Fundraising / Capital Raising Advisory

Raising Funds in Saudi Arabia and
the GCC in the Vision 2030 Era

2026

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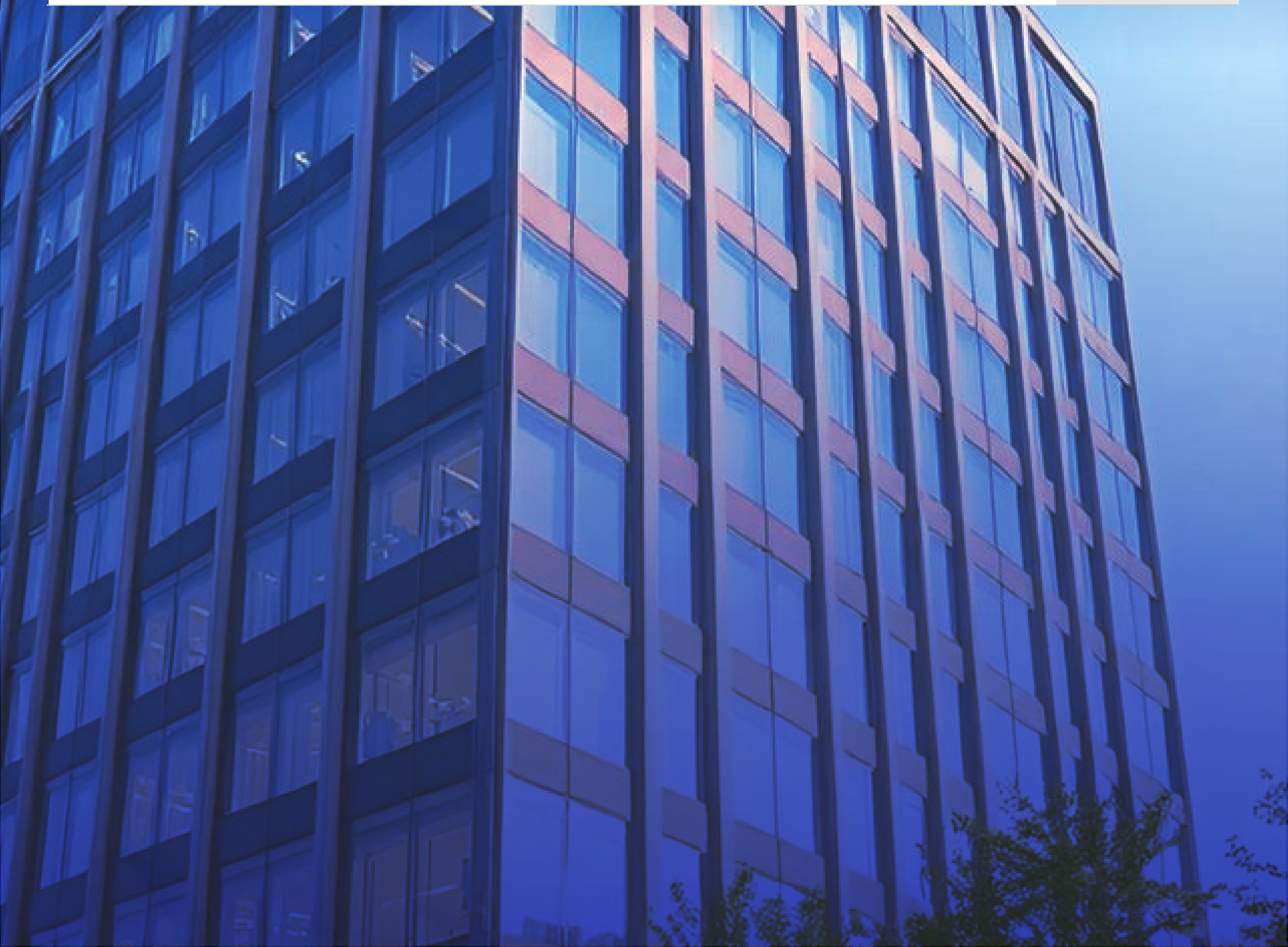
Contents



Executive Summary

This report examines how companies in Saudi Arabia and the wider Gulf Cooperation Council (GCC) should approach capital raising in current market conditions, and what professional advisory contributes to that process. It is intended for Chief Executive Officers (CEOs), Chief Financial Officers (CFOs), founders, investors and senior management evaluating a transaction within the next 12 to 24 months.

