

FUTURE PROOFING THE SAUDI ECONOMY

YEAR IN REVIEW 2021



Jada جدا
شركة صندوق الصناديق
Fund of Funds Company



"My primary goal is to be an exemplary and leading nation in all aspects, and I will work with you in achieving this endeavour."

King Salman bin Abdulaziz Al-Saud

The Custodian of the Two Holy Mosques



"The future of the Kingdom, my dear brothers and sisters, is one of huge promise and great potential, God willing. Our precious country deserves the best. Therefore, we will expand and further develop our talents and capacity."

His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al-Saud

Crown Prince, Deputy Prime Minister and Minister of Defense of the Kingdom of Saudi Arabia



TABLE OF CONTENTS

INTRODUCTION TO JADA

View from the Top
Chairman & CEO
Forewords

Financial Highlights
2021 in numbers

Jada’s Investments
in 2021

VCPE Sector
Developments

Page

06

Page

10

Page

14

Page

16

FDI Developments in
Saudi Arabia

Jada’s
Initiatives

Partners
Testimonials

Looking
to 2022

Page

28

Page

32

Page

52

Page

60

Jada was created to promote and accelerate the development of a thriving Venture Capital and Private Equity (VCPE) ecosystem, which could in turn finance the growth of small and medium enterprises in Saudi Arabia in a sustainable manner. Launched by a resolution of the Council of Ministers, Jada was established by the Public Investment Fund with an investment capital of SAR 4 billion (approximately USD 1 billion). The creation of Jada is a critical component of Saudi Arabia’s Vision 2030, the Kingdom’s comprehensive economic and social development plan.

Jada seeks to partner with VCPE funds that are focused on the Saudi market and committed to international best practices in governance and fund management.

Vision To be a catalyst of development for the Saudi private equity and venture capital ecosystem.

Mission To provide funding to **Saudi SMEs** through **commercially** sustainable investments in **private equity** and **venture capital funds**.



VIEW FROM THE TOP

REALIZING THE VCPE OPPORTUNITY



Mazen Ahmed AlJubeir
Chairman of the Board

2021 marked another year of progress in the ongoing development of the venture capital and private equity (VCPE) ecosystem in Saudi Arabia, in the context of recovery from the Covid-19 pandemic. Jada has committed SAR 1.9 billion (USD 510 million) to date - to supporting Saudi small and medium enterprises (SMEs). We achieved this milestone through ongoing investments in promising investment managers who focus on young companies with the considerable potential to transform the Saudi economy, create new value-added jobs for our population, attract foreign investment and develop new technologies.

By catalyzing the formation of new funds, attracting existing international funds to enter the Saudi market, ensuring adherence to good governance standards and focusing on improving local managers' portfolio performance, we contributed to unlocking a considerable number of new financing opportunities in the Kingdom and attracting foreign direct investment (FDI) in the process.

With greater liquidity came greater competition and improved pricing for high-quality SMEs. Saudi entrepreneurs now have more opportunities than ever to choose the right investor to work with and take their ambitious ventures to the next stage of growth.

Furthermore, 2021 brought about positive inflows of talent to SMEs and start-ups, marking the beginning of a trend whereby ambitious and skilled Saudis increasingly view entrepreneurial roles as attractive and worth the risk of joining or setting up a new company.

Jada's role is not only to make investments and ensure positive direct financial returns. In 2021, we also continued to pave the way for a thriving VCPE sector in Saudi Arabia by promoting global best practices through training programs, facilitation of industry dialogues and developing local industry content and literature in partnership with subject matter experts. Furthermore, we worked with Saudi market regulators to identify potential hurdles facing entrepreneurs as well as ways of addressing them to ensure the ecosystem can thrive and fulfil its role in alignment with Vision 2030 objectives.

Of course, none of this progress would have been possible without the wise leadership and bold vision of the Custodian of the Two Holy Mosques King Salman and HRH Crown Prince Mohammed, to whom we are grateful. We are also grateful to the Public Investment Fund for its continued support and trust in Jada. I would also like to express my appreciation to my fellow members of the Board of Directors for their efforts towards realizing Jada's mission and to the previous Board of Directors who laid the foundations that enabled us to realize the important milestones that we have achieved to date.

I am encouraged by how far we have come and remain optimistic about the future. Jada continues to play a vital role in stimulating the emergence and evolution of promising SMEs. In doing so, we will help to drive the growth and diversification of the Saudi economy in the years to come and support the ultimate realization of Vision 2030.



UNLOCKING PRIVATE SECTOR OPPORTUNITIES THROUGH INVESTMENTS AND KNOWLEDGE SHARING



At the beginning of the year, the regional economies started to show promising green shoots of recovery, with Saudi Arabia well positioned to accelerate its economic growth and ongoing diversification. However, the challenges that emerged in recent years have adversely impacted businesses across the globe, from large international corporations to small local businesses, testing resilience and the capabilities to adapt to powerful market forces. Our mission in response to the fluidity of the Saudi market was to continue to nurture SMEs while contributing to the development of a rich and diverse VCPE ecosystem in the Kingdom.

Jada plays an influential role in guiding the development of the VCPE sector. We are often defined by our position as a key anchor for Saudi-focused funds and participate in many transactions in the Kingdom, offering comfort to international funds that see the potential of the Saudi market. 2021 was a pivotal year for Jada as we continued to build on the healthy momentum achieved since we commenced operations in 2018 and reaffirmed our commitment to enhancing the value

of Saudi Arabia as a destination for VC and PE investment.

In 2021 we committed SAR 765 million (USD 204 billion) for deployment, increasing our total committed capital since inception to SAR 1.9 billion (USD 510 million). These commitments will in turn be deployed by our portfolio funds and dispersed to SMEs earmarked for capital injection. With the capital deployed since inception, amounting to SAR 392 million (USD 105 million), Jada supported in the creation of more than 5,623 new jobs spread across 67 companies throughout the Kingdom.

Partnership remains integral to Jada, especially considering the nascent form of our operating environment. We have laid out ambitious targets, and in achieving these, it is vital that potential opportunities are weighed cautiously against possible risks. For many managers in the region, it is their first time managing a fund and the lack of an historical track record reduces their chances to build investor confidence.

This year Jada invested a great deal of resources to create optimized fund structures while ensuring adherence to international best practice standards to foster trust throughout the investor

community. We see our role as being a foundation for the funds we invest in, anchoring them while creating meaningful opportunities to network and connect with potential investors.

As part of our targets to further advance the capabilities of fund managers and investors in the Kingdom, we implemented initiatives to unlock Saudi Arabia's reservoir of potential talent through Jada's ongoing Emerging Manager Program. The program was first developed last year in response to the widening talent gap, and in 2021 over 200 attendees participated in VC & PE Foundation and Deep Dive sessions. The growing interest in our training sessions is a promising indicator of a shift towards the development of a fully-fledged and widespread VCPE segment within the local economy. The primary objective of these sessions was to promote local funds and equip them with the tools and skills to reduce the talent gap as well as further bolstering the collaboration with leading international business schools.

In 2021 Jada also successfully launched its first series of case studies in partnership with international academic institutions. These case studies provided a microscopic view of key developments in the Saudi VCPE sector,

highlighting some of the most dynamic success stories in recent years, acting as an important gauge of how the sector has matured, and offering insights to further bolster our EMP training sessions to better contextualize the Saudi market.

From a governance perspective, our priority for the year was ensuring greater adherence to international best practice standards across Saudi jurisdictions, a concept that has never been attempted before. Our desire is to position Saudi Arabia as a go-to investment destination for foreign institutions. We view the local sector through a global lens, acutely aware of the criteria these international investors look for.

Looking back on the year, we have made important strides addressing key sectoral challenges while laying the groundwork to enable stronger access to capital for VCPE companies. There still remains a long journey ahead, but we look to the future with renewed optimism on the back of encouraging milestones met throughout 2021, as we continue to act as a catalyst to realize the deep potential of the Saudi VCPE market.

