



جدا Jada

شركة صندوق الصناديق
Fund of Funds Company

Year in Review 2022

Driving our
ecosystem
forward



**His Majesty King Salman
Bin Abdulaziz Al Saud**

Custodian of the Two Holy Mosques,
King of the Kingdom of Saudi Arabia



**His Royal Highness Prince Mohammad
Bin Salman bin Abdulaziz Al Saud**

Crown Prince, Prime Minister and Chairman of the
Council of Economic and Development Affairs

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Introduction to Jada

“Jada” translates from Arabic as “widespread heavy rain”

The kind of rain that falls everywhere, to create the conditions for a fertile landscape. Exactly what is needed for Jada to develop and catalyze the venture capital and private equity ecosystem in KSA.

Our purpose is unlocking, nurturing, catalyzing and sustaining growth in the Kingdom.

We invest in funds and people who will create a thriving and fertile social and economic landscape, to take Saudi Arabia into the next decade of transformation.

Our Vision

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

Our Mission

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

Our Mandate

Conducting business in a disciplined manner to ensure the financial sustainability of the program. Achieving the desired developmental objectives through the enablement of SMEs in order for them to increase their contribution to job creation and GDP diversification.

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 US\$ 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 partners with, and mentors, VCPE funds that are focused on the Saudi market and committed to best practices in governance and fund management.

Chairman's Message

"These entrepreneurs are the heroes not just of tomorrow, but also of today."



MAZEN ALJUBEIR
Chairman of the Board of Directors

"In line with the guiding principles of Vision 2030, our aim is supporting SMEs, job creation, and inclusive growth through developing the VCPE ecosystem."

Despite a global slowdown in venture capital and private equity, we held to our purpose of supporting the startup and SME ecosystem in Saudi Arabia and continued to commit and deploy capital.

We remain convinced of the great potential of the Kingdom's entrepreneurs and companies and believe we are financing the leaders of the future through our core strategies of investing in promising venture capital and private equity funds. As set out in further detail within this Annual Report, we are also increasing our efforts to support these visionaries and expanding our strategy to address other funding gaps experienced by many companies.

From our perspective, we see that the rate of innovation in Saudi Arabia is increasing. It is very clear that there are numerous Saudi entrepreneurs and that their natural creativity and talent deserve support and nurturing. Their desire to build leading companies that can grow far beyond the borders of our Kingdom is inspiring and Jada hopes to support them in their missions.

"Starting a business today has become normal, and even a badge of honor for many."

These entrepreneurs are the heroes not just of tomorrow, but also of today. Their vision and hard work make an immediate difference: creating career opportunities for the Kingdom's many talented men and women, while also delivering value to customers and shareholders. We expect these entrepreneurs and their companies to bring further scale and sustainability to our economy over the years ahead. And they will inspire others to follow their paths. Starting a business today has become normal, and even a badge of honor for many. Less than a generation ago, this was not the case.

In line with the guiding principles of Vision 2030, our aim is supporting SMEs, job creation, and inclusive growth through developing the VCPE ecosystem.

I would like to take this opportunity to thank many crucial stakeholders for their dedication and support over this past year:

The Custodian of the Two Holy Mosques, His Majesty King Salman bin Abdulaziz Al Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Prime Minister, for their wise and visionary leadership and their development and pursuit of our Vision 2030;

The Public Investment Fund, for their steadfast and consistent support as our shareholder;

The Jada Board of Directors, for their unwavering efforts and dedication;

The entire Jada team, for their hard work, dynamism, and commitment to support the startup ecosystem in Saudi Arabia;

Our partners and suppliers of all kinds, particularly the managers of funds in our portfolio;

And last, but certainly not least, all the builders who are providing great products and services to their customers and exciting careers to their colleagues – the entrepreneurs whose vision and passion inspire us and whose legacy will be a better nation for us all.

MAZEN ALJUBEIR
Chairman of the Board of Directors



CEO's Statement

“Our duty is to mobilize private sector investments and ensure the successful growth of the wider VCPE universe in the Kingdom, thereby enabling higher job creation and GDP contribution.”



BANDR ALHOMALY
Chief Executive Officer

“This is an exciting time to be in Saudi Arabia. So many aspects of our lives are changing positively, and at a rapid pace.”

The 2022 Year in Review is the first to be published since my appointment in March 2023.

I would like to use this opportunity to give a sense of Jada's future direction, as we go forward into what is undoubtedly a dynamic economic environment within both the Kingdom and also the wider GCC region.

Jada's purpose is centered on socio-economic developmental impacts. The Company has a dual mandate that requires us to achieve not only our commercial targets but also to act as a catalyst of development for the venture capital and private equity (VCPE) ecosystem in the Kingdom.

This dual mandate synchronizes with Saudi Arabia's Vision 2030 that, amongst other things, calls for the diversification of the economy; and one of the best ways to achieve this goal is to invest in wide and diverse sectors through our VCPE investments. Innovation, employment, localization, entrepreneurship, research and development will primarily come from the Kingdom's SMEs. Hence, the purpose of Jada is to develop and catalyze this ecosystem for long-term success and growth. We must ensure that the development and continued maturation of our VCPE ecosystem



is commensurate with the expanding size of KSA's economy and that it keeps us in alignment with the nation's vision to be among the top economies in the world. At this stage of Jada's evolution, we are on track in our objectives. We aim to make further progress, but it is important to understand that Jada is not purely a financial investor; our duty is also to mobilize private sector investments and ensure the successful growth of the wider VCPE universe in the Kingdom, thereby enabling higher job creation and GDP contribution. Additionally, we support international fund managers who back local startups, which in turn provides Foreign Direct Investment and knowledge transfer to Saudi Arabia. In addition to providing funding, there are other equally important areas where Jada can give value-adding support to different stakeholders in the larger market, including SMEs, fund managers, investors and business owners. And that is accomplished by a number of initiatives such as training investment professionals to help elevate the VCPE ecosystem.

Jada recognizes the need to invest time and energy not only with the most established international fund managers, but also with “emerging” managers. This is because it is the Company's duty to develop them and complement capital infusion with mentorship and strategic guidance.

Traditionally, we have focused on venture capital and private equity, which we will continue to do. However, to further support SMEs while diversifying and minimizing that risk, Jada is now expanding its strategy to include the provision of private debt. It is the provision of these three core elements (venture capital, private equity and private debt) which makes Jada's offering unique in our local market.

Over the past three years, both industrialized nations and developing economies have taken active steps to support their cultures of entrepreneurship by backing their VCPE ecosystems in order to reinvigorate growth. By addressing the obvious funding gap and mobilizing higher-risk private sector investment, Jada's ambitious agenda can be achieved. Ahead of us lies a fantastic opportunity to fulfill our dual mandate of commercial success combined with positive developmental impact.

This is an exciting time to be in Saudi Arabia. So many aspects of our lives are changing positively, and at a rapid pace. Jada sits at the heart of these reforms, and we look forward to contributing significantly and positively to the evolution of our economy and broader social landscape.

I would like to take this opportunity to thank the Custodian of the Two Holy Mosques, His Majesty King Salman bin Abdulaziz Al Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Prime Minister, for their support and wise and visionary leadership.

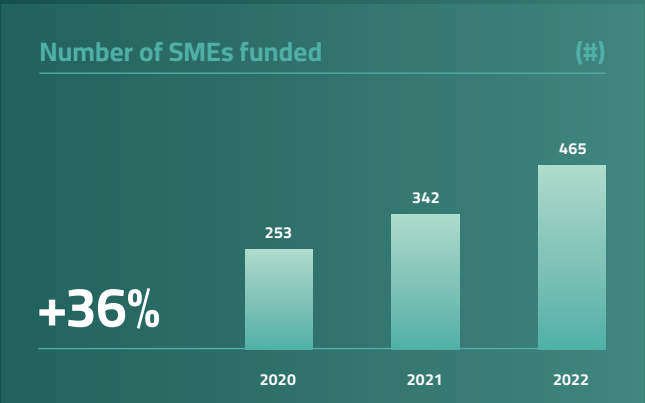
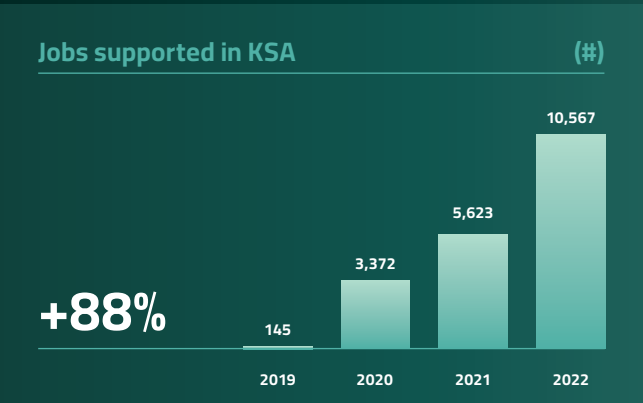
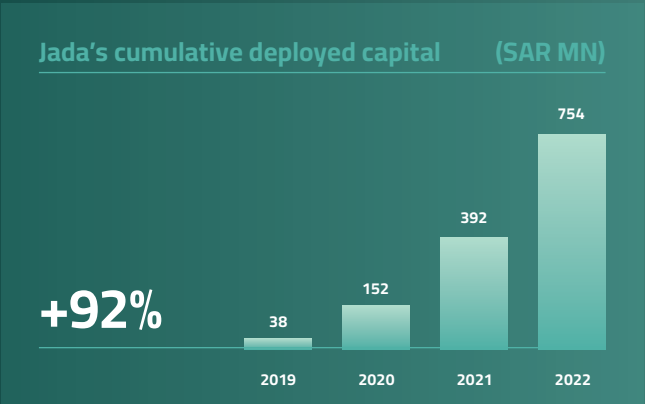
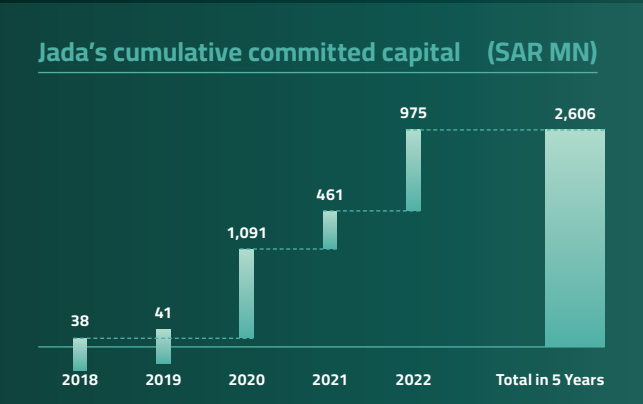
I also thank the Board for their warm welcome and support from day one. Likewise, I express my sincere appreciation to the whole team at Jada for their outstanding performance to date. I very much look forward to building on the progress made thus far, and I am entirely confident that we will be able to achieve the ambitious goals of our shareholder, who I also thank for their trust and vision.

