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SEERA

Shareholders' Circular

prepared in connection with the demerger
of Lumi Rental Company

Seera Group Holding Company

At its meeting on 27 Rabi' al-Thani 1444H (corresponding to 21 November 2022G), the board of directors (the "**Board**") of Seera Group Holding Company ("**Seera**") approved the demerger of Seera's wholly owned subsidiary, Lumi Rental Company ("**Lumi**"), by an offering of sixteen million and five hundred thousand (16,500,000) ordinary shares representing 30 per cent. of the share capital of Lumi through an initial public offering on the Main Market of the Saudi Exchange (the "**Exchange**") (the "**Demerger**" or the "**IPO**"). The Demerger will become effective if the extraordinary general assembly of Seera (the "**Extraordinary General Assembly**") approves it, if Lumi obtains all of the regulatory approvals in connection with the IPO, and if the IPO is subsequently completed and Lumi's shares are registered and listed on the Exchange. Seera is targeting to complete the Demerger in 2023G.

Financial Advisor

السعودي الفرنسي كابيتال
Saudi Fransi Capital



This Shareholders' circular (this "**Circular**") contains views of the Board and the Specialised Committee (as defined below) and the advice of the independent financial advisor. Please read this Circular carefully before making any decision regarding the Demerger. If you do not understand the contents of this document, you should consult an authorised financial advisor to determine the consequences of the Demerger and to arrive at an independent evaluation of the Demerger.

This Circular was prepared pursuant to the requirements of the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority (the "**CMA**" or the "**Authority**") of the Kingdom of Saudi Arabia. The Board members collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other material facts whose omission would make any material statement herein misleading. The Authority and the Exchange shall not assume any responsibility for the contents of this Circular, and shall not give any assurance regarding its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss resulting from what is stated in this Circular or from reliance on any part thereof.

In addition, the members of the Board confirm that they have done the due diligence they deemed sufficient under the circumstances and that the Demerger is in the best interests of Seera and its shareholders.

This Circular is an unofficial English translation of the official Arabic Circular and is provided for information purposes only. The Arabic Circular remains the only official, legally binding version and shall prevail in the event of any discrepancy between the two language versions.

This Circular was issued on 4 Jumada al-Ula 1444H (corresponding to 28 November 2022G)





IMPORTANT NOTICE

Seera has prepared this Circular to provide information to its shareholders (the “**Shareholders**”) to enable them to make an informed decision when voting on the recommendation of the Board to demerge Lumi by an offering of sixteen million and five hundred thousand (16,500,000) ordinary shares representing 30 per cent. of the share capital of Lumi through an initial public offering on the Exchange. The information provided in this Circular is of a general nature and has been prepared without taking into account the individual investment objectives, financial situation or particular investment needs of any particular Shareholder. Prior to voting on the Demerger, each recipient of this Circular is responsible for obtaining independent professional advice from a CMA-licensed financial advisor to determine the consequences of the Demerger and to arrive at an independent evaluation of the Demerger and the information herein with regard to the recipient’s individual objectives and financial situation and needs.

This Circular provides information regarding the Demerger. When voting on the Demerger on the day of Seera’s Extraordinary General Assembly to be held for this purpose, the Shareholders will be treated as voting solely on the basis of the information contained in this Circular, which was published as part of the Extraordinary General Assembly’s invitation. Neither the delivery of this Circular nor any oral or written information in relation to the Demerger is intended to be, or should be construed as or relied upon in any way, as a promise, affirmation or representation as to future earnings, results or events.

This Circular contains information given in compliance with the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the CMA Board pursuant to Resolution No. 3-123-2017 dated 9 Rabi’ al-Thani 1439H (corresponding to 27 December 2017G), as amended by CMA Board Resolution No. 1-94-2022 dated 24 Muharram 1444H (corresponding to 22 August 2022G).