Adel Al Ateeq
Jada Chief Executive Officer



FINANCIAL HIGHLIGHTS

2021 IN NUMBERS

 Total Capital Committed in 2021

SAR 765 MILLION

USD 204 MILLION

 In 2021, Jada Invested in a Total of

5 Venture Capital

 Jada has

23 Full-time Employees

 Total Capital Deployed in 2021

SAR 240 MILLION

USD 64 MILLION

8 Funds

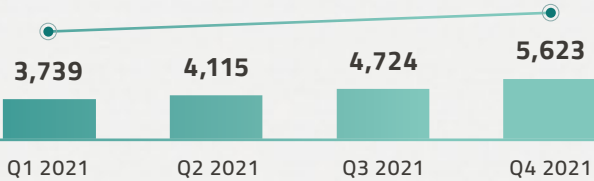
3 Private Equity

10 Women

HOW JADA HAS SUPPORTED ITS PORTFOLIO COMPANIES

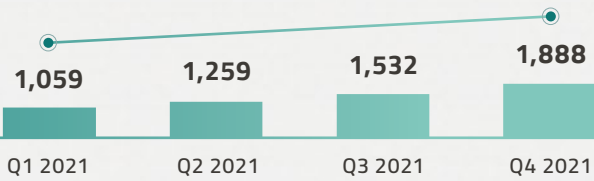
+50%

Jobs supported in KSA



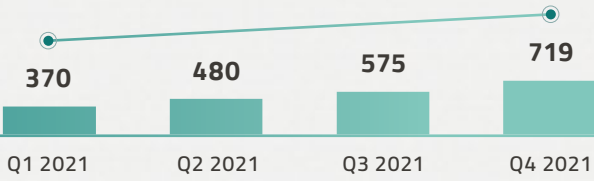
+78%

Saudi Employees



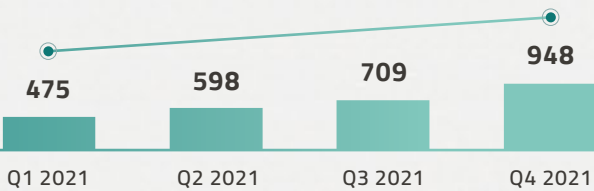
+94%

Saudi Female Employees



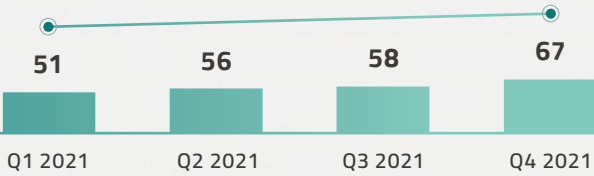
+99%

Female Employees in KSA



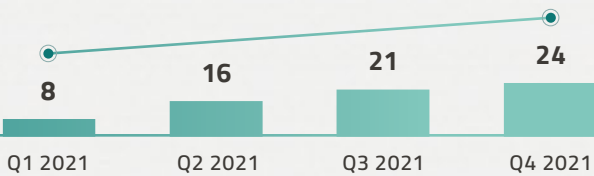
+31%

Saudi HQ Portfolio Companies



+66%

Saudi related Portfolio Companies





FINANCIAL HIGHLIGHTS

2021 IN NUMBERS



Total Capital Committed since inception

SAR 1.9 BILLION

USD 510 MILLION



Total Capital Deployed since inception

SAR 392 MILLION

USD 105 MILLION



As of the end of 2021, Jada invested in a total of

22 Funds

17 Venture Capital

5 Private Equity

2019	2020	2021
VENTURE CAPITAL	VENTURE CAPITAL	VENTURE CAPITAL
	ACCESS BRIDGE VENTURES	ORYX FUND
BECO	eWTP Arabia CAPITAL	和玉資本 MSA
	HALA ventures	o_gu nuwa CAPITAL
500	VENTURESOUQ	
	Merak.Capital	
global.ventures	SHOROQ PARTNERS	EMKAN CAPITAL إمكان كابيتال
	RAED	S ^v sukna ventures
ARZAN VENTURE CAPITAL	VISION VENTURES	
	PRIVATE EQUITY	PRIVATE EQUITY
	GCC ASIA GROWTH FUND	ECG CAPITAL GROUP
	ALPHA CAPITAL	nusaned INVESTMENT COMPANY
		To Be Announced



JADA'S INVESTMENTS IN 2021

8

**funds committed
to in 2021**

SAR 765 MILLION

**committed towards
VCPE funds**

Introduction

As the world continued to adapt to the disruption caused by the Covid-19 pandemic, Jada has leveraged the momentum of recovering economic conditions in the Kingdom and globally, with renewed optimism and ongoing focus on the development of the VCPE ecosystem in Saudi Arabia.

Since its inception in 2018, Jada now has 22 funds in its portfolio, committing over SAR 1.9 billion (USD 510 million) towards VCPE funds with a focus on the Kingdom. Throughout 2021, Jada made capital commitments to eight of these funds, an indication of the strong and healthy appetite for the sector.

2021 was a notable year in the development of the VCPE sector for Jada as three new PE-focused funds were added to the portfolio, up from two new funds in 2020, in what can be seen as evidence of the ongoing professionalization, greater maturity and improving liquidity of the ecosystem.

Jada activity throughout the year

In February, Jada closed an investment with Nuwa Capital, a Dubai and Riyadh-based VC firm that invests in early-stage start-ups in the Middle East, North Africa, East Africa, Turkey, and Pakistan.

In April, Jada committed funds to Oryx, a Riyadh-based VC fund that invests in early-stage game-changing technology companies that specialize in Fintech, Healthtech, Enterprise tech, Logistics tech and Edtech.

In August, Emkan was added to the portfolio mix, a fund that invests primarily in early-stage technology companies and supports building businesses from the ground up.

The last quarter of the year proved to be a particularly active period for the PE sector, with

Jada committing capital to another PE fund. Details will be announced in due course.

During the fourth quarter, commitments were also made to two additional PE funds: Nusaned Investment Company, a fund that invests in SME firms to localize mature technology and pioneer emerging technologies in the Kingdom, and Energy Capital Group, a fund that seeks to create national champions in energy and energy-related technology.

Rounding off the year, Jada struck deals with two more VC funds, firstly MSA, a global firm that invests in the private capital stack from venture through to the growth phase, and Sukna Ventures, a Riyadh-based early-stage VC fund that backs digital transformation businesses offering meaningful impact in the MENA region.



VCPE SECTOR DEVELOPMENTS

SAUDI ARABIA – THE RISING TIDE OF ALTERNATIVE FINANCING

2021 marked the continuation of a trend that emerged as a result of the Covid-19 pandemic, i.e. the acceleration of societal and economic shifts driven by technological innovation. This phenomenon was particularly evident in Saudi Arabia where the VCPE activity registered a considerable year-on-year increase, both in terms of the funding amount and number of deals.

More mature SME funding activity

- Notable activity included Tamara, a buy-now-pay-later platform that secured the largest ever Series A funding in the MENA region, while Opontia, a Riyadh-based e-commerce brand acquisition and development company, secured SAR 157.5 million (USD 42 million) in a Series A round.

- Unifonic, a customer engagement platform, raised SAR 468.7 million (USD 125 million) in a Series B funding round from SoftBank and PIF-backed Sanabil Investments, marking the largest investment secured by any Saudi start-up to date and the first mega-deal in the Kingdom.
- The Kingdom is quickly emerging as a fertile ground for ideas that will shape the new economic order, where non-oil activity is healthy and continues to increase, with non-oil GDP up 6.1% in 2021¹. International investors are beginning to take note. In 2021, Sary, a Saudi B2B e-commerce marketplace, secured over SAR 378 million (USD 100 million) in Series B and C funding rounds which for the first time involved a Silicon Valley fund, Rocketship.vc.

Successful VC exits

- Elsewhere, Jahez, an online food delivery platform backed by Impact46, launched its initial public offering on Nomu, the Saudi Exchange's Parallel Market, which led to the first ever listing of a Saudi homegrown private sector technology start-up on the local capital market. The IPO, enabled in part by an increasingly more supportive regulatory environment, not only provided a way for the existing shareholders to monetize a portion of their investment, but it also allowed the company to raise new capital for further expansion. In addition, it paved the way for future listings of VC and PE-backed Saudi SMEs.

¹General Authority for Statistics, GDP and National Accounts, Q4 2021



A RECORD YEAR FOR SAUDI SMEs²

Value of deals in 2021

SAR 2.05
BILLION

USD 548 MILLION
▲ **270%**



2ND
PLACE

share of funding that went to Saudi start-ups in 2021, out of **SAR 9.3 billion (USD 2.5 billion)** invested in venture capital across the MENA region

Value of deals in 2020

SAR 555
MILLION

USD 148 MILLION



76

number of investors participating in start-up financing in Saudi Arabia in 2021, up **52%** year-on-year

Number of deals in 2021

139

▲ **54%**



19

number of non-MENA investors participating in start-up financing in 2021, an all-time-high

