



# SIDF's Programs and Services

Brochure

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# Introduction

The Saudi Industrial Development Fund (SIDF) was founded to play a leading role in enabling and supporting the Kingdom's industrial, energy, mining, and logistics sectors through financial, non-financial, and advisory offerings.

The objective of this brochure is to act as a reference for all of SIDF's solution offerings and help guide you with our product and services offerings designed to best fit your needs and your project's life-cycle journey.



## Our Vision at SIDF

Industrial development fund enabling Saudi Arabia's transformation to become an industrial powerhouse and a global logistics hub



## Our Mission at SIDF

Enhance ecosystem competitiveness and investments attractiveness by providing financial and non-financial offerings



# Sectors Enabled by SIDF

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## Sectors that we Finance

Currently SIDF enables clients who operate in the following sectors:



Mining



Energy



Manufacturing



Logistics

For more information about the sectors financed by SIDF click [here](#).



We dedicate much of our resources to invest in research to help us understand markets, projects, technologies, among others. This level of understanding and know-how makes us a great partner by transferring knowledge to our clients.

## Sectors Not Financed by SIDF

SIDF enables all the subsectors of the industry, energy, mining, and logistics industries, based on market studies conducted on a regular basis to determine the sectors of economic feasibility that greatly stimulate local industry and national economy. Based on such studies, SIDF may abstain from financing certain industries possibly due to lack of economic feasibility, market saturation, conflict with national industrial goals, or other reasons related to the sector.

For more information about the sectors not currently financed by SIDF click [here](#).

## Basic Required Documents to Begin Our Partnership

For preliminary requests:



Company legal document Commercial Registration (CR), Article of Association (AOA), and Industrial License) (if any).



Non-objection letter for a check with SIMAH



The company owner / applicant provides proof that he is financially solvent (Land Deed, or Audited FS)

## Solution Offerings

We have multiple solution offerings that help investors achieve their business goals in the above-mentioned sectors and their sub-sectors. These solutions have been created based on investor needs and we continue to develop more offerings to ensure our client's success.

As we are driven by our clients' success and with our expanded solution offering, you will be able to learn about the solutions that best fit your needs as a New Project or an Existing Project. This categorization will help you reach the best fitting solution for your project life cycle.



# How We Define a New Project

We consider new projects in the following two categories:

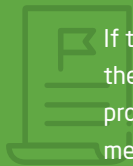


The first category of new projects is also known as “greenfield” projects. They do not have any existing operation, land, and/or major assets.



The second type of new projects have operational assets with the following conditions:

1. No more than one year clearance of assets such as machinery and equipment cleared through Zakat, Tax and Customs Authority.
2. No more than two-year of construction completion of assets such as buildings and hangars.



If the above conditions are not met, then the project may be considered an existing project if it meets the minimum requirements mentioned in the following point of this section in the brochure

## Solution Offerings Fit for New Projects

### 1. Project Financing

Relevant Incentivized Programs that help investors reach their goals:

1. Afaq:
  - SME Scale-Up Initiative
  - Ask an Expert Service
  - Industrial Business Incubators Program
2. Mutajadedda Program
3. Tawteen Program

### 2. Acquisition Financing



# How We Define an Existing Project

We define existing projects as operational assets that have at least three years of audited financial statements.

## Solution Offerings Fit for Existing Projects:

### 1. Project Financing (Expansion Financing, Modernization and development of production lines, and Relocation Financing)

Relevant Incentivized Programs that help investors reach their goals:

