



ZERO
TO ONE

Saudi VC Report

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WAAD INVESTMENT



▶ Executive Summary:

Startups in the Middle East and North Africa (MENA) region ended 2024 with a 29.3% decline in venture capital (VC) investments compared to 2023. Saudi Arabia accounted for the largest share of disclosed VC investments at 55.3%, marking a 29.9% YoY drop. Despite this decline, Saudi Arabia was the leading source of major deals with  \$130M and  \$82.5M deals.

One of the key factors behind the drop in VC investments is the growing preference among startups and investors for debt financing and venture debt. Additionally, the large funding rounds at the end of 2023 secured by  and  contributed to the significant difference in VC investment levels between 2023 and 2024.



Insights

Saudi Arabia Leads the Region

Although disclosed VC deals in 2024 were lower than in 2023, Saudi Arabia maintained its leadership in the region, accounting for 55.3% of the \$1.37B total investments in the region.

Fintech and E-commerce Dominate the Market

The fintech sector secured the largest share of disclosed VC investments in MENA, attracting \$512.95M, followed by e-commerce, which secured \$336.25M. While in Saudi Arabia e-Commerce topped investments in 2024 with \$302.2M, followed by Fintech which secured \$172.5M.

EdTech and PropTech Gaining Momentum




The EdTech sector was very active in 2024, with several investment rounds announced, alongside multiple acquisition deals. Meanwhile, the real estate technology (PropTech) sector also saw significant investment rounds, particularly for PropTech-Fintech startups with solutions like 'Rent Now, Pay Later.

AI Investments on the Rise

2024 saw a rise in the number of AI-focused funding rounds within the region across various sectors. Investors have also been actively working to attract global AI companies, especially Wa'ed Ventures by Aramco.

