

SVC

# Global investment in Saudi Arabia's private markets

JULY 2026

## Foreword



**H.E. Ibrahim Al-Mubarak**

Assistant Minister, MISA

Global private capital is growing increasingly selective, favoring markets that combine scale, stability, regulatory clarity, and long-term growth. Saudi Arabia has purposefully strengthened these fundamentals through Vision 2030, building a more open, predictable, and internationally connected investment environment.

This report by SVC, Global Investment in Saudi Arabia's Private Markets, offers an evidence-based view of that progress. Since 2019, private capital inflows have expanded markedly, supported by macroeconomic stability, regulatory modernization, and stronger market institutions, which is advancing the Kingdom toward a more diversified and globally integrated private capital ecosystem.

This momentum is underpinned by continued reforms, including the updated Investment Law, alongside national platforms and sector programs that facilitate market entry, foster partnerships, and support scaling. At the Ministry of Investment, our role is to translate this momentum into a robust pipeline of opportunities, attracting high-growth companies and fund managers, enabling their expansion, and connecting capital to priority sectors.

As the Kingdom advances its transformation, we remain committed to working alongside investors worldwide, and we invite them to engage with Saudi Arabia's private markets as both a high-growth destination and a strategic platform for long-term value creation.



**Nora Alsarhan**

CEO, SVC

Saudi Arabia's private markets have entered a defining phase. Since 2019, foreign capital has flowed into the Kingdom with growing conviction across venture capital, private equity, and private debt, and the investor base has widened from a regionally anchored pool to nearly 150 institutions spanning the United States, Europe, and Asia. What this report describes is not a series of isolated deals, but a market that international capital now treats as a destination in its own right.

That confidence rests on a changed risk profile. Investors today encounter clearer entry pathways, greater deal visibility, and credible local partners able to anchor funds and reduce the cost of entry. Regulatory modernization, macroeconomic stability, and deeper market infrastructure have moved the Kingdom from rewarding the opportunistic to rewarding the committed.

SVC's role in this has been deliberate. As a developmental investor and market maker, we commit capital alongside leading managers and take on the early risk that gives others the confidence to follow, mobilizing several times our own commitment and building the depth that long-term capital requires.

This report is part of that work. It offers an evidence-based view of where foreign investment stands today, and an invitation to those still studying the opportunity to look more closely. The fundamentals are in place, and the Kingdom is firmly positioned as a hub for private capital in the decade ahead.

# Executive summary

Saudi Arabia's private capital market remains an emerging market across the overall private market segments (VC, PE, and PD) even as it has become one of MENA's most active. Since 2019, inflows have risen sharply as reforms and institutions strengthened confidence. Venture capital leads activity, private equity is more targeted, and private debt has taken shape as a complementary pillar, signaling a market entering greater depth and diversification, increasingly integrated with global flows.

Foreign investment is growing more balanced. Deal counts are rising, but value fluctuates. The mix is shifting toward more mid-market private equity deals and a stronger Series A-B pipeline, reducing today's early-stage tilt. Institutional credit is also expanding, financing working capital and enabling pre-IPO readiness expanding from 14% in 2019 to ~90% in 2025 of total foreign investments. While FinTech and e-commerce still lead, investor interest is broadening into healthcare and other maturing sectors.

The investor base is deeper and more global. Since 2019, foreign investors have more than quintuple from 28 to 148 in 2025. Participants now span the US, Europe, and Southeast Asia, beyond traditional regional players. Repeat investment and on-the-ground teams signal stronger long-term commitment and closer ties between global capital and local operators.

There are seven enablers underpinning expansion: macro stability, regulatory modernization, deeper capital market infrastructure, government-backed catalytic capital, sectoral initiatives, local presence of investors, structured approaches to value creation. Together, they anchor risk-sharing, signal commitment, align with national priorities, and support predictable entry/exit and repeat foreign participation.

## Project Team

**Athary Almubarak**  
Chief Strategy Office

**Mohammed Babkair**  
Strategy Senior Associate

**Abdulmajeed Althunayyan**  
Strategy & Planning Manager

**Rula Alqahtani**  
Strategy Analyst

# TABLE OF CONTENTS

01. Introduction	04
02. Global capital flows into Saudi Arabia's private markets	06
03. Investor profiles and success stories of foreign investments in local private companies	10
04. Enablers and initiatives attracting global private capital to the Kingdom	23
05. Path forward for private capital	26

# 01.

## Introduction

Vision 2030 has defined Saudi Arabia's path towards a profound economic transformation to diversify the economy and raise private sector GDP contribution to 65% by 2030 from 47%<sup>1</sup> in 2024, up from 40% in 2016. Central to this agenda is the role of private capital investment in privately held businesses and assets, comprising private equity (PE), venture capital (VC), private debt, and venture debt. Private capital is a key enabler of Saudi Arabia's transformation, driving both economic and social development. On the economic side, it fuels innovation and entrepreneurship, enhances productivity, and strengthens competitiveness by channeling resources into high-growth sectors and transformative technologies. On the social side, it fosters job creation, strengthens corporate governance, and supports regional economic development. By providing flexible financing across all stages of business growth, private capital underpins resilience, diversification, and the establishment of a dynamic private sector.

The Kingdom has implemented bold economic reforms and institutional upgrades to open its private markets to international capital. These span regulatory modernization, full foreign ownership in most sectors<sup>1</sup>, initiatives to deepen capital markets and digitize the business environment. While structural reforms have strengthened Saudi Arabia's investment landscape, increasing foreign private capital participation remains a key priority under Vision 2030. The Kingdom aims to increase FDI inflows to 5.7% of GDP by 2030<sup>1</sup>, up from 1.3% in 2024, which had grown significantly from just 0.3% in 2019<sup>2</sup>. Meanwhile, the contribution of foreign private capital has remained relatively stable between 2019 and 2024<sup>3</sup>. Beyond providing capital, global private investors can contribute expertise, technology, and institutional practices that support enterprise growth, facilitate knowledge transfer, and enhance the long-term resilience of the Saudi economy.

This report explores the dynamics of private capital investment in Saudi Arabia, highlighting the momentum, emerging trends, and strategic shifts in sectors. By showcasing success stories and investor perspectives, it uncovers areas where foreign investor interest is robust. Ultimately, this report positions Saudi Arabia not merely as a high-growth emerging market but as a mature, scalable hub for sustainable, long-term private capital deployment, strategically positioned at the intersection of global investment flows and regional innovation.



1. Vision 2030 (2024) Annual report

2. World bank group (2024) Foreign direct investment, net inflows (% of GDP) - Saudi Arabia

3. Share of total foreign private capital investment relative to national GDP

# 02.

Global capital flows into Saudi Arabia's private markets

## Overview of foreign private capital flow in Saudi Arabia

Foreign private capital, defined as investments made by foreign capital in Saudi private companies, either directly or through foreign funds, including capital that those funds may have raised from local investors.

The foreign private capital has grown sharply in recent years; inflows rose from less than  $\text{SAR}$  2.0 billion (USD 530 million) in 2019 to more than  $\text{SAR}$  7.5 billion (USD 2 billion) in 2023 (Figure 1), representing around 30% of total private capital investment in Saudi Arabia. After moderating to  $\text{SAR}$  3.2 billion (USD 860 million) in 2024 due to fewer large deals, activity rebounded strongly in 2025, reaching  $\text{SAR}$  20 billion (USD 5.3 billion), accounting for ~60% of total private capital in KSA. Despite the slowdown in value in 2024, the number of transactions continued to rise, reaching 118 in 2024 compared to 86 in 2023. VC market witnessed a decrease in 2024 due to reduction in the number of mega deals, but recovered in 2025, with  $\text{SAR}$  2.1 billion (USD 559 million) in deal value. Cumulatively, more than  $\text{SAR}$  40 billion (USD 11 billion) of foreign private capital has flown into the Kingdom since 2019, reinforcing its position as a compelling long-term investment destination.

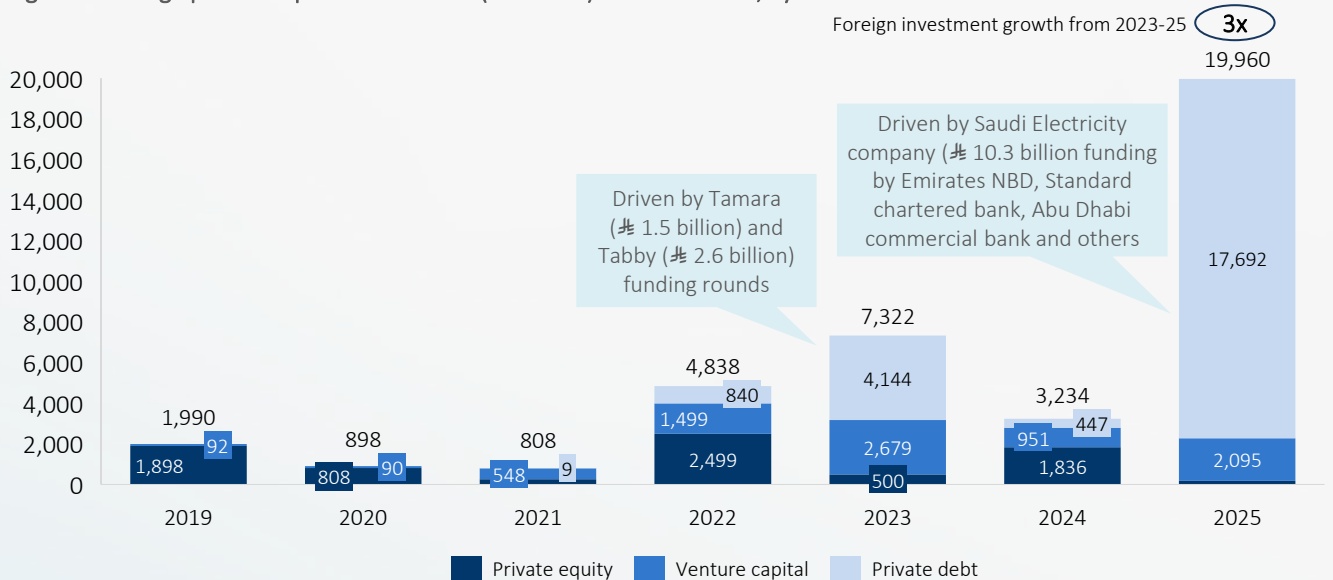
This growth has been supported by government-backed capital providers. SVC, for instance, acts as a market maker, and other players invested in foreign-managed private equity, venture capital, and private credit funds, providing early commitments that reduce entry risk for international managers. Among their various investments, they have invested in or partnered with several international funds and asset managers, including Partners for Growth, Franklin Templeton and Neuberger Berman. Together, these efforts