Principal findings

- Capital is abundant but selective. Sovereign, institutional and international pools have deepened substantially, yet allocation discipline has tightened since the 2021 peak. The binding constraint on growth is no longer the availability of funding but the supply of investor-ready companies.
- Policy is generating the pipeline. Vision 2030 targets, a 65% private-sector share of Gross Domestic Product (GDP) and a 35% Small and Medium Enterprise (SME) contribution, are achievable only through a step change in private capital formation, and state capital is structured to crowd private money in rather than displace it.
- Readiness determines pricing. Non-IFRS financials, related-party structures and reactively assembled data rooms are the most common causes of stalled transactions, and each carries a remediation lead time measured in quarters rather than weeks.
- Process economics are favourable. Advisory costs of approximately (approx.) 5-8% of proceeds are routinely outweighed by the pricing and structural benefit of a competitive process that produces two or three parallel term sheets.
- Instrument selection is a strategic decision. Equity, debt, sukuk and public listing serve different milestones, and their cost, control and disclosure consequences differ materially, including under zakat and tax treatment.

Recommended direction

Management teams should commission a readiness diagnostic 12 to 18 months ahead of any intended raise, govern the transaction as a board-level programme supported by a defined capital roadmap, approach a broad and qualified investor set through licensed advisors and negotiate structure with the rigour normally reserved for headline valuation. Section 8 sets out the full action agenda.

Context, Objectives and Scope

Access to capital in Saudi Arabia and the wider Gulf Cooperation Council (GCC) has changed more in the past five years than in the previous twenty. The Public Investment Fund (PIF) reports assets under management (AUM) of approximately (approx.) USD 925 billion (B) against a stated target of USD 2 trillion (T) by 2030, Saudi startups raised approx. USD 750 million (M) in venture funding in 2024 and GCC exchanges hosted more than 50 initial public offerings (IPOs) in the same year.

Sources: PIF; MAGNiTT; EY MENA IPO Eye. Figures approx. and rounded.

Headline market indicators

01 **USD 925 B**
PIF assets under management, against a stated USD 2 T target by 2030

02 **USD 750 M+**
Venture funding raised by Saudi startups in 2024, the highest in MENA

03 **USD 12-13 B**
Raised through more than 50 GCC IPOs in 2024

04 **65%**
Vision 2030 target for private sector share of GDP, from approx. 40% today

05 **USD 190-200 B**
Annual global sukuk issuance, with Saudi issuers among the largest

06 **35%**
Vision 2030 target for SME contribution to GDP, roughly double today's level

Indicator sources: PIF AUM, PIF; Saudi venture funding, MAGNiTT; GCC IPO proceeds, EY MENA IPO Eye and PwC Middle East; private sector and SME GDP targets, Vision 2030 and Monsha'at; sukuk issuance, S&P Global Ratings. All figures approx. and rounded.

Yet the volume of available capital has not translated into uniform access. Allocation discipline has tightened materially since the 2021 global funding peak, and investors now examine unit economics, governance and reporting quality before valuation is discussed. The practical constraint on corporate growth is therefore shifting from the availability of capital to the ability of companies to access it through a credible, professionally managed process.

Sources: Crunchbase News for global funding cycle data. The assessment in this paragraph is our analysis.

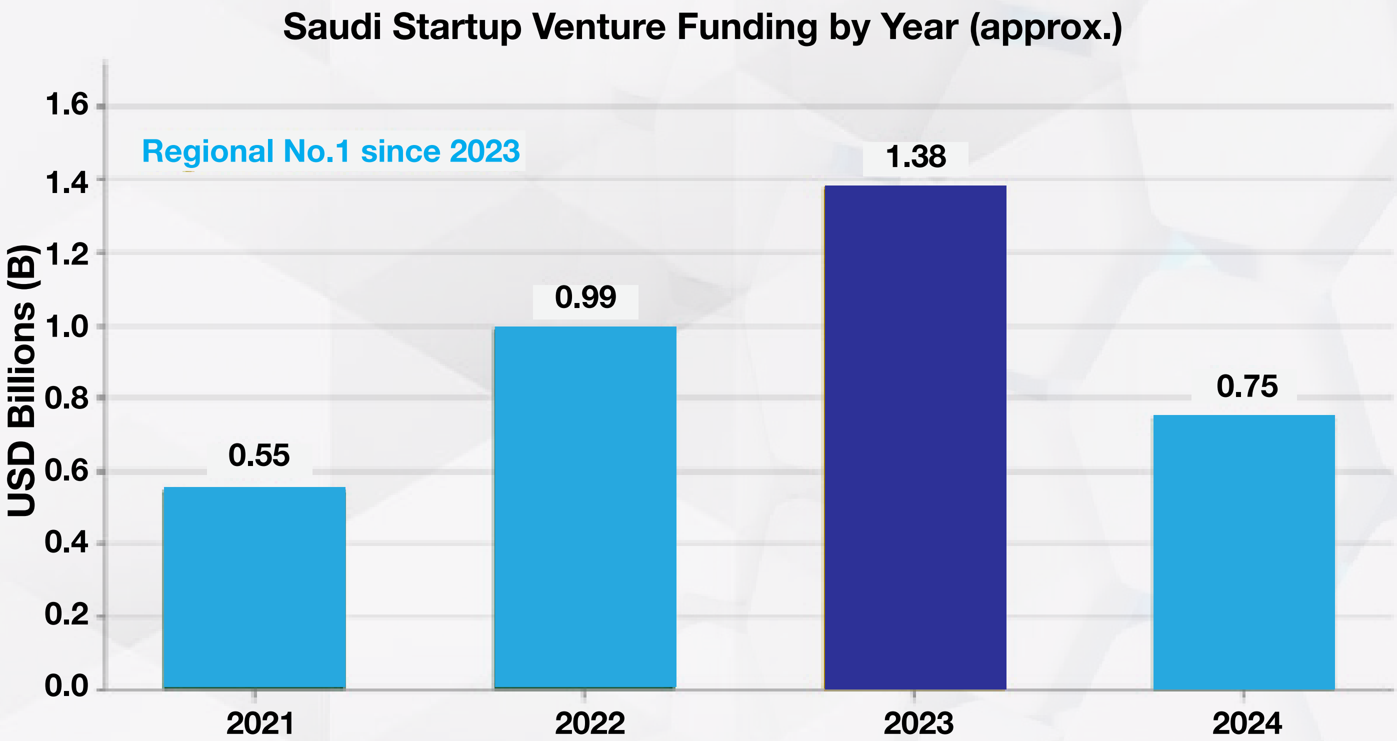
Capital raising advisory is the discipline that addresses that constraint: planning, structuring and executing an equity, debt or hybrid raise so that a company approaches the market prepared, credible and with negotiating leverage. This report sets out how the funding landscape is changing, the drivers behind it, the risks and opportunities it creates and the actions boards and management teams should take. Sourced figures are attributed with links beneath each passage; interpretation is identified separately as an advisory perspective; recommendations are consolidated in Section 8.