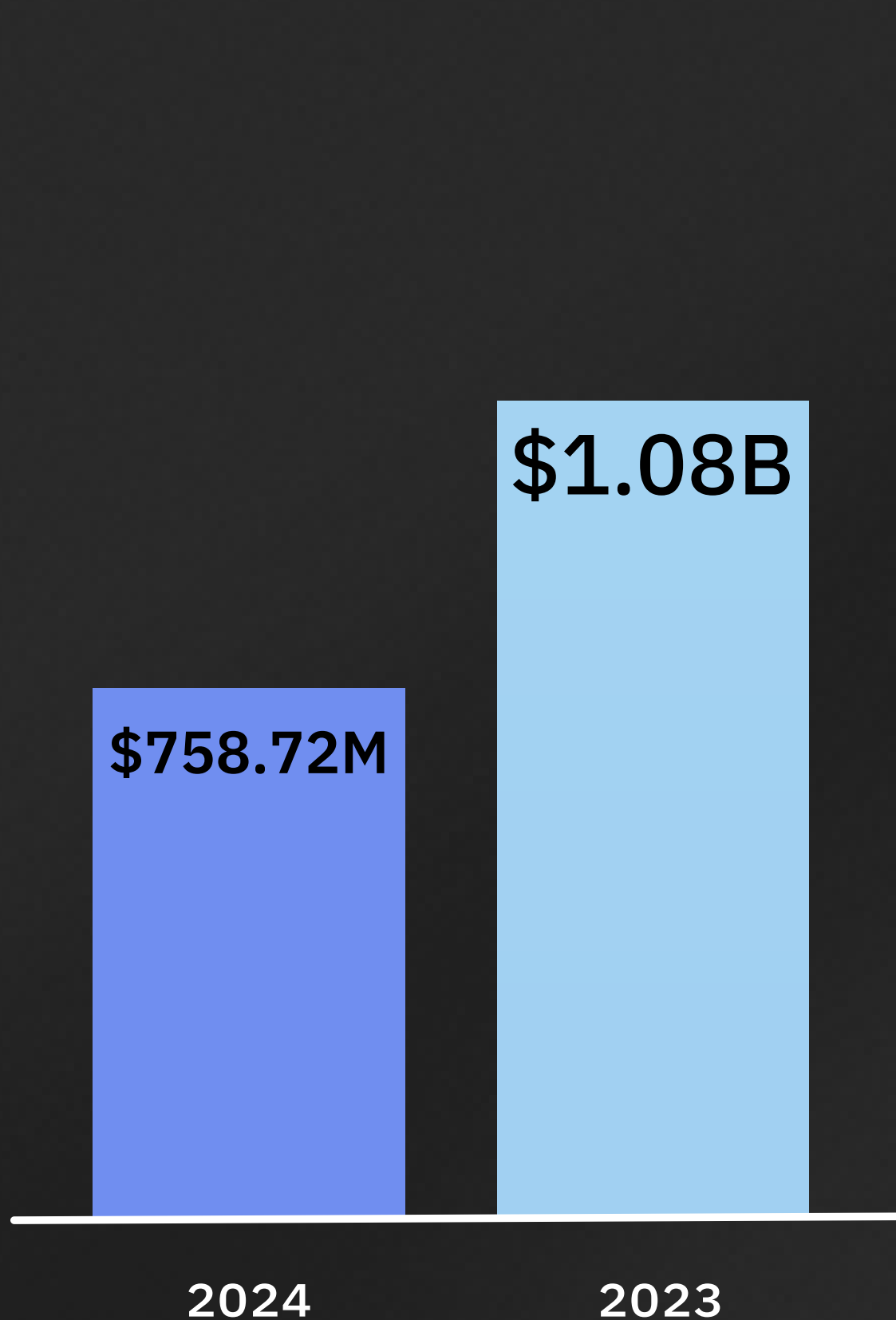


▶ Venture Capital Investment in Saudi Arabia

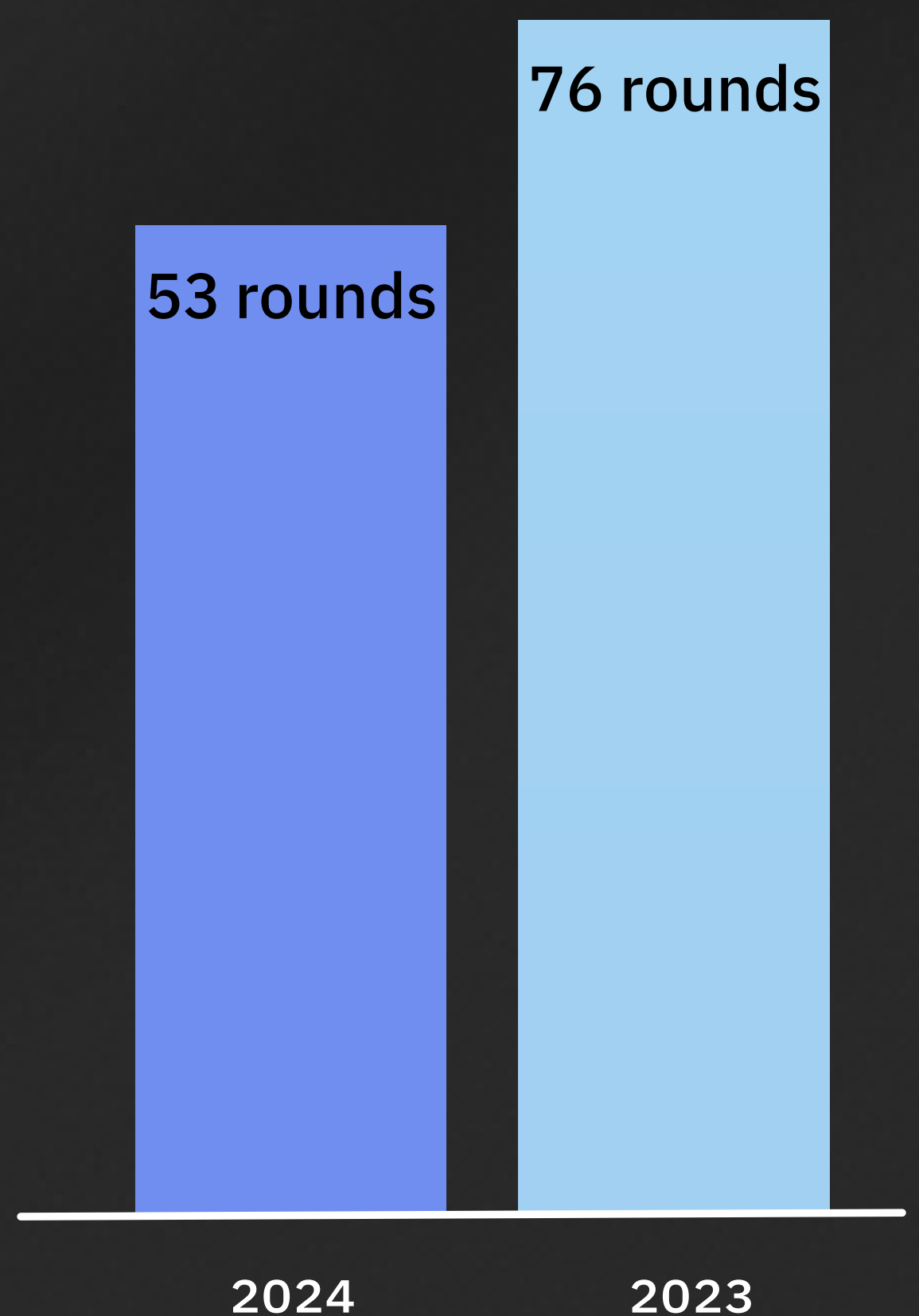
The total value of announced venture capital investments in Saudi Arabia reached approximately \$758.72M (2.85 billion SAR) in 2024, compared to \$1.08B (4.06 billion SAR) in 2023. At that time, major deals involving    captured around 2.9 billion SAR of the total investments.