create a more accessible and attractive entry point for foreign investors, while also aligning private capital deployment with Vision 2030 priorities such as SME support, job creation, innovation and private companies' GDP contribution.

**Breakdown by asset class** - PE investment landscape in Saudi Arabia was mainly driven by mega deals. Deal values rose from  $\text{SAR}$  1.9 billion (USD 504 million) in 2019 to  $\text{SAR}$  2.5 billion (USD 666 million) in 2022 (Figure 1), contributing to ~33% of total PE funding in Saudi Arabia. In 2023, it declined sharply to  $\text{SAR}$  500 million (USD 133 million) before recovering to  $\text{SAR}$  1.8 billion (USD 490 million) in 2024. Average deal size has decreased from  $\text{SAR}$  380 million (USD 101 million) in 2019 to  $\text{SAR}$  115 million (USD 30.5 million) in 2024, reflecting a shift from limited large deals towards smaller, more frequent transactions.

Saudi Arabia has maintained its position as the largest VC market in MENA over the past two consecutive years, with  $\text{SAR}$  2.7 billion (USD 0.7 billion) in VC funding deployed in 2024<sup>4</sup>, representing approximately 40% of the region's total<sup>4</sup>. Of this, 36% of VC investment ( $\text{SAR}$  951 million, USD 254 million) came from foreign investors, growing from 21% in 2019. The strong momentum continued into 2025, when foreign investments have reached  $\text{SAR}$  2.1 billion (USD 559 million). Over the past five years, VC funding from foreign investors has increased 10x, with deal count rising from 27 in 2019 to 98 in 2024 and 89 in 2025. Average deal size has increased from  $\text{SAR}$  3.4 million (USD 0.9 million) to  $\text{SAR}$  9.7 million (USD 2.6 million) and  $\text{SAR}$  23.5 million (USD 6.3 million), reflecting the increasing maturity of startup ecosystem.

Figure 1: Foreign private capital investments ( $\text{SAR}$  million) in Saudi Arabia, by asset class



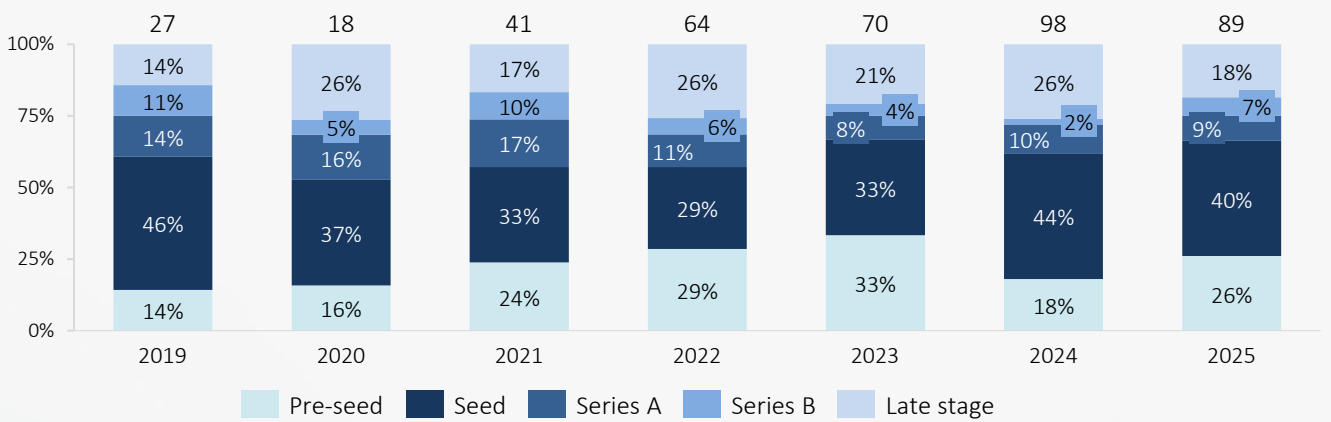
Source: SVC analysis on MAGNITT, Pitchbook, Preqin

Private debt has evolved into a more structured asset class, with foreign investments rising from  $\text{SAR } 9$  million (USD 2 million) in 2021 to  $\text{SAR } \sim 4$  billion (USD 1.1 billion) in 2023 (Figure 1). The strong momentum continued in 2025, with deal value reaching  $\text{SAR } \sim 20$  billion (USD 4.7 billion). This growth has been supported by government-backed private capital investors such as SVC and Jada, which have invested alongside global managers in credit funds.

**Breakdown by deal type** - In PE, the market has been witnessing both growth-focused investments and buyouts (Figure 3). While growth-stage PE was historically the key driver, buyout activity has steadily increased, surpassing growth deals in 2021. This shift reflected a rising investor appetite for traditional buyout strategies- particularly large corporates and majority-control acquisitions- which accounted for the bulk of PE activity in 2021, with total deployed capital of  $\text{SAR } 250$  million (USD 67 million). The trend continued in the following years until 2024 where it reversed with growth-stage deals once again dominating the market.

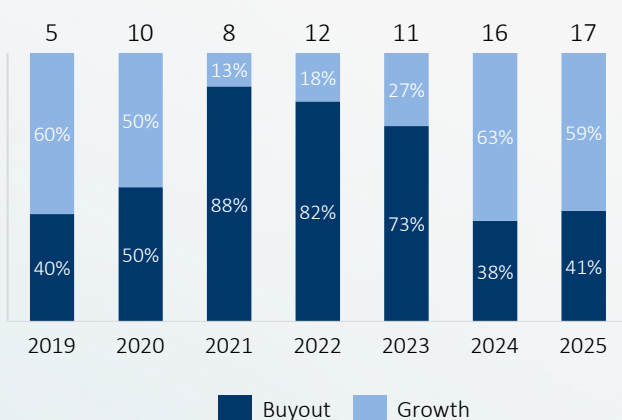
In VC, early-stage funding - which includes pre-seed and seed - continues to dominate, representing 62% of total deal volume in 2024 (Figure 2). These rounds have seen steady growth in value, with the average deal size increasing from  $\text{SAR } 1$  million (USD 0.4 million) in 2019 to  $\text{SAR } 4.5$  million (USD 1.2 million) in 2024 and  $\text{SAR } 6$  million (USD 1.6 million) in 2025. In contrast, Series A and B rounds remain limited, accounting for only 12% of deal count in 2024 and 15% in 2025 (Figure 2). While late-stage deals account for 26% of volumes in 2024 and 18% in 2025, their values surged significantly in recent years, peaking at  $\sim 90\%$  of total VC investments in 2023 before falling back to 40% in 2024 and 49% in 2025. This trend was driven by fluctuations in mega deals (e.g., Tamara and Hunger station), which explain the sharp increase in average deal size, rising to  $\text{SAR } 156$  million (USD 41 million) in 2023, compared to  $\text{SAR } 1$  million (USD 0.26 million) in 2019. The relative scarcity of mid- to late-stage deal volume signals a potential opportunity for foreign investors to step in and support companies that have advanced beyond the early-growth phase.

