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GCC IPO INSIGHTS

OUR NEWSLETTER



FOREWARD: IPO MARKET AND CAPITAL ACTIVITY OVERVIEW

FY25 has been a pivotal chapter for the Gulf Cooperation Council (GCC), with Saudi Arabia emerging as a credible global destination for IPOs. While global markets experienced uncertainty from interest rate movements, geopolitical tensions, and evolving trade dynamics, the GCC, led by Saudi Arabia, demonstrated resilience through stable economic fundamentals, strategic corporate action, and regulatory reforms that enhance market openness, foreign participation, and governance standards.

Saudi Arabia stock exchange's role has evolved from simply being a venue for raising capital to that of a catalyst for corporate transformation, market credibility, and long-term value creation. While a significant portion of recent listings has been driven by strategic exits, issuance activity has also been shaped by broader objectives, including capital raising to strengthen balance sheets, fund operational expansion, accelerate innovation, while aligning governance, disclosure, and reporting standards with international best practices.

Sector dynamics are shaping the next wave of listings across the region. Infrastructure, technology, healthcare, and consumer services are emerging as the most active segments, reflecting both regional economic priorities and opportunities

for sustainable growth. Privately owned and emerging companies are gaining prominence, contributing to a deeper, more diversified market structure, while regulatory reforms and broader foreign participation are enhancing market access, transparency, and liquidity.

GCC is entering a phase of strategic market evolution, where IPOs serve as instruments for long-term growth and leadership. Companies that combine operational discipline, governance rigor, and sector-focused innovation are best positioned to seize emerging opportunities and set new benchmarks for public market excellence.

At Uniquis, we see this as a natural progression towards a maturing market. Successful IPOs today are defined not just by timing, but by early preparation, high-quality financial reporting, robust governance, and disciplined capital allocation. This issue of our GCC IPO Insights consolidates these trends to provide a clear perspective on GCC's capital markets, with a specific focus on Saudi Arabia.



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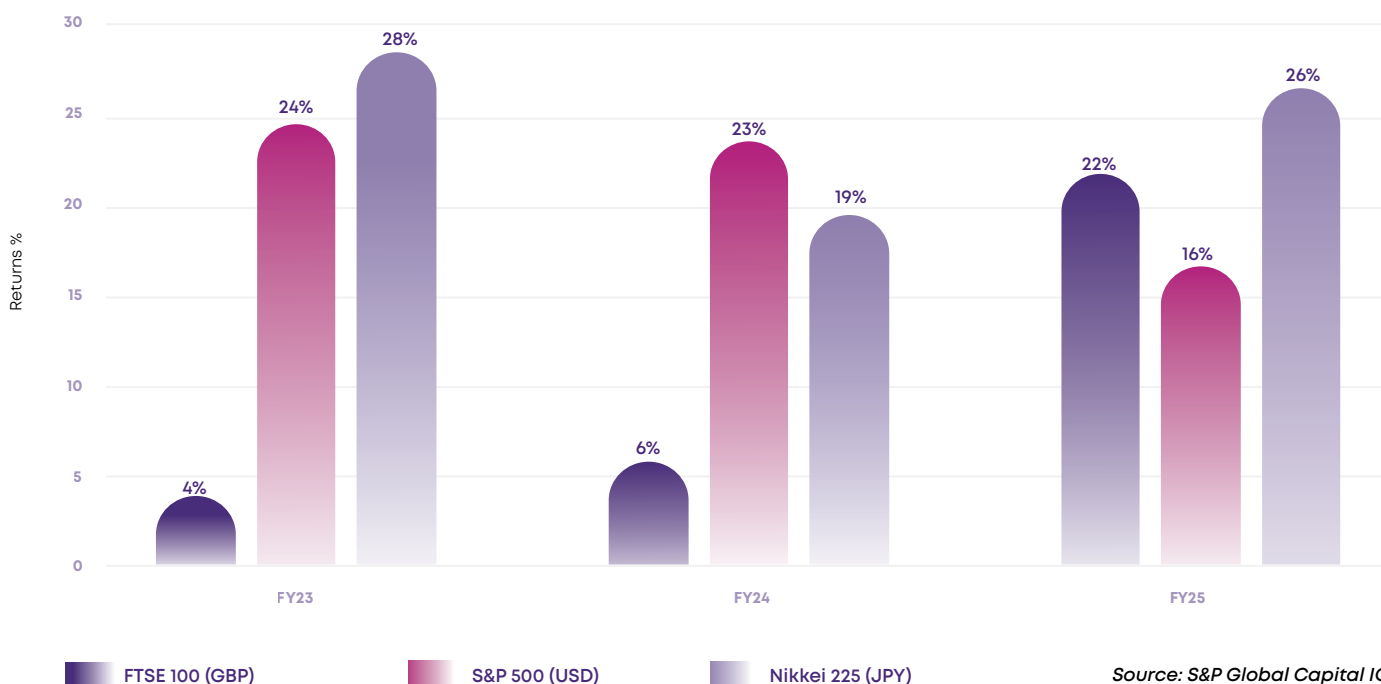
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GLOBAL NAVIGATION & GCC RESILIENCE