Market Landscape and Prevailing Trends

A decade ago, a Saudi or GCC company seeking capital had, in practice, two doors: a relationship bank or the family balance sheet. Today the menu is institutional and deep. Saudi Arabia has led Middle East and North Africa (MENA) venture funding since 2023, when startups in the Kingdom raised approx. USD 1.4 B; even in 2024's tighter global market they attracted approx. USD 750 million (M), again the most in the region . The equity capital market has become one of the busiest in emerging markets: GCC exchanges hosted more than 50 initial public offerings (IPOs) in 2024, raising approx. USD 12-13 B, and the Saudi Exchange's pipeline carried into 2025 with landmark listings such as flynas.

Sources: Saudi and MENA venture funding, MAGNiTT; GCC IPO activity and listings, EY MENA IPO Eye and Saudi Exchange. Figures approx.

Exhibit 1. Saudi venture funding by year, 2021-2024



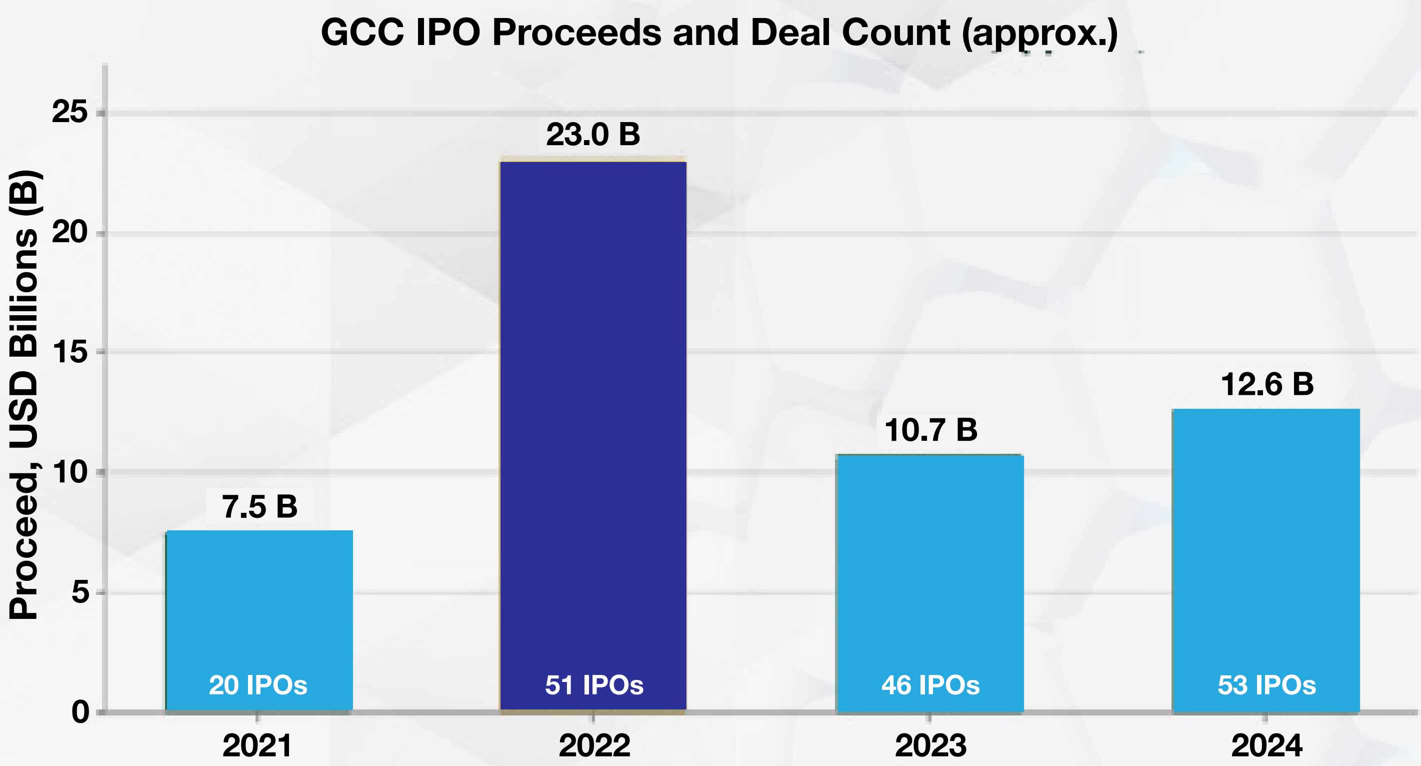
Sources: MENA and Saudi venture reports, MAGNiTT. Figures approx. and rounded.