Seera has hired Saudi Fransi Capital as financial advisor (the “**Financial Advisor**”) to advise in connection with the completion of the Demerger. The information included as of the date of this Circular is subject to change. In particular, the financial position of Seera and the value of its Shares can be adversely affected by future developments, such as inflation, economic, political or other factors over which Seera has no control (for further details, see Section 2 (*RISK FACTORS*)). Neither the delivery of this Circular nor any oral or written information in relation to the Demerger is intended to be, or should be construed as or relied upon in any way, as a promise, affirmation or representation as to future earnings, results or events.

This Circular shall not be considered as a recommendation by the Financial Advisor or other advisors to vote in favour of the Demerger.

Seera does not intend to take any action to register this Circular in any country, and its distribution in any country other than the Kingdom is expressly prohibited. All recipients of this Circular must inform themselves of any legal or regulatory restrictions relevant to this Circular and to observe all such restrictions.

Subject to applicable laws and regulations, Seera must submit a supplementary shareholders’ circular to the Extraordinary General Assembly if, at any time after this Circular has been shared with the Shareholders and prior to the Extraordinary General Assembly, it becomes aware of: (a) a significant change in any material information contained in this Circular; or (b) the occurrence of additional significant matters that have become known which would have been required to be included in this Circular. Except in the aforementioned circumstances, Seera does not intend to update or otherwise revise any information in this Circular, whether as a result of new information, future events or otherwise.

Seera’s consolidated financial statements for the financial year ended 31 December 2021G and the nine-month period ended 30 September 2022G, and the accompanying notes thereto, as well as Lumi’s financial statements for the financial year ended 31 December 2021G and the nine-month period ended 30 September 2022G, and the accompanying notes thereto, have been prepared in accordance the International Financial Reporting Standards (the “**IFRS**”) as endorsed in the Kingdom and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“**SOCPA**”) and have been audited by Dr. Mohammed Al-Amri & Co.

Certain financial and statistical information contained in this Circular is subject to rounding. Accordingly, where numbers have been rounded up or down, there may be minor differences between the figures set out in this Circular and the financial statements.

For an explanation of certain defined terms and abbreviations used in this Circular, see Annex A (*Definitions*).

