

Sukna Unveils MENA's First Open-Ended, Sharia Compliant Direct Financing Fund, Unlocking a New Era of Flexible SME Financing

Riyadh, Saudi Arabia – July 14, 2024 — Sukna Capital has received official approval from the Saudi Capital Market Authority (CMA) to launch Sukna Fund for Direct Financing. SFDF is KSA's first open-ended, sharia compliant direct lending fund—marking a regulatory milestone for non-bank financing in MENA. As a CMA-licensed alternative asset investment platform, Sukna is now authorized to offer institutional investors access to a vehicle providing non-dilutive, scalable financing for small and medium-sized enterprises (SMEs) seeking accelerated growth without equity dilution.

Unlike traditional private credit vehicles, the open-ended fund structure enables investors to enter and exit at regular intervals, offering periodic liquidity with no long lock-up periods. For SMEs, this unlocks access to asset-backed capital while enabling founders to retain complete ownership and avoid the limitations of equity financing.

Fares Bardeesi, CEO of Sukna, described the launch as a pivotal step in expanding institutional credit access for underserved sectors across the region. With over two decades of experience in corporate finance and private investments, Fares has led more than USD 6.5 billion in transactions across real estate, technology, and healthcare. As a co-founder of Sukna Ventures and the architect behind Sukna's evolution into structured private debt, he emphasized the urgent need to close funding gaps for both traditional and innovation-led SMEs. "As of Q3 2024, SME lending in Saudi Arabia is estimated to be SAR 329.23 billion—just 9.1% of total bank credit—well below the Vision 2030 target of 15 to 20 percent," he noted. "SFDF is designed to address that gap through institutional, regulator-aligned capital solutions tailored to the needs of high-potential businesses across sectors."

This announcement comes at a pivotal moment, as the Middle East's tech and startup landscape undergoes rapid transformation, while traditional funding structures have not kept pace with founders' evolving needs. Waleed Alballaa, Managing Partner of Sukna Ventures and member of the Fund's Investment Committee, underscored the importance of timing: "The tech and startup ecosystem has matured significantly, but financing structures simply haven't caught up. We designed SFDF to meet founders where they are—with the right capital, at the right time, and without the red tape."

Waleed brings his unique, founder-centric perspective to the fund, shaped by over two decades at the intersection of technology, operations, and venture capital across Silicon Valley and Saudi Arabia. His deep technical foundation is complemented by a decade dedicated to venture capital, during which he was instrumental in launching multiple investment vehicles and serving on the boards of several prominent technology companies. His holistic experience gives him a firsthand understanding of the capital gaps that can hinder high-growth companies.

The launch of SFDF builds on the success of Sukna Ventures, the firm's technology-focused investment arm, known for backing bold, high-growth startups in mobility, logistics, and digital marketplaces. Sukna also leverages proprietary technology to streamline loan origination, risk assessment, portfolio monitoring, and investor reporting, ensuring a transparent and scalable experience for both borrowers and institutional capital partners.

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About Sukna Capital

Sukna Capital is a CMA licenced Saudi investment platform that provides investors curated access to alternative asset classes including Venture Capital, Direct Financing, Real Estate and Private Equity.

For more information, please visit www.suknacapital.com

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