FY25 was characterized by a global equity market environment that remained constructive but increasingly selective. Major developed market indices delivered positive full-year returns, with the FTSE 100 (GBP) (+21.51%), S&P 500 (USD) (+16.39%), and Nikkei 225 (JPY) (+26.18%) reflecting stabilising macro expectations and improved earnings visibility across

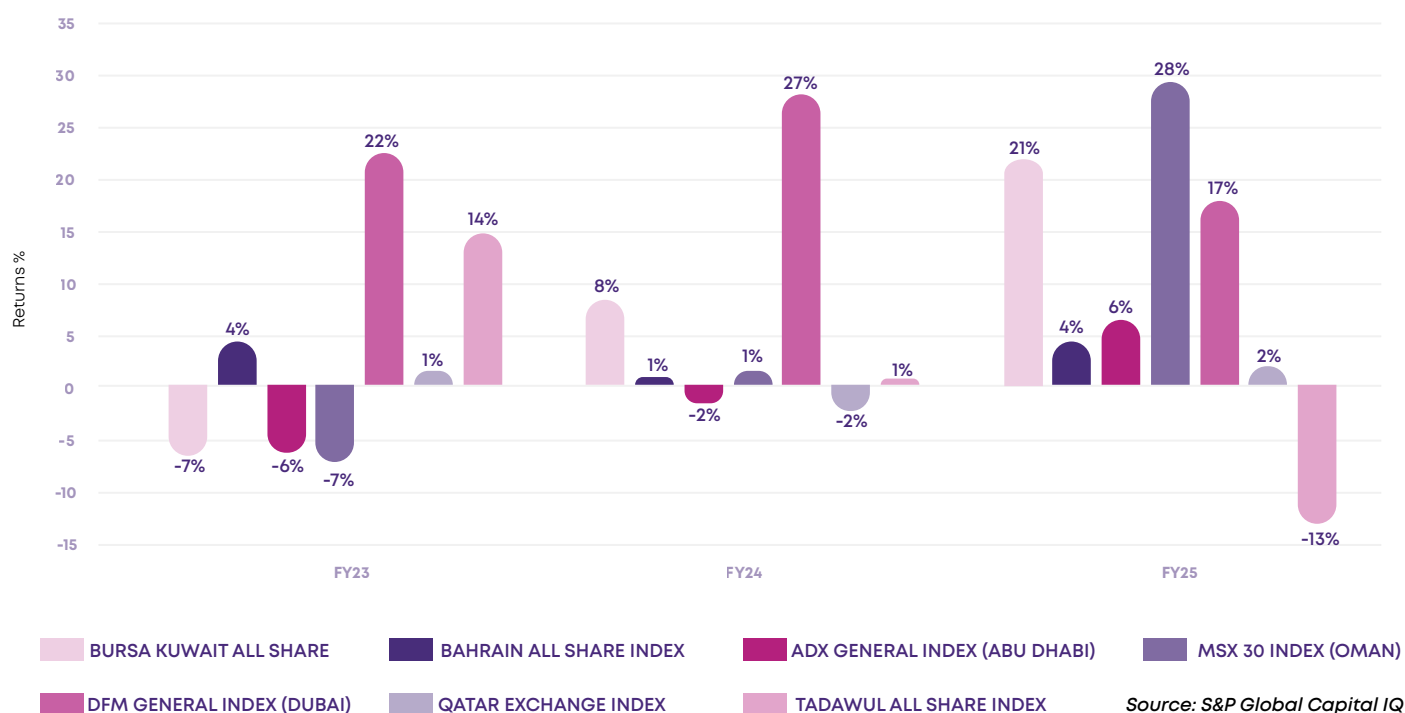
key sectors. However, dispersion across benchmarks highlighted a market environment in which performance was driven by index composition and sector exposure rather than by broad-based risk appetite. For global IPO markets, this translated into episodic issuance windows, with execution success closely tied to valuation discipline and issuer quality.

