survive," he said.

"It is better to be in the fight and losing than to quit altogether. Those that endure by putting up a good fight will be rewarded in the long term. At a minimum, you will develop new personal strengths, including self confidence, and earn a reputation for persevering through the most difficult times."

CO-WORKING IN A TIME OF SOCIAL DISTANCING

LETSWORK

Co-founder Hamza Khan talks about the business of co-working and the future of work in a post-virus world



When the COVID-19 outbreak first hit Dubai, Letswork had just recorded its best few months so far. As more and more businesses began to introduce remote working, the mobile app – which connects users with workspaces across the UAE via a single membership – saw a “massive influx of new members” working from its spaces because they now had the flexibility to work from wherever they wanted.

“Unfortunately, by mid-March it was clear the pandemic was in fact very real,” co-founder Hamza Khan recalled, prompting the startup to issue healthy and safety guidance to members and offer to freeze memberships for members who preferred staying at home.

“About half opted in for this,” he said.

“Then on March 22 all hotels, cafes and offices were shut and we had no choice but to freeze all memberships.”

Khan describes his reaction to the crisis as “a mixture of fear and frustration”.

“Fear, because there were so many unknowns at the time,” he explained.

“How serious is the virus? How long is the lockdown on for? What will the impact be on our business and the wider economy? The frustration came from the fact that we were growing month-on-month and we had so many exciting plans for 2020 that essentially had to be scrapped indefinitely.

Photo taken pre-Covid

LETSWORK JOURNEY TIMELINE

2018	2019	Q1 2020	COVID-19 MID-MARCH	COVID-19 MARCH 22	COVID-19 LOCKDOWN	COVID-19 FIRST MONTH OF REOPENING	COVID-19 RECOVERY
Founded- 2 team members	6 team members 18 locations 350 daily active users 10,000 registered users	"Best few months to date" Influx of new members after companies began allowing remote working	"We started issuing health and safety advice to members and offered to freeze memberships to active members who preferred staying at home – about half opted-in for this."	All hotels, cafes and offices shut as part of the nation-wide lockdown, "We had no choice but to freeze all memberships." "Fear and frustration."	Scenario planning App makeover Introduced bookings for private offices and meetings spaces	Operating at 10% of typical footfall	Returning to 100% normalcy but with ongoing periods of volatility dependent on case numbers. 12 team members 60 locations 600-700 daily active users 21,500 registered users

It couldn't have happened at a worse time." But after the initial shock passed, the team decided to make the most of the downtime by catching-up on a backlog of tasks and projects that had piled up over the months, and come up with strategies for different future scenarios. They gave their app a makeover, and introduced a range of design changes and functionalities that they had previously thought of but hadn't had the chance to implement. The startup also introduced bookings for private office and meetings spaces by the hour or longer. "When the restrictions finally lifted, we knew that people would still want a certain element of isolation or social distance, so we partnered with Rove Hotels to convert some of their guest rooms into private offices that users can book for the day and work," Khan said.

"This was and still is hugely popular – especially for parents who were trying to get away from a house full of kids and pets -- and has been a great way for the hotels to improve occupancy during this quiet time. [And] With many companies down-sizing their office footprint and remote teams needing a physical space to meet with each other from time-to-time, we've also soft-launched our new meeting room and office booking platform." Like most companies, the founder said managing cash flow has been the biggest challenge. **"We have always been very prudent with the money we spend but 2020 has definitely identified weaknesses in businesses and forced long-term sustainability to the forefront of everyone's minds."** In the first month of re-opening, Letswork was running at about 10% of



Photo taken pre-Covid

typical footfall, Khan added. "But we are quickly approaching returning to 100% normalcy," he said. "There are certain days when we see a drop in footfall and that's usually as a result of a spike in COVID cases, but it returns to normal as soon as the cases

drop again. This volatility is something we're going to have to continue living with for a while. We think the future of work consists of a hybrid of remote work and office work, and we as Letswork, are trying to meet that sweet spot."

NEW BUSINESS FOR A NEW WORLD

EDIT VID

Founder Hassan Kiyany shares how he built a brand new company during lockdown with the help of government-led startup support initiative

The idea for EditVid emerged from the COVID-19 pandemic. When Hassan Kiyany's successful filmmaking business came to a standstill during the lockdown, he decided to turn the tumultuous time into an innovative solution for companies that still needed video content.

"Throughout COVID, we were totally down," Kiyany said. **"We were not able to do any work and therefore EditVid was a new way of thinking about creating videos that actually helped us to still be able to work and make income during the lockdown, even if it was small due to the unfamiliarity of the people about this new startup."**

But with the increased video consumption as more people stayed indoors, he was certain the demand for consistent content was high. To build a solid business case for his model, grow his idea further and faster, and increase visibility for his new business, Kiyany entered Dubai Chamber's Emirati Development programme – an initiative designed to identify, develop and mentor promising UAE national talent interested in pursuing entrepreneurship or private sector opportunities as a career path. "There aren't many Emirati development programs like this that exist as far as I know, so when I heard about it I thought it would be a good experience and a good platform to talk about EditVid," the founder said.