Furthermore, the number of announced closed investment rounds dropped to 53 rounds in 2024, compared to 76 rounds in 2023.

Value Of Rounds



Number Of Rounds





▶ Saudi Arabia's Top Funding Sectors

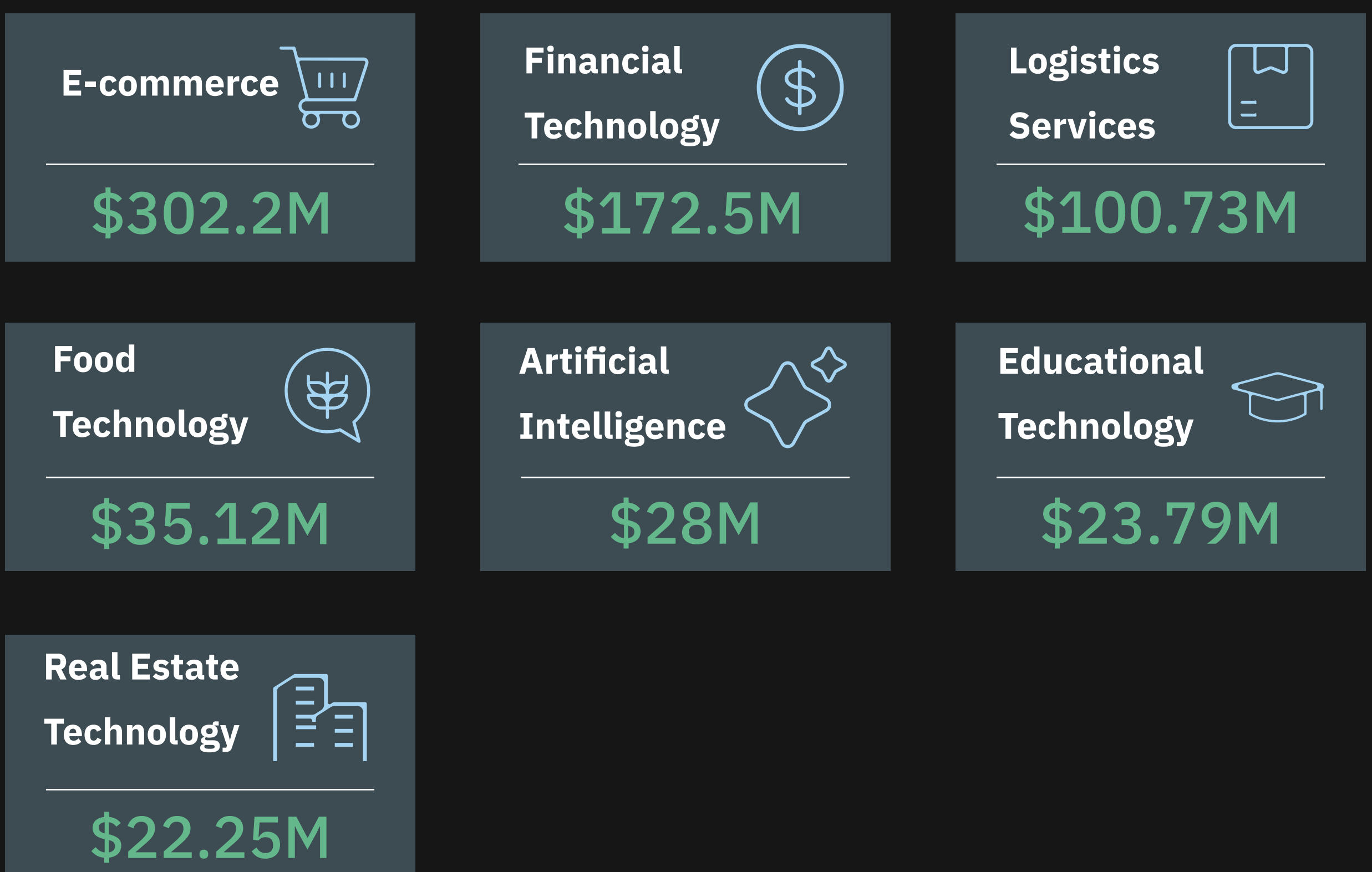
In 2024, Saudi Arabia's e-commerce sector attracted most of the VC funding, capturing 39.85% of total investments (equivalent to \$302.2M), driven by Salla, Eyewa, and Syarah rounds.