Figure 2: Number of VC investments in KSA by foreign fund managers, by type



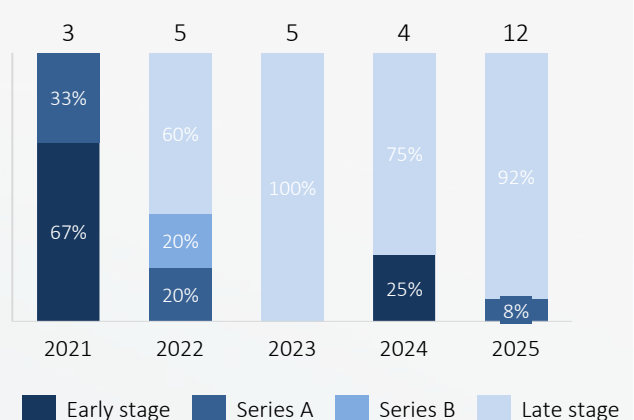
Source: SVC analysis on MAGNITT

Figure 3: Number of PE investments in KSA by foreign fund managers, by type



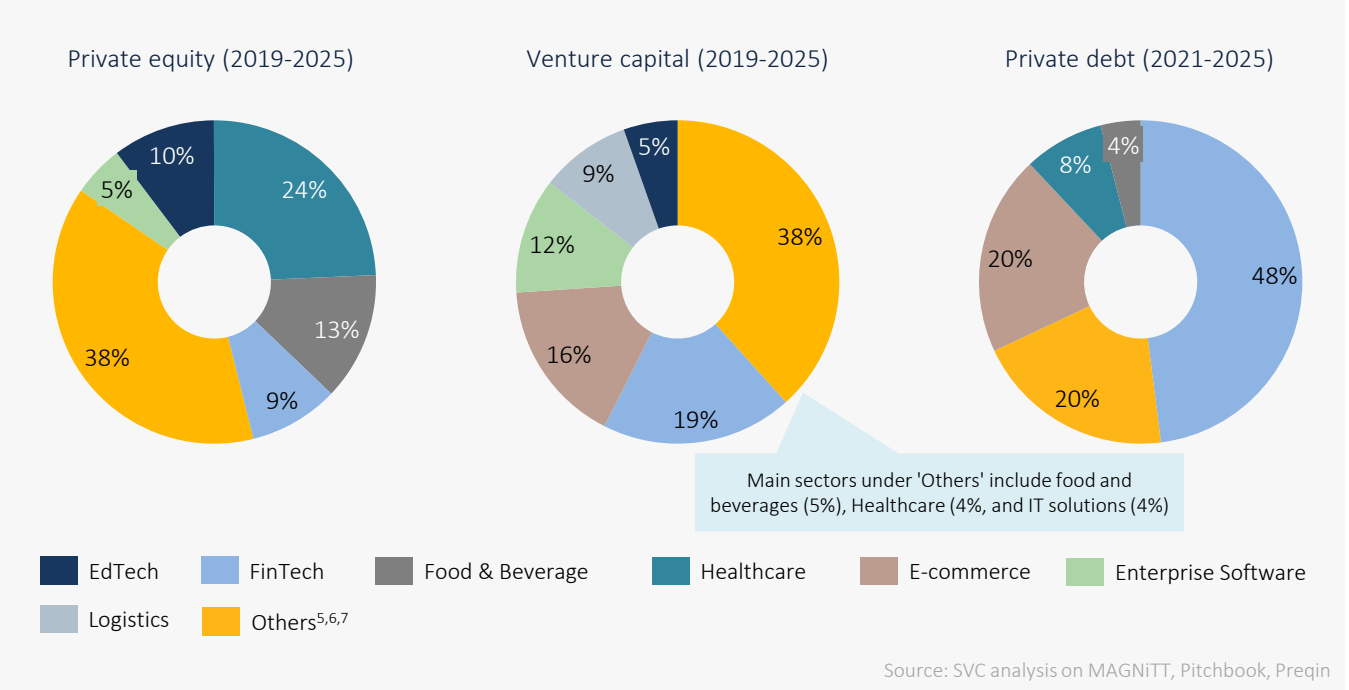
Source: SVC analysis on MAGNITT, Pitchbook

Figure 4: Number of private debt investments in KSA by foreign fund managers, by type



Source: SVC analysis on MAGNITT, Preqin

Figure 5: Number of investments in KSA from foreign investors, by sector



In private debt, deal activity has shifted markedly from being early-stage dominated in 2021 to predominantly late-stage transactions by 2024 and 2025, which accounted for 75% and 92% of total activity, respectively (Figure 4). High-profile financings underscore this trend, including Goldman Sachs'  $\text{ﷲ}$  750 million (USD 200 million) venture debt facility to Tamara in 2023, and JP Morgan's conventional loan facility of  $\text{ﷲ}$  500 million (USD 700 million) to Tabby in 2023, and JP Morgan's conventional loan facility of  $\text{ﷲ}$  2.6 billion (USD 690 million) to Lendo in 2025. Together, these transactions illustrate rising foreign investor appetite for private credit in the Kingdom, highlighting its emergence as a critical, complementary pillar within Saudi Arabia's private capital ecosystem.

**Breakdown by sector** - Foreign PE capital has been deployed across wide range of sectors in the last 5 years, with Edtech, food & beverage, and healthcare emerging as the dominant ones (Figure 5). Cumulatively, these three sectors accounted for 47% of PE deal volumes between 2019 and 2025.

In VC space, foreign private investment has been heavily skewed toward FinTech, enterprise software, e-commerce, and logistics - sectors aligned with Saudi Arabia's digital transformation.

Private debt activity has been concentrated in FinTech and e-commerce, jointly representing more than 65% of deals since 2021. This concentration highlights foreign investors' preference for established, scalable platforms with predictable cash flows, while also underscoring private debt's role as a complementary financing channel to

support the Kingdom's most dynamic growth industries.

### From inflows to impact: deepening Saudi Arabia's private capital ecosystem

Saudi Arabia's private capital market has entered a new phase, shaped not only by the rising scale of inflows but also by the forces directing them. This momentum reflects a mix of landmark transactions, the rapid expansion of the venture ecosystem, and the evolution of private credit, all of which are gradually diversifying the market.

Yet, beneath this progress, structural gaps persist. Capital remains concentrated at the poles - large early-stage venture deals - while mid-market firms attract comparatively less capital, creating a compelling opportunity for investors in mid-market deals. Similarly, private debt remain episodic in nature and yet to reach the scale required to consistently serve SMEs as a viable alternative to bank lending.

Sectoral patterns also reflect a degree of imbalance. FinTech and e-commerce dominate capital allocation, particularly in VC and private debt, while food & beverages, and health care play a larger role in PE. However, selected sectors which are critical to Vision 2030 have attracted limited investment, such as renewables. This indicates opportunities for private investors operating in sectors aligned with Vision 2030.

5. For private equity, others include Sports & fitness, Sustainability, Transport & logistics, IT solutions, manufacturing, real estate, utilities

6. For venture capital, others include Advertising and Marketing, Aerospace & Defense, Agriculture, Architecture & Design, Construction & Infrastructure, Cyber Security, EdTech, Energy, Fashion & Lifestyle, Food & Beverage, Gaming, IT Solutions, Legal, Manufacturing, Media & Entertainment, Real Estate, Sports & Fitness, Sustainability, Travel & Tourism

7. For private debt, others include Healthcare, Transport & logistics, construction & infrastructure

# 03.

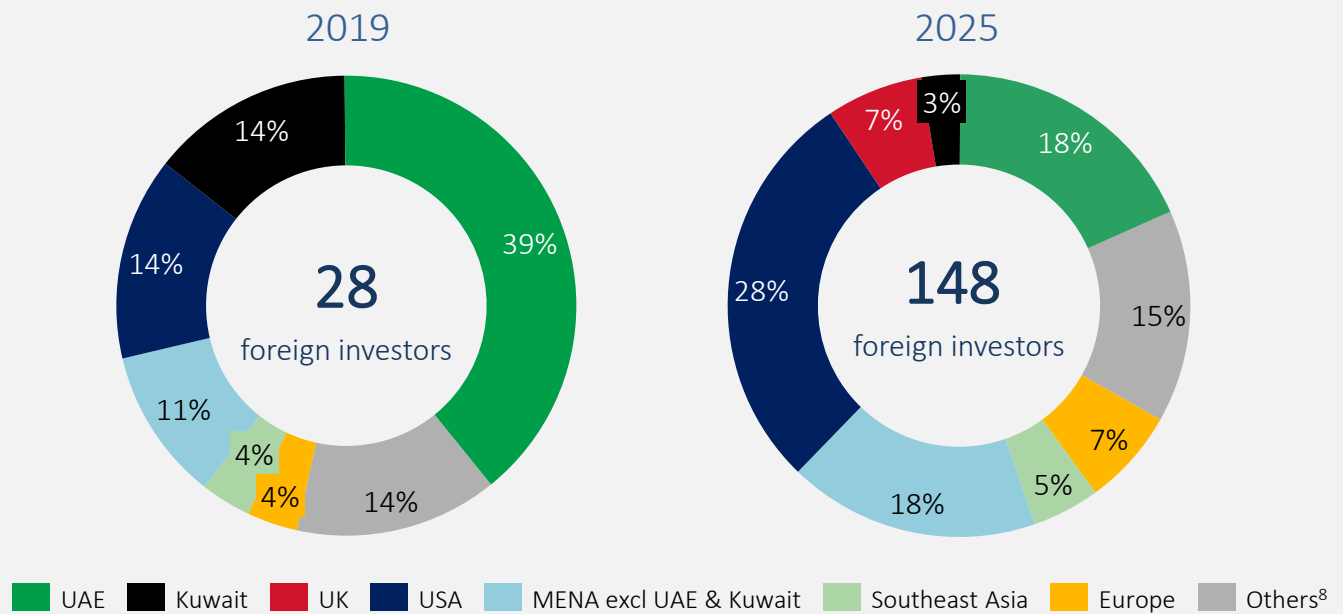
Investor profiles and success stories of foreign investments in local private companies

### Evolution of foreign private capital investors

Foreign investor participation in Saudi Arabia’s private capital market has expanded significantly, rising from 28 investors in 2019 to 147 in 2025 (Figure 6). While UAE and USA have remained the largest sources of foreign capital, their shares have changed substantially. UAE used to account for 39% of foreign investors in 2019 and declined to 18% by 2025. Meanwhile, USA’s representation nearly doubled, growing from 14% in 2019 to 28% in 2025.