CIRCULAR SUMMARY

<p>Name, description and establishment of Seera and Lumi</p>	<p>Seera Group Holding is a Saudi public joint stock company incorporated by virtue of Ministerial Resolution No 811, dated 7 Jumada al-Ula 1426H (corresponding to 14 June 2005G), and registered under Commercial Registration No. 1010148039, dated 24 Rajab 1418H (corresponding to 25 November 1997G) issued in the city of Riyadh in the Kingdom of Saudi Arabia (the "Kingdom"). Seera's headquarters and registered office are located on Imam Saud bin Abdulaziz bin Muhammad Street, Al-Taawun District, P.O. Box 6477, Riyadh 12476, Kingdom of Saudi Arabia. Seera's current capital is three billion Saudi Arabian Riyals (SAR 3,000,000,000) divided into three hundred million (300,000,000) ordinary shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share.</p> <p>Lumi Rental Company is a Saudi closed joint stock company established pursuant to Ministry of Commerce Resolution No. 228 dated 9 Rajab 1442H (corresponding to 21 February 2021G), registered under Commercial Register No. 1010228226 dated 23 January 1428H (corresponding to 11 February 2007G) issued in the city of Riyadh in the Kingdom. Lumi's headquarters and registered office are located on Imam Saud bin Abdulaziz bin Muhammad Road, Al-Ta'awon District, P.O. Box 6477, Riyadh 12476, Kingdom of Saudi Arabia. As of the date of this Circular, Lumi's current capital amounts to five hundred and fifty million Saudi Arabian Riyals (SAR 550,000,000), divided into fifty-five million (55,000,000) ordinary shares with a fully paid nominal value of ten Saudi Arabian Riyals (10) per share.</p>																																		
<p>Summary of the activities of Seera and Lumi</p>	<p>As of the date of this Circular, Seera's portfolio consisted of the following main verticals operating in the travel and tourism sector:</p> <ul style="list-style-type: none"> a) travel platform - within the umbrella of the Almosafer Company for Travel & Tourism ("Almosafer"), which consists of four business segments, Consumer Travel, Business Travel, Destination Management and Hajj and Umrah, that provide flight, hotels, transfers, tours, visa, packages and other travel-related booking services to consumers and businesses, for leisure, corporate and religious travel purposes across outbound, inbound and domestic tourism flows; b) car rental - vehicle lease, car rental and the sale of used cars released from its lease and rental operations and other related services provided through Lumi; c) hospitality - the ownership and development of hospitality real estate assets; and d) investments - its corporate ventures arm for investments within the travel and tourism or adjacent sectors. <p>As of the date of this Circular, Lumi's core activities consist of the following business segments:</p> <ul style="list-style-type: none"> a) vehicle lease and provision of other related services; b) car rental and provision of other related services; and c) sale of used cars owned by Lumi and released from its operations of the above two business segments. 																																		
<p>Substantial shareholder of Lumi</p>	<p>The only Substantial Shareholder who owns five per cent. or more of Lumi's shares is Seera. Seera's pre- and post-demerger shareholding in and ownership of Lumi are provided in the table below:</p> <table border="1" data-bbox="427 1308 1396 1637"> <thead> <tr> <th rowspan="2">Shareholder</th> <th colspan="3">Pre-Demerger</th> <th colspan="3">Post-Demerger</th> </tr> <tr> <th>Number of Shares</th> <th>Ownership (%)</th> <th>Overall Nominal Value (SAR)</th> <th>Number of Shares</th> <th>Ownership (%)</th> <th>Overall Nominal Value (SAR)</th> </tr> </thead> <tbody> <tr> <td>Seera Group Holding</td> <td>55,000,000</td> <td>100%</td> <td>550,000,000</td> <td>38,500,000</td> <td>70%</td> <td>385,000,000</td> </tr> <tr> <td>Public</td> <td>-</td> <td>-</td> <td>-</td> <td>16,500,000</td> <td>30%</td> <td>165,000,000</td> </tr> <tr> <td>Total</td> <td>55,000,000</td> <td>100%</td> <td>550,000,000</td> <td>55,000,000</td> <td>100%</td> <td>550,000,000</td> </tr> </tbody> </table>	Shareholder	Pre-Demerger			Post-Demerger			Number of Shares	Ownership (%)	Overall Nominal Value (SAR)	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)	Seera Group Holding	55,000,000	100%	550,000,000	38,500,000	70%	385,000,000	Public	-	-	-	16,500,000	30%	165,000,000	Total	55,000,000	100%	550,000,000	55,000,000	100%	550,000,000
Shareholder	Pre-Demerger			Post-Demerger																															
	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)																													
Seera Group Holding	55,000,000	100%	550,000,000	38,500,000	70%	385,000,000																													
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Total	55,000,000	100%	550,000,000	55,000,000	100%	550,000,000																													
<p>Lumi's share capital</p>	<p>Five hundred and fifty million Saudi Arabian Riyals (SAR 550,000,000).</p>																																		
<p>Lumi's total number of shares</p>	<p>Fifty-five million (55,000,000) fully paid ordinary shares with a nominal value of ten Saudi Arabian Riyals (SAR 10).</p>																																		
<p>Nominal value of each share of Lumi</p>	<p>Ten Saudi Arabian Riyals (SAR 10).</p>																																		
<p>Demerger structure</p>	<p>Offering of sixteen million and five hundred thousand (16,500,000) ordinary shares of Seera's wholly owned subsidiary, Lumi Rental Company, representing 30 per cent. of Lumi's share capital through an initial public offering on the Exchange.</p>																																		