Number of deals in 2020

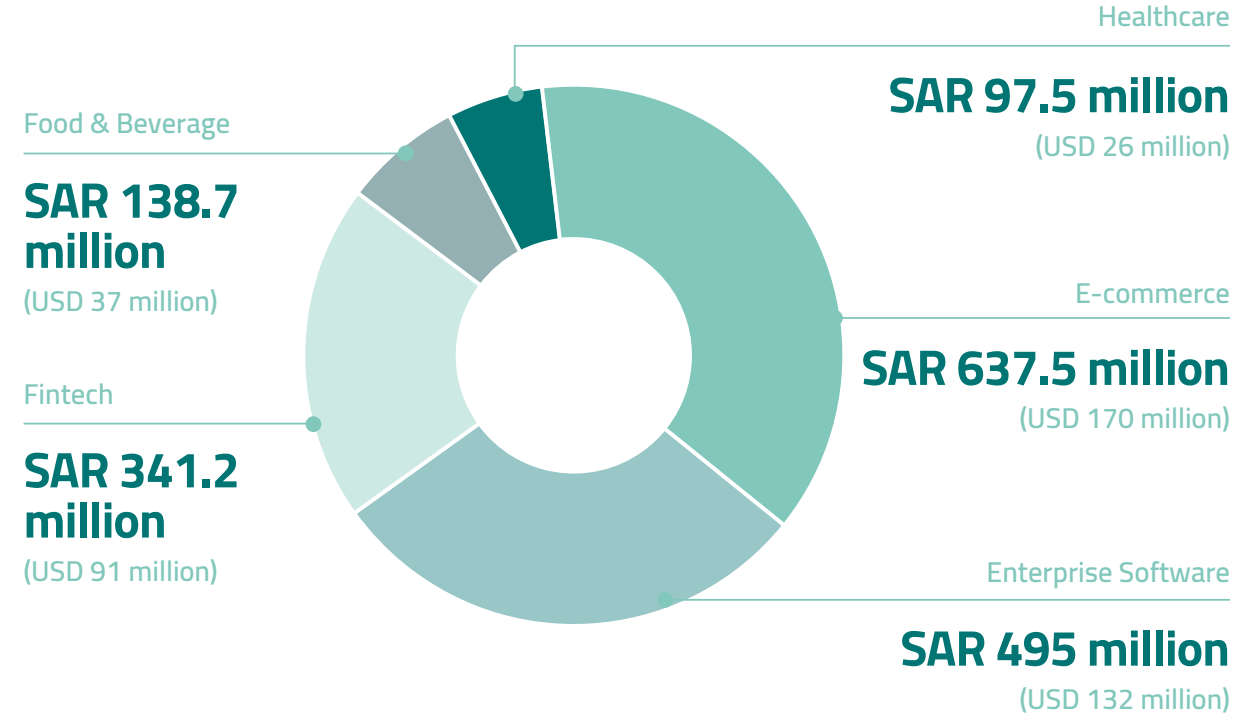
90

²2021 Saudi Arabia Venture Capital Report, Magnitt

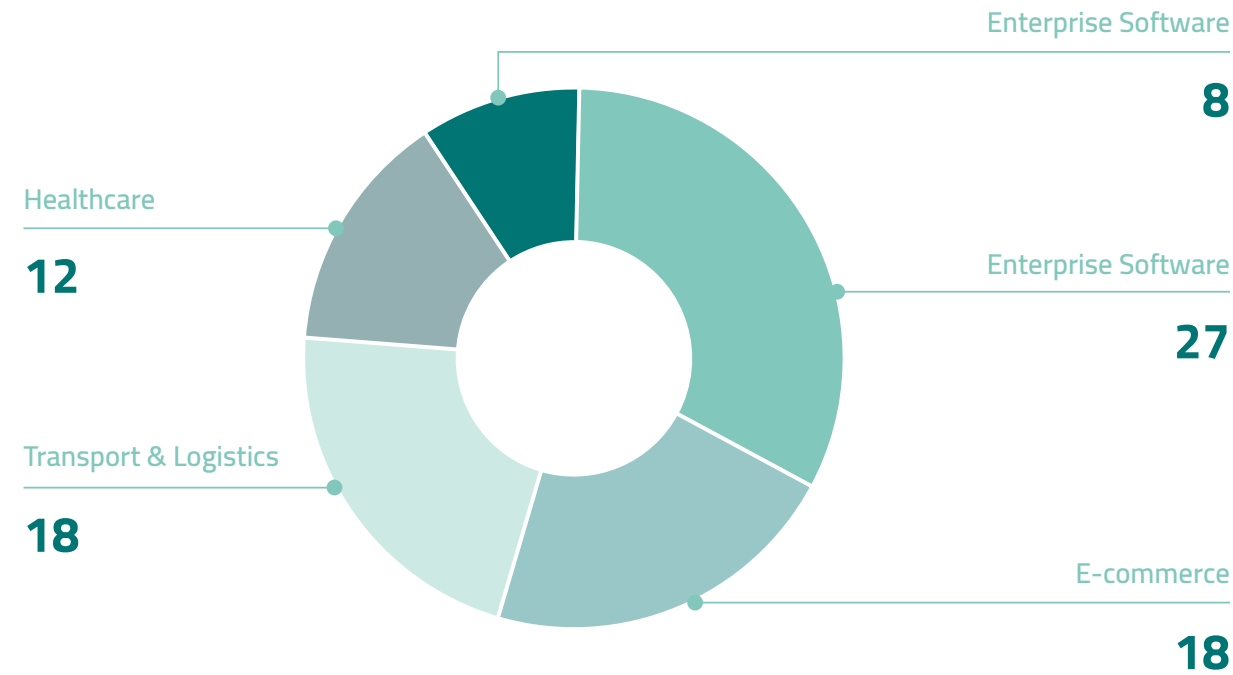


SAUDI ARABIA SECTOR ALLOCATION IN 2021

Funding value³



Number of deals



³ 2021 Saudi Arabia Venture Capital Report, Magnitt

FUNDING ACTIVITY IN SAUDI ARABIA WAS SUPPORTED BY THE LAUNCH OF SME INITIATIVES

Government and sector entities continued to play a vital role in enabling the VCPE ecosystem in the Kingdom through several initiatives aimed at boosting SMEs growth and participation in the non-oil economy, including:

- 69 SMEs benefited from the Small and Medium Enterprises General Authority (Monsha'at)'s Tomouh-ELITE program during the first four phases, including 10 companies nominated to receive financial incentives. The initiative supports SME development through training programs and a network of local and international investors and advisors to facilitate growth and access to financing.
- Led by its FinTech Lab, the Capital Market Authority announced the launch of the fifth round of FinTech ExPermits that are aimed at enabling providers

of financial products and services to enter the regulated market, with a view to promoting greater SME participation in the fintech sector.

- In August 2021, the Ministry of Communications and Information Technology (MCIT), Saudi Federation for Cybersecurity, Programming and Drones (SAFCSP) and the General Entertainment Authority hosted an event called Launch. Organizers of the 'event of Launch' unveiled three major initiatives (Tuwaiq, Hemmah, Qemmah), which aim to raise the digital capabilities of female and male youths in the fields of programming, enhance trust between technological companies and funding agencies and encourage innovation and creativity through central gatherings and platforms. The event marked the start of the registration process for the Apple Developer Academy, the first of its kind in the MENA region, which in its first edition would focus on women coders.
- The National Technology Development Program launched the Technology Development Financing initiative in partnership with the Small and Medium Enterprises Loan Guarantee Program (Kafalah), offering guarantees for technology start-ups and SMEs with a maximum limit of 90% of the value of the financing.
- Furthermore, the Saudi Venture Capital and Private Equity Association and its partners published a Model Term Sheet in an effort to streamline the fundraising process in the Kingdom by allowing the SMEs to adopt a standardized best-practice approach to save the time and cost associated with negotiating the funding.

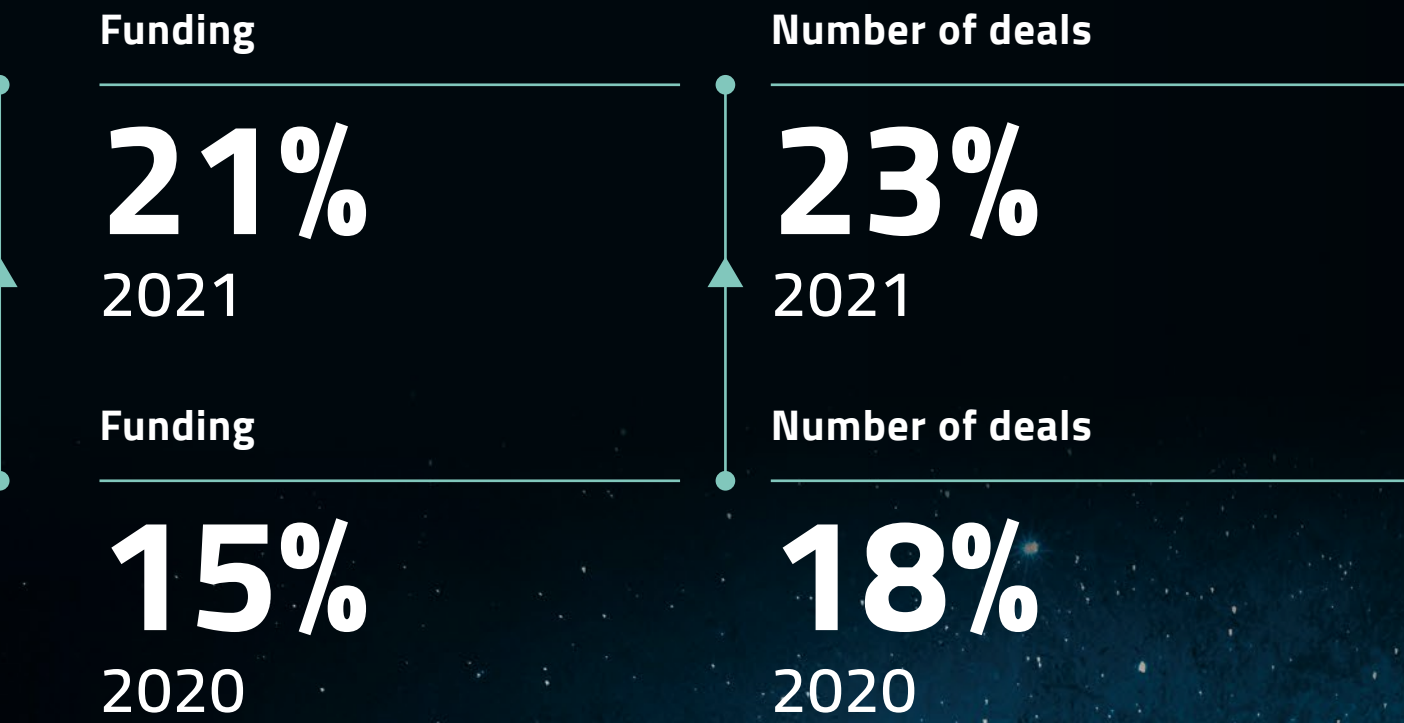




REGIONAL CONTEXT

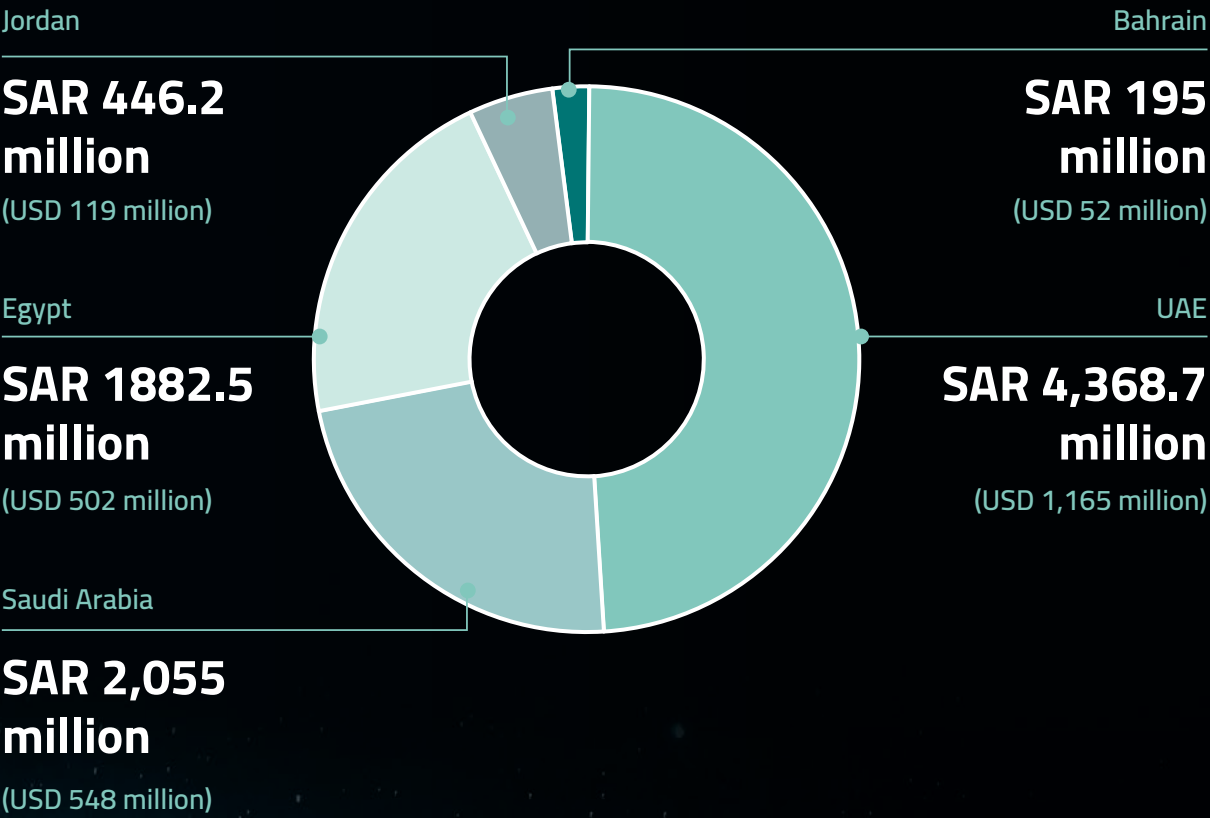
Across the MENA region, 2021 witnessed a strong surge in the number of deals as well as the value of VCPE funding raised by start-ups, which amounted to SAR 9.3 billion (USD 2.5 billion).