Investor origins have broadened. Every major source country now has more investors than in 2019, and new countries have entered the market. By 2025, participation includes MENA ex-UAE and Kuwait (18%), Southeast Asia (5%), Europe (7%) with new contributors such as Singapore and the UK joining the pool. This widening investor base signals growing global institutional confidence in Saudi Arabia’s private markets and underscores its shift from a regionally anchored capital pool to a more internationally diversified one.

Figure 6: Number of foreign private capital investors, by origin



Source: SVC analysis on MAGNITT, Pitchbook, Preqin

### Foreign private capital investors in Saudi Arabia with recent deals (2024-2025)

Non-exhaustive
















8. Others include Azerbaijan, Cayman Islands, China, Hong Kong, India, Japan, Kazakhstan, Monaco, Nigeria, Pakistan, Panama, South Africa, Sri Lanka, Turkey, Zambia

## Largest foreign private capital investors in Saudi Arabia with recent deals (2024-2025)

	Overview	Size of the investor <sup>9</sup>	Investment focus in KSA	Recent investment in KSA	Date	Type/Stage
1	<b>J.P.Morgan</b> 	Global investment bank and asset manager	ﷲ17.25 trillion (USD 4.6 trillion) AUM	FinTech	ﷲ 2.6 billion (USD 690 million) 	Jan '25 Private debt
2	<b>Goldman Sachs</b> 	Global investment bank and asset active in advisory and asset management	ﷲ 12.9+ trillion (USD 3.45 trillion) AUM	FinTech	ﷲ 1.75 billion (USD 466.7 million) 	Sep '25 Private debt
3	<b>citi</b> 	Global financial services group with presence in capital markets and advisory	ﷲ 9.8 trillion+ (USD 2.6+ trillion) Total assets	FinTech	ﷲ 1.75 billion (USD 466.7 million) 	Sep '25 Private debt
4	<b>WELLINGTON MANAGEMENT®</b> 	Major global investment management firm	ﷲ 3.75 trillion (USD ~1 trillion) AUM	FinTech	ﷲ 120 million (USD 32 million) 	Feb '25 Venture capital Series E
5	<b>APOLLO</b> 	Alternative investment manager with focus on private equity, infrastructure, and credit	ﷲ 3.15 trillion (USD 840 billion) AUM	FinTech	ﷲ 1.75 billion (USD 466.7 million) 	Sep '25 Private debt
6	<b>TPG</b> 	Global alternative asset firm with extensive PE and growth funds	ﷲ 1+ trillion (USD 269 billion) AUM	FinTech	ﷲ 58.8 million (USD 15.7 million) 	Sep '25 Venture capital Series B
7	<b>prosus ventures</b> 	Early-stage venture investing arm of Prosus	ﷲ 272.2+ billion (USD 72.6+ billion) total assets	Enterprise Software, E-commerce/ Retail and Food & Beverage	ﷲ 10.8 million (USD 2.9 million) 	Sep '25 Venture capital Series A
8	<b>INVESTCORP</b> 	Bahrain-based global alternative investment firm with strong private equity presence in the GCC	ﷲ 225 billion (USD 60 billion) AUM	E-commerce/ Retail	ﷲ 300 million (USD 80 million) 	Mar '24 Venture capital Series B
9	<b>GENERAL CATALYST</b> 	Venture capital firm that makes early-stage and transformational investments	ﷲ 150+ billion (USD 40+ billion) AUM	FinTech	ﷲ 68.6 million (USD 18.4 million) 	Nov '24 Venture capital Series B
10	<b>gfh</b> 	Diversified investment group focused on private equity, real estate, and infrastructure	ﷲ 82.5+ billion (USD 22 billion) AUM	Healthcare, Food & Beverage	ﷲ 500 million (USD 133.3 million) 	Oct-23 Private equity (Buyout)
11	<b>KAMCO INVEST</b> 	Financial services and investment management firm	ﷲ 64+ billion (USD 17+ billion) AUM	Enterprise Software and Food & Beverage	Undisclosed value <b>UNIFONIC</b>	Oct '25 Private equity growth

Source: SVC analysis on MAGNiTT, Pitchbook, Prequin

## Largest foreign private capital investors in Saudi Arabia with recent deals (2024-2025)

	Overview	Size of the investor <sup>9</sup>	Investment focus in KSA	Recent investment in KSA	Date	Type/Stage
12	  <b>BCV</b>	VC arm of Bain Capital, investing globally in growth tech	ﷲ 35.3+ billion (USD 9.4+ billion) AUM	FinTech	ﷲ 46.1 million (USD 12.3 million) 	Nov '24 Venture capital Series B
13	 	Early and growth-stage VC across Asia	ﷲ 33.75+ billion (USD 9+ billion) AUM	E-commerce/ Retail	ﷲ 9 million (USD 2.4 million) 	Apr '25 Private equity growth
14	 	Alternative asset manager focused on FinTech and digital lending	ﷲ 18.75+ billion (USD 5+ billion) AUM	FinTech	ﷲ 225 million (USD 60 million) 	Feb '25 Venture debt
15	 	US-based family office founded by Stanley Druckenmiller	ﷲ 15+ billion (USD 4+ billion) AUM	FinTech	ﷲ 46.1 million (USD 12.3 million) 	Nov '24 Venture capital Series B
16	 الذئب الاستثمار العالمي THE WOLF INVESTMENT PARTNERS YOUR PARTNER FOR GROWTH	PE investor with focus on healthcare, real estate, tech	ﷲ 11.25+ billion (USD 3+ billion) AUM	Healthcare	ﷲ 600 million (USD 160 million) 	Jan '24 Private equity growth
17	 	Global early-stage VC firm with regional funds in MENA	ﷲ 10.13 billion+ (USD 2.7+ billion) AUM	E-commerce/ Retail, FinTech, Enterprise software	ﷲ 20.6 million (USD 5.5 million) 	Aug '25 Venture capital Series B
18	 	US-based impact investor backing resource-efficient and socially beneficial businesses	ﷲ 10+ billion (USD 2.7+ billion) AUM	Agri-tech	ﷲ 9.4 million (USD 2.5 million) 	May '24 Venture capital Series A
19	 	Private credit investor providing structured debt to growth-stage firms	ﷲ 3.75 billion (USD 1+ billion) AUM	FinTech, Real Estate, Transport & Logistics and E-commerce/ Retail	ﷲ 112.5 million (USD 30 million) 	Jun '25 Venture debt
20	 	Non-profit VC arm supporting high-impact entrepreneurs globally	ﷲ 2.0+ billion (USD 540+ million) AUM	Travel & Tourism, FinTech and E-commerce /Retail	ﷲ 39.4 million (USD 10.5 million) 	Aug '25 Venture capital Series B
21	 	Emerging markets C firm investing across MENA	ﷲ 1.5+ billion (USD 400 million+) AUM	Transport & Logistics, E-commerce/ Retail, Agri-tech, FinTech, Energy	ﷲ 32.2 million (USD 8.6 million) 	Jan '25 Venture capital Series A
22	 	VC firm investing in high growth early-stage technology companies	ﷲ 937.5+ million (USD 250+ million) AUM	FinTech, E-commerce /Retail, Enterprise Software	ﷲ 8.6 million (USD 2.3 million) 	Apr '25 Venture capital Pre-Series A

Source: SVC analysis on MAGNiTT, Pitchbook, Preqin

Saudi Arabian companies funded by private capital foreign investors between 2019 and 2025



Source: SVC analysis on MAGNiTT, Pitchbook, Preqin

Largest private capital investments in KSA by foreign investors in 2024 and 2025 (1/2)

Company	Investors	Deal value	Date	Deal type	Industry
	  	₪ 5.23 billion (USD 1.4 billion)	Sep '25	Private debt	FinTech
		₪ 2.6 billion (USD 690 million)	Jan '25	Private debt	FinTech
	   	₪ 952.5 million (USD 254 million)	Jun '25	Venture capital	E-commerce
	   	₪ 600.0 million (USD 160 million)	Feb '25	Venture capital	FinTech
		₪ 600.0 million (USD 160 million)	Jan '24	Private equity	Healthcare
	          	₪ 588.75 million (USD 157 million)	Sep '25	Venture capital	FinTech
	  	₪ 487.5 million (USD 130 million)	Mar '24	Venture capital	E-commerce
	    	₪ 270.0 million (USD 72 million)	Aug '25	Venture capital	Travel and tourism
	    	₪ 253.1 million (USD 67.5 million)	Nov '24	Venture capital	FinTech
		₪ 225.0 million (USD 60 million)	Feb '25	Venture debt	FinTech

