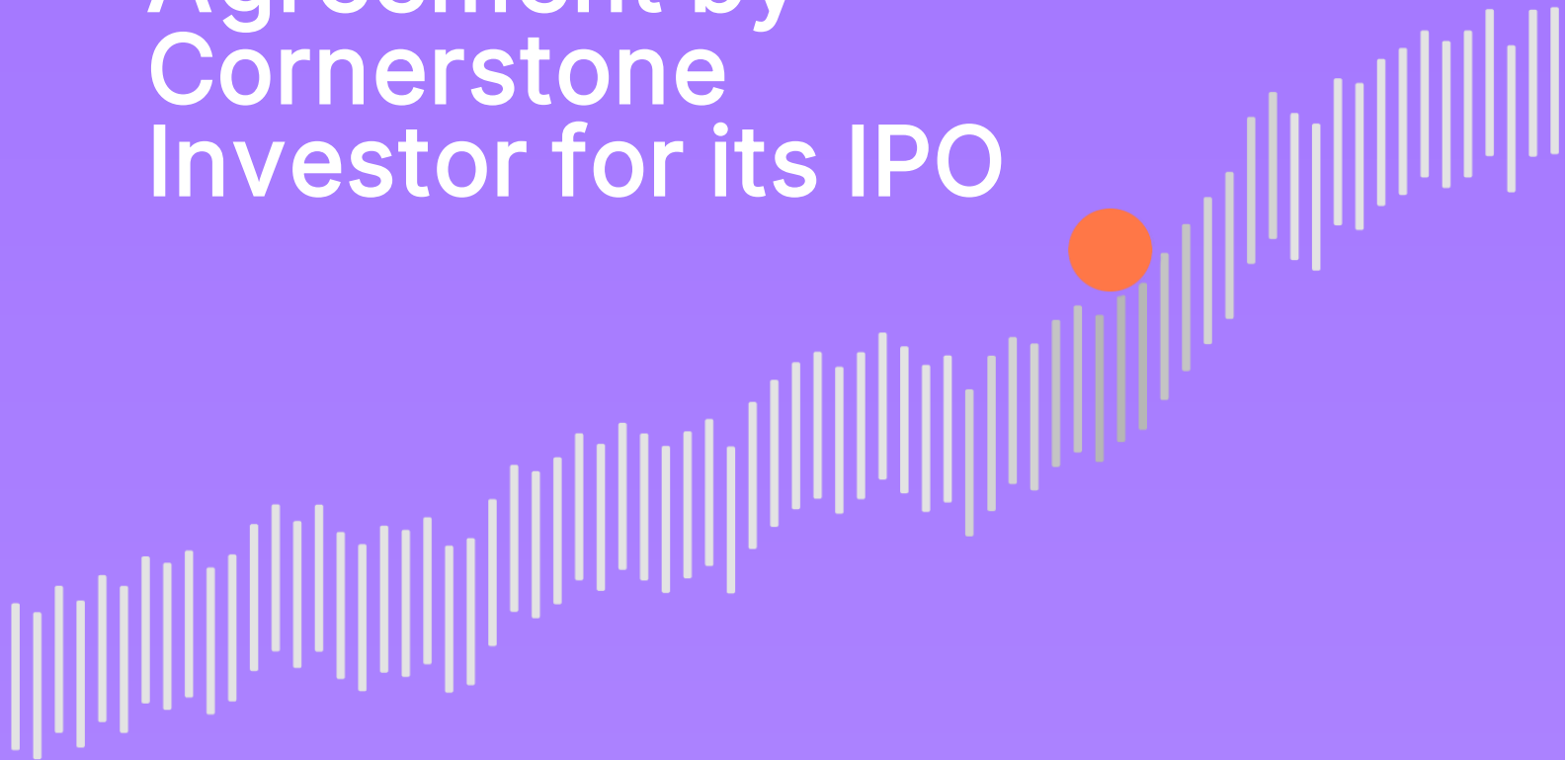




Derayah Financial Announces Entry into Investment Undertaking Agreement by Cornerstone Investor for its IPO



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PRESS RELEASE

DERAYAH FINANCIAL COMPANY ANNOUNCES ENTRY INTO INVESTMENT UNDERTAKING AGREEMENT BY CORNERSTONE INVESTOR FOR ITS IPO

Olayan Saudi Investment Company has agreed to be a Cornerstone Investor in the IPO

Riyadh, 04 February 2025G - Derayah Financial Company ("**Derayah**" or "**the Company**"), the leading independent digital investment platform in Saudi Arabia ("**the Kingdom**" or "**KSA**"), today announces it has issued a supplementary prospectus and signed a binding investment undertaking agreement with Olayan Saudi Investment Company ("**Cornerstone Investor**") for its Initial Public Offering ("**IPO**" or "**the Offering**").