BANDR ALHOMALY
Chief Executive Officer

Financial Highlights

CAPITAL & INVESTMENTS OVERVIEW

Capital committed in 2022 (SAR) 977.5 MN US\$ 261 MN	Capital deployed in 2022 (SAR) 357 MN US\$ 95 MN	Total capital committed since inception (SAR) 2.606 BN US\$ 695 MN	Total capital deployed since inception (SAR) 749 MN US\$ 200 MN
Number of funds invested in 2022 Total: 7 Venture Capital: 4 Private Equity: 3	Number of funds invested in since inception Total: 27 Venture Capital: 20 Private Equity: 7	Number of Jada full-time employees in 2022 Total: 18 Including Female Employees: 8	

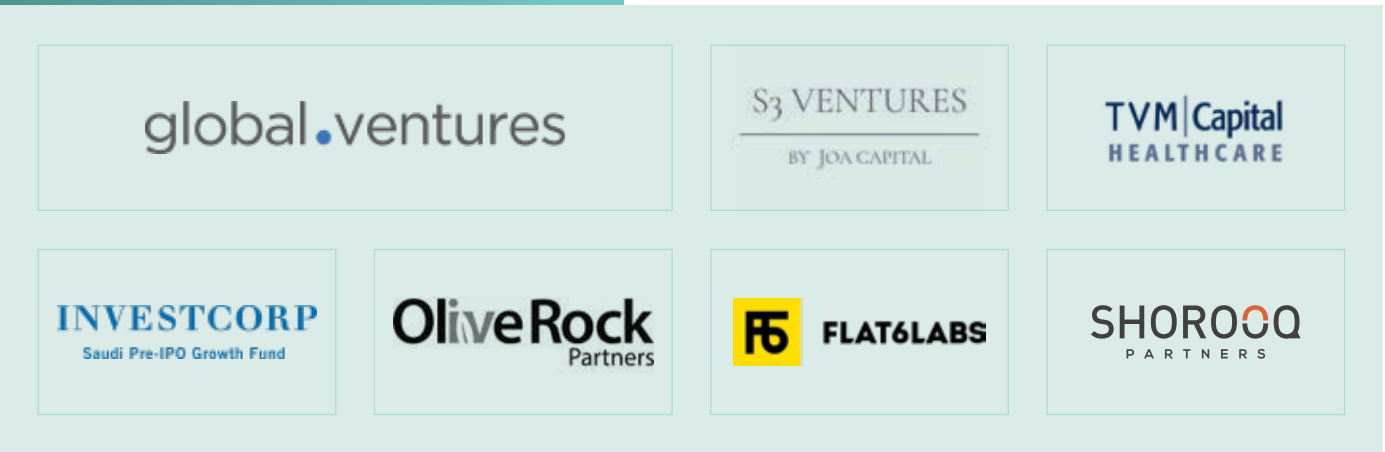


KEY PERFORMANCE INDICATORS

	WHAT WE HAVE ACHIEVED
01	Committed capital in GPs (SAR Mn) 975
02	Cumulative number of Saudi & Saudi-related companies supported 122
03	Cumulative jobs supported (KSA) 10,567
04	% investment in emerging fund managers 57%
05	Number of ecosystem development initiatives 15

HOW JADA HAS SUPPORTED ITS PORTFOLIO COMPANIES IN 2022

+152% Jobs supported 2022: 14,192 Vs 2021: 5,623
+46% Saudi HQ portfolio companies 2022: 98 Vs 2021: 67
+132% Saudi female employees 2022: 1,671 Vs 2021: 719
+90% Saudi employees 2022: 3,592 Vs 2021: 1,888
+101% Female employees in KSA 2022: 1,905 Vs 2021: 948
+25% Saudi-related portfolio companies 2022: 30 Vs 2021: 24
By the end of the year, a total of 465 portfolio companies had been supported by Jada to date, with this number increasing by 123 during 2022.



INVESTEE FUNDS 2019 – 2022

FUND NAME	JADA SIGNING YEAR
Venture Capital	
BECO Booster Fund II LP	2019
Arzan VC Fund II LP	2019
Global Ventures Ltd	2019
500 Falcons LP	2019
Venture Capital	
eWTP Arabia Technology Innovation Fund I	2020
Hala Venture Capital Fund	2020
Merak Technology Ventures Fund	2020
RAED II	2020
Saqr Fund	2020
Bedaya Fund 1	2020
VentureSouq MENA FinTech 1	2020
Access Bridge Ventures Fund	2020
Private Equity	
Alpha Capital Saudi F&B Fund	2020
The GCC Asia Growth Fund	2020
Venture Capital	
Emkan Capital Fund 1	2021
MSA ETM Fund I	2021
Hambro Perks Oryx Fund	2021
Nuwa Venture Fund I	2021
Sukna Ventures Fund 1	2021
Private Equity	
Energy Capital Group	2021
Venture Capital	
Global Ventures Fund 2	2022
Bedaya Fund II	2022
S3V 1	2022
Startup Seed Fund	2022
Private Equity	
TVM Healthcare Afiyah Fund	2022
Olive Rock	2022
InvestCorp Saudi Pre-IPO Growth Fund	2022



Introduction

With many of the world's mature markets facing sustained economic, social and geopolitical headwinds, and with significant global inflationary pressures creating new challenges where Covid left off in the preceding year, the GCC was seen in 2022 as a relatively opportunistic marketplace for continued investment both from local and international investors.

Against this backdrop of continuing economic growth in the Kingdom, Jada was able to continue the execution of its investment strategy during the year with a further SAR 977.5 million (US\$ 261 million) committed and SAR 357 million (US\$ 95 million) deployed across a further 7 VCPE-focused funds in Saudi Arabia.

Four of these new investments were into VC focused funds (taking Jada's total VC portfolio investments to 20), with a further three investments into PE funds (taking the Company's total PE portfolio investments to 7).

Our activity throughout the year
Venture Capital

Bedaya Fund II

The Bedaya Fund II is a US\$ 150 million early stage venture capital fund managed by Shorooq Partners, based in Abu Dhabi. The fund invests in North Africa, Jordan, Saudi Arabia, Turkey, United Arab Emirates and Pakistan, targeting the FinTech and software sectors.

S3Ventures Fund

S3 Ventures Fund is managed by Joa Capital, which provides fund management and discretionary portfolio management services and which was established in Riyadh in 2020. The company invests in businesses that make a difference at the intersection of finance, technology and infrastructure. Target sectors include SaaS, Gaming and Esports, InsurTech, FinTech, Logistics Technology and PropTech. They seek to build long-term partnerships with innovative companies and entrepreneurs in the GCC and beyond.

S3 Ventures Fund invests in developing ventures by collaborating with multiple sector venture studios that are either globally recognized or have strong local market knowledge in order to create a source for alternative growth, as well as existing ventures that require such a model to accelerate their growth.

7 Funds

Committed to in 2022

SAR 977.5 MN

Committed towards VCPE funds

“Jada was able to continue the execution of its investment strategy during the year with a further SAR 977.5 million (US\$ 261 million) committed and SAR 357 million (US\$ 95 million) deployed across a further 7 VCPE-focused funds in Saudi Arabia.”



Global Ventures Fund II

Global Ventures Fund II is a 2021 vintage, later-stage venture capital fund managed out of Dubai by Global Ventures. This MEA fund invests in information technology, healthcare, digital health, AgTech, EdTech and FinTech. The fund invests in the US\$ 1-3 million range, with a 5 year horizon.

Startup Seed Fund

The Company joined SVC and other investors when it participated in a US\$ 150 million Startup Seed Fund launched by Flat6Labs in Saudi Arabia. The fund, which invests in early stage startups operating in the technology and innovative sectors, aims to develop the capabilities of more than 180 entrepreneurs, create more than 6,000 jobs in the private sector and enable Saudi companies to expand across the MENA region.

It adopts a highly diversified systematic investment plan that aims to reduce both the risks faced by VCs and also the administrative and legal costs faced by early stage businesses.

Jada's Investments Cont.

Private Equity

**TVM Healthcare
Afiyah Fund**

TVM|Capital
HEALTHCARE

The TVM Healthcare Afiyah Fund is a private equity growth expansion fund managed by TVM Capital Healthcare Partners, located in Riyadh and Dubai. The aim of the fund is to finance innovative healthcare companies already in the Kingdom and to selectively bring highly innovative foreign healthcare companies into Saudi Arabia.

Olive Rock

OliveRock
Partners

Jada made a substantial commitment to the maiden private equity fund Olive Rock Partners Fund I, which was launched in November 2021; at the time of Jada's commitment, the fund had already invested in three leading regional healthcare platforms.

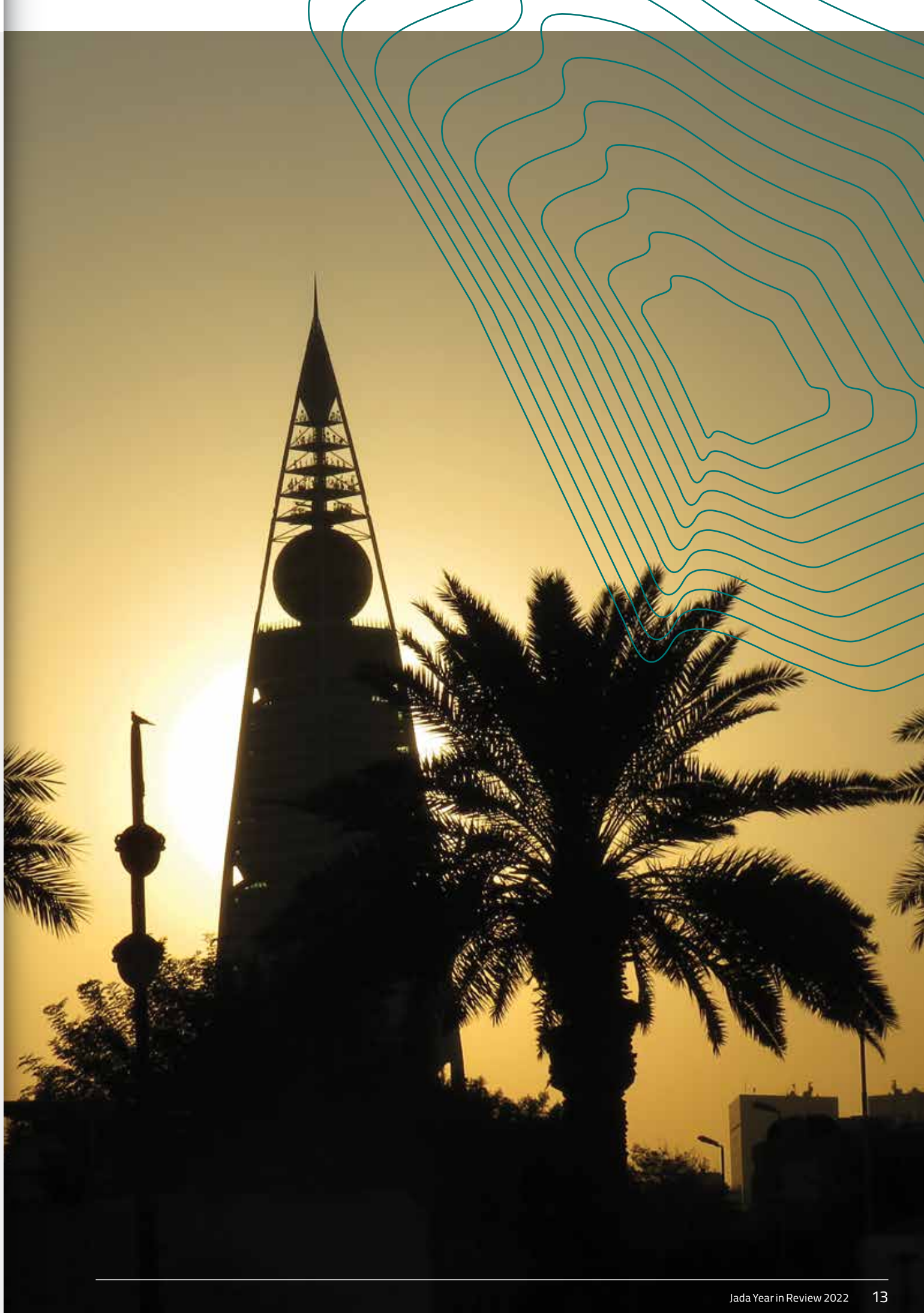
Based in Abu Dhabi, the fund will seek deployments in fundamentally strong management teams and platforms in the rapidly evolving GCC geographies, with a focus on social infrastructure, consumer-fuelled industries and technology enablement.