"[My team and I] were able to use our free time to develop our idea. The fact that it was delivered virtually during the lockdown was actually perfect because I was able to attend sessions while also watching over my kids during school time. You might think there's not enough time or experience to develop a virtual forum like this but the Dubai Startup Hub and DTEC team did an amazing job."

Kiyany went through a four-week tailored entrepreneurship training online along with 29 other Emirati founders, as well as received comprehensive one-on-one mentorship.

"The most important thing I learnt was the business model canvas and how to pitch through that," he shared.

"It answered a lot of questions and also raised new questions and scenarios. Discussions with other members of the programme altogether also further helped redefine many parts of our idea and ensure it has appealing aspects when it comes to presenting as well as pitching the idea."

For Kiyany, the best part of the programme was a thorough session on branding, which he believes will help him the most now with positioning his new venture. "The programme helped refine my business plan a lot and clearly set up the model," he said.

"It's a very exciting time."



THE SHOW GOES ON... STEP

COO Claudia Mortimer explains why STEP is going virtual and how founders have been making the most of networking online

Like most global event organizers, Claudia Mortimer was busy preparing for a packed season of festivals this year. But just days into March, it became obvious that nothing was going to go according to plan.

"Luckily we had already completed our flagship annual event, Step Conference in Dubai in February, right when things escalated in terms of COVID-19," the COO and Head of Conference and Events for the STEP Group said. "Obviously our industry was hugely impacted so there were a lot of uncertainties and we had to manage expectations of the team. We had plans for events for clients in the region [that] were supposed to take place in March and April that ended up being cancelled."

STEP Conference is the largest tech experiential festival in the Middle East, featuring four conferences, showcasing more than 300 startups, and an audience of more than 6,000 attendees over two days.

As the coronavirus began to spread across the world, the entire industry was

jolted by lockdowns, travel bans, and restrictions around in-person meetings, leaving face-to-face events unable to go ahead for the foreseeable future.

"[But] Ray Dargham, our CEO and co-founder, was quite quick in deciding to make changes," Mortimer said.

"We were already working from home by mid-March and had made adjustments in terms of operations and costs to make sure we survived on the short term and set a path for growth instead of waiting for everything to play out.

Since we had a team in Beirut and a team in Dubai, internally we were used to working remotely already and had the basic tools and processes in place [like] Asana and Slack. Since then, we have also improved our processes for collaboration and communication." STEP held its first virtual event in April to test the waters and then launched its new brand STEP Anywhere, a full-fledged online conference that took place in August.

The three-day event drew more than 1,500 attendees, 97 showcasing tech startups, and even featured an exhibition



of tech companies, hours of workshops, and more than 50 influential speakers, all tuning in virtually and in real-time. Speakers included names like Allen Blue, co-Founder of LinkedIn; Christine Tsai, CEO of 500 Startups; Dr. Jonathan Reichental, CEO of Human Future; and Zubin Mowlavi, President of VaynerCommerce, who spoke on topics in technology and entrepreneurship in the pandemic scenario covering key sectors including healthtech, foodtech, edtech and fintech.

Following the successful response to its web event, STEP is pushing forward

with its virtual event strategy, with the exception of STEP Conference in Dubai, Mortimer said.

She added that since moving online, STEP has learned that startup founders are finding STEP even more useful as a "go-to source or platform to network and meet with investors", compared to its one main annual event where people would gather in person.

"So we're now providing more opportunities to startup founders now on a regular basis. Now that we've hosted multiple events of different formats virtually, we're quite comfortable with the

setup and operations.”

“Now our focus is on educating our stakeholders - because there’s still skepticism around the experience of virtual events - and showing how virtual events can actually lead to more value than physical events if done the right way in terms of access to markets, more attendees [and more] high-profile speakers.”

The company has also moved its STEP Saudi event in November to cyberspace and launched new initiatives including STEP Match, a quarterly series of networking events to match different stakeholders based on their needs across the ecosystem and STEP+, a subscription-based learning hub that

provides access to videos from talks, panels, fireside chats and workshops from earlier events.

“Of course we know in-person interaction is highly valued,” Mortimer said. “But in terms of delivering engaging and valuable events throughout the year, as a business and for our audience, it will only be possible with a virtual strategy.”

Online events are also environmentally-friendly, cost-effective, and easier to launch and run, she added - which is why in the long term, and as more communities shift online, virtual events will not replace physical events but will compete with and compliment them.



Meanwhile, GITEX became the only face-to-face global technology and startup show to be held in 2020.

Held in December, at the Dubai World Trade Centre, the event hosted more than 1,200 innovative tech enterprises, startups and government entities from 60 countries, along with 350 speakers.

