

Daily Bulletin

July 20, 2025

- > Saudi Arabia leads regional VC funding with USD 860 mn deals in H1 2025
- > MIS wins managed services project worth SAR 125.9 mn

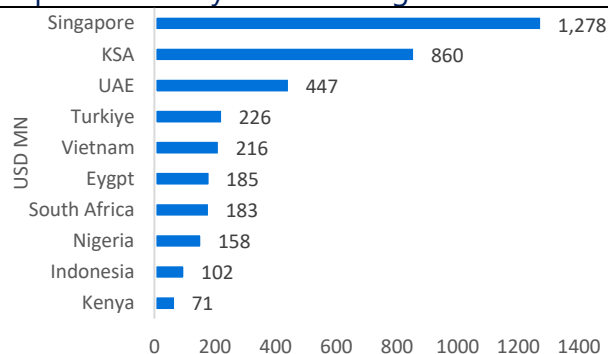
Saudi Arabia leads regional VC funding with USD 860 mn deals in H1 2025

In 1H25, funding across Emerging Venture Markets (EVMs) fell 7% YoY to USD 3.98 bn (SAR 14.92 bn), the weakest first half since 2017. The drop was led by a 42% decline in Southeast Asia and fewer mega deals. Despite global headwinds, the Middle East stood out as the only region to defy the trend, nearly doubling its total funding to USD 1.35 bn (SAR 5.06 bn) in 1H25. This growth was driven by a rise in late-stage funding and non-MEGA deal funding.

Saudi Arabia emerged as the top performer in venture capital activity across the MENA region in 1H25, attracting USD 860 mn (SAR 3,225 mn) in funding, reflecting a 116% increase compared to the same period last year. The number of deals also rose to 114, marking a 31% annual growth. This momentum was driven by sustained involvement from sovereign capital, strong interest around the LEAP event, and the launch of early-stage programs backed by new funds and accelerators.

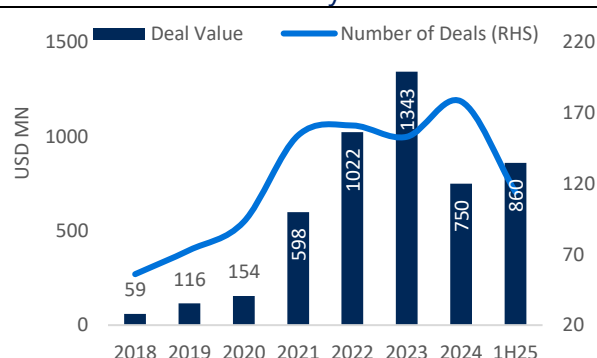
On a broader EVM level, Saudi Arabia held its position as the second-largest market, following Singapore, which secured USD 1.28 bn (SAR 4.8 bn) across 120 deals. Despite leading the rankings, Singapore experienced a YoY 37% drop in funding and a 31% decline in deal count.

Top countries by total funding in EVM 1H25



Source: Magnitt, anbc research

KSA's VC deals over the years

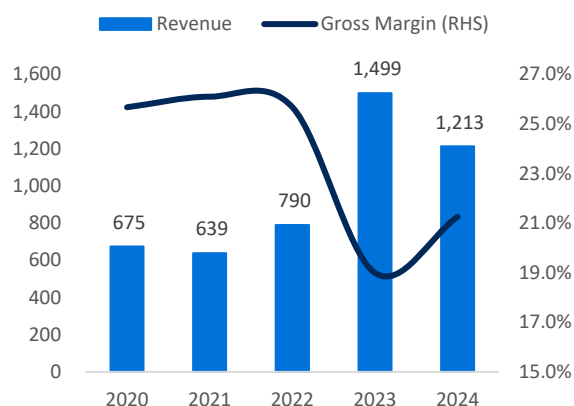


Source: Magnitt, Argaam, anbc research

MIS wins managed services project worth SAR 125.9 mn

Al Moammar Information Systems Co. (MIS) won a contract from Institute of Consulting and Business Solutions to support and operate digital workplace systems. The contract is valued at SAR 125.91 mn and will be signed on 16th August, 2025. Company has not provided any further details about the financial impact of the contract.

MIS revenue – SAR mn



Source: Company data, anbc research

Relative price performance



Source: Company data, anbc research

MIS has recorded a strong topline growth (2020-24 CAGR of 15.8%), however, gross margins have faced pressure during this time, declining from 25.7% in 2020 to 21.3% in 2024 primarily driven by a 2.5x increase in 'Equipment and Software Costs', which is largely attributed to investments in data center infrastructure. However, these costs are expected to normalize over time as revenue from the deployed capacity gets fully recognized. To highlight, data center revenue increased by 7.3% YoY in 1Q25.

In 2Q25, the stock rose by 3.1%, likely driven by the new contract wins during the quarter. This performance stands out against the broader TASI index, which declined 7.2% over the same period. Despite the recent uptick, on a YTD basis, the stock remains down 19.5%, underperforming the broader market which is down 8.6%.

We have an overweight rating on MIS with Dec-25 target price of SAR 156.9/share, resulting in an upside of 19.6% from 17th July closing price.

Financial Snapshot

SAR MN	1Q24	1Q25	YoY	2Q25 anbc estimates
Revenue	334	406	21.7%	379
Gross Profit	54	82	51.9%	84
Gross Margin	16%	20%		22%
Operating Profit	30	25	-16.7%	50
EBIT Margin	9%	6%		13%
Net Profit	73	33.9	-53.6%	47
Net Margin	22%	8%		13%
EPS	2.44	1.13	-53.7%	1.58

Source: Company data, anbc research

Disclaimer:

This report has been prepared on the basis of information believed to be reliable, but anb capital makes no guarantee, representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information, nor do they accept any responsibility for loss or damage arising in any way (including by negligence) from errors in, or omissions from the information.

This report has been prepared by anb capital for information purposes only and is not and does not form part of nor should be considered advice, recommendation, offer for sale or solicitation of any offer to subscribe for, purchase or sell any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, and any views or opinions expressed herein are subject to change without notice.

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information.