Market Landscape and Prevailing Trends

Debt has deepened in parallel. Global sukuk issuance is running at approx. USD 190-200 B a year and Saudi sovereign and corporate issuers sit at the front of that market, while private credit and venture debt have begun filling gaps that banks and equity leave behind. Behind all of it stands the world's densest concentration of sovereign capital: Gulf sovereign wealth funds together manage well above USD 4 trillion (T). Four trends stand out to us. The IPO window has become a durable feature rather than a one-off event. Venture investing is maturing beyond fintech into logistics, deeptech and Artificial Intelligence (AI). Family groups are professionalizing toward listings and succession. And the rate cycle has turned, with the Saudi Central Bank (SAMA) easing from the 2023-2024 peak in step with the US Federal Reserve (Fed), which is reviving leverage and refinancing conversations.

Sources: sukuk issuance, S&P Global Ratings; sovereign fund assets, Global SWF; policy rate direction, SAMA. The four trends identified are our analysis.

Exhibit 2. GCC IPO proceeds and deal count, 2021-2024



Sources: EY MENA IPO Eye and PwC Middle East. Proceeds approx.; 2022 was inflated by a small number of very large listings.

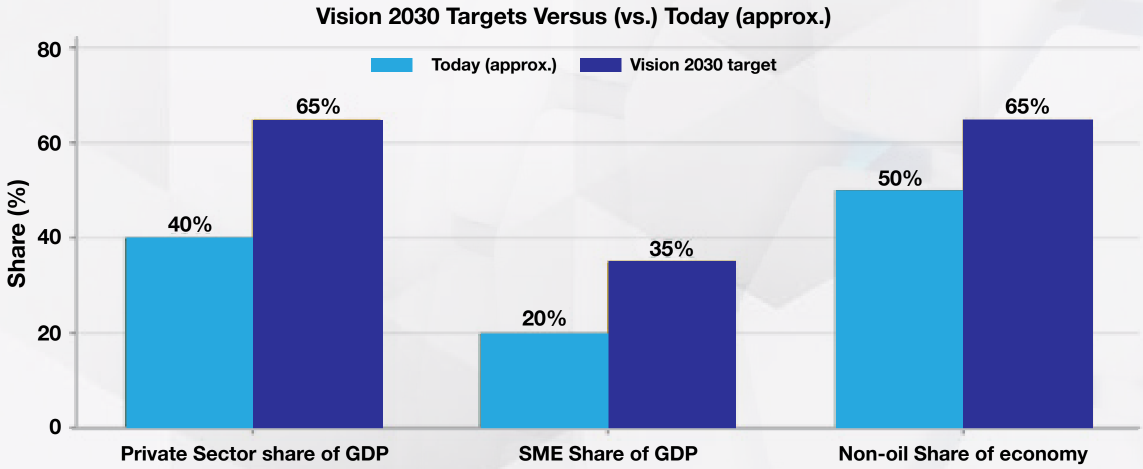
KEY INSIGHT
Capital in the GCC is abundant but selective. The scarce asset is not funding; it is an investor-ready company.