Alongside Jada, other investors include Abu Dhabi Catalyst Partners, a joint venture between Abu Dhabi's Mubadala Investment Company and Alpha Wave, as well as leading family offices and investment platforms regionally and internationally.

**InvestCorp Saudi Pre-IPO
Growth Fund**

INVESTCORP
Saudi Pre-IPO Growth Fund

This Pre-IPO Growth Fund is a 2022 vintage private equity growth expansion fund managed by Investcorp. Located in Bahrain, the fund invests across the Middle East targeting equity growth capital investments across a range of companies primarily based in Saudi Arabia with the potential to access the capital markets within 3 years. The fund provides investors with an opportunity to gain exposure to growing and market-leading businesses in strategic, high growth and underserved sub-sectors such as business services, transport and logistics, healthcare and consumer products.



New Strategy Overview

“Jada’s strategy must sit within the wider context of the rapidly changing and dynamic marketplace we serve, as well as staying true to our purpose.”

We estimate a FinTech **funding gap** of over **SAR 1BN** by 2027, which we aim to shrink



As Jada enters the post-Covid era, and with KSA pushing ahead in so many directions in line with Vision 2030, it has been an appropriate moment to take stock of what the company has achieved to date and to re-evaluate our strategy going forward – as indeed all prudent businesses are doing under these circumstances.

Jada’s strategy must sit within the wider context of the rapidly changing and dynamic marketplace we serve, as well as staying true to our purpose – to act as a catalyst for the VCPE ecosystem within the Kingdom.

One of the obvious points of leverage at our disposal is to accelerate our progress by harnessing the synergies we share with other players in the VCPE SME universe, in order to underpin its development. Key measures for success in this regard include job creation, sector development, economic diversification and GDP growth.

Importantly, Jada is both a financial investor and also a catalyst for growth. That is our dual purpose – economic success, side by side with the social development of the nation. Working closely with

the other stakeholders in the VCPE sector is therefore not just part of our mandate but also completely logical in terms of ensuring our own success as a business.

Having reviewed Jada’s strategic plan, the company’s direction of travel has now been adjusted to foster growth within the economic landscape in which we operate. Jada’s refreshed strategy aims to tackle the gaps and challenges that have been identified through market analysis and inter views with local, regional, and international stakeholders.

A number of strategic sectors will receive particular focus going forward. These include FinTechs, where there is a significant opportunity to accelerate the growth of a more diversified economy in the Kingdom. As the number of FinTechs continues

to evolve rapidly, Jada has estimated a potential funding gap of over SAR 1 billion by 2027. As part of our adjusted strategy, it is Jada’s aim to shrink this gap.

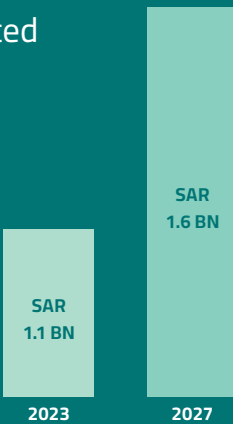
In terms of the company’s private equity strategy, Jada will increase its offering to the PE landscape by introducing acquisition finance to support LBOs, in a market with an estimated CAGR of 10.5% by 2027.

In addition, further expanding on investment debt, in the future the company will also be introducing venture debt, a market with an estimated CAGR of 13.5% by 2027.

Acquisition funding market is estimated to grow by 10.5% CAGR by 2027



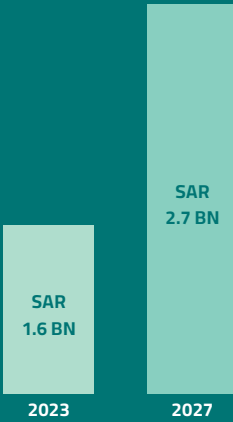
Source: Preqin; Magnitt



Venture debt market is estimated to grow by 13.5% CAGR by 2027



Source: Preqin; Magnitt



VCPE Sector Developments

"2022 witnessed unprecedented VC deployment, setting a new record in VC funding."

Investments in Saudi startups in 2022

SAR 3.701 BN (US\$ 987 MN)

Although 2021 was, at that time, a record year for venture funding in the Kingdom, 2022 in fact witnessed unprecedented VC deployment, setting a new record in VC funding. By consensus, 2022 saw a continuation of the quality of emerging startups and the breadth of the talent pool in Saudi Arabia experienced over recent years.

Investments in Saudi startups grew by 72% to a record high of SAR 3.701 billion (US\$ 987 million) in 2022. A record high of 104 investors participated in deals closed by Saudi startups in 2022, an increase of 30% against 2021, with almost 60% of these hailing from the Kingdom.

Food & Beverage and Transport & Logistics were in the top three industries in the Kingdom in 2022, driven by their respective 'mega' rounds (US\$ 100 million+) but FinTech took the top spot as the most funded industry while

maintaining its position for the most transactions. Funding for FinTech reported year-on-year growth of 137% with startup Tamara's US\$ 100 million round accounting for 47% of the total capital deployed in the industry.

The Kingdom achieved the highest growth of venture capital funding among countries in the MENA region and maintained its position as the second-most funded market in MENA in 2022, accounting for 31% of the total capital deployed in the region (2021: 21%).

This unprecedented growth follows government initiatives launched to stimulate the VC and startups ecosystem in line with Saudi Vision 2030. In terms of regulatory and legal advances, the issuance of the new Saudi Companies Law by the Ministry of Commerce and the Investment Funds Regulations by the Capital Market Authority both

proved important steps in helping entrepreneurs and local fund managers alike.

2022 saw a 100% increase in M&A activity, with 10 exits recorded during the year (2021: 5). There were acquisitions in e-commerce, gaming, healthcare, and EdTech, with Saudi-based startups broadening their horizons by expanding internationally. F&B startup Foodics acquired Jordan-based POSRocket and Sary acquired its counterparts, Mowarrid and Jugnu, in Egypt and Pakistan.

Annual FinTech funding growth

137%

Saudi share of total MENA capital deployed

31%

"2022 saw a 100% increase in M&A activity, with 10 exits recorded during the year."

Value of deals in 2022

SAR
3.701 BN

US\$ 987 MN
+72%

Value of deals in 2021

SAR
2.05 BN

US\$ 548 MN

Number of deals in 2022

144

+3%

Number of deals in 2021

139



Saudi startups share of total funding, out of SAR 11.571 BN
(US\$ 3.153 BN) invested across MENA

2nd PLACE
31%

+12%

56%



Number of Saudi deals involving top 10
international investors

39

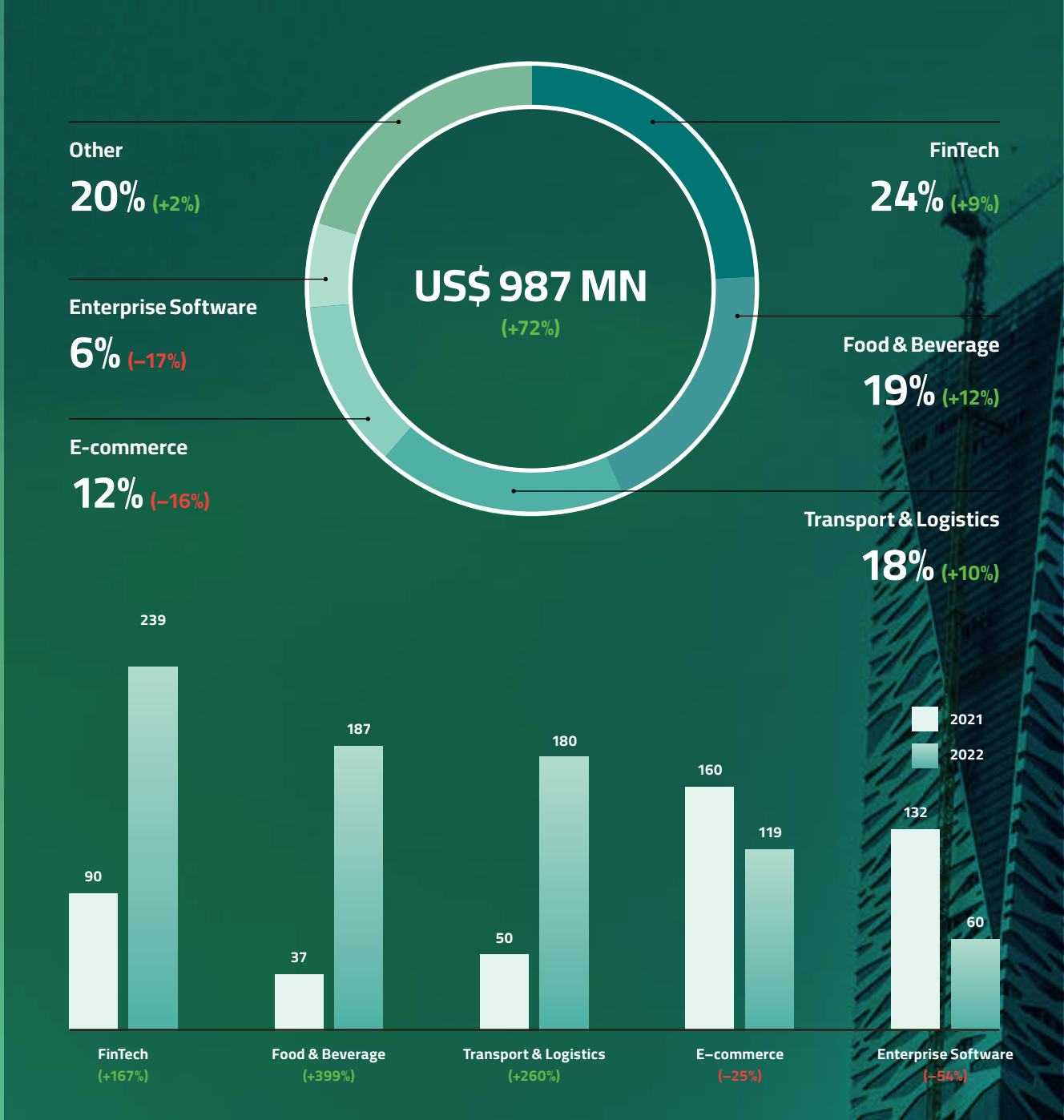


"Investments in Saudi startups grew by 72% to a record
high of SAR 3.701 BN (US\$ 987 MN) in 2022."