The Cornerstone Investor has committed to a subscription of 4,687,500 Offer Shares at the final Offering Price ("**Cornerstone Commitment**"). The Cornerstone Commitment represents approximately 1.88% of the Company's share capital after the Offering.

Taha AlKuwaiz, Co-Founder and Chairman of Derayah, said: "Derayah is proud to welcome Olayan Saudi Investment Company as a Cornerstone Investor for our IPO. Their commitment reflects their confidence in Derayah's business model, growth strategy, and leadership team. We are excited to partner with such an esteemed investor to create sustainable value for our stakeholders."

The price range for the Offering was announced earlier and set between SAR 27 – 30 per share (the “**Price Range**”). This implies an offering size between c. SAR 1.35 billion (c. USD¹ 360 million) and c. SAR 1.50 billion (c. USD 400 million) reflecting a total market capitalization at listing between c. SAR 6.74 billion (c. USD 1.80 billion) and c. SAR 7.49 billion (c. USD 2.00 billion). The institutional book building period commenced on 2 February 2025G and ends at 2 PM KSA time on 9 February 2025G. The final Offering price will be determined at the end of the book-building process.

For more information about the IPO and the supplementary prospectus, please visit ipo.derayah.com

Cornerstone Investor

- **Olayan Saudi Investment Company:** Established in 1989, Olayan Saudi Investment Company is a limited liability company with its headquarters based in Riyadh, Kingdom of Saudi Arabia. A prominent multinational enterprise with a diversified portfolio of over 32 companies and global investments that span Saudi Arabia, the wider Middle East, North Africa, Turkey, and India, Olayan Saudi Investment Company is an investment arm of Olayan Financing Company. As a long-term strategic investor, Olayan Financing Company invests in public equities, private equities, strategic partnerships, and real estate assets.

Background to the Offering

- On 25 December 2024G, the Capital Market Authority (the “**CMA**”) approved the Company’s application for registering its share capital and the Offering of 49,947,039 ordinary shares (“**Offer Shares**”), representing 20% of the Company’s issued share capital, by way of a partial sale by the Company’s current shareholders² in proportion to their existing shareholding (the “**Selling Shareholders**”). The final price at which all subscribers in the Offering will purchase Shares will be determined at the end of the book-building period.
- The Price Range of the Offering has been set between SAR 27 and SAR 30 per share.
- The total Offering size is expected to be between c. SAR 1.35 billion (c. USD 360 million) and c. SAR 1.50 billion (c. USD 400 million) implying a total market capitalization at listing between c. SAR 6.74 billion (c. USD 1.80 billion) and c. SAR 7.49 billion (c. USD 2.00 billion).
- The Offer Shares will be listed and traded on the Saudi Exchange (Tadawul) following the completion of the Offering and listing formalities with the CMA and the Saudi Exchange.
- 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.

¹ USD 1 = SAR 3.75

² Please refer to Derayah’s prospectus for the detailed list of the Selling Shareholders

- 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 substantial shareholders, as well as shareholders holding more than 3% of the Company's share capital, directors, and senior executives who hold shares in the Company will be subject to this lock-up period. New shareholders will not be subject to the lock-up period.
- The Offer Shares will be offered to Participating Entities, with a claw back to Individual Investors of up to 10% of the offered Shares.
- With respect to the Offering, the Company has appointed HSBC Saudi Arabia as sole financial advisor, bookrunner, global coordinator, lead manager and underwriter.
- Derayah Financial Company, Alinma Investment Company, Alistithmar Capital, Aljazira Capital, Alkhabeer Capital, Al Rajhi Capital, ANB Capital, BSF Capital, GIB Capital, Riyad Capital, SAB Invest, Sahm Capital, SNB Capital, and Yaqeen Capital act as Receiving Entities (collectively, the **"Receiving Entities"**) for the Individual Investors tranche.
- Individual Investors wishing to subscribe to the Offer Shares must submit their subscription requests electronically through the websites and platforms of the Receiving Entities that provide this service to subscribers, or through any other means provided by the Receiving Entities through which the Individual Investors will be able to subscribe to the Company's shares during the Offering Period