Principal Market Drivers

Five forces are pulling companies into the capital markets at once. First, Vision 2030 economics: the national program targets lifting the private sector's share of Gross Domestic Product (GDP) to 65% and the contribution of Small and Medium Enterprises (SMEs) to 35%, which is only arithmetically possible if private companies raise and deploy far more external capital than they historically have. Second, government capital is structured to crowd private money in rather than replace it: PIF has committed to deploy approx. SAR 150 B (approx. USD 40 B) domestically each year, while Saudi Venture Capital (SVC) and Jada operate as fund-of-funds seeding the venture and private equity ecosystem and the Kafalah program guarantees SME bank lending.

Sources: national targets, Vision 2030; domestic deployment commitments, PIF; fund-of-funds programmes, SVC; SME finance and guarantees, Monsha'at.

Exhibit 3. Vision 2030 targets versus (vs.) current position



Sources: programme targets, Vision 2030; SME data, Monsha'at. Current shares approx. and vary by measurement basis.

Third, the giga-projects, from NEOM to Diriyah and Red Sea Global, are creating entire supplier ecosystems that need working capital, capacity financing and growth equity to win and deliver contracts. Fourth, demographics and digital adoption keep producing scaled consumer businesses; the Kingdom's fintech unicorns Tabby and Tamara showed that regional companies can command global-standard valuations, as reported at the time of their funding rounds. Fifth, exit routes have multiplied: the Nomu parallel market lowers the listing threshold for growth companies, regional champions are active acquirers and the 2025 launch of PIF-backed AI ventures such as HUMAIN signals where the next wave of capital formation is heading.

Sources: venture and unicorn funding data, Crunchbase News and MAGNiTT; Nomu listing framework, Saudi Exchange; portfolio company launches, PIF.

Advisory perspective: *Policy is doing the heavy lifting for demand. Companies that align their equity story with these national flows raise against a tailwind instead of against gravity.*

KEY INSIGHT
Government capital is designed to crowd private capital in, not to replace it. Position every raise to ride that flow.

Challenges and Risk Considerations

The same market that offers abundant capital has become far more demanding about who receives it. Global venture funding fell by more than half from its 2021 peak to 2023 and the reset reached the region with a lag; investors now interrogate unit economics, governance and cash discipline before they discuss valuation. The most common obstacle we see is not the business model but the readiness gap: unaudited or non-IFRS financials, related-party arrangements inside family groups, unclear ownership of assets and intellectual property and data rooms assembled in a hurry after investor interest appears rather than before.

Source: global venture funding cycle, Crunchbase News. The readiness observations are our analysis, drawn from standard diligence practice.

Exhibit 4 . Readiness gaps that stall GCC transactions in diligence

Risk area	What investors find	Typical remediation lead time
Financial reporting	Unaudited or non-IFRS accounts	6-12 months
Group structure	Related-party flows inside family groups	6-18 months
Governance	No independent board or audit committee	3-9 months
Legal and assets	Unclear title or intellectual property (IP) ownership	3-12 months
Data room	Assembled reactively after investor interest	1-3 months

Our analysis, based on standard diligence practice. Lead times are indicative and vary by company; no external source is claimed for these estimates.

Regulation is a second risk that decision-makers underestimate. In the Kingdom, securities business, including arranging and advising on capital raises, requires authorization from the Capital Market Authority (CMA), and the Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM) apply their own regimes; engaging unlicensed intermediaries creates legal exposure and signals poor governance to serious investors. Third, valuation expectations anchored to the 2021 era still collide with 2024-2025 pricing, which stalls processes unless bridged through structure such as convertibles or earn-outs. Finally, the region remains exposed to the oil cycle and global risk sentiment, which move liquidity windows; a raise planned for a closed window is a raise that fails on timing rather than merit.

Sources: authorization requirements for securities business, CMA. Valuation and liquidity observations are our analysis.

Advisory perspective: *In this market, preparation is pricing power. Twelve months spent on financial and governance readiness routinely does more for valuation than twelve more months of growth.*

KEY INSIGHT

Preparation is pricing power: clean financials, governance and a ready data room can be worth more than another year of revenue.

Opportunity Assessment

For companies, the richest openings sit where national programs meet private balance sheets. Suppliers and operators inside the giga-project and localization ecosystems can convert long-term contracts into bankable financing structures. Growth companies can use the Nomu parallel market as a stepping stone to the main market, an option that simply did not exist for the last generation of family businesses. Asset-heavy models in logistics, industrials and energy transition are natural sukuk and project finance candidates, while venture debt now lets funded startups extend runway without another dilutive round. Pre-IPO placements have emerged as a distinct asset class as the listing pipeline institutionalizes.