- Ask an Expert service
- Tanafusiya Program
- Mutajadedda Program

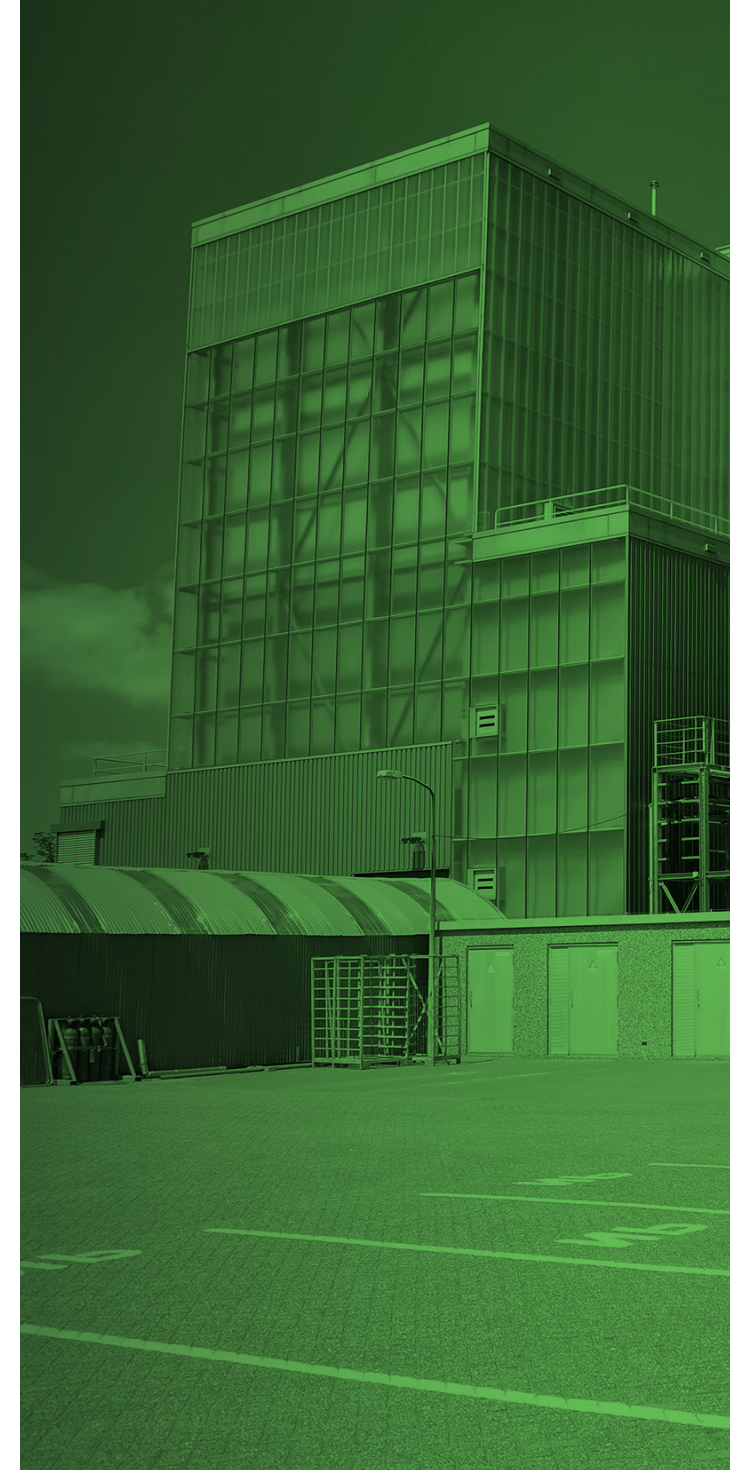
### 2. Acquisition Financing

### 3. Multipurpose Financing

### 4. Working Capital Financing

### 5. Advisory Services

### 6. Supply Chain Financing







# Our Solution Offering Detailed Overview



# 01 Project Financing

Primary lending product of SIDF providing medium to long term lending for our clients. The fund finances both New Projects and Existing Projects. The SIDF financing share of the total project cost depends on certain eligibility criteria evaluated at the time of project evaluation and in line with the SIDF By-laws and Board policies.

## Purpose



To encourage private sector industrial ventures through the provision of project financing.

## Benefits

- Develop the industrial, logistic, mining, and energy sector
- Motivate investments into the four supported sectors
- Lower cost term loans
- Business case feasibility validation
- Technical detail design review
- Frequent follow-ups and support for the duration of the loan
- Letter of Credit: issuing payment with nominal related banking fees in collaboration with commercial banks to accelerate project implementation

## Main requirements

- Investor creates an account through SIDF online portal ([eloan.sidf.gov.sa](http://eloan.sidf.gov.sa)) and submits a Preliminary Request for a loan application including details for:
  - Legal document (CR, AOA, License)
  - Project cost and loan amount
  - Proposed product
  - Ownership structure (provide support document)
  - Proof of solvency

Once the investor submits the initial request through SIDF online portal, it is assigned to a Relationship Manager (RM).



# Incentivized Programs that fall under Project Financing Solution

## A. Afaq Programs

Afaq is a collection of programs targeting SME's and providing specialized financial and non-financial solutions necessary to drive the sector growth Programs Including:

1. SME Scale-Up Initiative
2. Ask an Expert service
3. Industrial Business Incubators Program

## 1. SME Scale-Up Initiative

Supporting programs promising competitive SMEs by providing financial facilities to enable them to achieve their aspired growth and expansion.