The fintech sector ranked second, securing 22.75% of total disclosed investments, which equalled \$172.5M. This growth was largely propelled by Lean Technologies' funding round—one of the largest deals of 2024.



The logistics sector claimed third place due to Shift's round with \$82.8M, bringing the sector's total funding to \$100.73M.

Similarly, the foodtech sector also ranked among the top, with \$35.12M in total funding, bolstered by Calo's late-year funding round.

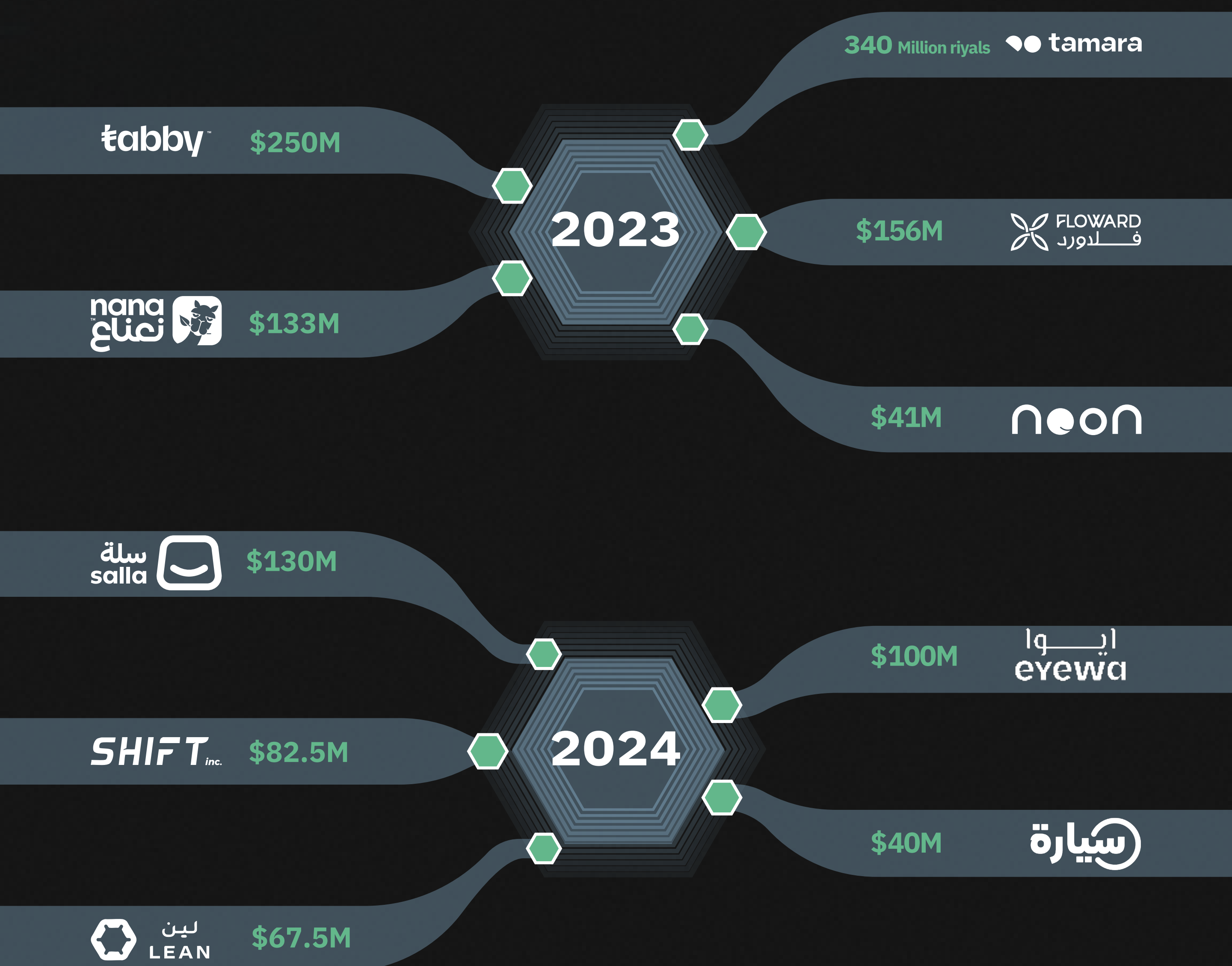
Additionally, sectors such as edtech, proptech, and artificial intelligence (AI) demonstrated notable activity, attracting investor interest and multiple funding rounds.



▶ The Largest Deals

 Salla's pre-IPO round topped the list of the largest announced investment rounds in the Kingdom of Saudi Arabia in 2024, securing \$130M. It ranked second in the region, following Egypt's MTN  which raised \$157M.

Disclosed and collected data revealed a clear decline in the value of mega-deals in Saudi Arabia. These deals dominated the majority of large-scale transactions in 2023, with their total value exceeding all disclosed venture capital investments in 2024 (including Tamara and Tabby). However, no deals of comparable size emerged in 2024."



Values are for venture capital investment only and do not include debt and credit facilities.



▶ Disclosed Rounds by Stage

▶ Pre-Seed



▶ Seed



▶ Pre-Series A





▶ Series A



▶ Series C



▶ Series B



▶ Pre-IPO





▶ Saudi Arabia Attracts Global Investment Firms

Saudi startups have attracted multiple global venture funds to the Kingdom and the region for the first time, spanning sectors such as fintech, edtech, proptech, and data solutions.

Saudi Startups Attract Global Funds

Investors

General Catalyst

Bain Capital

Doquense Family Office

Constructor Capital

Rethink Education

HearstLab

The Ferdinand Group

Morgan Stanley Inclusive Ventures

The company





▶ Funds & Investment Firms Launched in 2024

New Investors

Several Saudi-based funds have been launched to align with sustained growth across key sectors and capitalize on emerging opportunities in the startup ecosystem. These funds focus on venture capital and private equity investments, targeting startups from early-stage to growth to pre-IPO stages.