Purpose of the Demerger	<ul style="list-style-type: none"> • Enable the execution of Seera's portfolio strategy (IPO exit as part of Seera's investment strategy, dividend distribution and achievement of fair market capitalization); • spur further growth in Lumi (inorganic growth, enhanced capital allocation supporting Lumi's growth strategy and increased brand awareness as a result of being a listed company); and • govern Lumi's management via independent and focused team with increased focus on car rental as Lumi's core business.
IPO share price	The IPO share price will be determined in accordance with the Instructions for Book-Building Process and Allocation Method in Initial Public Offerings, issued pursuant to CMA Board Resolution No. 2-94-2016, dated 15 Shawwal 1437H (corresponding to 20 July 2016G), as amended.
Use of Proceeds from the Demerger	The net IPO proceeds (after deducting the IPO expenses), will be paid to Seera. Lumi will not receive any part of the IPO proceeds
Key actions required	<ul style="list-style-type: none"> • Obtaining the approval of the Ministry of Commerce to hold an Extraordinary General Assembly of Seera. • The provision of the invitation to hold the Extraordinary General Assembly and the Extraordinary General Assembly meeting agenda to the CMA. • The approval of the Demerger by the Shareholders at the Extraordinary General Assembly, based on the recommendation of the Board. • Lumi's submission of the application for the registration and offering of Lumi's shares to the public for approval by the CMA and its submission of the application to list Lumi's shares on the Primary Market of the Exchange for approval by the Exchange. • The execution of the IPO. • Other statutory requirements, if any. • Shareholders should carefully read this Circular in its entirety, in particular the "Important Notice" and Section 2 (<i>RISK FACTORS</i>) before deciding to vote on the Demerger.

This Circular summary provides a brief overview on the information included in this Circular. It does not include all information that may be relevant to the Shareholders. Furthermore, this summary should be read as an introduction to this Circular, and the Shareholders should read and review this Circular in full. Any decision regarding the approval of the Demerger should be reached by the Shareholders after fully taking this Circular into account.

Furthermore, the Demerger under this Circular is subject to the approval of the Extraordinary General Assembly and the further actions detailed in Section 8 (*ACTIONS TO BE TAKEN*). An invitation to hold the Extraordinary General Assembly to approve the Demerger was issued on 4 Jumada al-Ula 1444H (corresponding to 28 November 2022G). The Shareholders should note that if their approval of the Demerger is not obtained and the further actions detailed in Section 8 (*ACTIONS TO BE TAKEN*) are not taken, the Demerger will not take place, the Demerger will be discontinued, this Circular will be cancelled, and the Shareholders will be notified accordingly.