☆ Foreign Investors

Source: SVC analysis on MAGNiTT, Pitchbook, Preqin

## Largest private capital investments in KSA by foreign investors in 2024 and 2025 (2/2)

Company	Investors	Deal value	Date	Deal type	Industry
	  	₹ 156.0 million (USD 42 million)	Oct '25	Venture capital	Gaming
		₹ 150.0 million (USD 40 million)	Aug '25	Private debt	Food & Beverage
	   	₹ 146.2 million (USD 39 million)	Jul '25	Venture capital	Sports & Fitness
	            	₹ 127.5 million (USD 34 million)	Apr '25	Venture capital	E-commerce
		₹ 123.7 million (USD 33 million)	Sep '25	Private debt	FinTech
		₹ 112.5 million (USD 30 million)	Oct '25	Private debt	E-commerce
		₹ 112.5 million (USD 30 million)	Jun '25	Private debt	FinTech
		₹ 105.4 million (USD 28 million)	Jul '24	Private equity	Healthcare
		₹ 105.4 million (USD 28 million)	May '25	Venture capital	Construction & Infrastructure
		₹ 75.0 million (USD 20 million)	Sep '24	Venture debt	E-commerce

## Success stories of startups with foreign fundings (1/3)



### Powering flexible checkout and payments for Saudi merchants (Private debt)

*Co-founders Abdulmajeed Alsukhan, Turki Bin Zarah, and Abdulmohsen Al Babtain combined FinTech expertise with deep local merchant relationships - drawing on Abdulmajeed's earlier entrepreneurial experience with Habli and Nana, a logistics provider for grocery delivery, to build an operational track record and merchant network that quickly attracted major global investors<sup>10</sup>*

Founded in 2020, Tamara is a Saudi FinTech company offering buy-now-pay-later (BNPL) and digital payment solutions designed to empower consumers and merchants across the GCC. Within just three years, Tamara became Saudi Arabia's first FinTech unicorn, reaching a valuation above 3.75 billion (USD 1 billion) after its Series C round in 2023. In 2025, Tamara secured a record 5.23 billion (USD 1.4 billion) asset-backed facility from Goldman Sachs, Citi, and Apollo Global Management - one of the largest debt financings in the region. This partnership with leading global financial institutions strengthens and supports its expansion into credit, payments, and embedded-finance products. Today, Tamara serves over 20 million customers and 87,000+ merchants, accelerating digital commerce adoption.



### Building an online marketplace for everyday retail in Saudi Arabia (Venture capital)

*Serial entrepreneur Ebrahim Al-Jassim, teamed up with Saud Al-Qahtani and Canberk Donmez in 2022 to launch Ninja<sup>12</sup>*

Founded in 2023, Ninja is a Saudi retail and e-commerce technology platform focused on improving the online shopping experience through advanced logistics and retail tools. In 2025, the company raised 937.5 million (USD 250 million) in a pre-IPO round led by Riyadh Capital, ALTIA, and VII Ventures, reaching a valuation of over 5.6 billion (USD 1.5 billion) and becoming one of Saudi Arabia's unicorns. This blend of local and regional investors provided the capital and strategic backing to scale Ninja's operations, positioning it for a future public listing. The funding is enabling Ninja to strengthen its retail technology capabilities, enhance merchant support, and expand its footprint across the Kingdom and the wider GCC region.



### Financing Saudi SMEs through invoice-backed lending (Private debt)

*Osama Alraee and Mohamed Jawabri co-founded Lendo and were part of SAMA's FinTech regulatory sandbox. Over time, Lendo gained investor backing from Sanabil Investments and others, reinforcing confidence in their model and enabling major debt scale<sup>11</sup>*

Founded in 2019, Riyadh-based Lendo set out to close one of the Kingdom's biggest financing gaps - SME access to working capital. It does so by offering invoice financing through a Sharia-compliant marketplace. Early support from Derayah Ventures, Seedra Ventures, and SVC helped Lendo build digital risk-scoring and credit tools, laying the foundation for growth. The real breakthrough came in 2023, when J.P. Morgan led a landmark 2.58 billion (USD 690 million) debt, one of the largest FinTech rounds in Saudi history. This global endorsement validated Lendo's model and gave it the scale to finance thousands of invoices worth billions of riyals, accelerating SME growth across the Kingdom.

*“ We are pleased to collaborate with Lendo on this landmark transaction. A robust and rapidly expanding SME sector is crucial to the local economy, and this financing will contribute to the strategic goal of boosting SME lending in Saudi Arabia<sup>11</sup> ”*

George Deves, Co-head of Northern European Asset-Backed Securities

**J.P.Morgan**

10. Middle-East Entrepreneur (2024) The 100: Abdulmajeed Alsukhan, Co-founder, and CEO of Tamara

11. Arab News (2025) Saudi crowdfunding platform Lendo secures \$690m warehouse facility led by J.P. Morgan

12. Menabytes (2025) Saudi quick commerce startup Ninja, by HungerStation's founder, in talks to raise at \$1B+ valuation: report

## Success stories of startups with foreign fundings (2/3)



### Advancing affordable healthcare (Private equity)

*Alungal Mohammed, originally from India, founded Abeer Medical Group in 1999 in Jeddah, starting with a single clinic in the Sharafiyah neighborhood. He built the enterprise on the belief that quality healthcare should be accessible and affordable, especially for expatriate and underserved communities<sup>13</sup>*

Abeer Medical Group is one of Saudi Arabia's largest affordable healthcare networks, providing comprehensive medical services through hospitals, clinics, and pharmacies. In 2024, the company secured ₪ 600 million (USD 160 million) in private equity funding from GII Capital, a global alternative investment firm based in Dubai. The partnership combines international healthcare investment experience with Abeer's strong local presence, enabling the group to accelerate hospital expansion and digital transformation initiatives. The new capital supports Abeer's plan to extend affordable, high-quality healthcare across Saudi Arabia and neighboring GCC markets. As of today, Abeer Medical Group serves 4–5 million care-seekers annually, operates 50+ facilities, and employs over 5,000 healthcare professionals.

“

*Abeer is highly attractive to GII's investors, with strong growth potential through multiple healthcare channels. GII's development plans can multi-fold Abeer's already impressive revenue and EBITDA numbers over the next five years, bringing both an expansion of the medical services available across the Kingdom and an attractive return for our investors<sup>13</sup>*

Pankaj Gupta,  
Co-founder and co-CEO



GII Capital

”



### Scaling from POS innovator to MSME FinTech leader (Venture capital)

*While exploring investment opportunities in Saudi Arabia's FinTech space, the TPG team engaged with more than a dozen FinTech and payments players across the GCC before ultimately choosing to partner with Hala<sup>14</sup>*

Founded in 2018, Hala began as a provider of payment and e-wallet solutions for SMEs. The company initially targeted underserved micro-merchants, enabling them to accept digital payments through mobile POS devices. As digital economy accelerated, Hala evolved into a fully embedded finance platform. This shift from transaction processing to a broader financial-enablement model positioned Hala as a critical infrastructure player in Saudi Arabia MSME ecosystem. By 2024, the company was serving over 142,000 businesses, processing more than 30 billion (USD 8 billion) in annual transactions, and expanding its lending and data-driven services. Recognizing this growth trajectory, TPG's Rise Fund, alongside Sanabil Investments, led a ₪ 589 million (USD 157 million) Series B, to strengthen its market leadership in Saudi Arabia, expand its lending and embedded finance offerings, and support regional expansion.



### Building the e-commerce infrastructure for Saudi entrepreneurs (Venture capital)

*Founded in Mecca, Salla was built with a vision to make it easier for Saudi entrepreneurs to launch and scale online stores. The founders Nawaf Hariri and Salman Butt chose to grow the company from their hometown rather than relocate to Riyadh or Jeddah, guided by a belief in "building in and giving back to the community." Their leadership philosophy centers on fairness and long-term relationships - ensuring founders and investors alike are "made whole" as the company grows<sup>15</sup>*

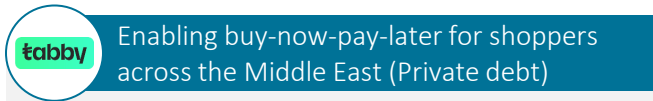
Founded in 2016, Salla is a SaaS-based e-commerce platform that helps merchants build and scale online stores with integrated tools for payments, logistics, and marketing. In 2024, Salla raised ₪ 487.5 million (USD 130 million) in a pre-IPO round led by Investcorp, with participation from Sanabil Investments and STV. The mix of global and local investors reinforced confidence in Saudi Arabia's e-commerce potential and fueled Salla's expansion into new verticals and advanced merchant tools. Today, Salla powers 80,000+ active merchants and supports over ₪ 26.2 billion (USD 7 billion) in online sales, cementing its position as a leading enabler of digital retail in the region.

13. Darpan (2017); Introducing Alungal Mohammed

14. Interview with TPG (2025)

15. Founder Interview (2025)

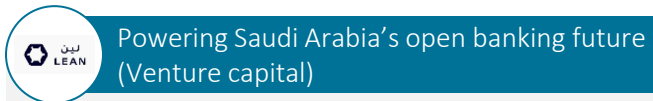
## Success stories of startups with foreign fundings (3/3)



### Enabling buy-now-pay-later for shoppers across the Middle East (Private debt)

*Hosam Arab, who previously co-founded and led Namshi, joined forces with Daniil Barkalov, a former Careem executive, to launch Tabby. Drawing on their experience scaling two of the region's most successful digital brands, they set out to reimagine consumer finance in the Middle East - creating a Shariah-compliant buy-now-pay-later platform<sup>16</sup>*

Founded in 2019, Tabby revolutionized consumer finance started in UAE and relocated to Saudi Arabia, expanding in broader GCC with its innovative Buy-Now-Pay-Later (BNPL) platform. In 2023, Tabby became the GCC's first FinTech unicorn, later doubling its valuation to ﷲ 12.4 billion (USD 3.3 billion) after its Series E round in 2025. In October 2024, Tabby secured ﷲ 371.3 million (USD 99 million) in structured venture debt from Partners for Growth. This injection provided Tabby significant flexibility to scale quickly without substantial dilution of its existing shareholders, allowing the FinTech to further expand its product offerings and enhance merchant partnerships across the GCC area. Tabby's successful scaling highlights how strategic debt capital can effectively complement equity funding, supporting FinTech innovation and strengthening Saudi Arabia's position as a leading regional FinTech hub.