Advisory perspective: *The distinctive GCC opportunity is sequencing: entering alongside policy-driven capital before the international rerating, not after it.*

Exhibit 5. Matching the opportunity to the instrument

Company profile	Best-fit instrument	Typical size	Main trade-off
Early-stage technology	Seed and venture equity	USD 1-20 M	High dilution
Funded scale-up	Venture debt	USD 2-30 M	Covenants, warrants
Profitable mid-market	Growth equity or private credit	USD 20-150 M	Control or cost
Asset-heavy operator	Sukuk or project finance	USD 50 M+	Security, structuring
Market leader, succession	Nomu or main market IPO	USD 50 M+	Disclosure, scrutiny

For investors, the pipeline runs in the other direction: late-stage and pre-IPO opportunities in a market with proven exits, private credit yields at spreads uncommon in developed markets, a public-private partnership (PPP) and privatization program coordinated by the National Center for Privatization (NCP) and minority positions in family groups professionalizing ahead of eventual listings. Sector momentum is clearest in fintech, logistics, tourism and entertainment, healthcare, industrial localization and the AI and data infrastructure build-out now attracting sovereign and international capital alike.

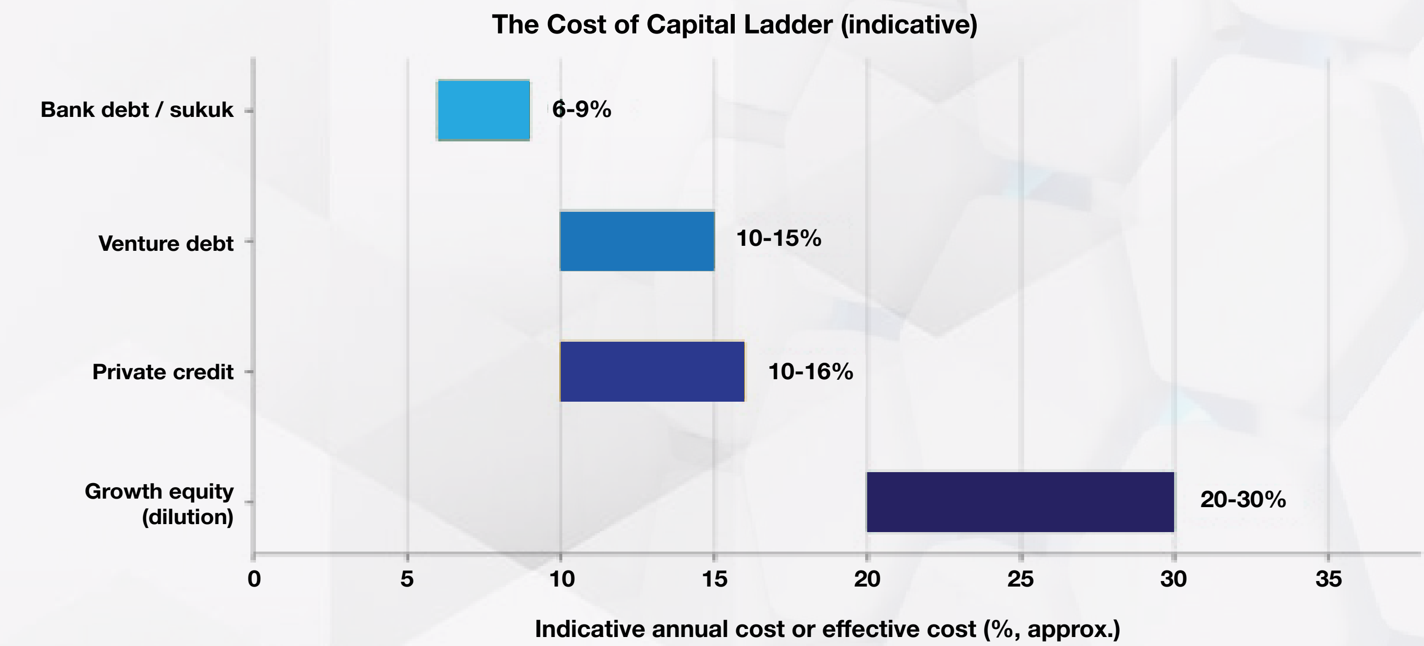
Sources: listing routes and pipeline, Saudi Exchange and EY MENA IPO Eye; privatization and PPP programme, NCP; private capital market data, Preqin. Sector prioritisation is our analysis.

Financial and Commercial Implications

Capital choices carry sharply different price tags. Bank debt and sukuk remain the cheapest external money and get cheaper as SAMA follows the Fed down; private credit prices above that for flexibility; growth equity is the most expensive capital a healthy company can take, because it is paid in ownership rather than interest. Advisory economics follow global benchmarks: success fees of approx. 2-7% on equity raised and approx. 1-2% on debt arranged, monthly retainers of approx. USD 5-25 thousand (K) that are typically credited at closing and an all-in cost for a mid-market raise that lands around 5-8% of proceeds. These are international middle-market benchmarks; regional mandates vary by size, sector and complexity.

Sources: advisory fee benchmarks, Axial and Firmex; private capital pricing context, Preqin and Bain & Company.

