



Announcement

ANNOUNCEMENT OF INTENTION TO FLOAT ON THE SAUDI EXCHANGE'S MAIN MARKET



U M M A L Q U R A

ummalqura.com.sa

****NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO ANY JURISDICTION WHERE SUCH DISTRIBUTION IS UNLAWFUL****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.

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 Umm Al Qura for Development and Construction in due course in connection with the listing and trading of its ordinary shares on the Saudi Exchange.

Press Release

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION ANNOUNCES ITS INTENTION TO FLOAT ON THE SAUDI EXCHANGE'S MAIN MARKET

MAKKAH, Saudi Arabia – February 2, 2025 – Umm Al Qura for Development and Construction (“**Umm Al Qura**”, the “**Company**” or the “**Issuer**”), the owner, developer and operator of MASAR Destination (“**the Project**” or “**MASAR**”) – one of the largest redevelopment projects in Makkah, today announces its intention to proceed with an initial public offering (the “**IPO**” or “**Offering**”) and the listing of its ordinary shares (the “**Shares**”) on the Saudi Exchange’s Main Market.

On December 24, 2024G, the Capital Market Authority (the “**CMA**”) announced its approval of the Company’s application for the registration of its share capital and the offering of 130,786,142 Shares (the “**Offer Shares**”, and each an “**Offer Share**”), representing 9.09% of the Company’s shares post capital increase, by way of the issuance of 130,786,142 new shares through a capital increase. The Company also received the Saudi Exchange’s conditional approval on December 08, 2024G to list on the Main Market of the Saudi Exchange (“**Tadawul**”).

The net proceeds of the Offering will be utilized to fund costs associated with land settlements, infrastructure, activation of the MASAR destination and project financing expenditures; in addition to other general corporate expenditures, such as those relating to sales, marketing, administrative, operating and financing.

Company overview

- The Company was established in 2012G pursuant to the high order to undertake the development of King Abdulaziz Road in Makkah which originally contained 6 unplanned settlements neighbourhoods; the project site area is known as MASAR Destination. Its current majority shareholders comprise state-owned entities and Saudi private sector including the Public Investment Fund of Saudi Arabia (“**PIF**”), the General Organization for Social Insurance (“**GOSI**”) and Dallah Al-Baraka Holding.
- MASAR is one of the largest redevelopment projects in the region, located directly on Makkah's western border. It stretches for more than 3.5km from the 3rd Ring Road intersection with Prince Mohammed bin Salman bin Abdulaziz Road (formerly known as Umm Alqura Road) to 550 meters away from Al Haram’s King Fahad Gate.
- Makkah has some of the most valuable real estate in the world, with sustained demand for years to come. MASAR has been designed to provide solutions to meet the future needs of Makkah, including infrastructure, mobility, residential and hospitality requirements.
- MASAR consists of 205 investment plots, with a total area of approximately 641 thousand square meters and a total Gross Floor Area (“**GFA**”) of 5.7 million square meters, comprising various uses, which the Company seeks to transform into a global multi-use destination to serve the residents and visitors of Makkah.
 - Serviced apartments represent 31.6% of the total GFA, consisting of approximately 18,000 keys and a total GFA of 1.8 million square meters that will be distributed across the length of the project.
 - Hotels represent 31.1% of the total floor area, consisting of approximately 23,000 keys and a total GFA of 1.8 million square meters.
 - Residential units represent 29.3% of the total gross floor area, consisting of 9,000 units to be developed and sold.

- Retail elements constitute 5.7% of the total GFA, consisting of 330,000 square meters (216,000 square meters of leasable area). This includes a shopping mall on the western side of the project, in addition to two retail centres on the Eastern side. Outlets, stores, and stalls will also be distributed along the pedestrian walkway.
 - MASAR also includes various other elements such as a hospital, a large mosque at the centre of the site, office spaces and other complementary services.
- Upon completion of the project, MASAR Destination is expected to comprise more than 50,000 hospitality and residential units. The total estimated development value is approximately SAR 100 billion.

The Company in numbers

- 61 out of 205 investment plots representing 30% of the project's total investment plots have been entered into agreements for either land sale, land lease, self-development or developments via partnerships as of 16 January 2025G, with a pipeline of deals under discussion.
- 99.77% of the key infrastructure work has been completed as of November 2024G.
- The Company has a strong share capital of more than SAR 13.1 billion as of 30 June 2024G , which was raised through several rounds, in addition to bank facilities of more than SAR 14 billion, of which approximately SAR 9.8 billion have been utilized as of 30 June 2024G.
- The Company has over 100 employees, with a Saudization rate exceeding 60%.