Saudi Sector Allocation

Funding

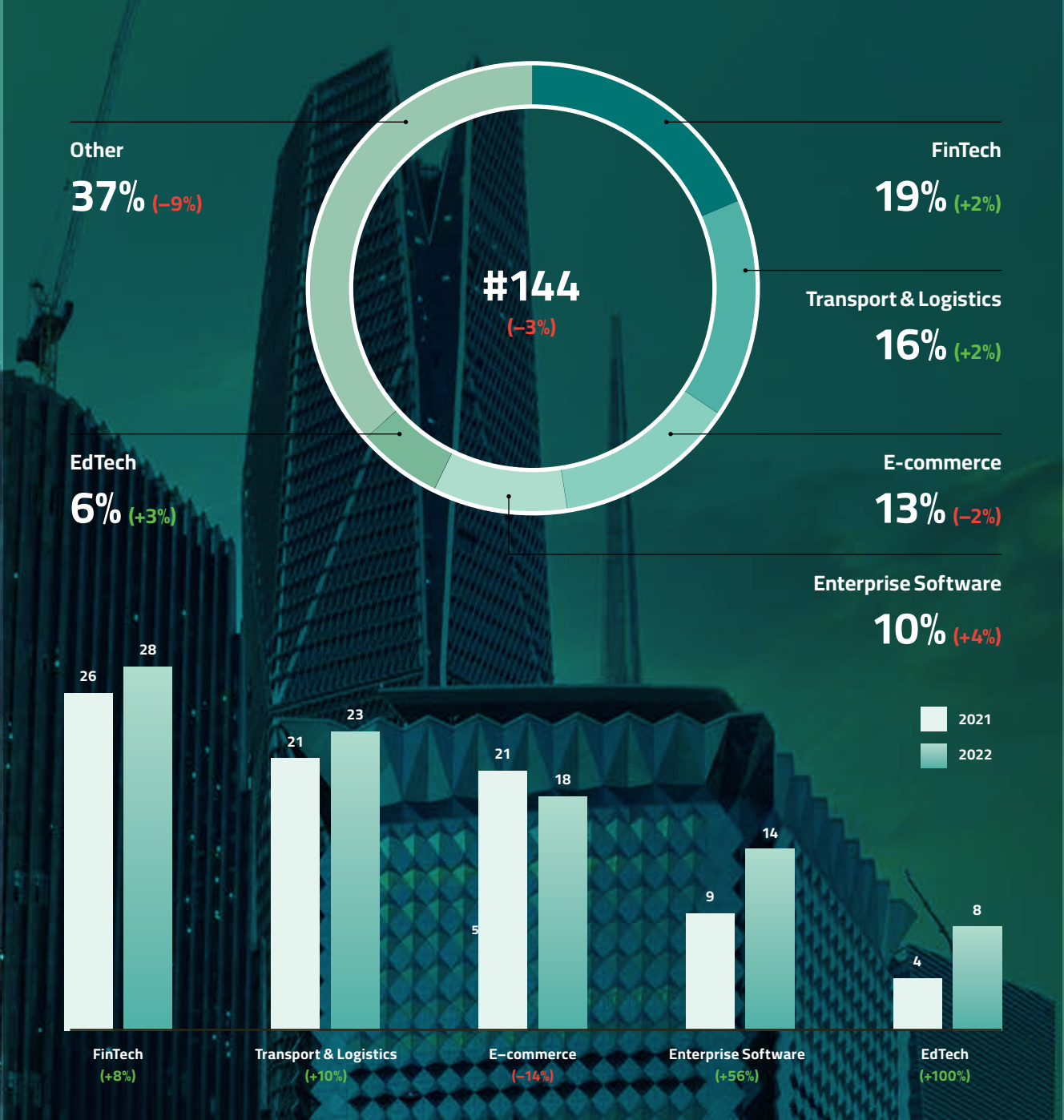
With a 167% increase in funding, FinTech jumped two spots in 2022 to become the most funded industry in Saudi Arabia, mirroring its peer MENA markets. FinTech surpassed EdTech and e-commerce, previously the top two industries in 2021, with US\$ 239 million raised. F&B remained in the top three in 2022, supported by Foodics' US\$ 170 million Series B round.



SOURCES: Saudi Arabia Venture Capital Report 2022 and KSA Venture Investment Report 2022, produced by MAGNITT.

Deals

FinTech ranked first by number of deals closed in 2022, accounting for 19% of total transactions in the Kingdom. Following initiatives designed to boost financial technology which were introduced by the Saudi Central Bank and Capital Market Authority, FinTech startups in Saudi recorded 28 investments in 2022. Enterprise Software and EdTech saw significant growth, with the latter doubling the number of deals done in the previous year.

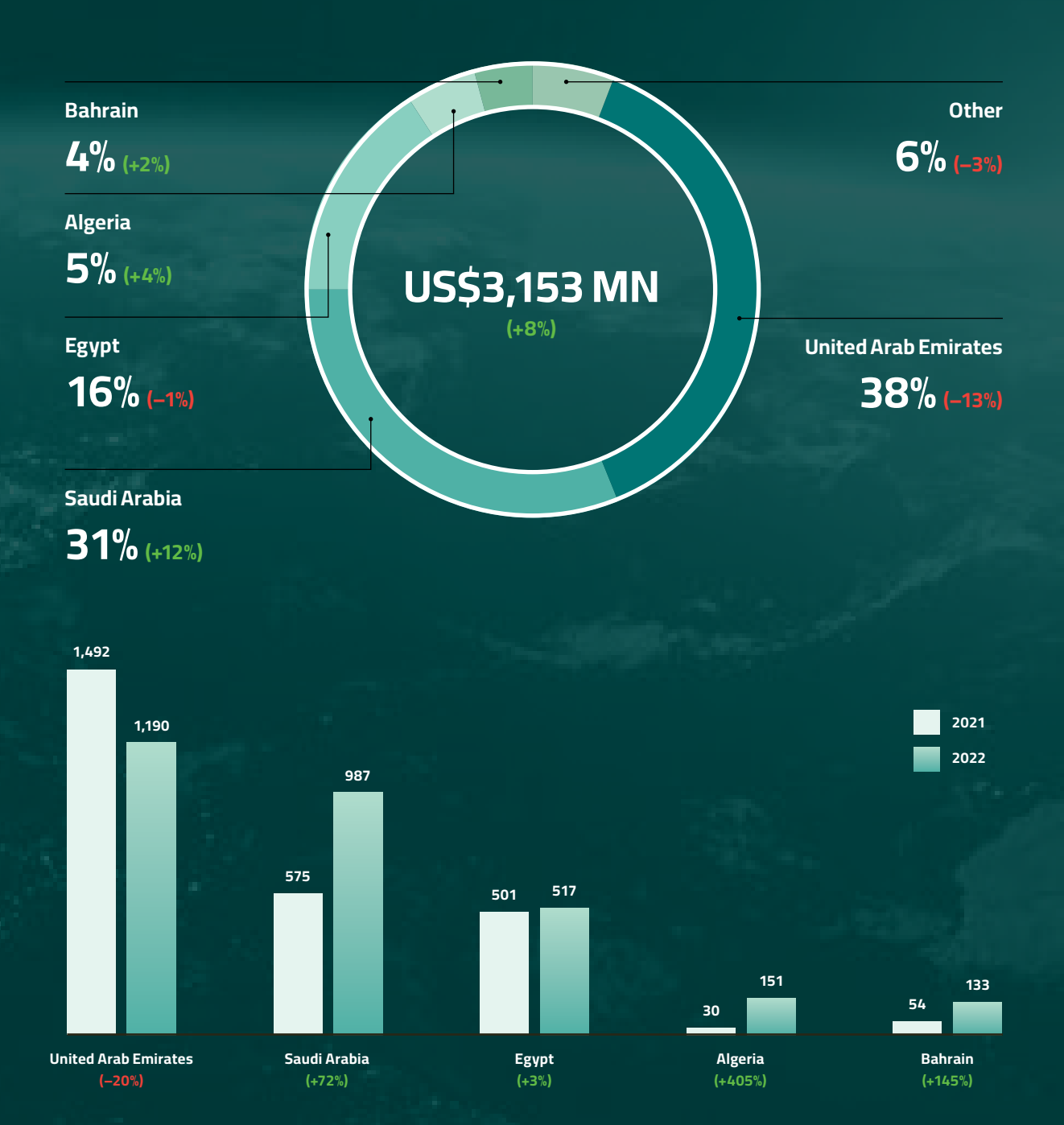


SOURCES: Saudi Arabia Venture Capital Report 2022 and KSA Venture Investment Report 2022, produced by MAGNITT.

Regional Context for VCPE

Funding

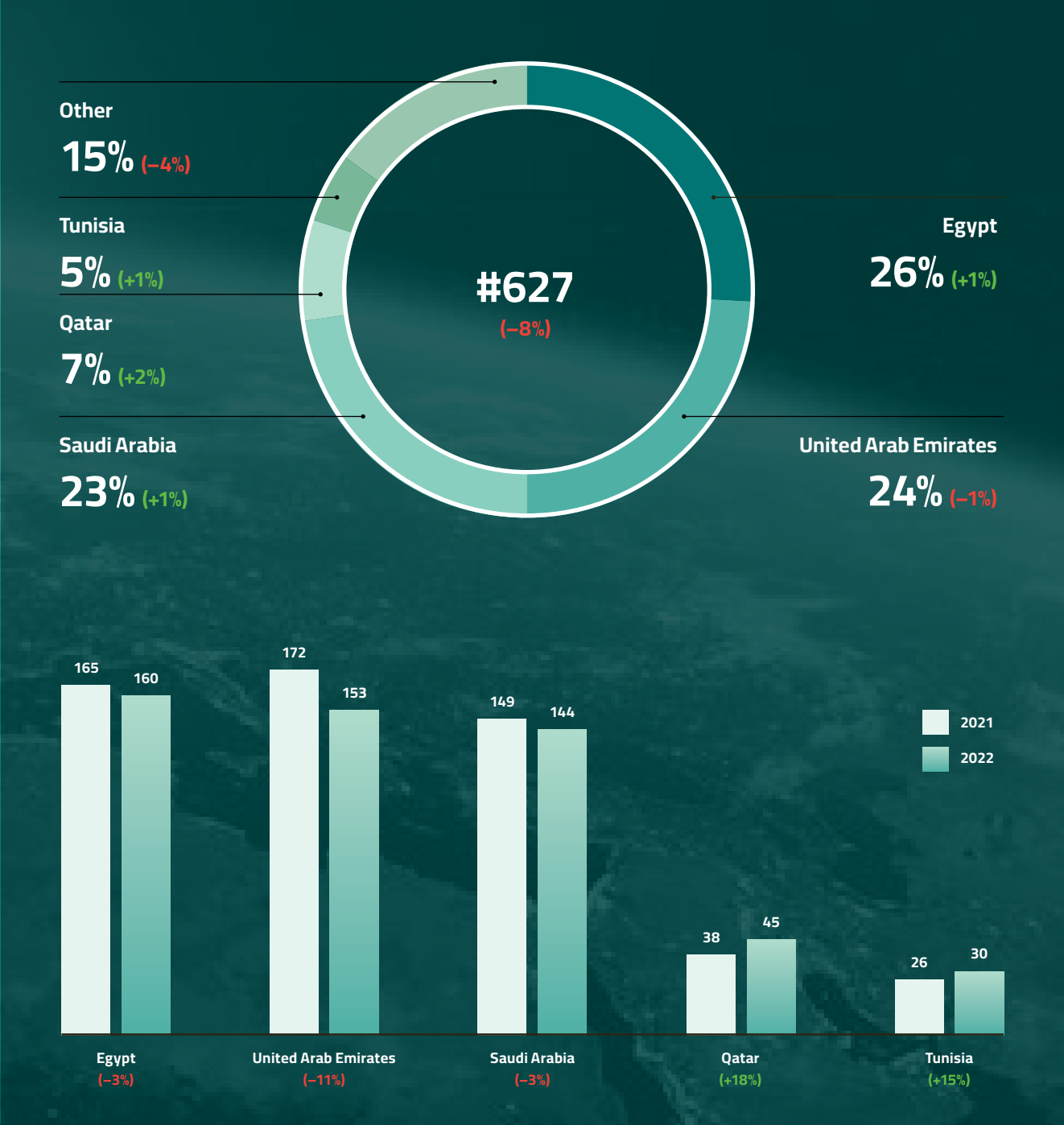
In 2022 Saudi Arabia kept its position as the second most funded geography across the MENA region, raising US\$ 987 million which represented 31% of the total capital deployed in MENA. The Kingdom reduced the funding gap with the UAE from US\$ 917 million in 2021 to US\$ 203 million in 2022.