Exhibit 6. Indicative cost of capital by instrument



Against that cost sits measurable return. A structured process that reaches 100-300 qualified investors and produces even two or three competing term sheets consistently improves price, structure and speed relative to a single-offer negotiation, and typically closes in approx. 4-6 months. Readiness spending, audit upgrades, governance and listing preparation, should be treated as capital expenditure on valuation rather than overhead. One regional specificity deserves early modelling: capital and ownership structures in the Kingdom interact with zakat and income tax treatment under the Zakat, Tax and Customs Authority (ZATCA), so instrument and shareholder choices carry after-tax consequences that are cheaper to design in than to unwind later.

Sources: fundraising process research, DocSend; zakat and tax framework, ZATCA. Process timing reflects standard advisory practice.

Advisory perspective: *Priced correctly, good advice is not a cost line. On a USD 20 M raise, a single additional term sheet routinely moves outcomes by more than the entire fee.*

Financial and Commercial **Implications**

Exhibit 7. Advisory economics at a glance

Fee component	Typical range (approx.)	When paid
Monthly retainer	USD 5-25 K per month (mo.)	During the mandate, usually credited at closing
Success fee, equity	2-7% of capital raised	At closing
Success fee, debt	1-2% of amount arranged	At closing
All-in, mid-market raise	**approx. 5-8% of proceeds**	Across the mandate

KEY INSIGHT
Preparation is pricing power: clean financials, governance and a ready data room can be worth more than another year of revenue.

Strategic Considerations for **Management**

The companies that raise well treat capital as a multi-year program, not an event. That starts with a capital roadmap that sequences instruments against strategy milestones over 24-36 months: what must be true before the next equity round, when debt capacity opens, whether an IPO is a five-year destination and what each step requires in governance and reporting. It continues with instrument discipline, using equity for transformation, debt and sukuk for assets and capacity and structured instruments to bridge valuation gaps rather than forcing agreement on a single number.

Three further considerations separate strong processes from weak ones. Governance is now a valuation lever, not a compliance chore: independent directors, audit quality and credible disclosure are explicitly priced by regional institutions and are prerequisites for the public market. An anchor strategy matters: one respected sovereign-linked or institutional investor de-risks the rest of the book faster than any roadshow. And advisor selection deserves board attention: verify CMA (or DIFC and ADGM equivalent) authorization, demand evidence of closed transactions in your sector and size range and walk away from guaranteed-funding promises, pay-to-pitch schemes or fully upfront fee structures. Preserving optionality, for example running a dual-track IPO and private process, keeps leverage with the company until signing.

Advisory perspective: *Boards should interrogate the process design as hard as the valuation. The process, more than the pitch, determines the terms.*

KEY INSIGHT
Treat capital raising as a board-level program with a 12-18 months runway, not a transaction to delegate at the last minute.

Recommended Actions

Arising from the analysis above, we recommend that management teams act across seven fronts.

1. Run a readiness diagnostic 12-18 months early. Audit-grade financials, governance, legal housekeeping and the equity story take quarters, not weeks, to fix.
2. Anchor the story in Vision 2030 with evidence. Contracts, localization content and measurable national-program alignment persuade; slogans do not.
3. Build the data room as permanent infrastructure. Maintain it continuously so diligence becomes a formality rather than a discovery exercise.
4. Go broad and qualified. Target 100+ matched investors across sovereign-linked pools, regional and international funds and private credit instead of a handful of warm contacts.
5. Engage licensed, evidenced advisors. Verify CMA, DIFC or ADGM authorization and ask for three closed deals in your sector and size range before signing.
6. Negotiate structure alongside headline valuation. Preferences, covenants, board rights and zakat and tax efficiency decide real outcomes.
7. Preserve optionality within a disciplined timetable. Parallel tracks and firm deadlines sustain the competitive tension that produces better terms.

Saudi and GCC Context: Vision 2030 Alignment

Vision 2030 is best read by financiers as a capital-allocation blueprint. Its headline targets, a 65% private-sector share of GDP, a 35% SME contribution and Foreign Direct Investment (FDI) ambitions of approx. USD 100 B a year by 2030, all presuppose a step change in private capital formation, and the Financial Sector Development Program (FSDP) exists precisely to deepen the markets that must deliver it.

The institutional map reflects that intent: PIF and its portfolio companies as demand creators; SVC and Jada seeding funds; Monsha'at and Kafalah expanding SME finance against a bank-lending share still in the high single digits versus much higher national aspirations; the NCP running the privatization and PPP pipeline; and a CMA that has progressively opened the market through Nomu, qualified foreign investor access and new listing frameworks.

Sources: national and FSDP targets, Vision 2030; fund-of-funds programmes, SVC; SME finance data, Monsha'at; privatization pipeline, NCP; market access and listing frameworks, CMA and Saudi Exchange.

The ecosystem around issuers is thickening too. Approx. 600 international companies have been licensed under the Regional Headquarters (RHQ) program, bringing global banks, funds and professional firms onshore, while the DIFC and ADGM continue to serve as complementary hubs for structuring and fund domiciliation across the GCC.