PERFORMANCE TRENDS OF MAJOR GLOBAL EQUITY INDICES



In contrast, GCC equity markets exhibited materially wider dispersion in FY25, reflecting a combination of domestic factors, sector concentration, profit normalization following prior years of strong performance and evolving liquidity dynamics. While Oman's MSX 30 Index (+28.19%), Boursa Kuwait All Share (+20.99%), and DFM General Index (+17.22%) delivered positive returns, other regional markets recorded more modest gains, including ADX General Index (+6.09%), Bahrain All Share (+4.06%), and Qatar Exchange Index (+1.81%). Notably, Saudi Arabia's Tadawul All Share Index (TASI) declined by 12.84% over FY25, marking a divergence from both global benchmarks and select regional peers. This decline was primarily influenced by index concentration and earnings normalization in a limited number of large-cap, oil-linked constituents that carry disproportionate weight in the index, rather than a broad-based weakening in underlying market fundamentals or capital-raising activity.

PERFORMANCE TRENDS OF GCC INDICES



The correction in Saudi equities reflected cyclical and index-specific dynamics rather than structural weakness. Oil price moderation, earnings normalization across large-cap constituents, and index concentration effects weighed on headline performance, even as the broader economy continued to expand and reform momentum remained intact.

Crucially, this divergence between secondary market performance and primary market activity was evident across the GCC, particularly in Saudi Arabia. Despite the decline in TASI, IPO activity on Saudi Arabia stock exchange remained supported by deep domestic liquidity, sustained retail participation, and government-linked issuance pipelines, reinforcing a growing decoupling between short-term index movements and IPO execution. Although opportunistic exits were a notable feature of FY25 activity, listings were also driven by primary capital raises aligned with growth funding needs, balance-sheet optimization, and strategic sector diversification.

Taken together, FY25 highlighted a clear distinction between global and GCC capital market dynamics. Globally, IPO execution remained closely linked to market windows and valuation sensitivity. In contrast, the GCC, with Saudi Arabia stock exchange at its centre, demonstrated a more structurally anchored IPO environment. Strong domestic capital availability, continued policy-driven reforms, and increasing issuer preparedness enabled the region to sustain capital formation despite uneven secondary-market performance, reinforcing Tadawul's position as a differentiated IPO venue amid a selective global cycle.