SOURCES: Saudi Arabia Venture Capital Report 2022 and KSA Venture Investment Report 2022, produced by MAGNITT.

Deals

Saudi accounted for 23% of total deals in MENA in 2022, making it the third most transacted market in the region with 144 deals. The difference in the number of transactions recorded by the UAE and Saudi Arabia reduced to just nine, compared to 23 in 2021.



SOURCES: Saudi Arabia Venture Capital Report 2022 and KSA Venture Investment Report 2022, produced by MAGNITT.

Jada's Partnerships

During the year, Jada successfully partnered with three third-party organisations to further support and promote the VCPE ecosystem in the Kingdom:

endeavor

Established in 1997, Endeavor is leading a global movement of high impact entrepreneurs which promotes economic growth and job creation by selecting, mentoring, and accelerating the best emerging entrepreneurs in the world.

To date, Endeavor has assessed more than 70,000 entrepreneurs and selected more than 2,300 of them for support. These individuals head up over 1,300 fast growing companies. With the support of the global network of Endeavor mentors, these entrepreneurs have produced over 3 million jobs, generated more than US\$ 42 billion in revenue, and continue to inspire future generations to innovate and take risks. Endeavor has its headquarters in New York City and operates in more than 41 markets across the world.

In 2022, Jada partnered with Endeavor by sponsoring their report on the FinTech ecosystem in Saudi Arabia.

Endeavor's analysis found that while the Saudi Arabian FinTech ecosystem is well-positioned to achieve the goals set out in Vision 2030, the entrepreneurial sector is dealing with a late start and faces challenges of gaps in efficiency across several fronts.

Endeavor identified 100 homegrown Saudi FinTech startups and scaleups. This quantity of new ventures illustrates the sector's dynamic growth and impact: 90% of all the companies were founded in the last decade and 68% in just the last five years. Most of these companies are still early-stage startups, as 57% were founded in 2019 or after. The report concluded that the FinTech entrepreneurial community has the potential to not only unleash exponential growth for the digital sector but also to positively impact Saudi Arabian economic growth more widely.



"In 2022, Jada partnered with Endeavor by sponsoring their report on the FinTech ecosystem in Saudi Arabia."

"90% of all the companies were founded in the last decade and 68% in just the last five years."



In December, Jada sponsored Harvard Business School Senior Lecturer of Business Administration Jeffrey Busgang, a leading professional with over 20 years of experience in venture capital. His thought-provoking discussion centred on 'Why VCs are more bullish than ever about current market conditions.'



In September, Jada signed a Memorandum of Understanding with Invest Seoul – a foreign investment promotion agency established by the Seoul Metropolitan Government under the laws of the Republic of Korea.

This MoU is a further example of Jada's partnerships with organisations that are committed to implementing and overseeing international best practices in governance and fund management.

The MoU aims to enable cooperation between the two countries in relation to investments, screening and support for the growth prospects of businesses in the Republic of Korea and Saudi Arabia within the development of the global startup ecosystem.

Pursuant to the MoU, both parties agreed to exchange information on entrepreneurial policies and best practices, with the intention of implementing such policies in their respective countries, together with facilitating exchanges of personnel and programs including roadshows, conferences and exhibitions.



Jada's Initiatives

In 2022 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 nurturing the VCPE ecosystem through engagement with stakeholders both domestically and internationally.

This was achieved by organizing **two Emerging Manager Program ('EMP') Foundation training 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 addition to the training sessions, Jada hosted **five meet-ups** during the year, 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.

2022 saw the launch of **two 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.

In January, Jada hosted the 2022 Venture Capital Tech **Outreach** program, welcoming international thought leaders in order to educate them about Saudi's VCPE ecosystem and SME sector.

During the year, Jada continued to work on accelerating the Kingdom's startup and innovation sector through the **Catalyze Saudi** initiative, involving a series of annual events aimed at maximising the visibility of Saudi to global entrepreneurs and investors.

At a Glance

EMP Foundation Trainings

2



Jada Meet-ups

5



Case Studies

2



Outreach

2



Jada's Initiatives Cont.

Emerging Manager Program

In 2022, Jada sponsored VCPEA by hosting two Emerging Manager Programs ('EMPs'). Each of these comprised three days of intensive training, with lecturers from top universities.

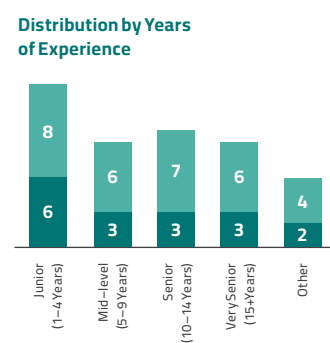
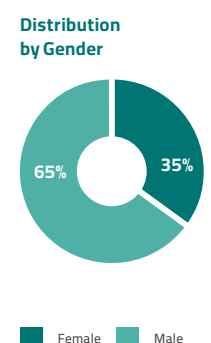
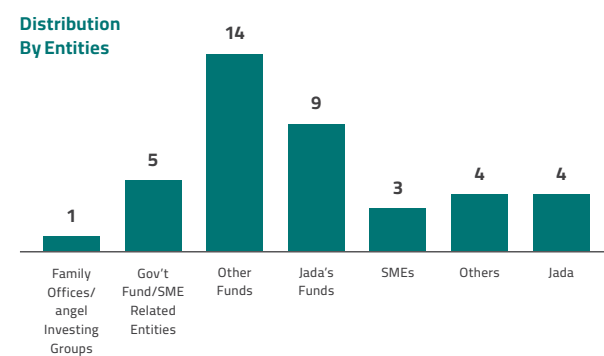


Venture Capital Foundation Training

312 Applications + 40 Participants

Robert Siegel
October 2-4, 2022

Applications were open for 2 weeks



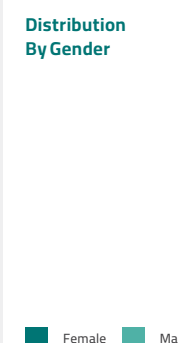
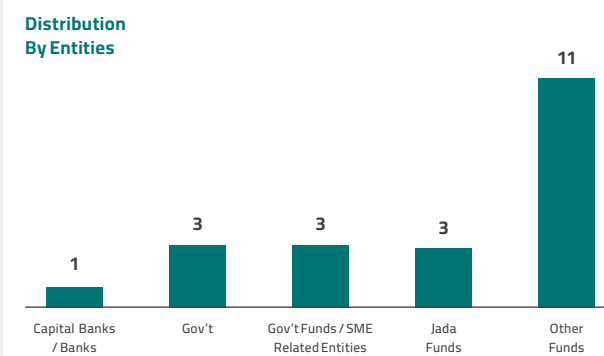
Private Equity Foundation Training

211 Applications + 48 Participants



Florin Vasvari
October 16-19, 2022

Applications were open for 2 weeks



Meet-ups

In 2022, Jada continued its now well-established series of 'Meet-ups' including, for the first time, a 'Jada Gathering'. All these events were designed once again to educate attendees, all of whom operate within the VCPE space, as to best practice, the state of the marketplace and the nature of the opportunities which lie ahead.

Meet-up 01

Wednesday, 11 May 2022

MSCI Inc. and Jada partnered to deliver:

"Making Better Investment Decisions: Mitigating Venture Capital Risks and Creating Opportunity"

This webinar shed light on how portfolio funds mitigate the dangers in an ever-evolving investment landscape.

The partnership between MSCI and Jada gave the audience a close-up demonstrative discussion of the industry and provided information on how to incorporate data within analysis models. Industry experts, regional fund managers, risk/governance specialists and VCPE ecosystem leaders elaborated on the dynamically transforming investment arena.

The discussions centered on identifying and evaluating what makes a good investment, developing valuation and risk frameworks, and managing portfolios in an ever-evolving venture capital sector. Through this immersive webinar, MSCI and Jada educated the attendees about leveraging challenges and turning them into positive outcomes – providing a holistic understanding of the VC and PE sectors in Saudi Arabia and the region.

Moderators:

- **Vishal Patel** – Executive Director at MSCI Inc.

Panellists:

- **Adel AlAteeq** – Former CEO, Jada Fund of Funds Co.
- **Samprabhu Rubandhas** – Executive Director at MSCI Inc.
- **Alessandro Giansanti** – Former Director, Risk & Compliance, Jada Fund of Funds Co.
- **Sonia Seth-Gokhale** – Co-Founder and General Partner, VentureSouq
- **Abdullah Altamami** – Founding Partner, CEO, Merak Capital

Making Better Investment Decisions

Mitigating Venture Capital Risks and Creating Opportunity

Join an immersive webinar and learn how to mitigate risk in an ever-evolving investment landscape.

Date: Wednesday 11 May 2022 | Time: 18:00 (KSA) / 19:00 (UAE)

Speakers



Sonia Seth-Gokhale
Co-Founder and General Partner, VentureSouq



Abdullah Altamami
Founding Partner, CEO, Merak Capital

"Industry experts, regional fund managers, risk/governance specialists and VCPE ecosystem leaders elaborated on the dynamically transforming investment arena."

"Through this immersive webinar, MSCI and Jada educated the attendees about leveraging challenges and turning them into positive outcomes."

Jada's Initiatives Cont.

Meet-ups Cont.

Meet-up 02 Thursday, 12 May 2022



"Invest in Your Potential"

This event, powered by Johara Global in collaboration with Jada, aimed to highlight the impact of women in the VC ecosystem, with discussions under the themes of 'Women as VC Investors', 'Global vs Local Investing' and more.