### Powering Saudi Arabia's open banking future (Venture capital)

*Cofounders Hisham Al-Falih and Aditya Sarkar, who grew up in the GCC, first met as roommates at Stanford University, where the rise of Silicon Valley startups inspired them to bring similar transformation to the Middle East. After careers in venture capital and technology, they reunited in 2018 to launch Lean Technologies, aiming to build the region's FinTech infrastructure<sup>17</sup>*

Founded in 2019, Lean Technologies is a Saudi FinTech infrastructure company building APIs that enable secure access to financial data, laying the foundation for the Kingdom's transition to open banking. In 2024, Lean secured ﷲ 253.1 million (USD 67.5 million) in funding from a syndicate of top global and regional investors including Duquesne Family Office, General Catalyst Partners, Arbor Ventures, Bain Capital Ventures, and SVC. This diverse investor mix brought together global expertise in FinTech infrastructure and strong local anchoring, allowing Lean to accelerate product development, deepen partnerships with Saudi banks and regulators, and expand its engineering teams. Today, Lean powers dozens of FinTechs and financial institutions across the GCC, enabling innovations in payments, lending, and personal finance.



### Fueling Saudi SMEs with Shariah-compliant crowdlending (Private debt)

Founded in 2019, Forus is a FinTech company specializing in crowdlending and alternative financing for Saudi SMEs. In early 2025, it secured ﷲ 225 million (USD 60 million) in venture debt from Fasanara Capital, a London-based institutional investor. It combines Fasanara's international expertise in debt structuring with Forus's strong local network and Shariah-compliant lending model. This capital injection is supporting the expansion of Forus's lending capacity and product range, enabling more Saudi SMEs to access financing<sup>18</sup>.



*We are excited to have the chance to support the Saudi SME ecosystem through this funding partnership with Forus, a leading FinTech SME lender in the Kingdom<sup>18</sup>*

Francesco Filia, Founder and CEO



### Advancing oncology care in Saudi Arabia (Private equity)

Boston Oncology Arabia, a specialist healthcare company focused on oncology services, significantly elevated its capabilities through a PE investment of ﷲ 105.4 million (USD 28.1 million) led by TVM Capital Healthcare in July 2024. This investment enabled Boston Oncology to expand its specialized cancer care facilities, integrate advanced oncology technologies, and attract international expertise to Saudi Arabia. Boston Oncology Arabia has focused on improving patient outcomes and advancing Saudi Arabia's healthcare goals under Vision 2030. This investment underscores how targeted private capital investments can drive specialized healthcare innovation and enhance the overall quality and accessibility of critical health services<sup>19</sup>.



*We're proud to support Boston Oncology Arabia in localizing high-quality, affordable cancer treatments and expanding their licensing partnerships across Europe and USA<sup>19</sup>*

Dr. Helmut M. Schuehler, Chairman and CEO



16. UAE Startup Story (2025) Tabby Success Story: Leading BNPL Market in the Middle East

17. Forbes (2025) How The Founders Of Lean Technologies Plan To Unlock Open Banking In Saudi Arabia

18. Wamda (2025) Saudi Arabia's Forus bags \$60 million debt from Fasanara

19. TVM (2024) TVM Capital Healthcare Announces USD 35 Million Investment into Boston Oncology Arabia

## Perspectives of international investors on Saudi Arabia's private capital ecosystem (1/3)



*Leading global investor providing capital and strategic support for growth*

**Why Saudi Arabia:** We chose Saudi Arabia as it is one of the fastest-growing markets globally. The Kingdom is experiencing strong non-oil GDP growth, rising household income, and structural shifts such as a significant increase in female workforce participation. Combined with a young population and high digital adoption, these factors make the market highly attractive for scaling businesses.

**Market dynamics and experience:** Our first experience in the Saudi market came through our investment in Yemeksepeti (now part of Delivery Hero, HungerStation's parent), which revealed how quickly Saudi consumers adopt digital services, a pace we noted was faster than in many other markets. This early exposure shaped our understanding of a market where technology uptake happens rapidly and at scale.

**Outlook:** We expect Saudi Arabia's strong growth trajectory to continue, reinforced by rapid non-oil economic expansion. We see sustained opportunity across the sectors we focus on, such as consumer, technology, healthcare, financial services, climate, and life sciences, as reforms continue to stimulate activity and open new pathways for investment.

**Challenges:** We see two key challenges in the market that are likely to be eased by the current momentum and economic reforms: a gap in mid-stage funding, as very few Series C and D deals occur each year, and IPO-readiness constraints for companies whose holding structures remain outside the Kingdom

# 500

*American early-stage venture fund and seed accelerator*

**Why Saudi Arabia:** We chose Saudi Arabia after meeting the Crown Prince in 2017, when we learned Kingdom intention to build a meaningful VC ecosystem. We partner with Misk in 2018 and launch one of the first investment accelerators in the country. We saw an opportunity to build local knowledge, become embedded in the ecosystem early, and invest in a market we believed would soon become dominant in the region.

**Market dynamics and experiences:** We observed firsthand how rapidly the Saudi ecosystem has evolved. It offers a fast environment for testing and validating new ideas, supported by a government that digitized core systems earlier than many global and regional peers. The government is highly accessible, offering sandboxes, and testbeds to support for founders.

**Outlook:** We see continuous strengthening as a major hub for early-stage entrepreneurship. Momentum across founders, regulators, and ecosystem players remains strong, but we see the need for significantly more startups to be created each year to meet the ambitions of the market.

**Challenges:** We see ongoing challenges, including a shortage of technical talent entering the workforce and the operational complexity that founders encounter when setting up company.

**"If you look at the characteristics of Saudi, you get the growth you see in emerging markets without the usual downsides... it's the best of both worlds that makes us really excited"**

**ZIYAD BAESHEN**  
Vice President, General Atlantic



**"One of the things we don't see in other markets is how accessible the government is here for the founders"**

**COURTNEY POWELL and AMAL DOKHAN**  
COO and Managing Partner MENA, 500 Global



## Perspectives of international investors on Saudi Arabia's private capital ecosystem (2/3)



*Singapore based early-stage venture fund and seed accelerator*

**Why Saudi Arabia:** We chose Saudi Arabia because it is the largest venture market in the region, making it a natural focal point for early-stage venture investment. The rapid transformation of the Kingdom since 2016, combined with its growing international reputation under Vision 2030, reinforced our decision to deploy in the region and ultimately establish a strong presence in Riyadh.

**Market dynamics and experience:** We observed that Saudi Arabia benefits from an energetic and growing founder base, supported by government programs and strengthening regulatory pathways. This is creating opportunities in PropTech, driven by the scale of real estate development, and in FinTech, where evolving market needs create space for innovation. In parallel, our Riyadh residency attracts strong interest from foreign founders, alongside solid domestic participation, highlighting Saudi Arabia's growing role as a hub for regional expansion.

**Outlook:** We expect continued growth in early-stage activity, supported by Saudi Arabia's large market, rising founder interest, and the momentum of national initiatives. We believe the Kingdom will attract an increasing number of global founders and see strong potential in areas such as PropTech, FinTech, cybersecurity, and HealthTech.

**Challenges:** As with any fast-growing market, there are some operational complexities for non-Saudi founders; however, the Kingdom is actively addressing these through ongoing advances in visa and incorporation processes. In addition, access to mid-growth capital remains relatively limited, which can make it more challenging for founders to raise at the growth stage.

“More and more founders are choosing to build in Saudi Arabia and scale across MENA from here”

HALAH AL-JUBEIR  
Managing Director, Antler



*A global specialty lending fund providing venture debt and asset-backed credit*

**Why Saudi Arabia:** Partners for Growth (PFG) entered the Saudi market after finding the core foundations for secured lending already in place, including the Movable Securities Act. Its first deal in 2019 with TruKKer confirmed the strength of Saudi's tech-enabled companies and the need for structured credit solutions. As an underserved market with strong fundamentals, Saudi became a natural fit for PFG's global growth debt strategy.

**Market dynamics and experiences:** We observed that Saudi Arabia offers a strong opportunity landscape due to the scale of tech adoption, underbanked segments, and the rapid evolution of regulatory frameworks. We noted that the ecosystem benefits from unusually aligned stakeholders—regulators, ministries, equity investors, and founders all working toward shared objectives. We also see that demand for asset-backed facilities is growing across sectors, reflecting Saudi's fast-moving digital economy.

**Outlook:** We expect credit demand in Saudi Arabia to expand as more startups mature and seek alternative growth capital solutions. We see growing opportunities for structured facilities as the market continues to formalize bankruptcy processes, strengthen security systems, and evolve regulatory pathways.