Abdullah Saleh Kamel, Chairman of Umm Al Qura commented on the occasion, *"Today marks a significant milestone as we announce our intention to list on the Saudi Exchange's Main Market. I am deeply grateful to our wise leadership for their efforts in supporting the development of Makkah in alignment with Vision 2030's goals to accommodate the growing number of pilgrims and visitors. Our IPO offers institutional and retail investors a highly compelling opportunity to invest in the development of MASAR, a landmark project in the Kingdom. As we look to the future, our listing will be a key step in executing our strategy to maximize shareholder value."*

Yasser Abdulaziz Abu Ateek, CEO of Umm Al Qura said: *"Umm Al Qura was established to enhance the urban and investment landscape of Makkah through MASAR. As we prepare to list on the Saudi Exchange, we are ready to begin a new era of accelerated growth, delivering against the ambitions of Vision 2030 to transform the residents and visitor experience in Makkah. Our IPO is a vote of confidence in our track record of growth to date, as well as our commitment to building state of the art urban destinations that create unparalleled experiences."*

For more information, visit: ipo.ummalqura.com.sa/en and www.ummalqura.com.sa.

KEY INVESTMENT HIGHLIGHTS

1. Located in Makkah, one of the most attractive destinations, throughout the year, with sustained demand as the permanent capital of the Muslim world

- Makkah is the permanent holy destination for more than two billion Muslims worldwide, and its economy is largely dependent on Islamic religious tourism along with Hajj and Umrah pilgrimages.
- Makkah is expected to witness continuous expansion and development as a result of the expected significant growth in the number of Hajj and Umrah pilgrims in the coming years. The Kingdom's Vision 2030 targets 30 million Umrah pilgrims in 2030G and seeks to develop the tourism sector and transform the Kingdom into a global tourist destination, as well as enhance the residents and visitor experience.
- Hajj and Umrah seasons are among the key elements of the tourism sector in the Kingdom, with the total number of visitors to Makkah expected to reach more than 42 million by 2030G, representing a significant increase of 2.6x compared to the actual figures recorded in 2019G.

2. Low-risked business model uniquely positioned for the Makkah market

- Poised to be Makkah's gateway location, addressing the city's mobility and infrastructure challenges, MASAR as a holistic destination offers unique experiences and an unparalleled breadth of offerings.

- MASAR serves as the ideal investment platform for Makkah, allowing the Company to avoid the challenges of self-developing large projects. The Company has ensured low-risk execution through diverse development strategies and asset types within a unified system, with phased revenue streams to enable the reinvestment of capital.
- 3. Strong financial position with low leverage enabling a resilient business model**
- A strong financial position with low leverage enabling a resilient business model, well-planned to cover debt and financial obligations with a built-in operational cushion to minimize execution risk.
 - As of 30 June 2024G, the Company has a strong cash position of SAR 914.8 million and total assets of SAR 24.6 billion, in addition to an acceptable debt-to-equity ratio.
- 4. Distinguished management team with experience across multiple functions**
- Umm Al Qura's leadership have around 100 years of collective experience and comprise prominent figures in the real estate sector in the region, with special connections and experience in Makkah.
 - The management team's capabilities were validated through a disciplined execution strategy and the ability to gain the trust of the largest developers in Saudi Arabia. They are strongly committed to the project and believe in MASAR's success.
- 5. Prominent and committed shareholder base**
- Umm Al Qura benefits from its strong shareholder base comprising of a unique mix of public and private shareholders including prominent and committed government institutions such as GOSI and PIF.
 - 60.8% of the company's capital pre-IPO comprises government institutions, the remaining 39.2% consists of other private institutions and individuals.
 - Most of the shareholders have invested in cash, and only a relatively small portion consisting of original owners, have been compensated for their lands through an exchange of shares; out of the total capital of almost SAR 13 billion, only SAR 2.9 billion represents in-kind contributions.

HIGHLIGHTS OF THE OFFERING

- The CMA and Saudi Exchange approvals have been obtained for the Offering and listing as outlined below.
- The Company's substantial shareholders and shareholders acting in concert will be subject to a lock-up period of 6 months, which will begin from commencement of trading of the shares on the Saudi Exchange.
- The 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 CMA and the Saudi Exchange.
- The final price of the Offer Shares will be determined following completion of the book-building process, and prior to commencement of the subscription period for Individual Investors.
- The Offering shall be restricted to the two following groups of investors:
 - Tranche (A): Participating Parties: This tranche comprises investors eligible to participate in the book building process in accordance with the Instructions for Book Building Process and Allocation Method in Initial Public Offerings, as issued by the Capital Market Authority, including investment funds, companies. These parties include investment funds, qualified foreign companies and institutions, GCC corporate investors and other foreign investors under swap agreements (said investors shall be collectively referred to as the "**Participating Parties**" and each as a "**Participating Party**"). The number of Offer Shares to be provisionally allocated to the Participating Parties effectively participating in the book building process is 130,786,142 Offer Shares, representing 100% of the Offer Shares. In the event there is sufficient demand by Individual Investors (as

defined under Tranche (B) below), the Lead Manager, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Parties to a minimum of **117,707,528** Offer Shares, representing 90% of the Offer Shares. Final allocation of the Offer Shares to the Participating Parties will be made through the Joint Financial Advisors following subscription by Individual Investors, as the Joint Financial Advisors deem appropriate in coordination with the Issuer, using the discretionary share allocation mechanism.