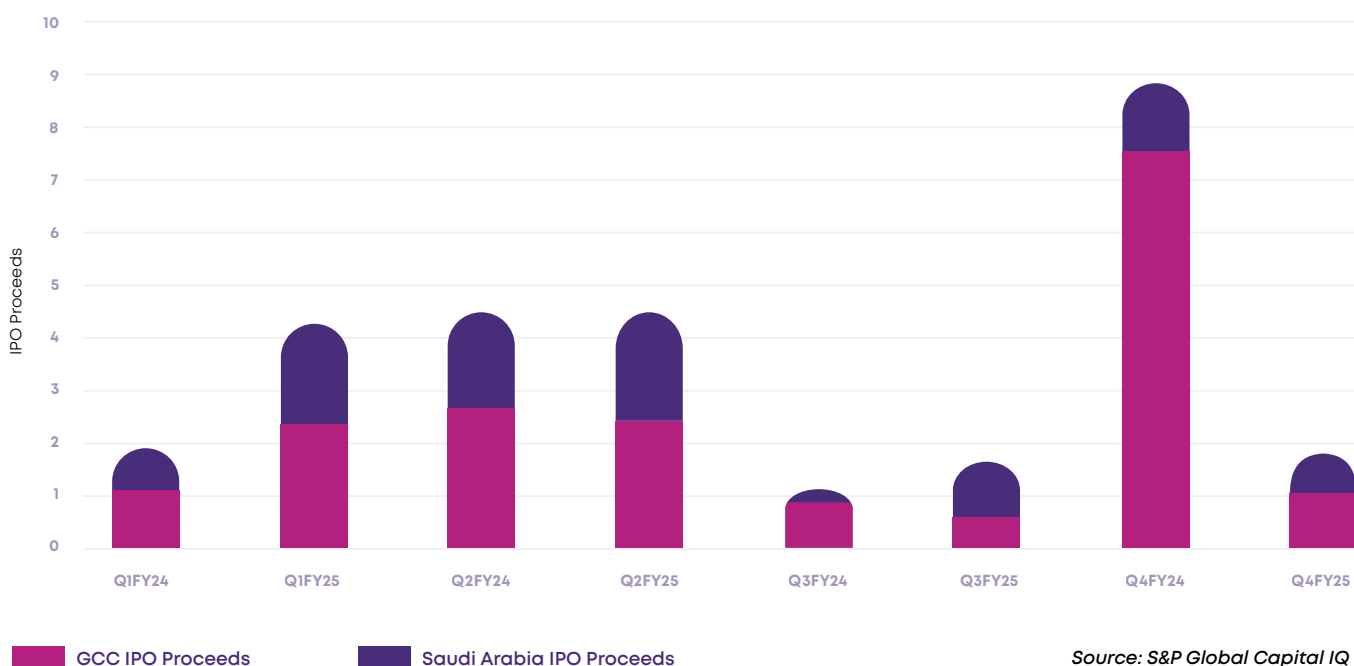
IPO INDUSTRY TRENDS IN SAUDI ARABIA

IPO activity in Saudi Arabia during FY25 resulted in USD 4.97 billion of capital raised across 39 issuers¹. Market activity was characterised by larger average deal sizes, increased sector concentration, and a stronger emphasis on earnings visibility and execution readiness across listings.

Saudi Arabia remained the dominant IPO market in the region, accounting for approximately 75% of total GCC IPO proceeds and anchoring GCC issuance in both value and sectoral breadth. Activity in Saudi Arabia continued to shape regional IPO dynamics, reinforcing Saudi Arabia stock exchange's role as the primary platform for capital formation and long-term value creation across the GCC.

SAUDI ARABIA IPO PROCEEDS COMPARED WITH GCC

(IN USD BILLION)

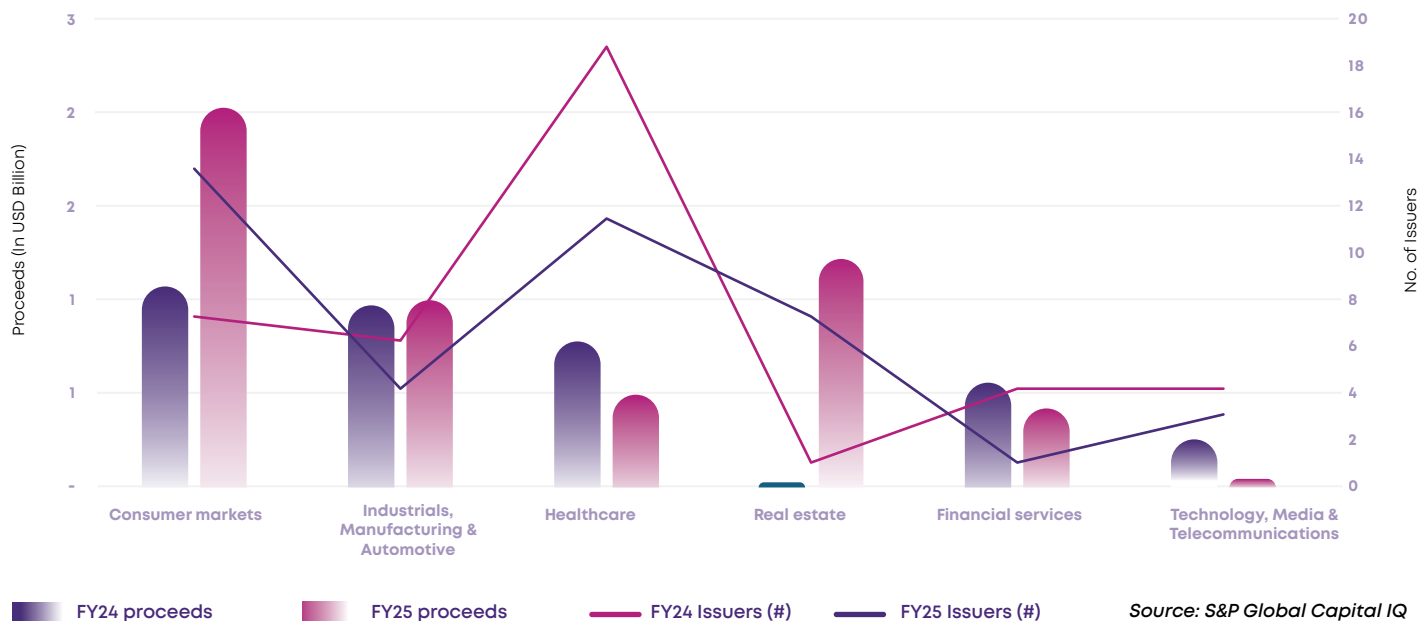


Capital allocation in FY25 was increasingly concentrated in consumer-facing, real asset, and services-led sectors, reflecting investor preference for demand-led business models, asset-backed structures, and scalable platforms. The overall market profile points to a transition toward higher-conviction IPOs, supported by improved market depth and heightened investor selectivity.