**Challenges:** We sees challenges around company setup and incorporation, especially for foreign founders, as visa and documentation requirements can be time-consuming and costly. Additionally, designing Sharia-compliant facilities can introduce extra legal complexity and fees.

“It's very rare to find an ecosystem where everybody's working together to achieve the same goal”

ARMINEH BAGHOOMIAN  
Managing Director, Partners for Growth



## Perspectives of international investors on Saudi Arabia's private capital ecosystem (3/3)



*American global alternative asset manager*

**Why Saudi Arabia:** In a relatively short period, Saudi Arabia has undergone a significant transformation and has built a strong macro position in terms of size, growth, geopolitical stability, and currency strength. Saudi Arabia has meaningful growth opportunities, making it a compelling destination for long-term investment.

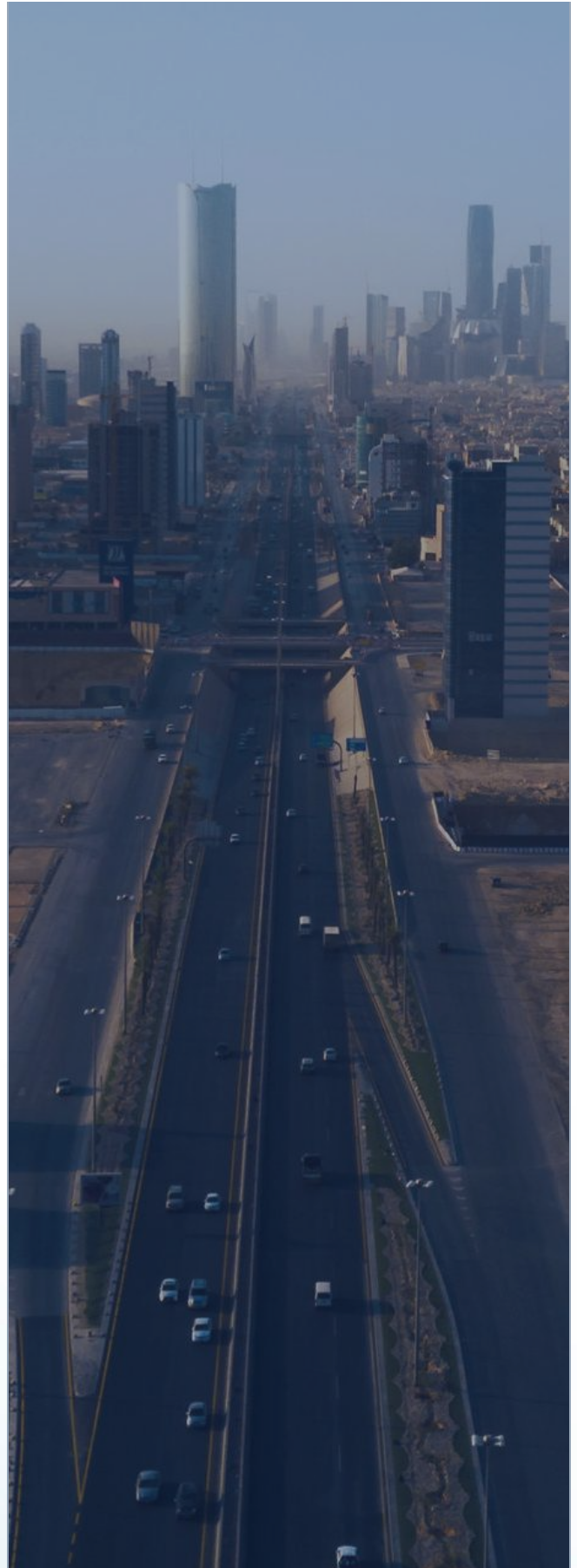
**Market dynamics and experience:** Our experience in the Kingdom, particularly through The Rise Funds, reflects a rapidly evolving market with opportunities across multiple sectors. Our investment in Hala demonstrated both the potential of Saudi's FinTech and SME ecosystem and the momentum of private-sector innovation. The investment landscape in Saudi today is far more robust than a decade ago, supported by increased private activity and stronger sectoral development.

**Outlook:** We expect the pipeline of opportunities in Saudi Arabia to deepen as more companies scale and as sectors continue to grow. We see strong potential in emerging privatization initiatives. The growing IPO pipeline is encouraging, reflecting broader market maturity and long-term investment potential.

**Challenges:** Despite increasing activity at both early and late stages, there remain relatively few opportunities at the Series C and D stages, creating a mid-growth gap. IPO readiness for companies incorporated outside Saudi Arabia is a challenge, as redomiciling into the Kingdom can be complex and time-consuming, though improvements are underway.

"Saudi Arabia's depth and reforms have given investors like TPG the confidence to shift from an opportunistic strategy to one that is more focused and longer term"

YEMI LALUDE and AHMED HELAL  
Partner and Principal, TPG



# 04.

Enablers and initiatives attracting global private capital to the Kingdom

## Factors attracting private capital in Saudi Arabia

Behind the growth in private capital investment is a deliberate effort by Saudi institutions to attract and catalyze foreign capital. Over the past few years, the government and its financial arms have launched seven types of initiatives to accelerate the ecosystem ranging from venture fund investments and debt funds to sector-focused development funds. Together, they serve as local anchoring mechanisms that crowd in foreign capital by sharing risk, demonstrating commitment, and aligning investments with Vision 2030 priorities.



### Macroeconomic stability and outlook

Saudi Arabia offers a uniquely stable macroeconomic environment and robust market foundations that enhance its attractiveness to private capital investors. The Kingdom's GDP exceeds  $\text{ﷲ}$  4.5 trillion (USD 1.2 trillion) in 2024<sup>20</sup>, with a consistent annual growth outlook of 3.8% through 2030<sup>21</sup>, making it the largest economy in MENA. Inflation remains anchored at 2%<sup>22</sup>, while a long-standing currency peg to the US dollar provides predictability for cross-border investors managing exchange-rate risk. Saudi Arabia also maintains an A+<sup>23</sup> sovereign credit rating from Fitch, reflecting both fiscal discipline and prudent reserves management.



### Sector-focused programs and incentives

Saudi Arabia has developed targeted programs to accelerate development of priority sectors. FinTech Saudi<sup>24</sup>, launched by the Saudi Central Bank and the Capital Market Authority, has nurtured the country's FinTech ecosystem by offering regulatory sandboxes, licensing pathways, and accelerator programs. In healthcare and life sciences, the Ministry of Health has launched the Biotech Accelerator<sup>25</sup> in partnership with BioLabs, designed to support early-stage biotech startups with mentorship, commercial readiness, and investor access. Renewable energy and water security projects, such as the Rabigh Independent Water Project<sup>26</sup>, have been structured as public private partnerships to attract billions in global infrastructure investment aligned with Vision 2030's sustainability agenda.



### Government-backed catalytic capital

A critical feature of Saudi Arabia's private capital ecosystem has been the presence of strong institutional anchors - such as SVC, Jada, and Sanabil - which share risk with foreign investors. SVC has committed more than  $\text{ﷲ}$  4.5 billion (USD 1 billion) across venture, private equity, and private credit funds, which in turn has attracted nearly four times that amount from other investors<sup>27</sup>. Similarly, other players further mobilize capital and expertise, ensuring that foreign fund managers can rely on robust local partners when deploying capital in the Kingdom.

This anchor presence is reinforced by strong alignment between Saudi institutions and foreign capital managers, giving international investors confidence in shared risk and national strategic priorities. Surveys show that 97% of regional LPs plan to increase exposure to the Saudi market<sup>29</sup>.



### Local presence of investors and portfolio companies

The Government's Regional Headquarters Program has significantly encouraged global investment funds and high-growth startups<sup>30</sup> to establish their regional offices in Saudi Arabia. For instance, 500 Global launched the Saudi-based "500 MENA"<sup>31</sup> fund managed by executives stationed in Riyadh, actively investing in regional tech startups. Likewise, FinTech company Tabby relocated its headquarters from the UAE to Riyadh<sup>32</sup>, reinforcing its commitment to the Saudi market and aligning operations with the Kingdom's expansive consumer base. Complementing this initiative, the Premium Residency Center has expanded sponsor-free residency options under the Premium (Privileged) Residency Law since 2019, offering multi-year residencies for investors, executives, and specialized professionals. Together, these programs help retain founders, GPs, and key portfolio leaders within Saudi Arabia, accelerate deal sourcing, enhance operational support, facilitate the transfer of global expertise in governance and scaling strategies, deepen local investor confidence, and increase visibility among international LPs.

20. World Bank Group (2024) GDP - Saudi Arabia

21. Arab News (2025) World Bank lifts Saudi growth forecast to 3.8%, highlights Gulf's digital leap

22. Leaders (2025) Saudi Arabia's Inflation Rate Eases to 1.9% in December. Inflation percentage is based on full-year 2025 inflation relative to 2024.