▶ Funds Activity by Deals in 2024

+3
Investments

FLAT6LABS سنابل للاستثمار
فنتشرز خوارزمي
WAED by aramco
سنابل للاستثمار
SANABIL INVESTMENTS
500

SHOROOQ CORE VISION SEEDRA VENTURES
رابع للاستثمار
Merak.Capital

درابيه derayah
ADVERSE BUNAT VENTURES VENTURE BUILDING MENA
WAAD INVESTMENT
STV

2-3
Investments

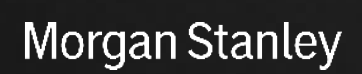
RAED impact46 jahez BECO CAPITAL VISION VENTURES
MEVP TECH INVEST COM
سدو المالية SADU CAPITAL CROWN

ILIAD PARTNERS الماجدة للاستثمار ALMAJDIH INVESTMENT
فلك INVESTMENT HUB GSI VENTURES KNOLLWOOD

علم elm SOMA CAPITAL
التعاونية tawuniya VSQ
NOMD HOLDING
دله للاستثمار DALLAH INVESTMENT



1
Investment





▶ **Saudi Venture Capital Company (SVC) Continues to Drive Growth**

The Saudi Venture Capital Company (SVC), a government entity established in 2018 under the Small and Medium Enterprise Bank (one of the development banks affiliated with the National Development Fund, aims to catalyze and sustain financing for startups and SMEs from early-stage to pre-IPO phases through direct investments or fund allocations.

SVC continued its support to venture capital (VC) and private equity (PE) ecosystem in Saudi Arabia, reinforcing its pivotal role in driving startup growth—a commitment upheld since its inception, with a dedicated focus on Saudi startups. SVC has invested in 54 funds (primarily VC-focused), which have collectively backed over 800 startups.

In 2024, SVC further amplified its impact by deploying capital into Saudi and global funds, reinforcing its commitment to strengthening the Kingdom's startup ecosystem.

SVC



▶ SVC-Invested Funds in 2024

RA'ED

Raed III

VISION

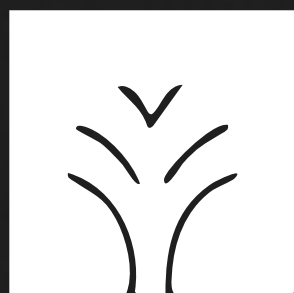
VENTURES

Saqr2

Investment value:

\$15M

جدوى للإستثمار
Jadwa Investment



Jadwa Al Khaleeji
For ownership shares



ILIAD PARTNERS

ALIPH

ALIPH Capital

MEVP

**Middle East Venture
Fund IV**

BECO

CAPITAL

Booster IV

Investment value:

\$20M



**GENERAL
ATLANTIC**

Investment value:

\$30M

OliveRock

Partners

Investment value:

\$30M



▶ Exits and Acquisitions

IPOs/Public Offerings

2025 is expected to be more active regarding the IPOs in Saudi Arabia compared to previous years, with 13 tech startups preparing to list. This follows Rasan Information Technology's successful 2024 debut on the Saudi Exchange (Tadawul), Nice One's approval for listing after completing a 30% subscription of its shares, and Jahez's transition from the Nomu - Parallel Market to the Tadawul Main Market (TASI).

More than a year ago, Nana announced its intention to go public within two years, while Salla aims to list shortly after closing its early 2024 funding round. Cipher is also preparing for an IPO following a SAR 50 million (\$13.3M) investment from Impact46. Meanwhile, Tabby, Tamara, and Floward are also expected to go public in the near future.