The Kingdom's share of alternative investments in the MENA region:



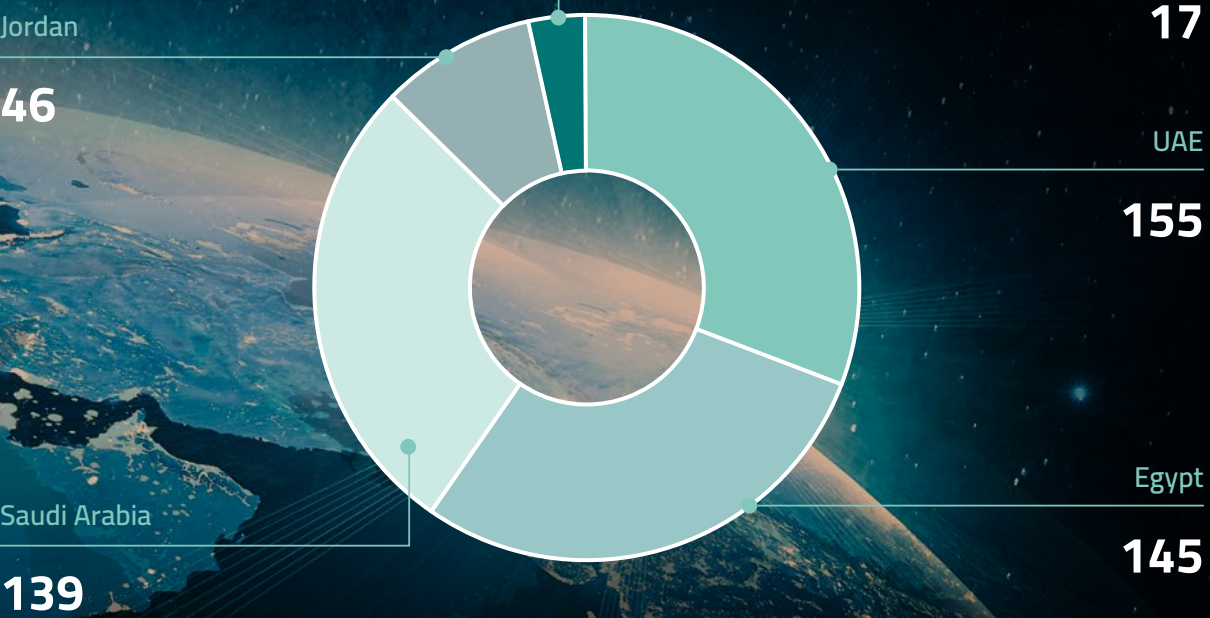
Funding value

TOP 5 COUNTRIES



Number of deals

TOP 5 COUNTRIES





GLOBAL DEVELOPMENTS

Local and regional trends were very much in line with wider international developments. 2021 was a record year globally for venture funding, with the value of deals reaching ⁴ SAR 2,328 billion (USD 621 billion), up 111% from SAR 1,102.5 billion (USD 294 billion) in 2020. All parts of the world recorded a significant increase in funding value, in what can be considered the globalization of innovation capital. The US led the world in terms of venture funding, followed by Asia (including the Middle East), Europe and Latin America.

Rising valuations at later-stage funding rounds led to a 69% increase in the number of unicorns, or start-ups valued at over SAR 3.75 billion (USD 1 billion), bringing the total to 959 companies globally. 44 start-ups are currently worth more than SAR 37.8 billion (USD 10 billion).

Fintech was one of the most popular sectors and attracted 21% of all funding, or SAR 495 billion (USD 132 billion), in 2021, representing a 169% increase year-on-year. The sector was also the most active when it came to the number of deals.

SPACs were the preferred option for venture investment exits, with the median valuation growing two-fold to SAR 6 billion (USD 1.6 billion), and exceeding median IPO valuation of SAR 2.05 billion (USD 547 million), a trend that may slow should the regulatory scrutiny increase.

In March 2021, Anghami, a prominent music streaming company founded in 2012 and headquartered in Abu Dhabi, entered a definitive merger agreement with Vistas Media Acquisitions Company (VMAC), a SPAC developed with the end-goal of listing Anghami on the Nasdaq in New York. This was an important development for the region, indicating the first instance of a technology company originating in the Arab world to list on Nasdaq, with the value of the merger amounting to approximately SAR 825 million (USD 220 million).

Furthermore, Swvl, a mass transit and shared mobility provider headquartered in Dubai, will be listed on the Nasdaq in 2022 following the launch of a women-led SPAC named Queens Gambit which raised SAR 1.12 billion (USD 300 million) in January 2021 with strong backing from private investment firms.

While there have only been a handful of SPACs in the region, they are becoming an increasingly popular tool to bring prodigious regional start-ups into public markets and improve the SME ecosystem, and this is a trend expected to continue into 2022 and beyond.

⁴ CB Insights, State of Venture Report 2021



JADA'S PERSPECTIVE:

Tech Time: Inspiring the Government's Innovation Mandate

It is no secret that Saudi Arabia is undertaking the largest and most ambitious economic reform and transformation program in its history. The Kingdom has rolled out a broad range of initiatives to realize the objectives of its Vision 2030: diversifying economic growth away from oil, and supporting innovation and entrepreneurship. And while in many countries the pandemic derailed national economic policies, Saudi Arabia continues to progress its diversification strategy and plan for economic growth.

It is also no surprise that digitization and artificial intelligence (AI) are the key enablers of Saudi's wide-ranging reforms. Beyond the comprehensive digitization initiatives undertaken in the first phase of Vision 2030's National Transformation Program - which saw the expansion of digital transformation and technical solutions across the Kingdom - digitization initiatives under Vision 2030 are now looking to enhance digital transformation. This next phase is reflected by significant deals announced in recent months, including a partnership between NEOM's Tech and Digital entity and OneWeb to deliver space-based internet to the Kingdom and beyond, the launch of a UK-Saudi Tech Hub, and the launch of Dammam Biotech Valley.

Over the next decade-and-a-half, investment in AI alone is forecast to add more than 12% to the Kingdom's GDP. Amid the drive to develop mega-projects across the country combined with a collective effort to encourage traditional industries to become digital-first, the Kingdom is set to open up significant technology opportunities as Jada has seen with the August 2021 'Launch KSA' initiative that will see nearly SAR 4 billion (USD 1.06 billion) invested in

qualitative initiatives and technological programs to become the biggest technological launch of its kind in MENA.

Joint initiatives

To achieve this goal, the Kingdom's ministries and leading corporates have joined hands with initiatives designed to encourage innovation, ensure sustainability and boost growth to support the country's journey towards a knowledge-based economy. In other words, these initiatives are aimed at transforming Saudi Arabia as a center for purpose-driven innovation.

Across various public and private sector entities, ranging from the Ministry of Investment, to Ministry of Commerce, and the Ministry of Communications and Information Technology, the Saudi Central Bank (SAMA) and MiSK Foundation, efforts have been undertaken to inspire innovation, elevating Saudi Arabia to the forefront of global innovation, creating solutions to challenges, and leading to innovative ventures with a truly global reach.

Besides these multistakeholder campaigns, entities such as the Capital Market Authority and FinTech Saudi are launching collaborative initiatives focused on transforming Saudi Arabia into an innovative fintech hub with a thriving fintech ecosystem. Efforts by these organizations reinforce the notion that the innovation mindset extends beyond the startup space and underlines the fact that all sectors can innovate with the right knowledge, know-how and resources.

Vibrant ecosystem

Building on Saudi's cross-sector efforts are a number of concerted programs by Jada which serve the private sector, particularly SMEs and startups, by promoting the development of a vibrant ecosystem of VCPE investment funds in the Kingdom. Playing the role of a facilitator, Jada's priority is to raise awareness of the importance of the VCPE sector to Saudi's economic future.

Moreover, with the private sector and wider economy facing unprecedented pressure last year due to the fallout from the pandemic and ongoing volatility in the oil markets, the issue of how to support entrepreneurs and nurture growth of SMEs beyond initial rescue packages is likely to become even more important to the future sustainability of the Kingdom's economy.

This is where Jada truly stands out: through continued efforts to support SMEs and contributing to the development of a thriving economy, Jada is helping SMEs to increase their contribution to GDP to 35% by 2030, as outlined by Vision 2030. In this way, Jada not only helps in sustainably diversifying the country's economy but also helping to ensure employment for citizens.

Catalyze Saudi



Jada partnered with Saudi Arabia's Ministry of Investment (MISA) and began work to bolster the Kingdom's start-up and innovation sector, to further amplify ongoing efforts towards diversifying the local economy under the Catalyze Saudi initiative. The initiative is comprised of a series of events that targeted disruptive technologies with the aim of drawing greater visibility to Saudi Arabia from global entrepreneurs and investors for potential networking and educational opportunities.

The platform seeks to act as a bridge that connects leaders across government agencies, start-ups, investors and prominent family business representatives throughout the Kingdom. The format of these events manifests as roundtable discussions to help stimulate ideas and encourage knowledge sharing practices to reinforce the private sector's position in the local economy. The concept was to create an engaging platform that brings key decision-makers and investors together under one roof to develop awareness of the significant opportunities available in the Saudi market, which in turn enables access to

greater reservoirs of capital available for start-ups and entrepreneurs to tap into.

Other programs

Beyond funding, Jada organizes meetups to explore VCPE ecosystems and challenges faced by investor communities and SMEs in different geographies. These meetups help to open conversations around the moral, social, and economic imperatives of female empowerment in VCPE, for example. They also spotlight global success stories in VCPE, offer lessons from emerging economies' ecosystems and highlight VCPE as a career choice.

Jada's outreach efforts also include a series of events, programs, and initiatives to highlight the dynamics of the Saudi VCPE sector, such as its Emerging Manager Program. Through this, Jada has already trained over 200 professionals and partnered with leading global experts to provide the necessary skills and knowledge to excel in the venture capital and private equity space.