- Tranche (B): Individual Investors: This tranche includes Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe for her own benefit in the names of her minor children, provided that she proves 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, or 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 a Capital Market Institution (collectively, the "**Individual Investors**", and each an "**Individual Investor**"). A maximum of 13,078,614 Offer Shares, representing 10% of the Offer Shares, shall be allocated to Individual Investors. In the event that the Individual Investors do not subscribe in full for the Offer Shares allocated to them, the Joint Financial Advisors may reduce the number of Offer Shares allocated to Individual Investors in proportion to the number of Offer Shares subscribed for thereby.
- The Law of Real Estate Ownership and Investment by Non-Saudis promulgated by Royal Decree No. M/15 dated 17/04/1421H (corresponding to 19/07/2000G) (hereinafter referred to as the "**Law of Real Estate Ownership and Investment by Non-Saudis**") prohibits non-Saudi from acquiring ownership, easement or usufruct over real property located within the boundaries of the cities of Makkah and Madinah. This includes natural persons who are not nationals of Saudi Arabia, non-Saudi companies and Saudi companies that he establishes, participates in establishing, or owns shares in, any natural or legal person who does not hold Saudi nationality with some limited exceptions. However, under the special controls excluding the companies listed in the Saudi Stock Exchange, the phrase (non-Saudi) has the meaning as per the The Law of Real Estate Ownership and Investment by Non-Saudis issued by the Authority on 27/07/1446H (corresponding to 27/01/2025G). It allows foreigners to invest in Saudi companies listed in the Saudi Stock Exchange that own properties within the boundaries of the cities of Makkah and Madinah , provided that: (i) the foreign strategic investor does not own shares in the Listed Company and (ii) at all times does not exceed 49% of the shares of the Listed Company, which are not jointly owned by persons of natural and legal capacity. Accordingly, the foreign strategic investor is excluded from the investors targeted for the Offering, and the ownership of natural and legal persons who do not collectively hold Saudi citizenship shall not exceed 49% of the Company's shares at all times.
- The Company has appointed Albilad Capital, GIB Capital and AlRajhi Capital as Joint Financial Advisors ("**JFAs**").
- Albilad Capital, GIB Capital, AlRajhi Capital and Alinma Investment have been appointed as Joint Bookrunners ("**JBRs**").
- Albilad Capital, GIB Capital, AlRajhi Capital and Alinma Investment have been appointed as Co-underwriters.
- Lazard Saudi Arabia has been appointed as Advisor to 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.

CONTACT DETAILS

Company	Email	Role
Albilad Capital	investmentbanking@albilad-capital.com	Joint Financial Advisor, Lead Manager, Bookrunner and Underwriter

GIB Capital	UAQ.IPO@gibcapital.com	Joint Financial Advisor, Bookrunner and Underwriter
AlRajhi Capital	ProjectMaqamARC@alrajhi-capital.sa	Joint Financial Advisor, Bookrunner and Underwriter
Alinma Invest	IPO@alinma.com	Joint Bookrunner and Underwriter
Lazard	wgmaqam@lazard.com	Company Advisor
FGS Global	uaqipo@fgsglobal.com	Media and Communications Advisor

Receiving Agents for Individual Investor tranche	<ul style="list-style-type: none"> • Albilad Capital • Riyadh Capital • Alinma Investment Company • Al Rajhi Capital • SNB Capital • GIB Capital • Aljazira Capital • ANB Capital • Alkhabeer Capital • BSF Capital • Derayah Financial Company • Alistithmar for Financial Securities and Brokerage Company • SAB Invest • Sahm Capital Finance Company • Yaqeen Capital
---	--

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 Financial Advisors 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 Financial Advisors to proceed 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 does not contain or constitute an offer of, or the solicitation of an offer to buy, the Offer Shares to any person 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 any jurisdiction other than Saudi Arabia.

This announcement is being distributed in accordance with the provisions of the Rules on the Offer of Securities and Continuing Obligations (“**OSCO Rules**”) issued by the CMA for the purposes of ascertaining the extent to which potential investors are willing to participate in the potential initial public offering of the Company, 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, 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 to be issued and published in due course (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, following publication, be available on the websites of the Company at (www.ummalqura.com.sa), the Saudi

Exchange at (www.saudiexchange.sa), the CMA at (www.cma.org.sa) and the Financial Advisors at (www.gibcapital.com), (www.albilad-capital.com) and (www.alrajhi-capital.com).

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.

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 Prospectus. Forward-looking statements speak only as of the date they are made. Each of the Company, the Financial Advisors 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 Financial Advisors 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 its 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. Neither the Financial Advisors nor 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, the Financial Advisors 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 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 Advisors and any of their affiliates acting in such capacity. In addition, the Financial Advisors and any of their affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Financial Advisors and any of their 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.

-Ends-