Moderators:

- **Reem Mobassaleh Wyndham** – Co-Chair, Johara Global, Wealth Creation & Entrepreneurship Pillar and Partner at Pact VC
- **Seema Khan** – The Seed Advisors
- **Amy Doshi** – Co-Chair, Johara Global, Wealth Creation & Entrepreneurship Pillar and General Counsel, Sharestates

Panellists:

- **Amal Dokhan** – Partner, 500 global
- **Katie Partridge** – Chair, Johara Global
- **Noaf Al Zamil** – Angel investor direct and fund
- **Vera Futorjanski** – CEO & Founder, Veritas Ventures
- **Lexi Novitske** – Co-Chair, Johara Global, Wealth Creation & Entrepreneurship Pillar and General Partner, Norrsken22
- **Sepideh Nasiri** – Founder, Women of MENA in Tech
- **Tong Gu** – Partner at Pact VC
- **Maha AlFahim** – Co-Founder and General Partner, High Water VC
- **Huda Hashmi** – Board Member, Johara Global
- **Samira Salman** – Co-Chair, Johara Global, Impact & Philanthropy Pillar and Founder, Salman Solutions
- **Cassandra Cuellar** – Counsel, Shearman & Sterling



2022 Market Trends: Venture Capital Global Market Outlook

The speakers will explore critical areas such as:

- Market conditions changes and impact on the VC market
- Investing in viable start-ups
- Creating opportunities in uncertain times

Join the exclusive webinar at:

18:00 (MSB) / 17:00 (JST) | Monday 04 July 2022

Scan To Register



Hosted by:



Speakers:



Twitter | JadaFoF | LinkedIn | Jada Fund of Funds | Facebook | Jada FoF | Website | www.jada.com.sa

Meet-up 03 Monday, 4 July 2022

"2022 Market Trends: Venture Capital Global Market Outlook"

Jada hosted a one-hour interactive webinar titled "2022 Market Trends: Venture Capital Global Market Outlook" with three industry experts.

The discussion centred on the uncertain global market climate and public sector volatility, and its trickle-down effect on the private sector, specifically in the region's venture capital markets.

The speakers shed light on external factors – such as increasing inflation, interest rates and petrol prices as well as asset valuations, capital availability and investor confidence – and their potential impact in the foreseeable future in the region and Saudi Arabia.

They also shared insights and offered advice on how VC funds and founders can navigate these external pressures and potentially come out stronger. All speakers agreed that the market situation in the region is much better compared to other markets – and if VC fund managers and founders invest capital cautiously and efficiently, the effects can be avoided, and sustainable growth can be achieved.

Moderators:

- **Abdullah AlAmri** – Senior Investment Associate, Jada Fund of Funds Co.

Panellists:

- **Suneel Gokhale** – Co-Founder and General Partner, VentureSouq
- **Shane Shin** – Founding Partner, Shorooq Partners
- **Khaled Talhouni** – Managing Partner, Nuwa Capital

Jada's Initiatives Cont.

Meet-ups Cont.

Meet-up 04 Monday, 24 October 2022

"Saudi Arabia is home to significant opportunities that are waiting to be exploited."

"Jada Gathering"

Jada's fourth Meet-up of the year focused on providing the latest trends within the VCPE sector. The discussion was supported with insightful market trend talks by ecosystem pioneers, including:

- Dr Nabeel Koshak – CEO of the Saudi Venture Capital Company
- Bedy Yang – Managing Partner at 500 Global
- Ivo Detelinov – General Partner at Oryx Fund
- Waleed Alballaa – General Partner at Sukna Ventures
- Huda AlLawati – Founder & CEO at Aliph Capital
- Kais Al Essa – Founding Partner & CEO at Vision Ventures
- Eyad Albayouk – General Manager at Flat6Labs
- Walid Majdalani – Managing Director at Investcorp

Dr. Nabeel Koshak and Bedy Yang both commended Jada for the work that it has been doing in recent months. Jada's former CEO, Adel AlAteeq, noted that the company was expecting to continue growing in the months to come, also stating that times of crises also bring opportunities for those who are willing to steer their ship to a brave new world. AlAteeq further observed that Saudi Arabia is home to significant opportunities that are waiting to be exploited; however, for this to be done, cooperation between all stakeholders is required.

Finally, current global economic challenges were also discussed, with insights being provided into how crises can be leveraged into opportunities, even more so in Saudi Arabia.



Exploring the Current Status of Global Venture Capital

with Robert Siegel



What

are the experts saying?

Today's increasingly volatile markets are pushing VC's and investors into a defensive and cautious posture. However, in this sea of declining investment trends, interesting and promising opportunities persist and rise.

join us

6TH DECEMBER 2022

5:00 PM KSA

Join Jada's last webinar of 2022, as we bring in Stanford School of Business lecturer and Silicon Valley venture capitalist, Robert Siegel to discuss "The Latest Trends in Global Venture Capital".

Together, we will discover more about:

- The state of global venture capital (What declines? What rises? And Why?)
- Zooming in on Saudi Arabia (a promising contrast to declining global trends)
- The status of climate-tech investing
- The great decline of tech-stocks
- The crypto crisis
- Web 3

JadaFoF in Jada Fund of Funds Jada FoF www.jada.com.sa

Meet-up 05 Tuesday, 6 December 2022

"He added much-needed context to the global decline in venture funding."

"An overview of the latest and most important trends in the global, regional and local VCPE ecosystems."

"Exploring the Current Status of Global Venture Capital"

In the final Meet-up of 2022, Jada invited Stanford School of Business professor and Silicon Valley venture capitalist, Robert Siegel, to present an overview of the latest and most important trends in the global, regional and local VCPE ecosystems.

Professor Siegel started with a macro view of global investment markets where he added much-needed context to the global decline in venture funding.

The Meet-up argued that the decline is, in fact, not as bad as it may seem at first glance, especially when compared to previous years before the 2021 boom; and that there was no reason to panic just yet.

Furthermore, Professor Siegel shed light on specific areas (angel investing), industries (Food & Beverage, FinTech), and geographies (Saudi Arabia) that continue to rise against the declining global trends.

The Meet-up ended with a fruitful Q&A session where Professor Siegel addressed different concerns aired by a variety of stakeholders engaged in the Saudi VCPE ecosystem.

Case Studies

In 2022, Jada issued two further case studies in collaboration with leading international academic institutions; these case studies highlight key developments in the Saudi VCPE sector, with the aim of further strengthening and enhancing Jada's Emerging Manager Program training sessions.



Merak Capital Investing in the future of the Middle East

In conjunction with Stanford Graduate School of Business Lecturer, Robert Siegel

Merak Capital is a Riyadh-based investment firm focused on technology opportunities across multiple stages and industries. Merak specializes in alternative asset classes such as venture capital, private equity, credit financing, and special projects. The firm was founded in 2018 by Saudi nationals with extensive experience in technology and investments.

After two years of planning and fundraising, Merak announced its initial VC fund in November 2020. The firm did an initial first close of US\$ 20 million early in 2020 with anchor limited partner investors including Jada and Saudi Venture Capital Company. By the end of the year, commitments from investors were oversubscribed at US\$ 33 million, with a "hard cap" of US \$40 million.



"It's critical not only to make investments in good companies, but also to have a substantive stake in a company at the time of exit. Investors need to be disciplined and focused on both valuation and ownership level. It's necessary to get big returns."

Abdullah Altamami,
Partner and CEO, Merak Capital



Alpha Capital Aligning incentives with the management team

In conjunction with London Business School Lecturer, Professor Florin Vasvari

Alpha Capital, an investment entity established in 2018, aims to generate long-term capital gains by investing in companies in the Kingdom that have the potential to grow and scale, and which are managed by capable and ambitious entrepreneurs.

The company became one of the leading and most active companies in private equity investing in KSA. In 2020, it received a significant investment from Jada to support its investment strategy in growth stage Saudi companies operating in the food and beverage sector.

Alpha Capital was among Jada's first investments in private equity funds in KSA, a clear indication of Jada's confidence in the fund's investment team. With backing from Jada, Alpha Capital closed a \$100 million Food & Beverages growth fund in December 2020.



"Alpha Capital's founding team members had the vision of building an investment team with a diverse set of experiences in fund management, corporate governance and strategy."

Florin Vasvari
Professor of Accounting, London Business School

Outreach

In January, Jada hosted the 2022 Venture Capital Tech Outreach program.

The program entailed a visit by 10 international thought leaders and experts to Saudi, to educate them about Saudi and more specifically about the investment & VCPE ecosystem and SMEs sector. The attendees were encouraged to share global insights and best practices with those present, who comprised global fund managers, partners (PIF & MISA) and key industry experts.

More specifically, the aims of the two day event were to:

- Educate global fund managers about the size of opportunity in investing in Saudi SMEs and the benefits of partnering with Jada
- Highlight Saudi Arabia's investment attractiveness
- Grow Jada's network locally and internationally
- Collaborate with government/semi-government entities to attract international investors
- Educate the media, key opinion leaders and industry experts to promote the Jada brand
- Create opportunities for the local fund manager network to learn from, and potentially co-invest with, global fund managers
- Build Jada's brand equity by creating awareness and understanding about Jada's positioning, roles and benefits



Jada's Initiatives Cont.

Catalyze Saudi

"We are committed to supporting the next generation of entrepreneurs and we know that access to finance is one of the key factors that enables growth of new enterprises. Private equity and venture capital funds can play a vital role in this process and we are grateful to Jada for their ground-breaking work in this area that is unlocking the potential of entrepreneurs across the Kingdom."

Minister of Investment, H.E. Khalid al-Falih

The Ministry of Investment and Jada teamed up to create a platform that will connect Saudi entrepreneurs with investors abroad. During the year, Jada continued to work on accelerating the Kingdom's startup and innovation sector through the Catalyze Saudi initiative.