Jada also conducts deep-dive trainings with the best academic minds in the industry to upskill Saudi's emerging VCPE talent. This is in addition to virtual meetups with C-suite executives that offer comprehensive insights into how a fund of funds operates and what it seeks in general partners and investment opportunities.

In a nutshell, Jada is committed to catalyzing the VCPE opportunity in Saudi Arabia against a backdrop of global economic uncertainty. Indeed, the COVID-19 pandemic has proven the fund of funds' valuable role in bolstering the country's economy. While the virus whipped up fierce global economic headwinds, Jada remains determined to pursue and support the full diversification of the Saudi economy through a robust VCPE ecosystem and a strong SME sector, regardless of the crises at hand.



FDI IN SAUDI ARABIA

2021 was another record-breaking year for investors in Saudi Arabia. Foreign Direct Investment (FDI) registered historic highs in the Kingdom following a period of muted growth due to the pandemic and geopolitical uncertainties. Saudi Arabia has since emerged as a powerhouse of foreign investment in the regional economy. FDI is a key metric used by financial analysts across the globe to distil and interpret the attractiveness of a country’s economy on an international scale while demonstrating strong growth prospects for investors.

Global View

4,400+

New Foreign Investment Licenses
Handed out by MISA in 2021

SAR 72.3 billion

USD 19.3 billion Net
FDI inflows to the Kingdom

+257%

Annual increase

Looking back, the Covid-19 pandemic had a devastating impact on global FDI inflows, falling approximately by -42% to SAR 3.2 trillion (USD 859 billion) in 2020, down from SAR 5.6 trillion (USD 1.5 trillion) in 2019. The decline was concentrated primarily in developed countries, which saw a decrease of -69%, whereas developing economies encountered a more modest decline of -12%. At this point, the share of global FDI from developing countries reached 72% - the highest total ever on record.⁵

2021, however, witnessed a strong rebound, up 77% to an estimated SAR 6.1 trillion (USD 1.65 trillion), surpassing pre-Covid levels. Developed economies accounted for the lion’s share of this growth, surging by 80% to SAR 2.9 trillion (USD 777 billion), however, that is not to discount the exceptional growth achieved in developing economies, which grew more than 30% to nearly SAR 3.2 billion (USD 870 billion).⁶

Saudi View

Despite the global challenges, Saudi Arabia was able to capitalize on the potential offered by Vision 2030. MISA issued over 4,400 new foreign investment licenses throughout 2021, more than tripling the number that was awarded in the year prior. Consequently, the Kingdom observed over SAR 72.3 billion (USD 19.3 billion) in Net FDI inflows as a result, a year-on-year increase of over 257%.⁷ This boost manifested primarily in response to the announcement of the National Investment Strategy (NIS) and a series of foreign capital inflows to make the most of the flourishing capital markets ecosystem in the Kingdom.

⁵Investment Trends Monitor, United Nations UNCTAD, January 2021
⁶Global Investment Trends Monitor, United Nations UNCTAD, January 2022
⁷H2 Investment Highlights, Invest Saudi, March 2022



NOTABLE FDI DEVELOPMENTS IN 2021

Tamara

In April 2021, Tamara raised SAR 412.5 million (USD 110 million) in a Series A funding round led by London-based leading global payment processor Checkout.com. This funding round was noted as one of the largest-ever investments raised by a FinTech startup in the MENA region.

Since Tamara’s inception in 2020, the startup has achieved an impressive reception from both domestic and international investors, clearly demonstrating there is a strong appetite for Saudi-based startups. The involvement of Checkout.com further indicates confidence in the VCPE sector.

Sary

In December 2021, Sary raised SAR 281.2 million (USD 75 million) in a Series C round of funding led by Sanabil Investments, Wafra International Investment Company, and the Endeavour Catalyst Fund.

SAR 114.3 million (USD 30.5 million) in a Series B round of funding.

This funding round brought total amount raised by the e-commerce startup to SAR 420 million (USD 112 million) and arrived seven months after Sary raised

While Sanabil Investments is a Riyadh-based investment company, the involvement of Wafra International Investment Company and the Endeavour Catalyst Fund represents increased visibility from regional and international investors.

Unifonic

In September 2021, Unifonic closed a SAR 468.7 million (USD 125 million) Series B funding round led by SoftBank, a Japanese holding company headquartered in Tokyo. Unifonic consolidates text, voice, messaging and web browsing into a single sophisticated platform that eliminates fragmentation across channels.

The funding round was led by SoftBank’s Vision Fund 21 and Sanabil Investments, and marks SoftBank’s first direct investment in a Saudi-based company.

In October 2021, Saudi Arabia launched the National Investment Strategy (NIS) as a key enabler to accelerate investment inflows to the Kingdom. The NIS aims to significantly enhance the growth and diversification of the Kingdom’s economy by increasing private sector contribution to GDP to 65%, improve contribution of FDI to GDP by 5.7%, and position Saudi Arabia amongst the top ten economies in the Global Competitiveness Index by 2030. In light of improving economic conditions and the shift towards to greater sandbox regulatory environment, the Kingdom is beginning to demonstrate its staying power as a key destination for investment.

One major theme of the NIS is to increase the number of special economic zones in strategic locations across the Kingdom. Such zones will create financially desirable spaces to incentivize both international and local businesses, including start-ups and well-established operations, underpinned by welcoming government regulations to unlock new opportunities domestically.

In response to Saudi Arabia’s strengthening position, Fitch and Moody’s both improved their outlook by revising credit outlooks from negative to stable accompanied by long-term ratings of A and A1 respectively. More recently, S&P updated its outlook for the Kingdom to positive in March 2022, signifying a comprehensively positive outlook for Saudi Arabia.





JADA'S INITIATIVES



In 2021 Jada continued to build on the strong foundational initiatives developed in the previous year, expanding and growing its channels to continue delivering excellence in education and nurture the VCPE ecosystem through engagement with stakeholders both domestically and internationally.

This was achieved by organizing **two Emerging Manager Program (EMP) Foundation training sessions and 2 Deep Dive sessions** – which took the shape of formal educational seminars run by some of the leading academic professionals in the industry to enhance and build on nascent VCPE talent in the region.

In tandem with the training sessions, Jada hosted **five meet-ups** throughout 2021, including both public and private sessions, with a range of industry-leading professionals from across the Kingdom and beyond, both at the C-suite and fund management level. Jada’s meet-ups helped to facilitate discussions while investigating key market dynamics that play a role in shaping the growing VCPE sector in the Kingdom.

2021 was an important year for Jada with the launch of three case studies in partnership with academics from across the world which were then deployed in various training and MBA sessions to provide a more comprehensive view of the VCPE sector in the Kingdom.

INITIATIVES IN 2021



2 EMP Foundation Trainings



2 EMP Deep Dive Trainings



4 Jada Meet-Ups



1 In-person Meet-up



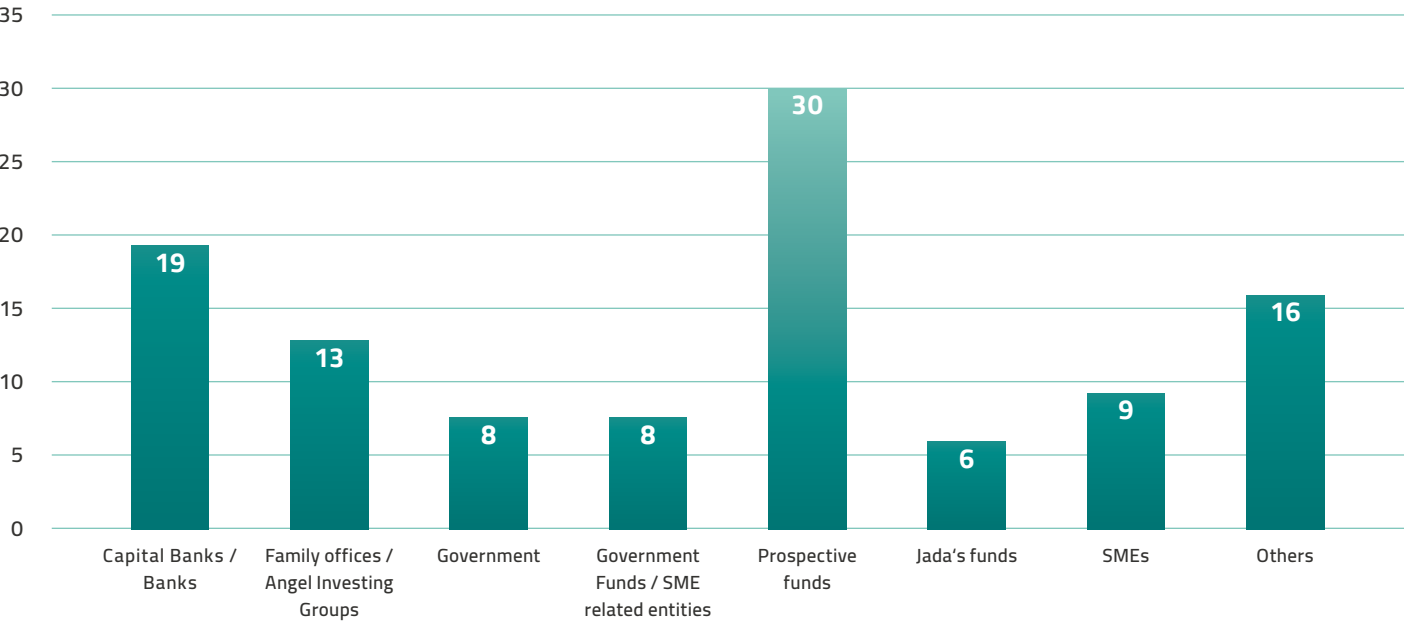
3 Case Studies



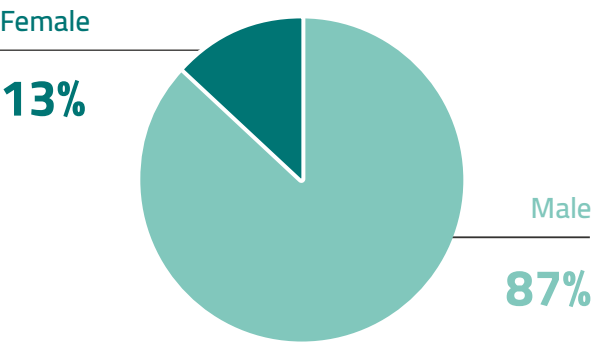
PARTICIPANT PROFILES

VENTURE CAPITAL & PRIVATE EQUITY

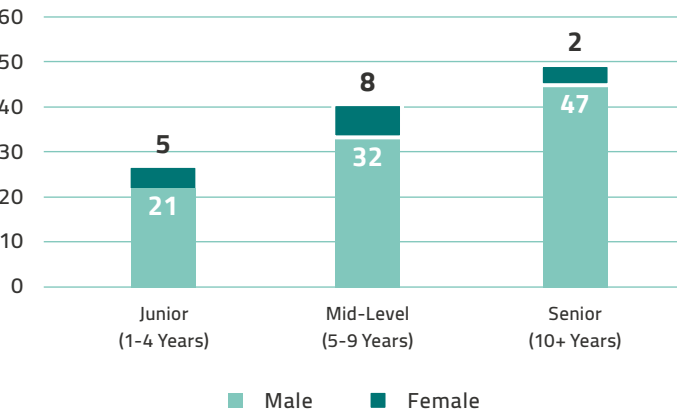
VCPE Foundation Training - Participant Background



