



الشركة المتحدة الدولية القابضة
UNITED INTERNATIONAL HOLDING

Announcement of the IPO price range & commencement of the institutional book building



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Press Release

UNITED INTERNATIONAL HOLDING COMPANY ANNOUNCES THE PRICE RANGE AND THE COMMENCEMENT OF INSTITUTIONAL BOOK BUILDING

AL KHOBAR – 28 October, 2024 – United International Holding Company ("**UIHC**" or the "**Company**" or the "**Issuer**"), the parent company of United Company for Financial Services ("**Tas'heel**") and Procco Financial Services W.L.L. ("**Procco**") (to be referred to, together with its subsidiaries as the "**Group**"), one of the largest providers of Sharia-compliant consumer finance services in the Kingdom of Saudi Arabia (the "**Kingdom**"), today announces the price range for its initial public offering ("**IPO**" or the "**Offering**"), as well as commencement of the institutional book-building period for Participating Parties.

The price range for the Offering has been set between **SAR 120 – 132 per share** (the "**Price Range**") which translates to an offering size between SAR 900 million and SAR 990 million, implying an equity value between SAR 3,000 million and SAR 3,300 million. The institutional book-building period will commence on 28 October 2024 and end on 5:00PM KSA time on 04 November 2024. The final price of the Offer Shares will be determined at the end of the book-building process.

The Offering proceeds after deducting IPO-related expenses will be distributed to United Electronics Co. ("**eXtra**"), the Selling Shareholder (the "**Selling Shareholder**" or "**Substantial Shareholder**") in proportion to the number of Offer Shares to be sold by it in the Offering. The Company will not receive any portion of the Offering proceeds.

On 24 October 2024, the Selling Shareholder and UIHC entered into a binding undertaking with each of Zamil Group Investment Company, A.K. Al Muhaidib & Sons Company and The Company for Cooperative Insurance (Tawuniya) (together referred to as the "**Cornerstone Investors**"), through which each of the Cornerstone Investors have committed to subscribe for 390,625 shares at the IPO price (representing approximately 1.6% of the Company's share capital and 5.2% of the IPO); the Cornerstone Investors have collectively committed to subscribe to 1,171,875 shares at the IPO price (representing approximately 4.7% of the Company's share capital and 15.6% of the IPO).

BACKGROUND TO THE OFFERING

- On 26th June 2024, the Capital Market Authority ("**CMA**") approved the Company's application for registering its share capital and offering 7,500,000 ordinary shares of the

Company's total capital (the "**Offer Shares**" and each as an "**Offer Share**"). The Offer Shares represent 30% of the Company's issued share capital upon completion of the Offering.

- The Company has appointed HSBC Saudi Arabia as its sole financial advisor (the "**Financial Advisor**"), lead manager (the "**Lead Manager**"), joint-bookrunner (the "**Bookrunner**") and joint-underwriter (the "**Underwriter**") in connection with the Offering of the Offer Shares.
- The Company has also appointed EFG Hermes KSA as a joint-bookrunner (the "**Bookrunner**") and joint-underwriter (the "**Underwriter**").
- The CMA and Saudi Exchange approvals have been obtained for the offering and listing as outlined below:
 - The Company is to register its shares and offer 7,500,000 ordinary shares representing 30% of the Company's issued share capital of 25,000,000 shares by way of a sale by the Selling Shareholder.
 - The Shares will be listed on the Main Market of the Saudi Exchange following the completion of the Offering and listing formalities with the CMA and Saudi Exchange.
 - The Substantial Shareholder is subject to a lock-up period of six (6) months as of the date of commencement of trading of the Company's Shares on the Saudi Exchange. During such period, the Substantial Shareholder may not dispose of their shares (including the 1% of shares eXtra Bahrain directly owns in the Company).
- Individual Investors wishing to subscribe to the Offer Shares must submit their subscription requests electronically through the websites and platforms of the Receiving Agents that provide this service to subscribers, or through any other means provided by the Receiving Agents through which the Individual Investors will be able to subscribe to the Company's shares during the Offering Period.

Subscription to the Offer Shares shall be limited to two tranches of investors as follows:







- **Tranche (A) - Participating Parties:** This tranche comprises the parties entitled to participate in the book building process in accordance with the Book Building Instructions issued by the CMA, including investment funds, qualified foreign companies and institutions, corporate GCC investors and other foreign investors under swap agreements including the Cornerstone Investors tranche which represents an aggregate of 1,171,875 share representing 15.6% of the offering shares for the Cornerstone Investors tranche which will be allocated to each of Zamil Group Investment Company, A.K. Al Muhaidib & Sons Company and The Company for Cooperative Insurance (Tawuniya) in which each of the Cornerstone Investors has committed to subscribing to 390,625 shares each, representing a total of 5.21% of the total Offer Shares. The number of Offer Shares to be allocated to Participating Parties during the book building process is seven million five hundred thousand 7,500,000 ordinary Offer Shares, representing 100% of the total Offer Shares. If there is sufficient demand from Individual Investors, the Financial Advisor shall have the right, in consultation with the Company, to reduce the number of Offer Shares allocated to Participating Parties to a minimum of six million seven hundred and fifty thousand 6,750,000 Shares, representing 90% of the Offer Shares, provided that such claw-back does not apply to Cornerstone Investors and the final allocation to the Cornerstone Investor being 1,171,875 shares in all cases. Accordingly, 5,578,125 Offer Shares will be allocated to the Participating Parties other than the Offer Shares allocated to the Cornerstone Investors and Individual Investors. The number and percentage of the Offer Shares to be allocated to Participating Parties will be determined as deemed appropriate by the Financial Advisor in coordination with the Issuer.