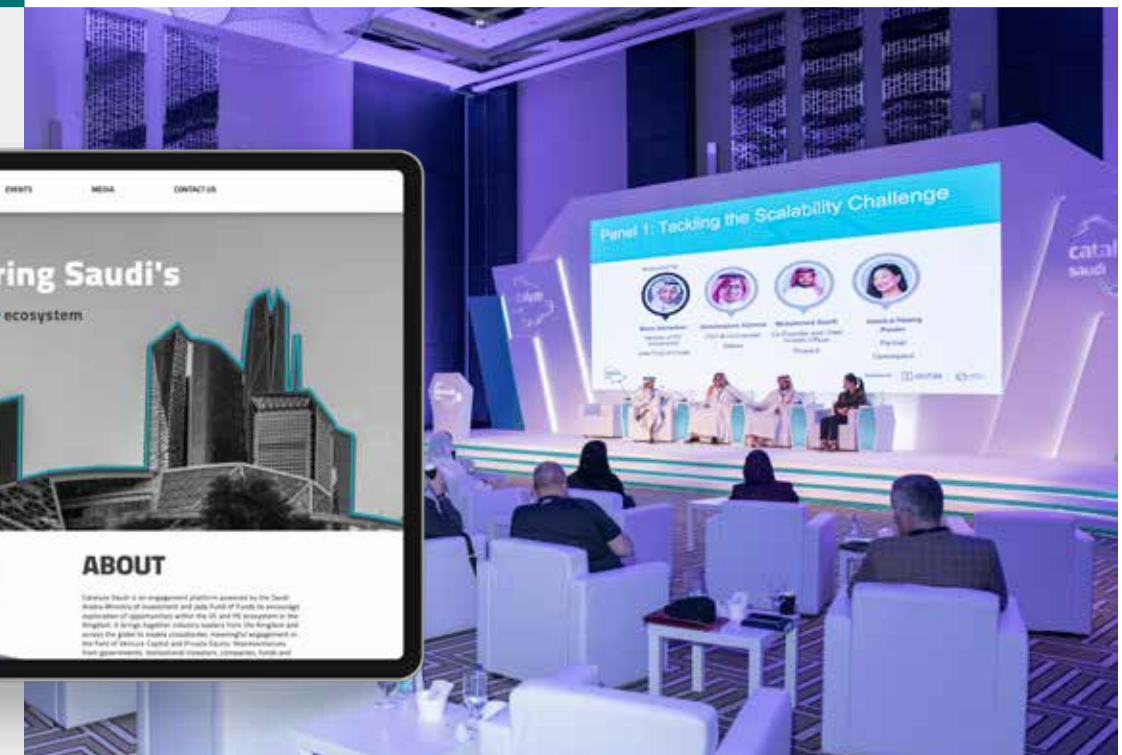


Catalyze Saudi involves a series of annual events aimed at maximising the visibility of Saudi to global entrepreneurs and investors, and providing useful networking and educational opportunities.

The platform seeks to act as a bridge that connects leaders across government agencies, startups, investors and prominent family business representatives throughout the Kingdom.

The first 2022 Catalyze Saudi events took place in July in Jeddah and Riyadh under the theme of disruptive technology. Events hosted by the platform later in the year explored the private equity and healthcare sector opportunities.

The initiative lends itself towards increasing the contribution of SMEs to the Kingdom's gross domestic product to 35% by 2030, from 21% in 2021, as part of the Vision 2030 economic diversification plan.



"Innovative startups are the bedrock of developed industrial economies – which is why Saudi Arabia placed support for the sector at the heart of its National Investment Strategy."

Minister of Investment, H.E. Khalid al-Falih



MUSAAB HAKAMI
General Partner, FinTech

VentureSouq is a MENA-based venture capital fund manager with a global portfolio. The company manages thematic funds, with a current focus on FinTech and ClimateTech. VentureSouq aims to empower visionary founders to build transformative tech companies.



Briefly, can you tell us about VentureSouq?

VentureSouq is a FinTech focused fund manager. We launched our first US\$ 50 million FinTech fund early in 2021, and we have now deployed capital in 41 companies across the GCC region.

Today we are arranging a second FinTech fund of US\$ 100 million, with the same focus, across the broader MENA region and, opportunistically, also in Bangladesh and Pakistan when the right opportunities arise.

VentureSouq invests across the FinTech spectrum, including payments and digital banking infrastructure; the main focus for the current investment is digital infrastructure in the region, starting from Saudi.

What is your view of KSA's role in the wider economy and KSA's market position in VC in the MENA region?

To put the regional VC market into context, we need to look at the overall macro-dynamics globally. Plenty of growth companies are struggling for funding because many investors are hesitant. They want to know what the new norms are, especially with interest rates now clearly elevating across all geographies. What will curb the current economic volatility and when will the cost of capital stabilize? Only armed with answers to these key questions will investors and investees alike feel they can continue to build value with the levels of confidence previously seen before the inflationary pressures that emerged in 2022 started to impact our markets.

Looking at the financial landscape more regionally, however, there is no doubt that these are overwhelmingly positive and highly opportunistic times. Most regulators in the region, particularly in Saudi Arabia, are actively enabling FinTech. Founders of these businesses are really focusing on the massive gap in the market for FinTech products and solutions. So, these are good days, which investors like VentureSouq and Jada are enabling on the one hand and capitalizing upon on the other.

How did VentureSouq perform during 2022?

A group of the companies in which we have been investing since 2020 have been able to grow aggressively, mainly in FinTech. Remarkably, several have now

Portfolio Fund Testimonials

VentureSouq Cont.

broken through the US\$ 0.5 billion valuation threshold, within a three-year period. That's a big achievement and reflects the underlying economic conditions here. Additionally, although the market started cooling down in 2022 in the wake of so many international headwinds, we have not exited any investment in our portfolio Fund 1, which is also a strong indicator of performance. Most recently, we have started deploying significant capital into the Saudi market where we see a very bright future, and which will be a key area of focus for us going forward.

Have you seen any sector trends with startups in the region?

Venture Fund 1 was initially a regional fund, and the focus was on more mature founders, but we started seeing several fundamentals changing in Saudi, including the emergence of well-led businesses in the FinTech space, followed by a clear trend of people relocating to the Kingdom from much more mature markets such as London and New York. So, we think the Saudi market is going to continue growing, driven by higher caliber entrepreneurs, and we have endorsed that view by moving one of our general partners to Riyadh

to drive VentureSouq's interests forward on the ground where we are now right in amongst the action.

How was your experience of working with, and being supported by, Jada?

Our relationship with Jada is hugely important to us and has several layers. From the very start, Jada was instrumental in helping us as first-time fund managers to grow the fund and to start focusing on very specific and narrow industry segments.

As our business started to get traction, and with increasing experience behind us, Jada continued to assist us with expanding our landscape across the wider region rather than just focusing on one or two players – a strategy which brought a range of benefits, including the fact that we started to receive incoming inquiries from investors and founders alike, which was not the case in our earlier days.

From an operational point of view, because of their experience as key investors in these markets, Jada is very clear about their own requirements; so, from day one they have been a pleasure to work

with and have made our lives easier as fund managers.

Now, as our relationship with Jada has matured, we are working together on multiple levels, and in the process, we're jointly building an authentic market in Saudi Arabia by providing a launch pad for founders with great ideas.

In other jurisdictions, it's not uncommon for investors to drive their own agendas but in Saudi, working with Jada for example, there are few barriers – the whole landscape is geared towards driving the ecosystem forward for the greater good of all stakeholders, regardless of factors which typically stifle progress elsewhere.

So, Saudi Arabia along with the UAE will be our focus going forward; the economic and political stability, underpinned by the strong regulation and ambitious strategic visions which are self-evident in these two territories, drives our confidence to do business here. We expect these two countries to account for more than 60% of our portfolio between them in the immediate future.

What do you see as the main challenges for startups in KSA?

In terms of the challenges that lie ahead, I think there are several and one of the most obvious is the whole question of attracting and retaining the best talent into these markets. As I mentioned, we have started to see a material drift of top FinTech expertise into the region. However, we need more of this and it must not be a passing phase. We need international talent to relocate to the region, put down roots here, and stay for the long term.

Although it's undoubtedly a positive thing to have a young and dynamic society in Saudi, with all the potential this brings, the flip side is that there is a shortage of experience. So, we need to grow the market and to do that effectively we need talent.

Is there the right level of support available for startups within KSA?

In terms of the current funding gap for SMEs in Saudi, we have started recently to see a couple of innovative solutions from financial entities offering differently structured debt products. For example, someone has started working on venture bonds. Another company has begun syndicating debt from family offices to be

offered to startups. So, there are some creative solutions coming through. It feels amazing. Effectively, that's the real definition of 'building an ecosystem'.

If we're talking about funding from a capital perspective, I think we're sitting in a very good situation in Saudi Arabia at the moment; we don't have to launch a lot of new funds to grow the market, unless we want to develop specific industries or specific sectors. For example, if you want to build a bio-tech ecosystem, then maybe you need to focus on placing capital there. Nonetheless, generally speaking, I think we're continuously growing relations between the parties involved. It will take some time for everyone to integrate, of course, but as of today I think we're heading in the right direction.

What is your view on KSA as a market for VCPE investment? What factors contribute to this position?

Multiple factors have played a part in the current Saudi upswing – maturing regulatory frameworks driven by the supervisory authorities, a commitment to spending by the Government, stable oil prices generally, more manageable inflation than elsewhere in other markets.

All these things tangibly boost the position of the GCC. Capital has started flowing into Saudi. Talent has started flowing into Saudi. These founders and their management teams had the opportunity to go elsewhere, but they haven't – they've chosen a market where the overall opportunity feels unlimited and where the infrastructure is getting better, fast. Saudi alone now has a population of more than 32 million, so there's enough scale to make it all worthwhile.

IPOs are coming through at a rate we haven't seen before. I think we're in a good position when it comes to the public markets; we're going to continue seeing companies floating across the GCC for the foreseeable future. Our last FinTech fund was started in early 2021. Perhaps up to a quarter of those portfolio companies have now started preparing to be listed either on the Saudi Exchange or in Abu Dhabi within the next two to three years.

It all points to a positive future

Everyone's going to be busy.

Portfolio Fund Testimonials



SHANE SHIN
Founding Partner

Shorooq Partners is a leading technology investor across emerging markets, partnering with exceptional founders, building enduring businesses, and generating unparalleled returns. The company focuses on early-stage investments – Pre-Seed to Series-A – with a strong emphasis on Seed-stage as the central cornerstone.



Please give us a simple summary of the business.

Today, we’re the leading Seed-stage venture capital firm in the region. We manage three active funds and predominantly focus on Pre-Seed, Seed, Pre-Series-A and Series-A; but Seed-stage is our key pillar. So that’s how we differentiate ourselves from many other (early stage) VCs. About 50% of our first checks were pre-revenue, pre-product.

We’re focused on FinTech, platform, software and blockchain, but we look at them as a business model vs. an industry vertical. Since Shorooq Partners officially began in 2017, FinTech has been a core part of our thesis and accounts for about 45% of our portfolio today. We believe building on this financial infrastructure is critical for driving growth and efficiency in the regional economy. Its role and contribution

to the startup economy were even more evident when I moved to Riyadh, Saudi Arabia in 2021, and I want to thank Jada for supporting us on all our standard funds.

How did Shorooq perform during 2022 and what was your ‘big story’?

2022 was a great year of reflection for us. What happened to global macro also affected the region but perhaps not as strongly, though there was definitely an impact on Growth-stage and Series-A valuations. We managed to stay resilient and remain disciplined in our focus on Pre-Seed and Seed-stage investments. This enabled us to perform well relative to the market, resulting in six exits last year. We believe that our focus on these early stages allowed us to weather the storm better than funds that focus on later stages such as a Series-A and growth capital.

Our big story in 2022 was the launch of our third fund, a US\$ 150 million hard cap fund. We achieved our first close in three months of launch and have already exceeded our hard cap target. Our second fund prior to this was US\$ 50 million, so the growth in size reflects our underlying performance, as well as Jada and other LPs’ continued confidence in us as a leading investment institution.

What is your view on KSA as a market for VCPE investment? What factors contribute to this position?

Over the past three to four years, the VCPE industry in Saudi has made tremendous strides and is well on its way to further growth. Recognizing the collective efforts of everyone involved and appreciating the progress made so far is crucial, even though challenges still lie ahead. The industry is growing in the right direction, and this is a

Portfolio Fund Testimonials

Shorooq Cont.

remarkable feat which speaks to the dedication and commitment of all those involved in developing this vital ecosystem. Moving forward, maintaining momentum and discipline are essential for the regional VCPE industry to reach a market size of over US\$ 10 billion in the next five years. I am confident this will happen.