Gender Distribution



Experience





HARNESSING TOMORROW'S TALENT FOR SAUDI'S VENTURE CAPITAL & PRIVATE EQUITY SECTOR

Jada empowers emerging managers with a structured program

Emerging managers are an often-overlooked segment of players who have the skills and knowledge necessary for success in the venture capital and private equity (VCPE) space. An emerging manager refers to a portfolio manager who is at the early stages in the growth cycle – be it asset base, track record or business.

Created to promote the development of a thriving VCPE ecosystem in Saudi Arabia, Jada's mandate is comprehensive. It does not just back funds that invest in Saudi Arabia-based private-sector SMEs, or Saudi-focused SMEs headquartered outside the Kingdom. In fact, a large part of its strategy is to enable and support the private sector. Jada intends to bring new value to the private sector ecosystem through its Emerging Manager Program (EMP) to equip existing investors and first-time fund managers through capacity-building, mentorship and access to networks.

As part of EMP, Jada has partnered with leading financial experts, such as Florin Vasvari, Academic Director at the Institute of Entrepreneurship & Private Capital, and Robert Siegel, Lecturer in Management at Stanford Graduate School of Business, among others. To date, the program has trained over 200 talented professionals to address the local talent scarcity in the VCPE sector.

"The ecosystem has evolved and there are now more fund managers that provide capital to businesses in KSA. What is vital to understand is that emotional or social intelligence is critical in VCPE investing," said Vasvari. "A successful investor needs to be able to work well with portfolio company managers and entrepreneurs. That requires trust on both sides which is built on patience and understanding that require social skills."

"Saudi Arabia is quickly moving from a developing landscape to a mature and growing part of the MENA region," said Robert Siegel. "The biggest opportunity for growth will come as the community becomes intertwined with regional and global talent such as entrepreneurs and other sources of capital with whom to collaborate with on deals."

He added: "The people enrolled in the program are prepared, thoughtful and willing to share their perspectives. They are also eager to ask questions and learn from each other. One should never stop learning, whether about markets, technologies, or about becoming a better investor. The world continues to change at a rapid pace, and this will not slow down. Professionals need to accept that learning is a life-long journey and that all of us are perpetual students."

The course also included a special session with Saudi Arabia's Capital Market Authority (CMA), which oversees the licensing of private funds, classifications of funds, and changes to the Investment Funds Regulation (IFR). The sessions were dedicated to an in-depth learning of VCPE, types of companies and running a venture fund and private equity business among other relevant topics.

The sessions covered the full gamut of the VC landscape including fund economics and structuring, investment fund due diligence, VC team dynamics, compensation, public market benchmarking, fund reporting and governance. Meanwhile, the session on PE covered the breadth of Saudi Arabia's PE infrastructure and its potential to boom in the coming years through topics including PE fund economics and structuring and others.

The incisive sessions have been met with enthusiasm by budding emerging managers. One of the attendees, Bahar AlHarbi, the Founding Managing Director at Startups House, said the sessions helped in "carefully strategizing the structure of the investment vehicle, evaluate and source deals, use of financial instruments, contracts and aligning incentives to optimize fund returns".

Participants were also offered insights into industry-specific case studies, distressed investing and were exposed to a number of legal considerations for closed-ended funds as well as the structure of Saudi's Capital Market Authority compared to offshore fund structures.

Abdullah AlSharhan, Co-founder at Stealth Startup, another of the attendees at the program, said: "It was helpful to delve into the mindset of venture capitalists, and learn more about what they look for in terms of returns from startups, innovators and entrepreneurs."

Another EMP participant, Ghada Mazi, Founder and Managing Director of Mashurah, said: "After attending the EMP training program on private equities, I better understand how they work, are structured and how they are valued. This level of exposure is completely new, and will support me with providing more enhanced services to my clients."



JADA’S EMERGING MANAGER PROGRAM FOUNDATION TRAININGS

In 2021 Jada sought to continue building on the EMP training sessions which were highly praised and well-received in the previous year. In total, over 200 trainees attended the course, a major increase from 90 trainees recorded in the previous year. The EMP sessions are broken down into two cohorts of trainees, with one focusing on VC opportunities in Saudi Arabia, and the second focusing on the PE landscape and how businesses can benefit from the positive dynamics currently at play.

EMP Foundation Training: VC

Jada’s first training cohort, the “Venture Capital Foundation Training” ran for a total of 6 days over a 2-week period in June, from 13th – 17th June, and then again on 27th – 29th June 2021, bringing in over 50 attendees to participate in seminars and workshops ran by Robert Siegel, a Lecturer at the Stanford Graduate School of Business.

Key learnings:

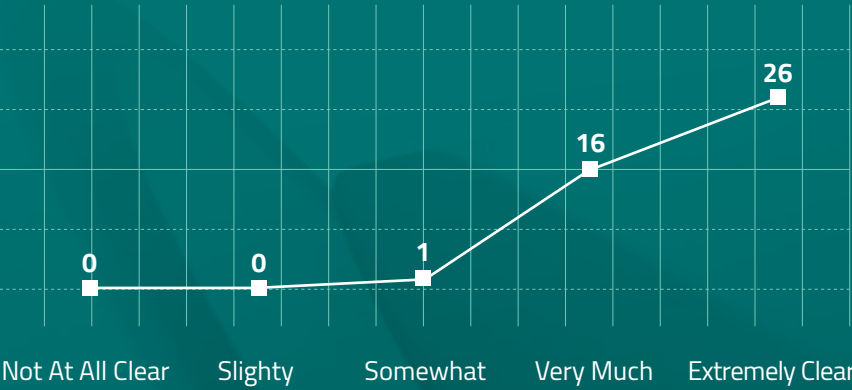
The training sessions covered an array of vital topics for promising entrepreneurs, including the Economics of VCs, Financial Contracting, Term Sheets, Valuation, Financing Strategies, Capitalization Tables, Liquidation Preference, Anti-Dilution, Corporate Governance, and Vesting and Employment.

Feedback:

“The lecturer was an extremely good choice, as he comes from an investment background, so his insights and opinions were based on real-life cases.”

“The course is very advanced and valuable for VC’s looking forward to raising further funding.”

“Thank you to JADA, in particular Professor Robert Siegel, for providing a very informative and useful course over the past couple of weeks.”



97.7%

of Jada’s EMP participants found the instructor to be extremely or very clear in explaining course concepts

EMP Foundation Training:

Overview:

Later in the year, Jada’s second cohort, the “Private Equity Foundation Training” ran for four days between September 26 and 29, 2021, with over 50 attendees who participated in interactive virtual sessions with Professor Florin Vasvari, Academic Director of the Institute for Entrepreneurship and Private Equity at the London Business School.

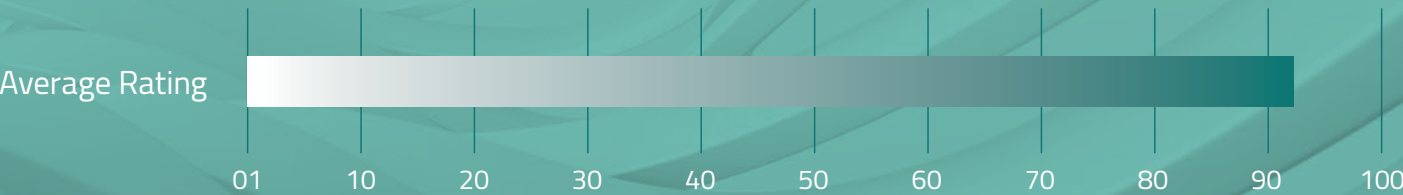
Key learnings:

Attendees of this cohort were introduced to a thorough understanding of private capital funds’ structuring, operations and financing. The course prioritized the potential issues that most fund managers are likely to encounter as they raise and administer private equity funds, including the economics of private capital funding, how to raise private capital funds, investor due diligence, establishing proper governance mechanisms risk management approaches, and governance at the portfolio company level.

Testimonials:

- “Thank you for such an outstanding course. It really boosted my knowledge in Private Equity.”
- “First of all, I’m very thankful to Jada for giving me such a great opportunity to attend the course. It really will increase the level of awareness and knowledge within the Private Equity ecosystem.”
- “Above all, thank you for the insightful program and I really appreciate your efforts towards uplifting the PE industry in the Kingdom with best practice knowledge. It was a pleasure to provide feedback about this amazing programme and greater professor.”
- “I wanted to thank the team and company for arranging this workshop as well as selecting me to join. It was highly insightful, and I enjoyed it very much! Keep up the amazing work.”

How likely are you to recommend the Jada Emerging Manager Program to others? (0-100)





JADA'S EMERGING MANAGER PROGRAM DEEP-DIVE TRAININGS

In 2021, Jada conducted two deep-dive training sessions in Venture Capital. The sessions were run by Florin Vasvari, Academic Director of the Institute for Entrepreneurship and Private Equity at the London Business School.

The first session in May was titled "Value Creation in Portfolio Companies & Valuation" and focused on the selection, planning and execution aspects of VCPE investments. The second deep dive session called "Valuation of Private Companies" was conducted in July, this time focusing on the PE approach to valuation.