KEY DATES

Expected schedule of completion of Demerger procedures

Event	Date
(1) Actions required in relation to the voting of the Extraordinary General Assembly on the Demerger	
Approval by the Board of Directors of the Demerger	27 Rabi' al-Thani 1444H (corresponding to 21 November 2022G).
Invitation to the Extraordinary General Assembly to vote on the Demerger (noting that a second meeting will be held one hour after the end of the period specified for the first meeting in the event that a quorum is not met) and announcement of the invitation on the website of the Exchange	4 Jumada al-Ula 1444H (corresponding to 28 November 2022G).
Availability of this Circular	4 Jumada al-Ula 1444H (corresponding to 28 November 2022G).
Availability of documents for inspection	From 9:00 am until 4:00 pm starting from 4 Jumada al-Ula 1444H (corresponding to 28 November 2022G) until 26 Jumada al-Ula 1444H (corresponding to 20 December 2022G)
Voting period by means of modern technology for the Shareholders of Seera to vote on the Demerger	From 10:00 am until 4:00 pm starting from 23 Jumada al-Ula 1444H (corresponding to 17 December 2022G) until 26 Jumada al-Ula 1444H (corresponding to 20 December 2022G)
Extraordinary General Assembly of Seera	26 Jumada al-Ula 1444H (corresponding to 20 December 2022G)
Announcement of the results of the Extraordinary General Assembly	27 Jumada al-Ula 1444H (corresponding to 21 December 2022G)
(2) Actions Required in the event that the first Extraordinary General Assembly held to vote on the Demerger is not quorate	
Second Extraordinary General Assembly (quorum is achieved if attended by Shareholders representing at least 25 per cent. of Seera's share capital)	Within one hour after the end of the first inquorate Extraordinary General Assembly.
Announcement by Seera of resolutions passed at the second Extraordinary General Assembly	27 Jumada al-Ula 1444H (corresponding to 21 December 2022G)
(3) Actions Required in the event that the second Extraordinary General Assembly held to vote on the Demerger is not quorate	
Third Extraordinary General Assembly (quorum is achieved by any number of shares represented at the second meeting, upon the approval of the competent authority)	Within one hour after the end of the second inquorate Extraordinary General Assembly.
Announcement by Seera of resolutions passed at the third Extraordinary General Assembly	27 Jumada al-Ula 1444H (corresponding to 21 December 2022G)
(4) Actions required following the Extraordinary General Assembly for the Demerger	
Providing the Authority with a copy of the minutes of the Extraordinary General Assembly	Within ten days from the date of the Extraordinary General Assembly.
Lumi's submission of the application to the CMA for the registration and offering of Lumi's shares to the public and its submission of the application to the Exchange to list Lumi's shares on the Primary Market of the Exchange	Before the end of the first quarter of 2023G
Expected date of the CMA's approval of the application for the registration and offering of Lumi's shares to the public and the Exchange's approval of the application to list Lumi's shares on the Primary Market of the Exchange	Before the end of 2023G
Expected date of listing of Lumi's shares on the Exchange	Trading of Lumi's shares on the Exchange is expected to start after the completion of all of the relevant legal requirements and procedures. The date of commencement of the trading of the shares will be announced in local newspapers and on the Exchange's website (www.saudiexchange.sa) and is expected in 2023G.

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1. Q&A ON THE DEMERGER

The following summary of questions and answers has been prepared to help explain the Demerger. This Circular should be read in full and Shareholders should not rely solely on the summary questions and answers set out below.

1.1 What is the Demerger?

The Demerger is the sale of sixteen million and five hundred thousand (16,500,000) ordinary shares of Seera's wholly owned subsidiary, Lumi Rental Company, representing 30 per cent. of Lumi's share capital through an initial public offering and listing on the Exchange. Pursuant to the Glossary, a demerger is defined as a transaction where a listed company wishes to effect the separation or divestiture of a subsidiary, an asset or a business wholly or partly within its existing group through a separate listing of such subsidiary, asset or business on the Exchange or without listing.

1.2 Why is Seera Proposing the Demerger?

Seera's Board and Executive Management have conducted a comprehensive review of the rationale and feasibility of the Demerger and have concluded that it serves the long-term interests of its Shareholders, employees, clients and other stakeholders.

The Demerger will result in the shares of Lumi being publicly listed, which will allow Lumi and Seera to pursue their strategic objectives. In particular, the Board believes the Demerger will benefit Seera in the following areas:

Enable the Execution of Seera's Portfolio Strategy:

- **IPO Exit as Part of Seera's Investment Strategy:** Seera's investment strategy consists of identifying scalable companies operating in fast-growing markets within Seera's core and adjacent sectors, investing in them and leveraging Seera's core capabilities and expertise in marketing and technology until the companies in which Seera invests become top-tier players, and then partially or wholly exiting them to unlock shareholder value. Part of the net offering proceeds from the Demerger will be used to fund the next investment cycle.
- **Dividend Distribution:** Seera will allocate part of the net offering proceeds from the Demerger to fund its other core sectors (for more information on Seera's sectors, see Section 3.1 (*Overview of Seera*)) and may distribute dividends to its Shareholders (any recommendation by the Board of Seera to distribute dividends will depend on, amongst other things, Seera's historic and anticipated earnings and cash flows, financing and capital requirements and market and general economic conditions, Seera's Zakat position and legal and regulatory considerations, including obligations set out in the financing agreements and any limitations contained in its Bylaws, and Seera's Shareholders will have to approve such distributions at a General Assembly meeting).
- **Reaching Fair Market Capitalization:** Investors will have more visibility over Lumi's operations and cash flow. This will enable them to make better investment decisions and assess the fair value of Lumi and indirectly Seera's portfolio to reflect this in the share price. See also Section 2.6 (*Risks Related to Fluctuations in the Market Price of the Shares of Lumi*) for a discussion of risks in relation to fluctuations in the market price of the shares of Lumi.