Acquisitions

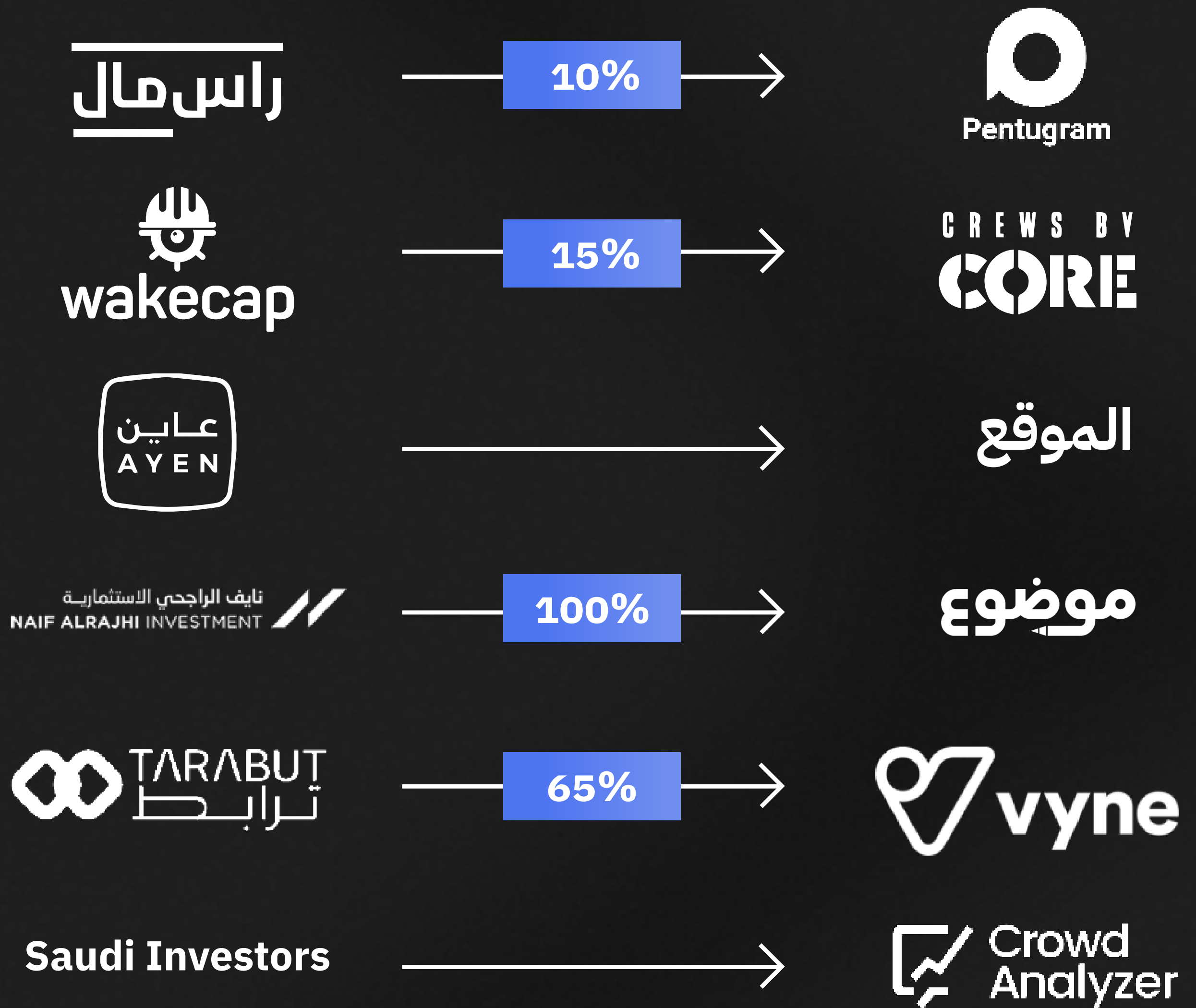
The number of announced acquisitions in the region increased in 2024 compared to 2023, with Saudi Arabia maintaining acquisition activity consistent with the previous year's pace. Notably, 10 Saudi tech startups were acquired in 2024, including India's Jetapult acquiring gaming studio UMX Games—marking the first foreign acquisition of a Saudi startup in the Gaming field. 2024 also saw a historic milestone: WakeCap became the first Saudi startup to acquire a U-S based company (Crew by Core). Additionally, Saudi investors expanded their global footprint through cross-border deals, including Naif Alrajhi Investment's acquisition of Jordan's Mawdoo3, Ayen's purchase of Egypt's El Mawkaa, and UAE-based Crowd Analyzer's acquisition by a group of Saudi angel investors.



▶ Acquisitions of Saudi Startups



Cross-Border Acquisitions by Saudi Entities





▶ Looking Ahead: A Promising Future Despite Challenges

Despite the decline in VC investments in 2024 compared to 2023, the future looks promising, particularly with the rapid growth in Saudi's tech economy. The Kingdom is expected to continue leading the region, especially after over 600 global and regional companies relocated their headquarters to Saudi Arabia, and the \$14.9B investments announced at LEAP25 in February with the main focus on cloud computing, data centers and AI.

However, the increasing appetite of startups and investment funds toward debt-based financing may impact VC funding in the coming years.

Going forward, the key priority will be to ensure that startups have access to the right investment tools that enable them to grow and reach advanced stages of development.