¹ includes Main Market and Nomu IPOs; excludes follow-on and secondary-only offerings

SAUDI ARABIA PROCEEDS BY SECTOR

(IN USD BILLION)



Consumer Markets emerged as the largest contributor to IPO proceeds, reflecting sustained demand for consumption-led listings. Healthcare was characterised by a higher concentration of proceeds relative to issuer count, indicating fewer but larger, scale-driven transactions.

Real Estate represented a significant share, underscoring renewed momentum in asset-backed and yield-oriented listings. Financial Services and Technology, Media & Telecommunications recorded

more measured activity, with lower proceeds and selective issuance, positioning technology-led listings as opportunistic rather than core drivers of FY25 IPO volumes.

Overall, FY25 IPO activity across Saudi Arabia and the GCC reflects a market increasingly defined by sector concentration, larger transaction sizes, and a continued emphasis on quality and execution, with Saudi Arabia maintaining its position as the principal driver of regional IPO activity.

SAUDI ARABIA IPO
LISTING PIPELINE

Beyond completed IPO activity in FY25, Saudi Arabia's primary market continues to stand out for the depth and visibility of its forward listing pipeline. Market and exchange disclosures indicate a pipeline approaching 100 companies across early-stage preparation, adviser appointment, and CMA review, with only a subset expected to convert into near-term listings.

The breadth of this pipeline across multiple sectors highlights sustained issuer readiness and supports more consistent issuance sequencing. In parallel, Saudi Arabia stock exchange remained the dominant driver of regional IPO activity during FY25, reinforcing Saudi Arabia's position as the region's leading IPO market and underpinning expectations for continued listing momentum into FY26.

SAUDI ARABIA: FOREIGN INVESTMENT PARTICIPATION

Historically, foreign participation in the Saudi equity market was permitted through restricted channels such as Qualified Foreign Investors (QFI), Foreign Strategic Investors (FSI), swap arrangements, and CMA-managed portfolios, with ownership capped at 10% per non-resident foreign investor and an aggregate ownership cap of 49% per issuer (excluding foreign strategic investors). Saudi Arabia is transforming its capital markets, positioning Saudi Arabia stock exchange as a global competitive venue for IPOs. Recent regulatory reforms mark a decisive shift simplifying foreign access and enhancing Saudi Arabia stock exchange's alignment with global capital markets.

Direct investment

■ Transitional measures (2025):

GCC-resident individuals are allowed to invest directly within existing ownership limits.

■ Amended rules (effective 1 February 2026)

All foreign investors, whether resident or non-resident, will be allowed to make direct investments in Saudi Arabia stock exchange. Existing Qualified Foreign Investors (QFI) requirements and swap agreements will be abolished, simplifying market access.

Key Ownership Limits

■ Transitional measures (2025):

- Non-resident foreign investors: <10% per issuer
- Aggregate foreign ownership: < 49%
- Foreign strategic investors: Subject to 2-year lock-up

■ Amended rules (effective 1 February 2026)

CMA has confirmed that existing ownership limits continue to apply under the amended framework. Any revisions to per-issuer or aggregate ownership caps will be addressed through separate regulatory actions, if and when announced.

Regulatory Simplification

■ Transitional measures (2025):

Investment channels were fragmented, requiring multiple approvals for different investor types.

■ Amended rules (effective 1 February 2026)

Single, streamlined access for all foreign investors with reduced administrative requirements, promoting liquidity and market efficiency.

These reforms mark a significant transformation of Saudi equity markets, shifting Saudi Arabia stock exchange from a controlled, restricted market towards a more open, globally accessible platform. By eliminating legacy structures such as QFI and swap agreements and allowing all foreign investors direct access, Saudi Arabia is demonstrating its commitment to integrating Saudi Arabia stock exchange with global capital markets, encouraging both strategic, long-term investments and broader portfolio diversification.