Thanks to the leadership of Jada, SVC, and others, Saudi Arabia has a healthy and vibrant ecosystem today. One could worry that there is already more than sufficient capital in the region. But despite the market's growth, becoming complacent and slowing down would be a mistake. The VCPE industry is still in its early stages, and there's plenty of room for further expansion. Slowing down now could jeopardize the momentum built over the last five years.

It's like driving – it takes a while to get the momentum going, and once you have it, you can't afford to slow down. We need to keep our feet on the accelerator and continue to invest in the ecosystem to reach our full potential. Another example is like investing – one may think 3x is enough return from an investment and exit, when in fact it could be 10x, 30x, and even 50x and more.

Incredible things are happening in Saudi and across the region, and now is no time to be complacent – we need to stay focused and keep investing in the ecosystem to realize our true potential.

What do you see as the main challenges for startups in KSA?

Every country has its challenges, and there are genuine issues to be discussed with the traditional system in KSA.

Regulators and central banks must clarify all risks before taking action, but certain elements can be a bit too vague or complex (particularly for foreigners), making it difficult for FinTechs to enter and graduate from the sandbox without a clear timeline expectation. To shape a diverse and creative universe of entrepreneurs with top talents and a competitive edge, we need to make some fine-tuning to accelerate progress.

Risk-taking is a fundamental part of business, especially for SMEs and entrepreneurs in Saudi. What is more important is to foster an environment that encourages risk-taking. Allow the focus to shift from challenges to potential upsides. A better appreciation and assessment of risks, along with the willingness to take on more

risks, are key factors startups should embrace to move forward.

With an overwhelmingly positive outlook, I am passionate about Saudi and the region. Not everyone shares the same outlook, but my goal is to be known as the first Asian in the region who has built the VCPE ecosystem together, looking 40 years ahead.

Is the right level of support available for startups within KSA?

Well, an opportunity to improve the landscape exists in competition. We need more of it.

We also need more VCs and incubators. Every year at Shorooq Partners, we receive 3,000+ companies in-bound, meet ~500 companies as the higher quality opportunities, and invest in 12-15 per year. This means there are nearly 3,000 companies who have been assessed by us alone and need to find another route every year. Many industries, particularly nascent verticals like gaming, food security and cybersecurity, are facing genuine difficulties due to a lack of funding. This is why we at Shorooq Partners want to support the development of emerging industries like gaming and food security. We believe that someone

needs to be a frontrunner in these sectors and take the initiative to move things forward; and we are more than willing to take on this challenge!

Someone needs to be dedicated and invest time and resources to do that sector-specific hard work, especially if Saudi wants to be the leader in new industries like gaming. Otherwise, it may take another 20 years to see gaming companies come through in the country. If we want to be the leader within the next five years, we need to think outside the box and explore innovative solutions such as forming joint ventures with leading Korean companies.

So, in my opinion, we need more specialized accelerators and programs to help launch companies. We are eager to lead this initiative and collaborate with Jada and other like-minded groups to help spur growth in the gaming space, as we have done in the food security space with Pure Harvest, the AgriTech startup producing hundreds of tonnes of tomatoes and strawberries per month. If we take the right steps now, we can make gaming a major industry within the next few years.

What's your perception of how investors from outside the region view KSA's transparency today, as opposed perhaps to how they might have felt a decade or two ago?

Let me tell you that I grew up in Korea. I began working in Korea, then New York, then San Francisco prior to moving to the region in 2017. So, I have a foreign perspective on life and see through a global lens. In general, I believe that GCC companies with mature founders have no transparency issue. Some founders just need a little awakening – they don't know what they don't know or the full potential of what they can achieve, just like everyone else who is new to something.

However, I have found that with a little bit of guidance and a learning phase, many founders can quickly master the fundamentals of running a successful business and even surpass international standards of governance. With all the companies in our portfolio in Saudi and the UAE, we've rarely had concerns or issues regarding transparency.

I definitely believe that the Middle East has moved forward in terms of its governance over the recent years, and international investors have taken note of this visible progress. I have a lot of friends from the US and Asia from my Wharton network, Kauffman Fellowship etc. I talk to them about the region all the time. Their current perception of Saudi and the GCC is 10 times more favorable than ever before.

Has Jada impacted materially on Shorooq's evolution so far and what has it been like to work together more generally?

This is an important question to me and Mahmoud, both personally and professionally. Jada has been fundamental to our growth. Without any exaggeration, Jada is the organization that enabled Shorooq Partners to exist, because they were the first institution to back us in the first place. When we started in 2017, it was our first time here as fund managers. We managed a 'deal by deal' fund for two years. We'll never forget that Jada supported and enabled us to get going. Once they had committed, we were able to convince others to come on board – sovereign funds, families and other investors. And now, four years later, we manage funds close to US\$ 300 million. Without Jada, we would never have reached where we are today within such a short timeframe. We have a special relationship, which has stood the test of time.

Some investors are easier to work with than others from a cultural and administrative perspective. And

Jada has been one of the easiest and smoothest. They are true partners to us – we can discuss and seek their guidance and feedback on all matters. Every quarter, if not more frequently, I go to their office and we talk about what's going on. So I know they have a lot of trust in us. Working with Jada been an amazingly beneficial and helpful experience. That said, life is always a two-way street. We have each other's interests at heart. They have a bird's-eye view of course, and we all have different things we can bring to the table.

We were a team of just four people originally, but now we're a team of 26. I am proud and happy to say that we ourselves are living proof of their ability to act as a catalyst for the VC marketplace, a testament to what Jada stands for. Their investments, effectively made through us, have empowered a disciplined, emerging fund manager to grow into a leading investment firm in the Middle East. Across the funds, we have 60+ portfolio companies who employ tens of thousands of employees. We strive to embody what's possible with the right kind of nurturing and support. If you ever need to give an example of strategy in action, look no further.

Portfolio Fund Testimonials



AMAL DOKHAN
General Partner, 500 Global

BEDY YANG
Managing Partner, 500 Global

500 Global is a California-headquartered venture capital firm with US\$ 2.5 billion in assets under management that invests in founders building fast-growing technology companies. They focus on markets where technology, innovation and capital can unlock long-term value and drive economic growth.



How did 500 Global perform during 2022, Bedy?

In 2022, 500 Global continued to invest across stages and geographies with the same consistency as the prior year, and took further steps to increase our activity in the MENA region.

500 Global continued to expand its leadership team with the addition of key partners Amjad Ahmad and Amal Enan focused on the MENA region. General Partner Amal Dokhan joined previously in 2021. In April 2022, 500 Global was named the most influential foreign investor in Saudi Arabia by Endeavor and was recognized by MAGNiTT as the most active VC firm in the region by number of deals in 2022.

From 2021, 500 Global has demonstrated our commitment to the region by increasing

the number of deals and capital deployed by more than 50%. We're excited that we're investing from first to last check and as of 10 April 2023 we have invested in over 240 companies in the MENA region.

500 Global also showcased our commitment to developing the investment knowledge and skills of 114 emerging managers across two Angel Investing Unlocked and one VC Unlocked programs, to help drive the ecosystem forward.

What was the big story for the organisation during 2022?

We are proud to have invested in over 45 companies valued at more than US\$ 1 billion and startups in 80+ countries globally since inception.

By building a global platform, we seek to find, invest and support

the best talent regardless of where they are.

How was your experience of working with Jada?

Jada is a very engaging and supportive partner to 500 Global and also to the MENA ecosystem. We have regular check-in calls and portfolio update presentations to share knowledge and insights on the portfolio and the market in general.

Jada is instrumental as a Fund of Funds that actively invests in the ecosystem with capital and knowledge.

What were the market challenges, both locally and globally?

In 2022, some companies were still recovering from being heavily hit by COVID, and so they had to reassess their product market fit, capture

Portfolio Fund Testimonials

500 Global Cont.

new customer segments or pivot their business model to meet new market needs and monetization.

Have you seen any sector trends with startups in the region?

We believe FinTech will continue to rise and we have, for instance, recently seen more companies doing buy now pay later.

We are also witnessing a recent rise of AI companies and data aggregations/analysis, and its applications in different sectors such as insurance and healthcare.

Amal, what's your view of KSA's role in the global economy and KSA's market position in the MENA region?

Saudi Arabia has been gearing towards the ecosystem that startups are thriving in today, whether from the region or the startups that are entering this market and considering it a destination that can't be ignored. On the other hand, we have seen rising interest from global VCs to explore this market and to

understand the dynamics of how it operates, with many investments or acquisitions announced in the past period which solidify the growing position of this market regionally or globally.

Technology adoption in general in this region has been accelerating among both consumers and organisations; this enables more opportunities in the market for more solutions and verticals to be created among startups, and expands opportunities in the market which is another attractive factor here.

What is your view on KSA as a market for VCPE investment? What factors contribute to this position?

The VCPE ecosystem in Saudi Arabia continues to thrive and many reasons contribute to that. One factor is how government policies are evolving to support startup companies and many sandbox initiatives have been created to understand the needs of startups and to design policies accordingly.

Following the blueprints and leveraging the experiences and learnings from those who've come before them, startup founders are becoming more savvy. The M&A environment has also matured, providing a more robust exit avenue for startups.

Lastly, many CVCs are emerging and becoming more interested in the asset class.

Is there the right level of support available for startups within KSA?

We believe one of the key factors that will shape the future of VCPE in the region will be continued support for SMEs and startups from the Government. There has been tremendous support to date and we need this to continue as well as evolve in order to meet the changing needs of the market. With the support that has been made available, we have come a long way in the last ten years. There are different Government and private sector initiatives coming into play now and more are needed.

What do you see as the main challenges for startups in KSA?

For startups to succeed, they need a talented workforce, an ecosystem to support them and investors to back them with capital and more. According to PwC, the MENA region needs to create 300 million new jobs by 2050 in order to achieve its development goals.

To address this challenge, governments and private sector organisations need to continue investing in education and training programs to help develop the skills of the local workforce.

We also believe that developing the investing knowledge and skills of emerging managers helps drive the ecosystem forward. For example, 500 Global has a Venture Education program leveraging our experience collaborating with Governments, Universities, Non-Profits, and Economic Development Organizations across the globe in training and connecting angels, VCs, and accelerators. This includes:

- VC Unlocked, which trains up-and-coming VCs and fund managers in the MENA region; and
- Angel Investing Unlocked, by 500 Global, which shares best practices from emerging regions' Angel Investors investing in startups.

Our 'Bootcamps for Accelerator Managers' is designed to train and up-skill Accelerators and Incubators.

Looking to 2023

In the year ahead, we will start to see the effects of Jada's refreshed strategy – notably through the inclusion of additional asset classes, including Venture Debt and Private Credit.

As we move forward into 2023 and beyond, Jada will continue to implement its mandate by catalyzing the Kingdom's VCPE sector through further investments in the country's PE, VC and PD funds; this process of catalyzation will be supported with further market development initiatives, all of which will continue to make a contribution towards elevating the overall Saudi VCPE market towards a robust and effective future.



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