Spur Further Growth in Lumi:

- **Enhanced Capital Allocation Supporting Lumi's Growth Strategy:** The Demerger will enable Lumi to access additional capital resources to complement its funding requirements to accelerate its fleet enhancement and expansion plan.
- **Inorganic Growth:** The Demerger will help Lumi to use its shares as an acquisition currency and consider opportunistic acquisitions to increase its market share in a fragmented car rental market.

- **Increase in Brand Awareness as a Result of Being a Listed Company:** The Demerger will enhance Lumi's brand awareness locally and internationally (including research report coverage), and will help to attract and retain talent, to attract more clients and customers, and to create more opportunities with partners and suppliers in the industry.

Govern Lumi's Management via Independent and Focused Team with Increased Focus on Car Rental as Lumi's Core Business:

Seera, as a holding company, operates across four separate verticals (see Section 3.1 (*Overview of Seera*)). The Demerger will allow Lumi's independent management and board to focus more on car rental as a core business and improve the decision-making process to achieve its business objectives as a result of increased autonomy and the focused accountability for Lumi's financial results in front of Lumi shareholders directly and Seera shareholders indirectly, all while operating under the strict compliance and governance standards required by listed companies that will further improve Lumi's accountability, transparency and stability.

1.3 Why is the Approval of the Extraordinary General Assembly of Seera's Shareholders Required for the Demerger?

According to Article 116 of the Rules on the Offer of Securities and Continuing Obligations, the Extraordinary General Assembly of Seera's shareholders must approve the Demerger. In particular, if any of the percentages of the class tests reach 50 per cent. or more of the planned demerger, the issuer must obtain the prior approval of its shareholders at the general assembly meeting. To determine whether a transaction represents a demerger that requires shareholders' approval, by reference to the percentage, the issuer shall evaluate the size of the transaction against the size of the company or the asset of the demerger transaction, and the size is determined by using the percentages resulting from applying class tests calculations to such transaction. The class tests introduced by the Rules on the Offer of Securities and Continuing Obligations are the assets test, the profits test, the revenues test and the consideration test.

Due to the fact that the percentages of the profits tests (calculated by dividing the net profits attributable to the assets which are the subject of the Demerger by the net profits of Seera) exceeded 50 per cent., the approval of the Demerger by the Extraordinary General Assembly of Seera's shareholders is required.

1.4 Why has the Specialised Committee been Formed and What is its Role in the Demerger Process?

The Specialised Committee has been formed pursuant to Article 117 of the Rules on the Offer of Securities and Continuing Obligations, which states that, in respect of any demerger transaction subject to the approval of the shareholders, the issuer shall establish a specialised committee (consisting solely of independent board members or other independent persons or both, who have no substantial interest in the proposed demerger). Therefore, on 2 Rabi' al-Awwal 1444H (corresponding to 28 September 2022G) the Board formed a specialised committee (the "Specialised Committee"), whose role is to advise the Shareholders on whether the terms of the Demerger are fair and reasonable and whether the Demerger is in the interests of Seera and all of its Shareholders.

1.5 How will the Demerger be Implemented?

The Demerger is conditional upon, among other things, the Extraordinary General Assembly's approval of the relevant Demerger resolution, the CMA's approval of the application for the registration and offering of Lumi's shares to the public, the Exchange's approval of the application to list Lumi's shares on the Primary Market of the Exchange, and the successful execution of the IPO.