Pricing outcomes observed through FY25 highlight that issuers were valued within the prevailing ownership and regulatory frameworks, with investors placing greater emphasis on earnings visibility, governance quality, and post-listing execution. These dynamics continue to influence how current pipelines are being positioned, particularly for issuers targeting institutional participation.

At the same time, recent regulatory reforms signalling a clear intent to broaden foreign investor participation in the Saudi equity market are already shaping issuer behaviour. In anticipation of future investor scrutiny, IPO candidates are increasingly strengthening corporate governance, disclosure quality, financial reporting discipline, and equity story articulation well ahead of formal regulatory implementation, rather than limiting preparation to the minimum requirements applicable at the time of listing.

KNOWLEDGE CORNER

FINANCIAL INFORMATION AND RESTATEMENT CONSIDERATIONS

Companies preparing for an IPO on the Saudi Arabia stock exchange are required to prepare their financial statements in accordance with International Financial Reporting Standards Accounting Standards (“IFRS Accounting Standards”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants, covering the last 3 financial years (Main market)/ 1 financial year (Nomu-Parallel) and any interim periods, to ensure transparency and comparability for investors.

Scenario I – IFRS-Compliant Issuers

When a company prepares for an IPO, its financial reporting shifts from private-company compliance to a public company framework. From an auditor’s lens, scrutiny increases significantly as financial statements come under regulatory review and underwriter due diligence, leading to refinements of previously reported numbers. As a result, the IPO journey triggers restatements or adjustments to historical financial information, driven not by changes in operations, but by the higher threshold of audit, documentation, and disclosure expected of a listed entity. These adjustments usually relate to:

- Alignment of accounting policies across period
- Correction of prior-period errors and omissions
- Resolution of audit qualifications and emphasis-of-matter items
- Reassessment of significant accounting estimates and judgements

Scenario II – Transition from IFRS for SMEs to IFRS

Once the IPO process is initiated, Private companies in Saudi Arabia preparing financial statements under IFRS for SMEs are required to present fully restated IFRS financial statements in line with IFRS 1 “First time adoption of IFRS”.

In a rapidly evolving Saudi capital market, IFRS readiness and high-quality financial reporting are no longer compliance exercises but strategic enablers of IPO success. A robust IFRS transition and restatement strategy, supported by strong governance, technical rigor, and early execution, positions issuers to fully benefit from increased foreign investor participation and evolving capital market reforms across the GCC.

ENHANCING TRANSPARENCY: IFRS 18 & IPO REPORTING

With Saudi Arabia's capital markets emerging as a globally competitive venue for IPOs, financial statement transparency is critical for attracting institutional and foreign investors. For companies preparing to undertake an IPO in Saudi Arabia and across the GCC, financial reporting readiness is a critical execution consideration influencing regulatory review, investor confidence, and valuation outcomes.

IFRS 18 "Presentation and Disclosure in Financial Statements" introduces enhanced requirements for structuring and presenting financial statements, emphasizing clarity, consistency, and disclosure of significant accounting judgments. Its investor-focused orientation closely aligns with the area's most frequently examined during IPO diagnostics, regulatory review, and valuation analysis. The standard is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

Prospectus ready presentation

A clear distinction between operating, investing, and financing activities, combined with consistent presentation across historical periods, reduces the need for late-stage reclassifications during prospectus preparation and regulatory review.

Disclosure resilience

Transparent articulation of significant judgments, estimates, and material or non-recurring items supports regulator and investor scrutiny, particularly where valuation relies on adjusted performance measures.

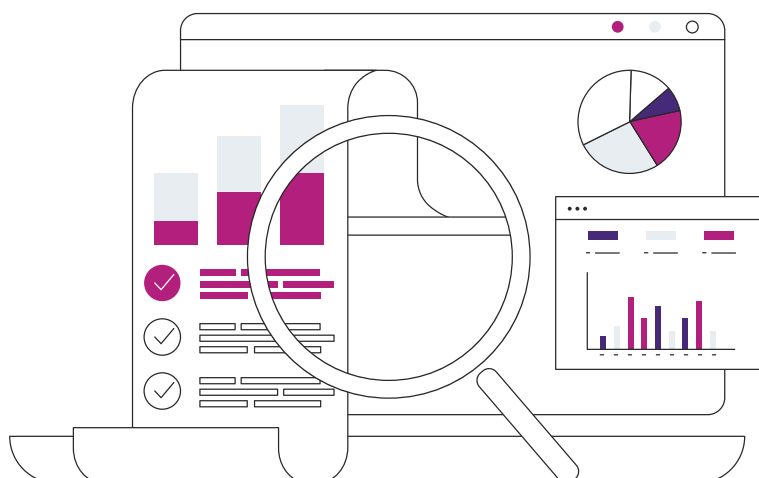
Investor and valuation readiness

Consistent performance subtotals and clearer treatment of unusual items enhance comparability with listed peers and facilitate analyst modelling and price discovery during bookbuilding.