Eligible Investors

The Offer Shares will be offered for subscription to individual investors (**"Individual Investors"**) and institutional investors (**"Participating Parties"**), including Participating Parties outside the United States in accordance with Regulation S under the US Securities Act of 1933G, as amended (the **"Securities Act"**).

The Offering is restricted to the following two groups of investors:

- **Tranche (A):**
Participating Parties:
 - This tranche includes the groups entitled to participate in the Book Building Process in accordance with the Instructions for the Book Building Process and Allocation Method in Initial Public Offerings, including investment funds, qualified foreign companies and institutions, investors from Gulf companies and other foreign investors under swap agreements. The number of shares to be allocated to Participating Parties is forty-nine million, nine hundred and forty-seven thousand and thirty nine (49,947,039) Offer Shares, representing 100% of the total Offer Shares, of which four million, six hundred eighty-seven thousand, and five hundred (4,687,500) shares, being the Cornerstone Investor's Shares, shall be allocated to the Cornerstone Investor. Final allocation will take place after the end of the subscription period for Individual Investors, noting that in the event of sufficient demand from Individual Investors, the Financial Advisor shall have the right, in consultation with the Company, to reduce the number of shares allocated

to Participating Parties to a minimum of forty-four million, nine hundred and fifty-two thousand, three hundred and thirty-five (44,952,335) shares, representing 90% of the total Offer Shares, provided that such claw-back shall not apply to the Cornerstone Investor and the final allocation to the Cornerstone Investor shall be a total of four million, six hundred eighty-seven thousand, and five hundred (4,687,500) Offer Shares in all cases. The Offer Shares will be allocated to the Participating Parties using the discretionary share allocation mechanism. It is possible that no shares may be allocated to some Participating Parties, as the Company and the Financial Advisor deem appropriate.

- **Tranche (B):**

- **Individual Investors:**

- This tranche includes Saudi natural persons, including any divorced or widowed Saudi woman with minor children from a non-Saudi husband, who is entitled to subscribe in their names for her own benefit provided she submits proof that she is divorced or widowed and proof that she is the mother of her minor children, and any non-Saudi natural person who is resident in the Kingdom or Gulf Cooperation Council country national who have an investment account and an active investment portfolio with one of the Receiving Entities and is entitled to open an investment account with one of the Capital Market Institutions (otherwise subscriptions will be rendered void and the amounts paid will be refunded) . A subscription for shares made by a person in the name of his divorcee shall be deemed void and if a transaction of this nature is proved to have occurred, 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 accepted. A maximum of 4,944,704 Offer Shares will be allocated to Individual Investors, representing 10% of the total Offer Shares. If Individual Investors do not subscribe to all the Offer Shares allocated to them, the financial advisor, in cooperation with the Company, may reduce the number of Shares allocated to Individual Investors in proportion to the number of Shares to which they subscribed.
 - Individual Investors must, at the time of subscription, have an active stock portfolio at a Capital Market Institution associated with the Receiving Entity being subscribed through, otherwise subscriptions will be rendered void and the amounts paid will be refunded.

IPO Timeline Highlights

- **23 January 2025:** Intention to Float announced.
- **02 February 2025:** Price range & start of institutional book building.
- **09 February 2025:** Close of institutional book building.
- **13 February 2025:** Final price announcement.
- **20 February 2025:** Start of retail subscription.
- **22 February 2025:** Close of retail subscription.
- **27 February 2025:** Final allocation.

Enquiries

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Receiving Entities



Derayah Financial



Alinma Investment Company



Alistithmar for Financial Securities and Brokerage Company



AlJazira Capital



Alkhabeer Capital



Al Rajhi Capital



ANB Capital



BSF Capital



GIB Capital



Riyad Capital



SAB Invest



Sahm Capital



SNB Capital



Yaqeen Capital

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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 in 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.

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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.