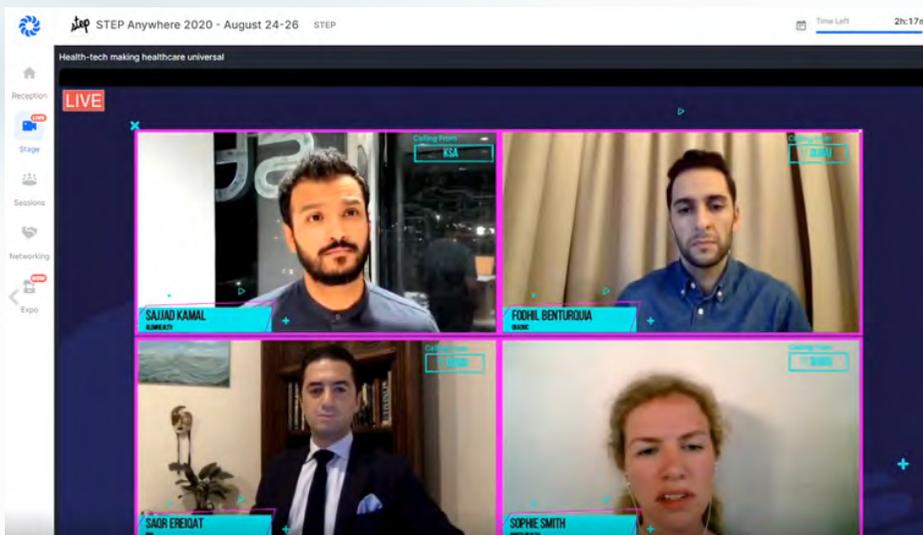
The only major technology event to provide opportunity for in-person networking during the pandemic, the five-day programme showcased new trends in artificial intelligence, cloud and edge computing, cyber security, digital economics, future mobility and more.

Startup event GITEX Future Stars played host to founders from across the world, giving them a platform to showcase their innovations and meet with a host of global investors and accelerators to fast track their development, as well as hear insights from

international business moguls including Brett King, founder and CEO of Move; Nolan Bushnell, founder of ATARI and Halfa Al Kaylani, founder and chairman of The Arab International Women’s Forum. Crown Prince of Dubai His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum said that the organisation of GITEX Technology Week this year is one of a series of initiatives Dubai is taking to inject confidence back into vital sectors both regionally and internationally, reinforcing its role as a global hub for innovation, entrepreneurship and collaboration in the technology industry.

“By hosting the world’s only live global technology event in 2020, Dubai and the UAE have demonstrated global leadership in accelerating economic recovery in line with the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai,” he said.

“With its strong management of the pandemic and comprehensive precautionary measures, the international technology community considers Dubai as one of the safest destinations to host global events of this magnitude. The positive response to the event also shows that the world’s tech industry looks to the emirate as a key player in revitalising networking, partnership building and knowledge sharing in the sector.”



SOCIAL ENTERPRISES CAN HELP THE WORLD EMERGE STRONGER

COMPANIES CREATING CHANGE (C3)

Co-founder Medea Nocentini tells us why the accelerator programme's innovative social enterprises aren't just surviving, they're thriving despite the challenges posed by the coronavirus outbreak

Truly solving a social challenge takes more than just good intention and idea – making the work of Companies Creating Change (C3) especially important this year.

Powered by HSBC, C3 is a UAE-based social enterprise helping entrepreneurs in the Middle East, North Africa and Turkey accelerate their growth and impact with the support of experienced professionals and impact investors.

The C3 Social Impact Accelerator Programme was approaching its final week in March 2020 when the world came to a standstill due to the lockdown necessitated by the coronavirus.

“In such a challenging moment, the first thing we thought about is the continuity and survival of the enterprises we support,” co-founder Medea Nocentini said. “We scheduled calls with each one of them to explore ways we could support them. The only available option was to go fully virtual, which seemed like opening Pandora's box in terms of curriculum changes, process re-design and technology platform choices. [But] As a team, we had to embrace this challenge as an opportunity.”

C3 used the lockdown period to convert their entire curriculum into a virtual format.

“Entrepreneurs [ended up having] a much more in-depth learning experience as hosting lectures and workshops online over a longer period of time provided them with increased expert accessibility and gave them a chance to better absorb critical learning material,” Nocentini said.

“The online board meeting simulations allowed investors to attend more than one meeting with a thorough opportunity to interact with finalists across multiple weeks, which was not possible in-person during a single-day event. It also allowed the participation of overseas investors and experts [that] is not always available when the event is physically held in Dubai.”

Most encouraging however, the co-founder said, was seeing that C3's enterprises – including UAE-based Almentor, Egypt-based Shezlong and Oman-based Innotech – were “not only surviving during COVID-19 but were actually thriving”.

“This proves that impactful businesses that are creating change are the future of sustainable businesses,” she said, adding that sectors such as healthtech and edtech have seen the most traction.

C3 is now working on several new programs, including converting some topics of the accelerator program's curriculum into a self paced learning journey to prepare



earlier stage companies or aspiring enterprises that do not make it to the finals.

“The physical and human element are indispensable for the success of our programs,” Nocentini said.

“Yet, the experience could be blended with a mix of in-person and virtual. **The future has to be balanced between an online element providing more in-depth and self-paced learning and physical interaction on some topics along with networking opportunities. In hindsight, C3 will not go back to the old traditional design after adapting to the new digital space.**”