Equity story alignment

Coherent linkage between statutory financials, management-defined performance measures, management commentary, and the equity narrative strengthens credibility and reduces execution risk during investor engagement.

IFRS 18 serves as a forward-looking benchmark for assessing financial reporting maturity, rather than a requirement for adoption. Issuers that evaluate their reporting practices against these principles are better positioned to anticipate regulator and investor focus areas, minimise late-stage refinements, and enter the IPO process with a clearer, more investable equity proposition.



HOW CAN WE HELP?

As your IPO advisory partner, we bring local market depth and a global perspective, helping you navigate the complexities and unlock maximum value from going public, while continuing to drive value post-IPO.

01

IPO Readiness and Strategy

- **Pre-IPO Structuring:** Review and streamline group and entity structure to ensure alignment with CMA, TASI, SCA, DFM and ADX requirements, incorporating tax considerations.
- **Financial & Accounting:** Implement IFRS conversion and complex accounting support to ensure audit-readiness, crucial for a seamless transition.
- **Financial Reporting Readiness:** Prepare interim and annual financials, develop technical accounting analyses, and establish robust closing processes.
- **PMO Setup:** Define IPO roles, timelines, and responsibilities while establishing clear communication channels and stakeholder coordination.

02

Execution and Regulatory Compliance

- **Project Management:** Manage the IPO process end-to-end, including data room setup, deliverable reviews, and stakeholder alignment.
- **Governance and Controls:** Implement a governance framework, set up boards and committees, and establish internal financial controls compliance, including ELCs and anti-fraud measures.

- **Internal Audit and IT Controls:** Establish internal audit functions and enhance IT systems to automate reporting and strengthen control reliability.
- **Regulatory Readiness:** Ensure full compliance with CMA, Tadawul, SCA, DFM and ADX listing requirements through close coordination with advisors and auditors.