For a company planning a raise, the practical meaning is simple: sequencing a transaction to policy tailwinds, giga-project procurement cycles, privatization windows and FSDP

Saudi and GCC Context: Vision 2030 Alignment

market reforms is now part of deal design, and localization and national-program alignment increasingly function as informal credit enhancement in the eyes of both lenders and investors.

Sources: Regional Headquarters programme licensing, Ministry of Investment. Deal-sequencing implications are our analysis.

Advisory perspective:
Vision 2030 has converted national strategy into a visible deal pipeline. Reading that pipeline well is becoming a core corporate finance skill in the Kingdom.

Concluding Perspective

The Gulf has entered a period in which capital is deep, motivated and selective all at once. Sovereign balance sheets, an institutionalized IPO market, a maturing venture ecosystem and a policy program that needs private capital to succeed have created a funding window that most economies would envy. Yet the window rewards preparation, licensed process and structural sophistication and it penalizes improvisation. The gap between the companies that raise on their own terms and those that accept whatever arrives is widening, and it is a gap of readiness rather than of quality.

For CEOs, CFOs, founders and investors, the agenda that follows from this publication is deliberately practical: diagnose readiness early, design the capital roadmap at board level, meet the market broadly and through licensed advisors and negotiate structure with the same energy as price. Boards that treat the next raise as a program rather than an event will set the terms that others end up accepting. We welcome a conversation about what that program should look like for your business.

Contact **Us**

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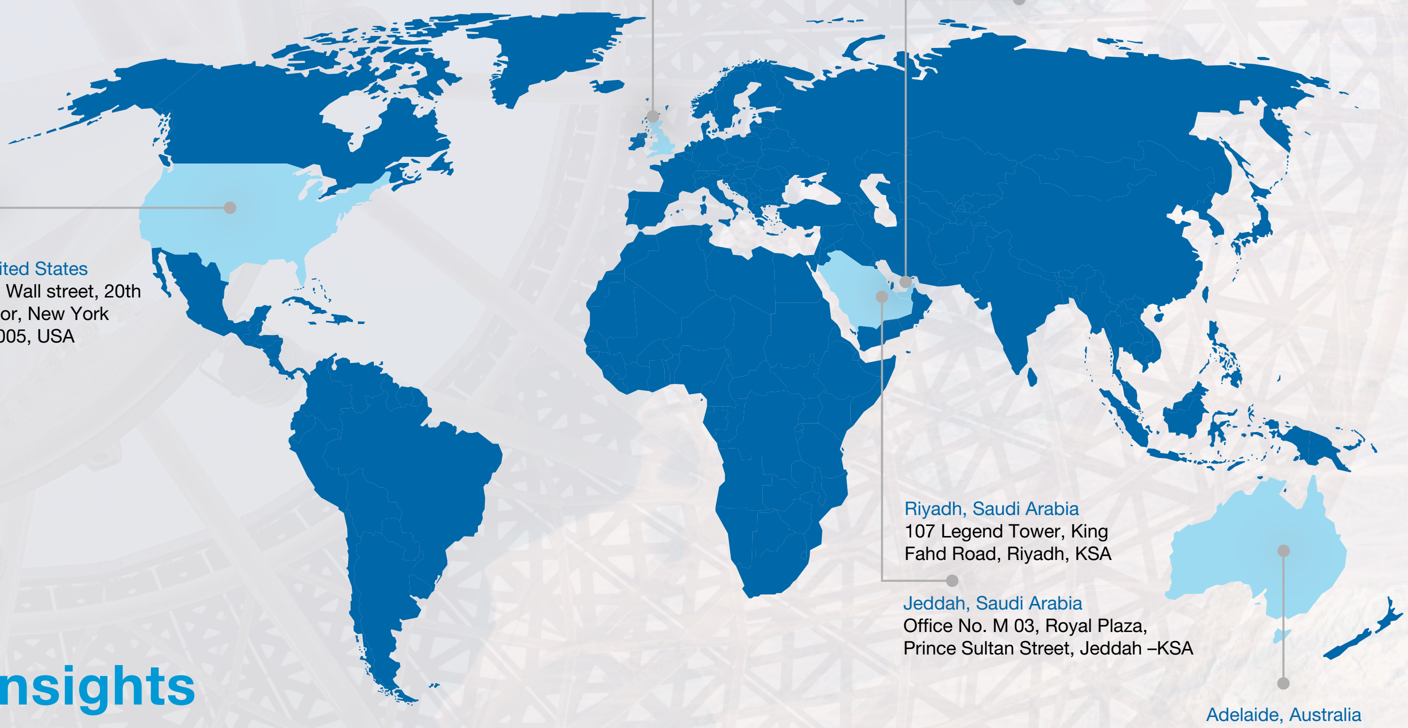

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