### Program Benefits

- Longer tenor of minimum 8 years.
- Longer grace period of up to 24 months.
- Possibility to reduce net worth requirement to 50% of the loan amount.
- Receive an advance payment up to 30% of the loan.

### Main Requirements

- Brownfield projects with 3 years audited financials.
- Client: new or/ and existing
- Positive EBITDA in the last 2/3 years
- Achieving positive growth rates in revenue or sales.
- Meets SMEs definition except subsidiaries



## 2. Ask an Expert Initiative

An initiative through which SIDF's experts provide guidance sessions to entrepreneurs and industrial SMEs in the fields of marketing and technical studies, including manufacturing, construction, and industrial safety, with the aim of supporting industrial investors in all sectors financed by SIDF (industry, mining, energy, and logistics) through Nawafith platform of the General Authority for Small and Medium Enterprises (Monshaat).

### Program Benefits

- Easy and quick access to SIDF experts.
- Inclusive of all NIDL's program sectors.
- Free of charge.
- It targets all entrepreneurs and industrial SMEs.
- For all investors in the targeted sectors (SIDF clients/nonclients).
- Beneficiaries can benefit from the service without applying for SIDF loan.

### Main Requirements

- To be SME as per Monsha'at criteria
  - To be registered in Nawafith Platform at Monsha'at
- To sign up for Nawafith, [Click Here](#)

## 3. Industrial Business Incubators Program

The program aims to motivate industrial entrepreneurs to transform their ideas into promising pioneering projects in the sectors financed by SIDF (Industry, Energy, Mining and Logistics). The program is designed to activate partnerships with business incubators in order to provide industrial entrepreneurs with a package of services that support their start-up projects from their early stages to receiving the loan.

### Program Benefits

- Provide necessary advisory during the preparation stages of the project and feasibility study.
- Offer training and workshops to support the development of the project.
- Provide legal, accounting, financing, marketing, and engineering advisory services.
- Link the projects to a network of investors to fulfill the creditworthiness requirement and get an SIDF loan.
- Approve the investor's application for SIDF finance without requiring him to prove his solvency provided that he has submitted such proof prior to signing the financial contract.

### Main Requirements

- The applicant must be Saudi.
- The project must be economically viable.
- The project must fall within the sectors financed by SIDF (Industry, Energy, Mining and Logistics).
- Project should not fall within sectors that are not financed by SIDF currently.

**For more details, please click here**

## B. Tanafusya Program

1. aims to improve energy efficiency and reduce energy costs.
2. **Digital Transformation Track:**  
The track to make use of the latest technologies by linking machines run by digital systems with a system in which data and equipment communicate with each other to raise the operation efficiency and support the transformation of the current industrial base into the fourth industrial generation (Industry 4.0)

### Program Benefits

- Faster turnaround time within 8 weeks for projects 20% capacity increase or less
- Longer tenor (minimum of 7 years)
- Grace period of up to 24 months.
- Financing up to 75% of the project value.
- Available for all industrial sectors, including closed sectors.

### Main Requirements

- For new and existing clients with a good standing.
- Project's ability to prove reducing energy consumption for EE projects.
- Commercially proven technology.
- Provide a feasibility study with reasonable Capex and Opex projections.

## C. Tawteen Program

Integrate supply chain localization opportunities with the suitable financing through partnering with the national champions.

Highlight and maximize localization opportunities in the industrial sector

### Program Benefits

- Preferential financing terms:
- Longer tenor (minimum 7 years)
- Longer grace period (up to 24 months)
- Fast track for projects with off-take agreement\*

\*offtake should satisfy SIDF conditions

### Main Requirements

- A document that proves graduation from Tawteen partners local content programs/ or email confirmation from the partner.

#### Partners:

- Nusaned (SABIC)
- IKTV (Saudi Aramco)
- Ma'aden
- Rawafed (STC)
- Bena (SEC)

## D. Mutajadedda Program

Supports renewable energy developers and manufacturers of specialized products in solar and wind energy, to meet local and global demands through:

- Focus on localizing a large portion of the renewable energy value chains.
- Realize the Kingdom's Vision and ambitions related to the renewable energy sector.