Venture Capital

Value creation in Portfolio Companies & Valuations

60
Attendees

Private Equity

Valuation of Private Companies

39
Attendees



JADA'S MEET-UPS

Jada continued to host a series of virtual and in-person interactive meet-ups, consisting of public and private sessions, the stimulate dialogue amongst attendees concerning the most pressing issues in the PE and VC ecosystem.

March 1 2021 Public Event

The Saudi VCPE Ecosystem: A Belgian Perspective

Together they explored the opportunities for knowledge sharing, collaboration, and key industry learnings from the two markets.

March 29 2021 Public Event

The Social, Moral, and Economic Case for More Women in KSA's VCPE Sector

Finding out how Saudi is driving greater gender balance in its VCPE sector. In the meetup Jada heard from the women bringing their perspectives and experience to Kingdom's thriving VCPE sectors.

September 29 2021 Private Event

Why VCPE in Saudi? Making the Right Career Choice for You

Showcase the opportunities available to Saudi finance students in the VCPE sector and how Saudi is laying the groundwork for local graduates to enter the sector and how it will lead to an enriching, intellectually and financially rewarding career.

July 14 2021 Public Event

Global Appeal, Local Access

To highlight international and regional funding opportunities for Saudi startups, the role that Jada and its portfolio of funds can play in brokering these opportunities, and how startups can best attract these.

October 25 2021 Private Event

Exploring Partnership Opportunities

Accelerate the growth and impact of the Saudi VCPE sector, promote discussion between Jada's partners and stimulate potential collaboration efforts.



Meet-up 01:

The Saudi VCPE Ecosystem: A Belgian Perspective

Jada’s first meet-up of the year saw Osama Ashri, Former CEO of Saudi Venture Capital and Private Equity Association (VCPEA), host an interactive public session with a complementary mix of leading Saudi investors and renowned Belgian business leaders in the Belgian ecosystem to deliver a thought-provoking session to raise the awareness of the structure of Saudi Arabia’s VCPE sectors.

Moderated by Mr. Ashri, the panel examined the similar challenges both regions face when it comes to supporting local SMEs while presenting the positive dynamics and regulatory support offered to new enterprises starting out in each market. The session acted as a forum to facilitate discussion between the VCPE ecosystems in the respective Belgian and Saudi markets.

Moderator:

- Osama Ashri, Former CEO of Saudi VCPEA

Saudi Panelists:

- Abdulaziz Alnashwan, GM of Equity Funding at Monshaat
- Abdullah Altamami, Founding Partner & CEO at Merak Capital



Belgian Panelists:

- Dominique Mineur, Ambassador of Belgium to the KSA
- Thibaut Claes, Investment Manager at WING
- Hubert Siemes, Int’l Finance Advisor, CBEC & Greentech Advisor



Meet-Up 02:

The Social, Moral, and Economic Case for More Women in KSA’s VCPE Sector

Jada’s second meet-up was moderated by Athary Almubarak, Director of Strategy at Jada Fund of Funds, who hosted influential female entrepreneurs in the Kingdom’s VCPE sector to help encourage more women to enter the sector and stimulate discussion about how it will create a more innovative and holistic ecosystem, to the benefit of both funds and SMEs. The advancement of women in the Saudi workforce is a key tenet of Vision 2030, as a measure to further improve women’s economic and social advancement while fostering a spirit of innovation for women to rise to top leadership positions throughout the Kingdom.

Moderator:

- Athary Almubarak, Director of Strategy at Jada Fund of Funds

Panelists:

- Loulwa Bakr, Senior Partner at Chrome Advisory, Partner at Global Ventures
- Lateefa Alwaalan, Managing Director of Endeavor Saudi, Founder at Yatooq
- Reem Alsweilem, Managing Director of Blue Palm Capital Partners



In focus: Why we need more women in Saudi's VCPE sector

Jada has facilitated a number of high-level meetings and discussions with Saudi's leading female entrepreneurs, and venture capital and private equity experts in 2021.

The fruits of those conversations yielded some significant insights. For instance, we may even be framing the situation in the wrong way. What we should be seeking is not simply integrating "more women" into the mix. Rather it's finding a way to achieve a greater gender balance – across the spectrum. From the decision-making investment side of the industry, to the entrepreneurs pitching ideas for funding.

It's not enough to say we're empowering or upskilling more women in the sector. It's about finding a practical strategy that achieves greater diversity, inclusion and gender balance – hitting the sweet spot of the UN's SDG5.

It's not just about the role of the education sector. It's more about the transitional phase from education into a career and setting out the pathways for women to move from one into the other, seamlessly.

That starts with building the right frameworks. Hosting networking sessions. And actively setting out to modernize the pitching process so gender biases are left in the past.

Jada believes there is great value in the insights and action points shared by the women who have been part of Jada's International Women's Day campaign, #ShelsAGameChanger.





Meet-Up 03:

Global Appeal, Local Access

The third meet-up of the year was hosted by Mazin Alshanbari, Director of Venture Capital at Jada, who hosted a cohort of leaders in the Venture Capital space to highlight international and regional funding opportunities for Saudi startups. Mr. Alshanbari demonstrated the role that Jada and its portfolio of funds can play in brokering funding opportunities in-market, and how startups can leverage their operations to make their business an attractive proposition of investors.

Panelists from Sary, Rocketship.vc, and VentureSouq, the local partner of Rocketship.vc and a Jada portfolio fund. The speakers came together to investigate how Sary was able to attract such an impressive investment from Silicon Valley-based Rocketship.vc, in a Series B funding round of over SAR 114.3 million (USD 30.5 million), and how this precedent may impact the VC ecosystem for subsequent Saudi startups and SMEs looking to secure funding.

Moderator:

- Mazin Alshanbari, Jada Fund of Funds, Director of Venture Capital

Panelists:

- Mohammed Aldossary, Sary Co-Founder & CEO
- Musaab Hakami, Sary CCO
- Khaled Alsiari, Sary Co-Founder & CTO
- Maan Eshgi, VentureSouq Partner
- Suneel Gokhale, VentureSouq Partner
- Sailesh Ramakrishnan, Rocketship.vc, Managing Director



Meet-Up 04:

Why VCPE in Saudi Arabia? Making the right career choice for you

Jada’s fourth meet-up was conducted to demonstrate the opportunities available to Saudi finance students in the VCPE sector throughout the region, while showcasing how the Kingdom is evolving to create a meaningful ecosystem for graduates to stimulate knowledge sharing and career development. The session was hosted by Muhannad Alameel, a Lecturer at King Saudi University, who was joined by Rawan Aljermawi, VP Investment at Jada and Abdulelah Babgi, Principle at the GCC Asia Growth Fund. The meet-up acted as a forum to increase the connectivity between university students and the VCPE sector, offering support and advisory on the best routes to take in becoming future fund managers within the Kingdom.

Moderator:

- Muhannad Alameel, Lecturer, King Saud University

Panelists:

- Rawan Aljermawi, VP Investment, Jada Fund of Funds
- Abdulelah Babgi, Principal, GCC Asia Growth Fund



Meet-Up 05:

Jada’s First GP In-Person Meet-up

The fifth and final meet-up of the year took place on 25th October 2021 and marked the first in-person meet-up since the initiative was launched in 2020. The meet-up took place at the Marriott Hotel in Riyadh’s Diplomatic Quarter and saw the attendance of over 50 key leaders in Saudi Arabia’s VCPE sector. It was hosted by the Guest of Honor Norm Coleman, former United States Senator for Minnesota. To further accelerate the growth and impact of the Saudi VCPE sector, this session acted as a platform to promote discussion between Jada’s partners and stimulate potential collaboration efforts.



CASE STUDIES

OVERVIEW

In 2021, Jada launched a series of case studies in collaboration with leading international academic institutions to highlight key developments in the Saudi VC and PE sectors to further strengthen and enhance the Emerging Manager Program training sessions.



Case study 1:

Cura: Bringing digital health to the Arab world

The first case study of the year was developed in collaboration with Professor Robert Siegel of the Stanford Graduate School of Business and focused on Cura, a Saudi-based startup app that provides access to hundreds of world-leading doctors domiciled under one online platform. The case study examined the inception of the company and how Cura successfully established itself as the largest telehealth network in the Kingdom.





Case study 2:

Foodics: Changing the way restaurants connect with customers

Jada’s second case study of 2021 was developed in collaboration with Professor Robert Siegel and the Standard Graduate School of Business, this time focusing on Foodics, a Saudi-based startup that developed a Point of Sale (PoS) and Restaurant Management Solution platform to better support businesses in managing front of house operations. The second case study investigated the beginning of Foodics, examining how Ahmad Al-Zaini, CEO of Foodics, identified a key opportunity in the market and progressed PoS dynamics in the Kingdom and beyond.



Case study 3:

Raed: Venture Funding in Saudi Arabia – Corporate or Financials Goals at Raed Ventures?

The third case study of 2021 was created in partnership with Thomas Klueter, a Professor at the IESE Business School, to identify the factors that established Raed Ventures as a leading Venture Capital firm in the Kingdom. The case study was deployed in two MBA classes on the 6th October and 7th October 2021. The case study explores how the VC ecosystem in Saudi Arabia rapidly developed from a scarce entrepreneurial environment to a dynamic hub of investor activity in recent years, and how Raed Ventures adapted to shifting market conditions to become an important story of growth and success in fluid and evolving market conditions.





PORTFOLIO FUND TESTIMONIALS

While the beginning of last year marked a continuation of challenges for the energy sector due to the ongoing low oil price environment and the Covid-19 pandemic, the regional energy markets rebounded later in the year. We are now witnessing investment opportunities coming online across all markets in which we participate. Oil and gas, petrochemical and mining production goals have risen to the very top across the GCC region, representing a significant opportunity for growth, particularly when we observe strong appetite in the market for doing things differently and an openness to innovation and technological change.

The Saudi market has always been attractive to ECG given that it is both a substantial market for key energy and energy-related value chains, including but not limited to oil, gas and petrochemicals, metals and mining and

power and water, as well as the fact that it stands to benefit from the reforms associated with Vision 2030.

