



Derayah Financial Announces Completion of Offering Period for Individual Investors & Final Allotment of Shares



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PRESS RELEASE

DERAYAH FINANCIAL COMPANY ANNOUNCES COMPLETION OF OFFERING PERIOD FOR INDIVIDUAL INVESTORS AND FINAL ALLOTMENT OF SHARES

Riyadh, 27 February 2025G - Derayah Financial Company ("**Derayah**" or the "**Company**" or the "**Issuer**"), the leading independent digital investment platform in Saudi Arabia (the "**Kingdom**" or "**KSA**"), announces today the successful completion of the Retail Investor offering period and the Final Allotment of Shares in relation to its Initial Public Offering (the "**IPO**" or the "**Offering**").

The Retail Investor Offering comprising of a maximum of 4,994,703.9 shares, representing 10% of the total Offering shares, commenced on Thursday, 20/02/2025G and ended on Saturday, 22/02/2025G. The Offering witnessed participation of 586,422 retail subscribers, with a total demand of c. ﷲ 2.3 billion (USD¹ 600 million), indicating a subscription coverage of approximately 15x the offered shares in this tranche.

Retail Investors will receive a minimum of 8 shares each, while the remaining shares will be allocated on a pro-rata basis, based on the size of demand, with an average allocation factor of 0.4299%.

Following the successful completion of the institutional book-building period, the Final Offer Price for the Offering was set at ﷲ 30 per share, implying a market capitalization of c. ﷲ 7.5 billion (c. USD 2.0 billion) at listing. The institutional book-building process ended with a subscription coverage of approximately 162x, with recorded orders of approximately ﷲ 243 billion (USD 64.8 billion).

¹ USD 1 = ﷲ 3.75

Based on the results of the retail subscription process, the shares allocated to Participating Parties will be reduced to 44,952,335 shares, representing 90% of the total Offer Shares, provided that such clawback shall not apply to the Cornerstone Investors and the final allocation to the Cornerstone Investors shall be 4,687,500 Offer Shares. Accordingly, 40,264,835 shares of the Offer Shares will be allocated to the Participating Parties excluding the Offer Shares allocated to the Cornerstone Investors.

For more information, please visit ipo.derayah.com

Background to the Offering

- The Final Offer Price of the Offering has been set at ﷲ 30 per share, implying a market capitalization at listing of c. ﷲ 7.5 billion (c. USD 2.0 billion).
- The total size of the offering is c. ﷲ 1.5 billion (c. USD 400 million).
- The Offer Shares will be listed and traded on the Main Market of the Saudi Exchange following the completion of the IPO and listing formalities with the Capital Market Authority ("CMA") and the Saudi Exchange, with the date to be announced at a later stage.
- The Selling Shareholders collectively own the majority of the Company's Shares prior to the Offering. Following completion of the Offering, the Selling Shareholders will collectively own 80% of the Company's share capital.
- The net proceeds of the Offering will be distributed to the Selling Shareholders in proportion to their respective ownership of the Offer Shares. The Company will not receive any part of the Offering Proceeds.
- After listing, at least 60% of the Company's shares shall be subject to a lock-up period of 24 months from the date of the start of trading of the Company's shares on the main market. All shareholders holding 3% or more of the Company's share capital, as well as directors and senior executives who hold shares in the Company will be subject to this lock-up period (as described in the published Prospectus). New shareholders will not be subject to the lock-up period.
- With respect to the Offering, the Company has appointed HSBC Saudi Arabia as sole financial advisor, bookrunner, global coordinator, lead manager and underwriter.

Enquiries

Sole Financial Advisor, Bookrunner, Global Coordinator, Lead Manager and Underwriter

HSBC Saudi Arabia

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The Offering and the distribution of this announcement and other information in connection with the Offering may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes must inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America.

This announcement is not an offer for sale of securities of the Company, directly or indirectly, in or into the United States. The Offer Shares may not be offered or sold in the United States unless registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or offered in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. The Company has not registered and does not intend to register any portion of the Offer Shares under the Securities Act or the laws of any state in the United States or to conduct a public offering of any securities in the United States. Copies of this announcement are not being, and may not be, distributed, forwarded or otherwise sent, directly or indirectly, in or into the United States.

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy, the Offer Shares referred to herein to any person in the United States, Australia, Canada, South Africa or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The offer and sale of the Offer Shares has not been and will not be registered under the applicable securities laws of Australia, Canada, South Africa or Japan. Subject to certain exceptions, the Offer Shares may not be offered or sold in Australia, Canada, South Africa or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, South Africa or Japan. There will be no public offer of the Offer Shares in the United States, Australia, Canada, South Africa or Japan.

In the European Economic Area (the "**EEA**"), this communication is only addressed to and directed at persons in member states of the EEA who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (as amended) ("**Qualified Investors**"). In the United Kingdom, this communication is only addressed to and directed at persons who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (as amended), which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, who are also: (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) are other persons to whom it may otherwise lawfully be communicated (all such persons referred to in (i), (ii) and (iii) together being "**Relevant Persons**"). This communication must not be acted or relied on (i) in the United Kingdom, by persons who are not Relevant Persons and (ii) in any member state of the EEA by persons who are not Qualified Investors. Any investment activity to which this communication relates (i) in the United Kingdom is available only to, and may be engaged in only with, Relevant Persons; and (ii) in any member state of the EEA is available only to, and may be engaged only with, Qualified Investors.

This announcement is being distributed subject to the provisions of the Rules on the Offer of Securities and Continuing Obligations ("**OSCO Rules**") issued by the CMA, and should not result in any binding undertakings to acquire shares or subscribe in the Offering. This announcement is for information purposes only and under no circumstances shall constitute an offer or invitation, or form the basis for a decision, to invest in any securities of the Company. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors may only subscribe in the Offer Shares on the basis of the CMA approved Arabic language prospectus issued and published by the Company (the "**Prospectus**"). The information in this announcement is subject to change. In accordance with Article 31(d) of the OSCO Rules, copies of the Prospectus will be available on the websites of the Company at ipo.derayah.com, Tadawul at www.saudiexchange.sa, the CMA at www.cma.org.sa and the Financial Advisor at www.hsbcsaudi.com.

This announcement is not an offer document for the purposes of the OSCO Rules and should not be construed as such. The CMA and the Saudi Exchange do not take any responsibility for the contents of this announcement, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this announcement.

This announcement may include statements that are, or may be deemed to be, "**forward-looking statements**". These

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There is no guarantee that the Offering will occur and you should not base your investment decisions on the Company's intentions in relation to the Offering. This announcement does not constitute a recommendation concerning the Offering nor any declaration or undertaking by any means. Acquiring Offer Shares to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested.

Persons considering investment should consult an investment advisor or an authorized person specializing in advising on such investments.

The Financial Advisor is acting exclusively for the Company and no-one else in connection with the Offering. They will not regard any other person as their respective client, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, arrangement or other matter referred to herein. The Financial Advisor is acting exclusively for the Company and no-one else in connection with the Offering and it will not regard any other person as its client, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, arrangement or other matter referred to herein.

The contents of this announcement have been prepared by and are the sole responsibility of the Company. Neither the Financial Advisor nor any of its affiliates, directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offering, the Financial Advisor and any of its affiliates, may take up a portion of the Offer Shares in connection with the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such Offer Shares and other securities of the Company or related investments in connection with the Offering or otherwise.

References in the Prospectus, once published, to the Company's shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Financial Advisor and any of its affiliates acting in such capacity. In addition, the Financial Advisor and any of its affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Financial Advisor and any of its affiliates may from time to time, acquire, hold or dispose of securities. The Financial Advisors do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.