

**\*\*NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, CANADA, JAPAN, AUSTRALIA, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH DISTRIBUTION IS UNLAWFUL\*\***

This announcement is not an advertisement and not a prospectus and not an offer of securities for sale or subscription in any jurisdiction, including in or into the United States, Canada, Japan, Australia or South Africa.

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. Any offer to acquire shares pursuant to the proposed offering will be made, and any investor should make his investment decision solely on the basis of the information that is contained in the formal offering documents to be published by Nayifat Finance Company in due course in connection with the listing and trading of its ordinary shares on the Saudi Exchange.

## **Press Release**

# **Nayifat Finance Company announces the IPO Final Offer Price**

**Riyadh, 2 November 2021** – Nayifat Finance Company (“**Nayifat**” or “**NFC**” or the “**Company**”), one of the leading nonbank financial institutions (NBFIs) within the consumer financing space in Saudi Arabia, along with HSBC Saudi Arabia, as the financial advisor, today announces the successful completion of its book-building process and the pricing and final offer price for its Initial Public Offering (the “**IPO**” or the “**Offering**”) on the Saudi Exchange main market.

The final offer price (the “**Final Offer Price**”) for the Offering has been set at SAR 34 per Share, implying a market capitalization on admission of SAR 3,400 million (USD 907 million).

The book-building process generated an order book of SAR 162 billion, and was 136x oversubscribed.

**Abdulmohsen Al Sowailem, Managing Director and Chief Executive Officer of NFC, said:** “This latest milestone in our growth journey serves as testament to our unique value proposition in the Kingdom, as we continue to deliver unparalleled financial and operational results. I am delighted to witness the strong demand and positive outcome for NFC’s shares by institutional investors, and look forward to the exciting opportunities ahead, as we continue to embark on our next chapter of growth by welcoming a wider and more diverse institutional and retail shareholder base.”

The retail subscription period is scheduled to commence on Sunday, 7 November 2021 and ends on Monday, 8 November 2021.

On 29 September, the Capital Market Authority (“**CMA**”) approved the Company’s application for an initial public offering of 35,000,000 Shares (“**Offer Shares**”), representing 35% of NFC’s share capital, by way of sale of existing Shares on a pro-rata basis by all shareholders of the Company.

## **Offering Details:**

- The Final Offer Price for the Offering has been set at SAR 34 per share, implying a market capitalization at listing of SAR 3,400 million

- The total Offering size is SAR 1,190 million (USD 317 million)
- The Offering is comprised of 35,000,000 existing shares to be sold by the current shareholders
- 100% of the Offer Shares have been provisionally allocated to institutional investors that participated in the book building process (“**Institutional Investors**”); however, this may be reduced to thirty-one million, five hundred thousand (31,500,000) Offer Shares, representing 90% of the total Offer Shares depending on the level of demand by individual investors (as defined below). The final number of Offer Shares allocated to the Institutional Investors will be adjusted accordingly based on subscription from Individual Investors (as detailed below).
- Immediately following listing, the Company is expected to have a free float of 35% of the Shares
- With respect to the Offering, the Company appointed HSBC Saudi Arabia to act as Financial Advisor, Lead Bookrunner, Lead Underwriter and Lead Manager. The Company also appointed Saudi Fransi Capital and GIB Capital as Joint Bookrunners and Co-underwriters (HSBC Saudi Arabia, Saudi Fransi Capital and GIB Capital are referred to together as (“**Bookrunners**”))
- The Saudi British Bank (SABB), Saudi National Bank (SNB), Riyad Bank and Al Rajhi Bank have been appointed as receiving agents (collectively, the “**Receiving Agents**”) for the individual investors tranche
- Individual Investors will be able to subscribe for shares in the retail offering between Sunday, 7th November 2021 and Monday, 8th November 2021 at the Final Offer Price of SAR 34 per Offer Share through the Receiving Agents

**Key offering dates:**

Transaction milestone	Date
Subscription Period for Individual Investors	7 November 2021 – 8 November 2021
Announcement of Final Offer Shares Allotment	On or before 13 November 2021
Refund of Excess Subscription Amounts (if any)	On or before 15 November 2021
Expected Start Date of Trading on the Saudi Exchange	Trading of the Company's Shares in the Saudi Exchange is expected to commence after relevant regulatory requirements are satisfied. Trading will be announced through the Saudi Exchange website ( <a href="http://www.saudiexchange.sa">www.saudiexchange.sa</a> ).

For more information on the prospectus, please visit the Capital Market Authority website [www.cma.org.sa](http://www.cma.org.sa), and NFC’s website: <https://ipos.nayifat.com/>

**-ENDS-**

**About NFC**

RESTRICTED

NFC is a pioneer and one of the leading players in the NBFI space focused on serving the financing needs of individuals in the Kingdom. NFC is poised to capitalize on growth avenues supported by a comprehensive product suite, strong distribution network, robust risk management framework and a flagship brand. The Company has demonstrated a proven track record of growth and agility to navigate market conditions and adapt its strategies to the needs of the evolving consumer finance market in Saudi Arabia.

NFC was established in 2002 with a share capital of SAR 10 million and today operates with a share capital of SAR 1 billion. It was the first NBFI to be licensed by the Saudi Central Bank in 2014, and has been one of the leading players in the consumer finance market with a market share of 18% as of Q1 2021<sup>1</sup>. It has a comprehensive portfolio comprising more than 44K customers.