Mutajadedda program supports 3 tracks:

- **Renewable Energy Component Manufacturing:** this track is for manufacturing projects of solar and wind energy components.
- **Renewable Energy Production Projects:** this track is for project developers within the National Renewable Energy Program.
- **Distributed Solar Energy Generation:** this track is for developers and contractors of renewable energy production for industrial, commercial, and agricultural facilities, whether connected to the grid or intended for local use.

### Program Benefits

#### Program Benefits:

##### RECM:

- Longer tenor (up to 15 years)
- Including grace period (up to 36 months)
- Financing up to 75 % of project cost
- Alignment with the Ministry of Energy to induce projects

##### IPP:

- Longer tenor (up to 20 years)
- Including grace period (up to 36 months)

#### Solar DG:

- Longer tenor (up to 15 years)
- Including grace period (up to 36 months)
- Financing up to 75 % of project cost
- Available for projects owners and developers in commercial and agriculture sectors with the existing of PPA agreement.

### Main Requirements:

For more information, please [click here](#)



# 02 Acquisition Financing

To finance strategic acquisitions of Saudi companies acquiring local or international tangible and intangible assets with added value to the SIDF supported sectors.

## Purpose



Financing the acquisition of a specific technology, a method of manufacturing, or intellectual property.



Financing the acquisition of a supplier or clients to achieve integration in cost and revenues.



Financing the acquisition of a competitor for the integration and development of offerings.

## Benefits

- 100% advanced payment to post-acquisition finance. Letter of Credit: issuing payment with nominal related banking fees in collaboration with commercial banks to accelerate project implementation.
- **Multiple financing options:**
  - **Pre-acquisition financing** where the loan amount is extended to the acquirer before the acquisition.
  - **Post-acquisition financing** where the loan amount is extended to refinance the acquisition bridge loan.

## Main requirements

- **1. Business case that includes:**
  - Description of the purpose of the acquisition opportunity.
  - Financial impact of acquisition including expected revenue improvements, cost reductions and synergies.
  - Market supply and demand analysis.
  - Description of new technology or manufacturing method (if applicable).
  - Vertical integration feasibility (if applicable).
  - Risk assessment including technical, regulatory, and political risks.
  - Timetable to complete the acquisition deal.
  - Management team overview of acquirer and acquired companies.
- General Authority of Competition approval for local acquisitions above SAR100 Million.
- Legal advisor report including list of required regulatory documents.
- Copy of all the required regulatory documents outlined in the legal advisor report.
- Financial advisor report.
- Complete audited financial statements for the past 3 years for both parties.



# 03 Multi-Purpose Financing

- We finance capital expenditures aimed at improving the operational value of an existing project, including:
  - Operational improvements on capital expenditure that do not increase the rated production capacity e.g., the replacement of operating equipment, supply chain and logistics equipment (cars, trucks, and warehouses).
- Complementary capital expenditure leading to business performance enhancement including:
  - Expenditures for information systems. For example, ERP, HRM, and CRM systems.
  - Facility improvement. For example, building renovations, safety equipment, upgrading operating equipment.

The loan is provided based on the cashflows and strength of the corporate balance sheet rather than on a specific project cashflows.

## Purpose



To finance capital expenditure items that do not result in an increase in the rated production capacity. However, it may potentially improve the borrower's business or operations.

## Benefits

- Tenure of financing up to five years.
- Grace period of up to six months.
- Receive an advance payment up to 30% of the finance amount.

- Letter of Credit: issuing payment with nominal related banking fees in collaboration with commercial banks to accelerate project implementation.

## Main requirements

- New or consolidated loan agreement
- New or amended mortgage registration.
- The applicant's audited financial statements reflect positive net income for the past three years or positive net cash flows from operating activities.
- The borrower must have an acceptable net worth that covers all liabilities towards SIDF.





# 04 Working Capital Financing

A working capital loan is a short-term loan to finance a company's everyday operations. i.e., funding raw materials, maintenance costs and payrolls needed to execute operations, etc.

## Purpose



Support the short-term cash flow requirements of your company.



Provides access to customers who have difficulty obtaining commercial loans to finance their working capital needs or customers.

## Benefits

- Simplified and quick evaluation process.
- Very short turnaround time (up to 4 weeks vs project finance loan that take 4 months).
- The full amount of finance is paid in advance with purchase invoices of raw materials.