03

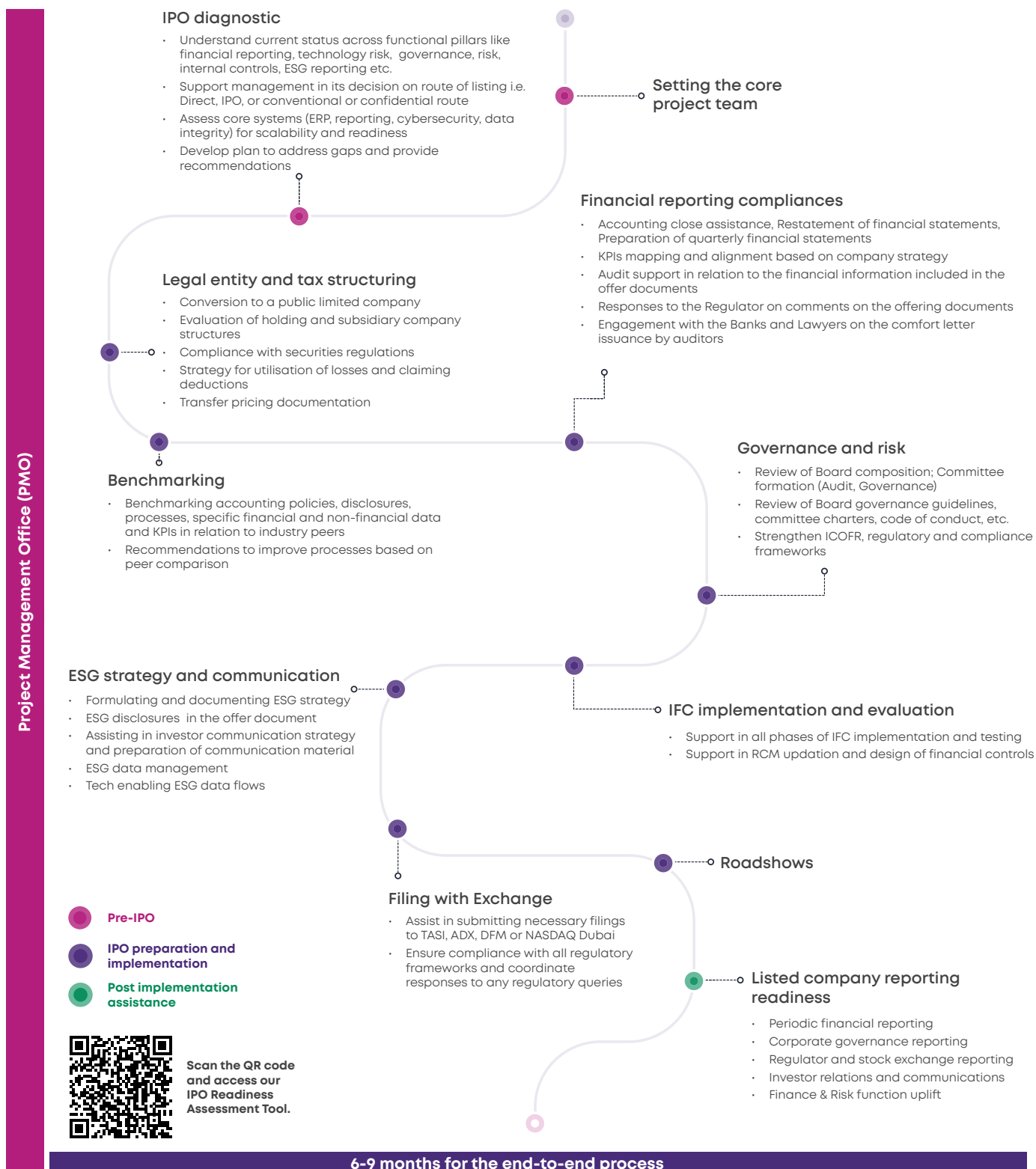
Post-IPO Value Creation

- **Investor Relations:** Build a strong IR function to manage investor expectations and maintain transparent, consistent market communication.
- **Corporate Governance:** Support post-listing governance, board effectiveness, and disclosure compliance to sustain market credibility.
- **Growth Strategy:** Guide effective deployment of IPO proceeds through capital planning, M&A integration, and expansion initiatives.
- **ESG and FP&A Enablement:** Strengthen FP&A and ESG frameworks to meet public company reporting and investor engagement needs.

Our in-depth local knowledge of GCC regulatory environment, combined with our global IPO experience, ensures that your company is not only ready to list but also ready to thrive as a publicly traded entity.

IPO JOURNEY – A SYNOPSIS

IPO journey and how Uniquis can help



Contact our Middle East Capital Markets Leadership Team to discuss your path to a successful public listing.

About Uniquis Consultech:

Uniquis Consultech is a global tech-enabled consulting company that specializes in Accounting & Reporting, Governance, Risk & Compliance, Sustainability & Climate Consulting, and Tech Consulting. The Company is co-founded by consulting veterans Jamil Khatri and Sandip Khetan and backed by marquee investors such as Nexus Venture Partners, Sorin Investments, and UST. Anu Chaudhary, a global sustainability and climate specialist with over 25 years of experience, serves as the Global Head of Sustainability & Climate Consulting.

Uniquis has a global team of 700+ professionals led by 85+ Partners & Directors across eleven offices in the USA, the Middle East, and India. The company serves more than 400 clients, including marquee names in each of the markets it operates in.

Uniquis is committed to leveraging technology and an integrated global delivery model to provide best-in-class consulting services to its clients.

About Our Accounting & Reporting Consulting Services:

In today's dynamic business environment, organizations are continuously required to adapt to the dynamic shifts in accounting & reporting standards and regulations. Enhanced management reporting requirements and accelerated reporting timelines necessitate increased automation within the finance function. Special events, such as preparing for an IPO/capital market transaction or fulfilling the reporting requirements arising from an M&A transaction, introduce additional complexities and challenges for the finance function.

As a result, organizations need to transform their finance functions from time to time with a focus on people, processes, and technology. Our Accounting & Reporting Consulting (ARC) practice is designed to partner with the finance function through these challenges. Our teams function as an extension of your finance teams to execute your plans seamlessly.

We bring the necessary technical expertise, skills, technology, and bandwidth, enabling you to navigate your plans in real time without adding additional manpower costs within the organization.

A Team You Can Trust to Deliver



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