While the SME ecosystem in Saudi Arabia is gaining momentum, further support will be required in order to thrive. Most SMEs that participate within energy-related sectors grapple with a rigid industry structure, meaning that they generally sit between very large international suppliers and correspondingly large customers. This dynamic has led to natural limits to their capabilities for creating leverage. Investors must consider SME access to competitive financing arrangements that help manage this “terms squeeze” to boost SME growth.

Other than the access to financing, strong market credibility and relationships, as well as an understanding of growth constraints that Saudi SMEs face, are key areas of focus to unlock value and achieve potential.



ALI ABDULAZIZ ALTURKI
FOUNDING & MANAGING PARTNER

Energy Capital Group

Jada understood the ECG vision from the very beginning and made a commitment to the ECG Fund early on. Jada’s reputation and support created opportunities to access other investors which have been instrumental in securing ECG’s first close.

I am excited about Saudi Arabia’s important role in the global economy and its position as a catalyst to drive change and promote innovation to the marketplace through strengthened capabilities and cutting-edge technology. Saudi-based firms are well positioned to become the new generation of energy sector market leaders, with the added prospect of regional and global growth.



PORTFOLIO FUND TESTIMONIALS



Saudi Arabia is the most attractive market in the MENA region for a number of reasons, including the size of the population and its young demographic nature. In addition to that, Saudi Arabia has a relatively high income per capita supported by strong purchasing power. The country boasts some of the biggest enterprises in the world, which in turn is attracting start-ups, vendors and investors to cater to the need for strong value chain components. But more than anything, the entrepreneurs and investors I meet tell me that it is the Vision 2030 relentless drive to transform the economy that is creating sizable opportunities and they want to be part of this potential.

The supportive market dynamics call for an ongoing adoption of new technologies, paralleled with adequate policies that would help speed up the process of establishing new ventures, while at the same time ensuring the protection of users. There is also a need to adopt new fund structures to support the growth of the VC ecosystem, and the Capital Market Authority has taken encouraging steps to address this area.

The prevalence of big and well-established enterprises with great scale and access can

sometimes pose challenges for new startups that are yet to achieve the critical mass required to unlock their full potential. As the VC market in Saudi Arabia continues to grow and evolve, however, it should only get easier for start-ups to adapt. We also need to ensure that an adequate pool of talent is available for these startups to help them build world-class technology products and drive the growth regionally and internationally. This can be achieved by investing in education locally as well as attracting the global talents to transfer and embed new skills in the Kingdom.

RAED first engaged with Jada in 2019 and since then we have worked together constructively and applied best practices in our second fund RAED II. We consistently hold discussions with Jada on a monthly basis to explore the value add opportunities that Jada team can provide to the fund and to share updates about the portfolio companies. Jada takes an active role in tackling the industry challenges, and in doing so, contributes towards the creation of a strong and thriving VC ecosystem.

OMAR ALMAJDOUIE FOUNDING PARTNER

RAED Ventures



This support from our anchor LP allows us to focus on what we do best, investing and backing exceptional founders in the region. We usually search for entrepreneurs with great ideas and expertise who have developed strong products backed by sustainable and defensible business models, with the potential to disrupt the market, scale up and expand into new market segments. We seek like-minded founders with whom we can build rapport, enabling them to both overcome their challenges

and access the opportunities that would propel their businesses to the next stage of growth.

While we are sector-agnostic and focus on sizable markets in general, we have noted a number of trends in areas such as fintech or the enablers of e-commerce, including payments, logistics, and fulfillment. The emergence of enterprise software is another trend that we view as supportive of the ecosystem's growth in the coming years.



PORTFOLIO COMPANY TESTIMONIALS



2021 was indeed a significant year for us, as we secured over SAR 375 million (USD 100 million) in funding from major regional and international investors, including Rocketship.vc and RAED Ventures. It demonstrated that the company operates in line with high standards of governance, which attracted not only high-profile VC funds, but also later-stage Series C funding, from Sanabil and Wafra, allowing us to remain agile as we continue to grow our business.

It was a vote of confidence in the leadership and business model of Sary as a leading B2B e-commerce platform, providing a validation for our vision to reinvent the whole supply chain, end to end. It was also a demonstration of what Saudi entrepreneurs are capable of, how we can identify problems and come up with effective solutions.

Saudi Arabia is certainly seen as an attractive market for VCPE investment, driven to a large extent by the demographics. Approximately 70% of the population is young and digitally native. The country boasts one of the highest rates of internet and mobile phone penetrations globally, with the digital infrastructure in place to allow companies such as ours to successfully deploy new products. In addition, the level of disposable income is much higher than in many other emerging markets, further

supported by a stable currency pegged to the US dollar.

Ambitious founders in Saudi Arabia and the wider MENA region have been embracing entrepreneurship as a career path for some time now and we can now see a second generation of enterprising individuals entering the market. Regional start-ups can now realize their full potential and attract higher valuations as there are clear exit options for investors. This level of market maturity is further evidenced by successful exit stories, including the IPO of Jahez on the Saudi Exchange's Nomu Market or Nasdaq SPAC listings of Swvl and Anghami.

One cannot underestimate the importance of early-stage investment, whether it's relating to providing the initial growth capital or helping young companies navigate the regulatory landscape and enter new markets. The right type of fund can really move the needle by bringing the expertise, stimulating a wider investor participation, and promoting best practice. To that end, Jada has been instrumental, whether through its efforts to build awareness about the opportunities in the Saudi start-up ecosystem or enhancing and standardizing industry practices.

MOHAMMED ALDOSSARY

CO-FOUNDER AND CEO

Sary



That said, some challenges remain. As more and more start-ups are emerging and the digital transformation initiatives are being rolled out, the competition for talent is fierce. Regulatory structures may also need to be reviewed to allow investors to establish new funds in Saudi Arabia.

As we look to the future, we are excited about the evolution of the start-up ecosystem and welcome successes of other entrepreneurs as the market

continues to mature, with more exit options available and the momentum building across the wider start-up ecosystem.

As the wave of digitalization is sweeping the world, aspiring entrepreneurs should establish a clear mission statement and focus on the "why," and then ensure that their purpose is articulated clearly, not only to their investors but to their customers and employees too.



PORTFOLIO COMPANY TESTIMONIALS



The founding principle of Tamara was to deliver considerable value to our customers and the funding we secured from Checkout.com in 2021 will certainly help us as we continue to scale and grow our buy-now-pay-later business model. Our partnership goes beyond the aspect of growth capital as it also offers synergies and optimization. It is also strategic in nature as we build on our existing market share and expand to serve more customers.

As a G20 country and the largest economy in the GCC region, with a stable currency, Saudi Arabia provides an ideal platform for entrepreneurs to test and implement innovative ideas. A tech-savvy young population is driving the adoption of new disruptive solutions that make everyday life more convenient. The market has evolved so rapidly over the past few years that even now we are only scratching the surface.

The start-up ecosystem in Saudi Arabia is becoming a go-to destination for both the entrepreneurs and investors alike. We are seeing a lot of new talent entering the market, encouraged by the speed of socioeconomic changes taking place.

As recently as 2016, there were few opportunities for start-ups to flourish. Now there are many VCPE funds focusing on the Kingdom, and Jada’s contribution to this shift should not be underestimated. Jada’s

initiatives have helped professionalize the industry and supported in creating the momentum necessary to facilitate further growth and attract international VCPE investment. As a result, we see a lot of international investors coming in at the initial growth stage. In the past, such situations would simply not be possible.

As the ecosystem continues to grow, evolve and attract ever greater interest, entrepreneurs need to have a clear mission in place, and develop products that meet the local or regional demand. Culture is another important factor to bear in mind as founders focus on building sustainable, long-term businesses supported by employees who are results-oriented and eager to work together as a team for the greater good.

2022 will be a year of significant achievements for Tamara. Having completed 18 months as a business, we are focusing our attention on how to service our customers better and elevate how they see financial solutions, driven by the principles of fairness, ease of use and long-term value creation. We are launching new products and are excited about new people joining us on that journey. We want the private sector to thrive and increase its contribution in terms of employment.

ABDULMAJEED ALSUKHAN
CO-FOUNDER AND CEO

Tamara

We are witnessing a culture shift in the Kingdom. More and more ambitious and skilled graduates are looking at start-ups as a viable career option and are excited to become part of a growth story early on. Competition for talent is certainly a challenge for new businesses, but that is also the case all over the world.

To succeed, entrepreneurs need to focus on creating a product or solution that truly addresses a market need and can build critical mass. Assemble the best team you can and make sure your customers are excited about the product. Once you have these building blocks in place, investors will start taking note.



LOOKING TO 2022



As Jada continues to execute on its mandate, there are several encouraging trends that offer a glimpse into how the Saudi private sector is transforming, enabled by collaborations between ambitious entrepreneurs with great ideas and skilled investment professionals who increasingly have the tools and the know-how to help promising companies scale up and achieve their long-term growth potential.

2022 will likely see an inflection point in talent movement. There is a wave of new talent entering the market, with a greater number of young and ambitious individuals choosing to take the leap and launch new companies, marking

a remarkable change in the attitude towards entrepreneurship in Saudi Arabia. The more this trend continues, the more others will follow, inspired by news about start-ups that have succeeded in securing a considerable market share, later-stage investment, or even exiting their companies through IPOs. Such success stories are likely to inspire entrepreneurs to start new ventures.

There is also evidence of a pick-up in venture funding, as more and more funds are entering the Saudi market to tap the opportunities it offers. This

demand is likely to continue on a much bigger scale in 2022 and beyond, driven by a growing pool of investment options and ways to monetize those investments. This should also have a positive impact on valuations of SMEs.

Environmental, social and governance (ESG) frameworks will likely attract greater scrutiny, pushing the VCPE community to better articulate its contribution to sustainable growth. The good news is that ESG is at the core of venture capital investing, with a strong emphasis being placed in particular on social and governance factors.

Jada's mandate has always been to catalyze the growth of the VCPE market by encouraging the formation

of new funds focused on Saudi Arabia as well as attracting international and regional funds to enter the Kingdom. Part of this process is about educating stakeholders about the Saudi market opportunity by bringing them together to discuss ideas and best practice approaches. Another priority is the ongoing supervision of fund performance and governance.

Jada will continue to deliver on these priorities [and more] as it deploys its funds to help realize Vision 2030 objectives by stimulating the private sector growth, economic diversification and job creation.



جدا Jada

شركة صندوق الصناديق
Fund of Funds Company