23. Fitch Ratings (2025) Saudi Debt Capital Market Dashboard: 2025

24. FinTech Saudi (2025) About Us

25. MOH News (2025) MOH launches Biotech Accelerator at BIO International in Boston

26. Infrappp (2019) Financial close for US\$700 million desalination PPP in Saudi Arabia

27. SVC (2025) Impact on the Private Capital Ecosystem in Saudi Arabia

28. Arab News (2024) PIF's Jada unveils its first investment in venture debt

29. SVC, Preqin (2024) The Rise of Private Debt Funds in Saudi Arabia 2024

30. Royal Commission for Riyadh City (RCRC) (2025) Regional Headquarters (RHQ) Program

31. Semafor (2025) VC firm 500 Global launches Saudi-based fund

32. Arab News (2025) Saudi fintech unicorn Tabby doubles valuation to \$3.3bn after \$160m funding boost



## Regulatory framework

Saudi Arabia's private capital ecosystem has been shaped by several key regulators that together define the business, investment, and innovation environment. The Ministry of Commerce oversees company formation and corporate law; the Capital Market Authority (CMA) regulates funds, investors, and capital market activity; and the Ministry of Investment (MISA) facilitates foreign participation.

Ministry of Commerce has modernized incorporation through the Companies Law in 2023<sup>33</sup>, introducing the Simplified Joint-Stock Company (SJSC) with single-shareholder capability and no minimum capital requirement for SJSCs. By combining single-shareholder formation, lighter corporate formalities, and recognition of shareholder arrangements under the new law, the framework materially reduces the need for startups to use offshore holding structures to achieve VC-friendly governance.

CMA has codified how Saudi-domiciled venture funds are formed and operated via the Investment Funds Regulations in 2025. It sets out licensed roles, compliance and disclosure standards, and fees/waivers, aligning practice with international norms and giving GPs/LPs a predictable path to authorization. CMA also updated the Rules for Foreign Investment in Securities, clarifying access for foreign investors and investment funds.

CMA initiatives, including updated ownership rules and capital market reforms, have opened the door for international GPs and LPs to participate more easily in Saudi-based funds and deals, reflected in recent commitments from global managers such as Goldman Sachs Asset Management anchoring new Gulf-focused funds with PIF. Together, these reforms position Saudi as a leading destination for cross-border private capital.

Ministry of Investment (MISA) 2024 Investment Law<sup>34</sup> establishes a streamlined registration regime, allows 100% foreign ownership across most sectors, guarantees unrestricted profit repatriation, and permits International Centre for Settlement of Investment Disputes (ICSID) arbitration - enhancing confidence by protecting capital mobility and providing international legal recourse for cross-border transactions.

Alongside regulatory upgrades, Saudi Arabia has invested in the infrastructure that underpins capital markets and

company formation. Through the MERAS digital platform, company incorporation can now be completed in less than a day, a major improvement over the bureaucratic delays of the past.



## Exit pathways

Saudi Arabia has significantly enhanced its market infrastructure to facilitate smoother and more diverse exit pathways for private investors. While the Saudi Stock Exchange (Tadawul) has grown into the largest stock market in MENA, reaching a market capitalization of USD 2.7 trillion in 2024, the introduction and expansion of the Nomu parallel market have also enabled SMEs and growth-stage firms to list publicly. IPO activity has accelerated, with new listings rising sharply from 6 in 2019 to 15 in 2025<sup>35</sup>, illustrating investor confidence in public-market exits.

Beyond IPOs, Saudi Arabia's private markets are witnessing an increase in strategic mergers and acquisitions (M&A)<sup>36</sup>. Corporates and international companies have actively pursued acquisitions in sectors such as FinTech, healthcare, and consumer technology, providing viable trade-sale exits for PE and VC-backed companies. Additionally, secondary buyouts, where existing private equity investors sell to other financial sponsors, have started to emerge as a credible liquidity channel, underscoring the depth and maturity of the Saudi market.



## Value creation capabilities of Saudi investors

Saudi PE and VC funds systematically embed governance, operational excellence, and growth planning into portfolio companies<sup>37</sup> to not only providing money, but also bringing operational expertise, mentorship, and networks.

Revenue growth is accelerated by leveraging investor networks for market access and cross-portfolio synergies. Margin expansion is achieved through cost discipline and financial restructuring. Digital enablement is also prioritized, with investors introducing cloud, AI, and advanced analytics to modernize legacy operation.

Capital is most valued when it is combined with these elements, because together they help companies grow sustainably.

33. IDC (2023) Companies Law

34. Ministry of Investment (2024) Updated Investment law

35. Annual statistical report (2019; 2025) Saudi Stock Exchange

36. Magnitt: Q3 2025 KSA venture capital; Jada (2025) Beyond Capital

37. Jada (2025) Beyond Capital: The Saudi Value Creation Story How PE & VC Firms Are Shaping the Next Generation of Saudi Champions

# 05.

## Path forward for private capital

Saudi Arabia's private capital market appears set to move from rapid acceleration to steady institutional depth. The reforms, and broader foreign participation described in this report point to a next phase defined by depth, specialization, and clearer standards, with mid market equity thickening, private credit maturing alongside venture and private equity, and governance and disclosure converging with international practice within the Vision 2030 context.

Looking ahead on capital flows, as deployment patterns settle, activity is likely to broaden from occasional spikes to a more regular cadence across asset classes. There may be fluctuations as activity normalizes, but the direction points to steadier mid-market equity, a stronger Series A-to-B pipeline bridging early-stage gaps, and recurring credit platforms that sustain working-capital flow and pre-IPO readiness. Sector focus has been strongest in FinTech and e-commerce but has the potential to diversify as pipelines mature in healthcare and other priority industries.

On the investor side, the foreign base that expanded from a small, regionally concentrated pool to a larger, multi-region cohort is poised to deepen. Repeated participation from US, Europe, and Asia along with more on-the-ground presence would shorten diligence cycles and strengthen governance. As successful case studies compound, foreign managers are likely to raise locally focused vehicles and extend activity beyond headline sectors while keeping headquarters and talent in the Kingdom.

Enablers and initiatives will continue to anchor confidence. Ongoing regulatory modernization across company, investment, and capital market frameworks signals predictability for cross border allocators. The embedding of international teams and portfolio headquarters in market supports repeat deployment and co-investment. Government backed anchor investors, including those investing in foreign managed equity and credit funds, are positioned to keep drawing expertise and capital. Deeper public markets point to clearer exit paths. As value creation practices spread across portfolios, access to longer tenor institutional pools is likely to widen.





Term	Definition
<b>Buyout</b>	Private equity transaction involving acquisition of a majority stake in Target company
<b>Exit pathways</b>	Mechanisms for investors to divest from a company and realize returns, such as IPOs or M&A transactions
<b>Family offices</b>	Privately held entities that manage wealth for high-net-worth families
<b>Foreign private capital investors</b>	Investors based outside Saudi Arabia who deploy capital into privately held companies or assets through PE, VC, or private debt
<b>General Partner (GP)</b>	Fund managers responsible for raising and deploying capital, managing investments, and delivering returns to LPs
<b>Growth capital</b>	Minority equity investments in companies raising capital to expand their operations
<b>Initial Public Offering (IPO)</b>	Process by which a private company offers its shares to the public for the first time through a stock exchange
<b>Limited Partner (LP)</b>	Investors in private capital funds who provide capital but are not involved in day-to-day management, such as pension funds, sovereign funds, or family offices
<b>Middle East and North Africa (MENA) countries</b>	Saudi Arabia, United Arab Emirates, Egypt, Oman, Kuwait, Morocco, Bahrain, Jordan, Algeria, Lebanon, Yemen, Iraq, Libya, Palestine, Qatar, Syria, and Tunisia
<b>Mega Deals</b>	Includes deals with a size of more than USD 100 million or more
<b>Meras</b>	Saudi digital platform enabling company incorporation and licensing in under one day, streamlining business setup
<b>Micro, Small and Medium Enterprises (MSMEs)</b>	Businesses within revenue and headcount thresholds: Micro (1–5 employees, ≤3M ₹ revenues), Small (6–49 employees, >3M–40M ₹ revenues), and Medium (50–249 employees, >40M–200M ₹ revenues)
<b>Nomu</b>	Saudi Arabia's parallel equity market with lighter listing requirements than Tadawul, designed to provide SMEs and growth firms with IPO pathways
<b>Private debt</b>	Credit investments in private companies, including structured lending, and other non-bank financing instruments
<b>Private equity (PE)</b>	Equity investments in private companies through buyouts, growth capital, or structured deals. Excluding real estate and infrastructure deals
<b>Regional headquarters program</b>	Incentive program for global firms to establish their regional HQs in Riyadh, embedding capital and talent locally
<b>Stage (Early, Growth, Late)</b>	Investment stages by company maturity - Early: seed to Series A, proving product-market fit; Growth: scaling with proven traction; Late: Series C+ or pre-IPO, profitability and exit readiness
<b>Startup</b>	A newly formed company offering a scalable product/service for regional or global markets, with a defined path to monetization
<b>Tadawul</b>	Saudi Stock Exchange
<b>Value creation</b>	Actions by owners or investors to increase enterprise value - improving governance, operations, digital capabilities, and talent
<b>Venture capital (VC)</b>	Equity investment in startups and early-stage businesses with high growth potential, typically in technology and innovation

## About SVC

SVC is an investment company established in 2018 and is a subsidiary of the SME Bank, part of the National Development Fund (NDF).

SVC aims to stimulate and sustain financing for SMEs from pre-Seed to pre-IPO, positioning itself as a market maker through investments in funds and direct investments in startups and SMEs. Since inception, SVC has backed 67 Private Capital Funds (Venture Capital, Private Equity, Venture Debt, Private Debt) that supported 1,000+ Startups and SMEs.

Venture capital	Accelerators and startup studios
Private equity	Private and venture debt