The Company offers customers 100% Sharia compliant products and services including consumer finance, credit cards, SME financing and FinTech lending. NFC leverages on minimal competition on pricing and deep distribution network covering 23 cities, with 392 employees across 27 branches in the Kingdom.

## Contact details

Company name	Contact	Email	Role
<b>HSBC Saudi Arabia</b>	Mohammed Fannouch Faizan Baig Assad Aldandash	<a href="mailto:NayifatIPO@hsbcsa.com">NayifatIPO@hsbcsa.com</a>	<ul style="list-style-type: none"> <li>• Financial Advisor</li> <li>• Lead Bookrunner</li> <li>• Lead Manager</li> <li>• Lead Underwriter</li> </ul>
<b>Saudi Fransi Capital</b>	Mohammed Almadhi Sultan Aljasir Khalid Alrashed	<a href="mailto:Nayifat.IPO@FransiCapital.com.sa">Nayifat.IPO@FransiCapital.com.sa</a>	<ul style="list-style-type: none"> <li>• Joint Bookrunners</li> <li>• Co-underwriters</li> </ul>
<b>GIB Capital</b>	Sami Arwadi Faiz Jalal Mansour Alammari	<a href="mailto:NayifatIPO@GIBCapital.com">NayifatIPO@GIBCapital.com</a>	
<b>Finsbury Glover Hering</b>	Ahmed Jebur	<a href="mailto:Ahmed.Jebur@finsbury.com">Ahmed.Jebur@finsbury.com</a>	Communications Advisor (media inquiries)

## Disclaimer

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose of the information contained in this announcement or its accuracy, fairness or completeness. The information in this announcement is subject to change. Neither the Company nor the Bookrunners or their respective affiliates undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company or the Bookrunners to proceed

<sup>1</sup> Calculated on gross loans (net of unearned finance income) basis. Based on SAMA Monthly Bulletin "Personal Finance" preliminary Q1 2021 market size

with the Offering or any transaction or arrangement referred to therein. The contents of this announcement are not to be construed as legal, financial or tax advice.

The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein come should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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 on 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 a 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 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.

This announcement is only addressed to and directed at (a) persons in member states of the European Economic Area who are “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation EU**”); (b) persons in the United Kingdom who are “qualified investors” within the meaning of Article 2 of Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the European Union Withdrawal Act 2018 (“**UK Prospectus Regulation**”) who are: (i) “investment professionals” as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Order**”); or (ii) entities falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order; and (c) persons to whom it can otherwise lawfully be distributed (all such persons together being referred to as “Relevant Persons”). This communication and any investment activity to which it relates will only be engaged in with Relevant Persons and it should not be acted upon or relied on by anyone other than a Relevant Person.

This announcement is being distributed in accordance with paragraph (c) of Part 4 and Part 6 of the Instructions for Book Building Process and Allocation in Initial Public Offering issued by the CMA. This announcement is for information purposes only and under no circumstances shall constitute an offer or invitation, of 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 (the “Domestic Prospectus”). The information in this announcement is subject to change. In accordance with Article 34 of the OSCO Rules, copies of the Domestic Prospectus are available on the websites of the Company at [www.nayifat.com](http://www.nayifat.com), the Saudi Exchange at [www.saudiexchange.sa](http://www.saudiexchange.sa), the CMA at [www.cma.org.sa](http://www.cma.org.sa) and the Financial Advisor.

This announcement is not an offer document for the purposes of the Rules 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.

The international offering circular prepared in connection with the Offering (the “**International Offering Circular**”) is the sole legally binding document containing information about the Company and the Offering outside of Saudi Arabia. In the event of any discrepancy between this announcement and the Domestic Prospectus and/or the International Offering Circular, as the case may be, the Domestic Prospectus and/or the International Offering Circular will prevail.

This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “aim”, “anticipate”, “believe”, “can”, “consider”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “ought to”, “potential”, “plan”, “projection”, “seek”, “should”, “will”, “would”, or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth or strategies. Many factors could cause the actual results to differ materially from those expressed or implied by any such forward-looking statements, including, among other things, risks specifically related to the Company and its operations, the development of global economic and industry conditions, and the impact of economic, political and social developments in Saudi Arabia. These factors will be described in more detail in the Domestic Prospectus and the International Offering Circular. Forward-looking statements speak only as of the date they are made. Each of the Company, the Bookrunners and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

There is no guarantee that the Offering will occur and you should not base your financial decisions on the Company’s intentions in relation to the Offering at this stage. This announcement does not constitute a recommendation concerning the Offering. Acquiring Offer Shares to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering an

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

The Bookrunners are acting exclusively for the Company and no-one else in connection with the Offering. They will not regard any other person as their respective clients 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, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

The contents of this announcement have been prepared by and are the sole responsibility of the Company. None of the Bookrunners or any of their affiliates or respective 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, each of the Bookrunners and any of their 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. Accordingly, references in the Domestic Prospectus or the International Offering Circular 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 Bookrunners and any of their affiliates acting in such capacity. In addition, the Bookrunners and any of their affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Bookrunners and any of their affiliates may from time to time acquire, hold or dispose of securities. None of the Bookrunners intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.