## Main requirements

- For existing clients, SIDF project financing should have been fully disbursed.
- The borrower has difficulty in securing working capital loans from commercial banks due to limited credit history and pledging of project assets to SIDF.
- SIDF financed projects facing working capital shortages or needs, demonstrated through cash flow projections, requiring funding for raw material, receivables, or other operating expenses (e.g., payroll)
- Projected cash flow should depict ability of the business to repay Working Capital loan on time and continue to repay scheduled SIDF Project Financing installments on time.
- SIMAH report reflecting satisfactory track record.
- The project must be existing.



# 05 Advisory Services

A specialized team of SIDF experts providing short-term consultations by exploring appropriate opportunities to develop and maintain a high-level performance within the scope of the following services:

- Cost Efficiency
- Market Strategy

## Purpose



SMEs play a major role in the local economy and due to the difficulties they face in maintaining growth, this product aims to support them to improve performance and maintain sustainable growth.

## Benefits

- Experts specialized in market and technical studies will provide consultations within 3-4 weeks focusing on market strategy or improving cost efficiency.
- Internal and external evaluation of the project, including conducting field visits, and engaging the senior management in identifying development opportunities.
- A personalized report is delivered to the customer including a current situation assessment, identified areas for improvement, applicable recommendations with quantitative impact, and an action plan.

## Main requirements

The project must be existing on the ground and in the sectors financed by SIDF, and it should record annual revenues between 20 to 200 million riyals.





# 06 Supply Chain Financing

Short-term financing to facilitate early invoice payments.

## Purpose



Aiming to support working capital needs and improve cashflows by reducing the cash conversion cycle.

## Benefits

- Simplified assessment process.
- Longer credit terms to the buyer
- Early payments on suppliers' invoices.
- Shorter cash conversion cycle for the buyers and their suppliers.
- Stronger and better relationship between buyers and their suppliers.

## Main requirements

- No current past dues or FUF (SIDF client)
- Good relationship (SIDF client)
- Clean SIMAH report
- Audited financials for the last 3 years
- Profitable in the last 3 years



# e-Services

We at SIDF have been working with partners and other government entities to enable clients with the aim of better serving clients via digitalized services. Some of these services are:

## e-Loan System

SIDF's e-loan system is an online portal which enables current and prospective clients to apply for a loan from SIDF digitally without needing to visit SIDF premises.

## Electronic Services

- Electronically submit a new loan/service request
- Electronically approve and document contracts
- Electronically issuing bonds
- Electronically register and release mortgages
- Electronically issue non-borrowing certificates
- Activate virtual factory visits

## A Joint Land and Loan Platform

### 1. Factory and Loan:

SIDF partnered with MODON to offer "Factory and Loan" program. A platform that allows investors to submit a request for financing including the allocation of a ready-built factory through the consolidated application service and delaying rent payment and a discounted rate for a specific period for the factory after obtaining the industrial loan. The client can benefit from a 15% discount of the annual rent for the first 5 years, not exceeding SR 20,000, in some industrial cities.

### 2. Industrial Land & Loan

SIDF partnered with MODON, the Royal Commission for Jubail and Yanbu (RCJY), King Abdullah Economic City

(KAEC), Economic Cities and Special Zones Authority (ECZA), and SPARK to offer "Land and Loan" Program. A financing service that blazes a path for investors to exceptional incentives. Including the allocation of land for industrial investment in one of the industrial cities, and a delay in rental payments. This is done through the consolidated application service and points of contact. To lower the financial burden on the client, only 10% of the lease fees is collected from the investor in exchange for land reservation prior to SIDF's approval of the loan. Through King Abdullah Economic City, this product reduces the annual lease fees by 10%. The client application will also be in the fast track at the Economic Cities and Special Zones Authority.

### 3. Logistics Land & Loan

(SIDF) in cooperation with the Saudi Authority for Industrial Cities and Technology Zones (MODON), the Royal Commission for Jubail and Yanbu (RCJY), Economic Cities and Special Zones Authority (ECZA), and King Abdullah Economic City (KAEC) have designed a new program "Logistics Land and Loan" for investors in the logistics sector. The program enables investors to apply for a logistics loan, facilitating the procedures for obtaining the - support they need, and allocating a logistical land for the project.

Some advantages presented with this product are as follows:

- Up to 15% rent discount on specific projects.
- Collect only 10% of land rental fees from investor for land reservation during project evaluation.
- Allowance period to reclaim land reservation fees from King Abdullah Economic City if loan application is rejected.
- Include investor's request within the Economic Cities and Special Zones Authority fast-track.