- Tranche (B) Individual Investors:** This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi husband, who is entitled to subscribe in her name or in the names of her minor children for her own benefit, provided that she submits proof that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom and GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with one of the Capital Market Institutions. Subscription to the Offer Shares by an Individual Investor in the name of their divorcee shall be deemed invalid. If an Individual Investor is proven to have carried out a transaction of this nature, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be considered. A maximum of seven hundred and fifty thousand 750,000 ordinary Offer Shares, representing 10% of the total Offer Shares, will be allocated to Individual Investors. In the event that Individual Investors do not subscribe for all the Offer Shares allocated thereto, the Financial Advisor and the Lead Manager shall have the right to reduce the number of Shares allocated to Individual Investors in proportion to the number of Shares to which they subscribed.

Contact Details

For further information, please contact:

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Receiving entities	
	Al Rajhi Financial Company (Al Rajhi Capital)
	SNB Capital
	Saudi Fransi Capital (BSF Capital)
	Riyad Capital
	Albilad Investment Company (Albilad Capital)
	Aljazira Capital

	Alistithmar Capital Company
	Derayah Financial Company
	Alinma Investment
	Anb Capital Company
	Yaqeen Capital Company (Yaqeen Capital)
	Alkhabeer Financial Company
	Al Awal Investment Company (SAB Invest)
	Sahm Capital Financial Company

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This announcement is not an offer for sale of securities, directly or indirectly, in or into the United States, Canada, Japan, Australia or South Africa, or in any jurisdiction in which such offer is unlawful. Copies of this announcement are not being made and may not be distributed or sent, directly or indirectly, into the United States, Canada, Japan, Australia or South Africa, or any other jurisdiction in which offers or sales would be prohibited by applicable law. The Offer Shares have not been, and will not be, registered under the Securities Act or any applicable securities laws of any state, province, territory, county or jurisdiction of the United States, Canada, Japan, Australia or South Africa. Accordingly, unless an exemption under relevant securities laws is applicable, the Offer Shares may not be offered, sold, resold, taken

up, exercised, renounced, transferred, delivered or distributed, directly or indirectly, in or into the United States, Canada, Japan, Australia or South Africa, or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration of the Offer Shares in, such jurisdiction. Subject to certain exceptions, the Offer Shares may not be offered or sold to, or for the account or benefit of, any national, resident or citizen of Canada, Japan, Australia or South Africa. There will be no public offer of the Offer Shares in the United States, Canada, Japan, Australia or South Africa.

In any member state of the European Economic Area (“**EEA**”), this announcement is addressed only to and directed only at persons 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 announcement is being distributed only to and is directed only at persons who are “qualified investors” within the meaning of assimilated Article 2(e) of Regulation (EU) 2017/1129 as it forms part of the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, who are also (a) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”); (b) high net worth entities described in Article 49(2) (a) to (d) of the Order; or (c) other persons to whom they may lawfully be communicated (all such persons in (a) to (c) together being referred to as “**Relevant Persons**”).

Any investment or investment activity to which this announcement relates will only be available to and may only be engaged in with (i) Qualified Investors in any member state of the EEA and (ii) Relevant Persons in the United Kingdom. Persons who are not (i) Qualified Investors in member states of the EEA or (ii) Relevant Persons in the United Kingdom should not act or rely on this announcement or any of its contents.

This announcement is being distributed in accordance with Article 33(g) 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 it 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 in Saudi Arabia may subscribe in the Offer Shares only on the basis of the CMA-approved Arabic language prospectus to be issued and published by the Company in due course (the “**Domestic Prospectus**”). The information in this announcement is subject to change. In accordance with Article 34(d) of the OSCO Rules, copies of the Domestic Prospectus will, following publication, be available on the websites of the Company at www.unitedholding.com.sa, the Saudi Exchange at www.tadawul.com.sa, the CMA at www.cma.org.sa and each of the Bookrunners. 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.

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” with respect to the Company’s financial position, results of operations and business and certain of the Company’s plans, intentions, expectations, assumptions, goals and beliefs. These statements include all matters that are not historical fact and generally, but not always, may be identified by the use of words such as “believes”, “expects”, “are expected to”, “anticipates”, “intends”, “estimates”, “should”, “will”, “shall”, “may”, “is likely to”, “plans” or similar expressions, including variations and the negatives thereof or comparable terminology. 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. Forward-looking statements speak only as of the date they are made. The Company expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements 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 may expose an investor to a significant risk of losing the entire amount invested. Persons considering investment should consult an investment advisor or an authorised person specialising in advising on such investments. The Bookrunners are acting exclusively for the Company and the Selling Shareholder 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 and the Selling Shareholder 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 their 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, once published, to the Company’s shares being offered, subscribed, acquired, placed or otherwise dealt in should be read as including any 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.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the International Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Requirements**”) and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK MiFIR Product Governance Requirements and/or any equivalent requirements elsewhere to the extent determined to be applicable) may otherwise have with respect thereto, the Offer Shares to be issued in the International Offering have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in paragraphs 3.5 and 3.6 of the FCA Handbook Conduct of Business Sourcebook and (ii) eligible for distribution through all permitted distribution channels (the “**UK Target Market Assessment**”). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares to be issued in the International Offering offer no guaranteed income and no capital protection; and an investment

in the Offer Shares to be issued in the International Offering is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the International Offering. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.