1.6 When will the Demerger be Completed?

Seera is targeting to complete the Demerger in 2023G.

2. RISK FACTORS

The Shareholders should read the following risk factors related to the Demerger in addition to all information included in this Circular to reach their own conclusions prior to the vote on the Demerger in the Extraordinary General Assembly.

The risks and uncertainties described below are those that the Board currently believes relate to the Demerger. However, the risks listed below do not necessarily comprise all such risks and there may be additional risks and uncertainties related to the Demerger that the Directors are currently not aware of, or that the Directors currently believe are immaterial. Moreover, there are additional risks and uncertainties unrelated to the Demerger that apply to both Seera and Lumi. The occurrence of any such risks and uncertainties may materially and adversely affect Seera and Lumi's business, financial condition, results of operations and/or prospects.

Seera's Directors also confirm that, to the best of their knowledge and belief and according to the information available to them as of the date of this Circular, there are no other material risks not disclosed below that could affect the decision of the Shareholders to vote on the Demerger.

The risks listed below are not presented in any assumed order of priority that could reflect their expected impact on Seera and/or the Share price.

2.1 Risk Related to Completion of the Demerger

The Demerger will be finalized and executed upon the completion of the proposed initial public offering of Lumi, which depends on several other factors beyond Seera's control. Such factors include the CMA's approval of the application for the registration and offering of Lumi's shares to the public, the Exchange's approval of the application to list Lumi's shares on the Primary Market of the Exchange, the levels of activity in the markets or other factors impacting capital markets or other factors beyond Seera's control. Seera is targeting the completion of the Demerger (i.e., the listing of Lumi's shares on the Exchange) to occur in 2023G. A delay in the completion of the Demerger could have a material adverse effect on Seera's business, financial position and results of operations and the market price of Seera's shares, as Seera expects that the Demerger will provide it with liquidity, which will allow it to distribute dividends to its Shareholders, explore investment opportunities and execute its future strategy. In addition, if the Demerger is not completed, due to factors including the Extraordinary General Assembly's rejection of the Demerger, it may impact Lumi's growth and expansion, the contribution of Lumi's management in the Demerger will be lost and the significant Demerger preparation costs will be borne by Lumi. Seera's loss of use of proceeds from the Demerger or Lumi's failure to expand and implement its growth strategy as a result of the Demerger not being completed would have a material adverse effect on Seera's business, financial position, results of operations and prospects.

2.2 Change in Seera's Ownership Percentage in Lumi and Decreased Voting Rights Associated Thereto

Following the completion of the Demerger, the public will own 30 per cent. of Lumi and Seera's ownership will decrease to 70 per cent. Therefore, Seera will have reduced voting power and, consequently, will be less able to have influence over Lumi's decisions, especially its strategic decisions that require shareholders' approval in Lumi's general assembly meetings, including, without limitation, the election of board members, capital adjustments, mergers and any other decisions with a material impact on Lumi. Any further sales of ownership interest in Lumi by Seera after the Demerger will further decrease Seera's influence over decisions that require shareholders' approval in Lumi's general assembly meetings.

2.3 Risks Related to Divestment of a 30 per cent. Ownership Stake in Lumi

Seera's net profits generated from Lumi amounted to around 16.0 per cent., 276.8 per cent., 28.2 per cent. and 129.9 per cent. of Seera's total net profits for the years ended 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G, respectively. As a result of the Demerger, Seera will only own 70 per cent. in Lumi and thus it will only be able to recognise 70 per cent. of the net profits of Lumi in its consolidated financial statements. There can be no assurance that Seera will be able to use the proceeds from the Demerger in a way to replace the portion of the net proceeds generated by Lumi that corresponds to the ownership stake in Lumi that will be sold by Seera in the Demerger. Seera's further sale of its ownership interest in Lumi after the Demerger which, after the lock-up period, would result in Seera's ownership in Lumi falling below 50 per cent. would result in Seera's inability to consolidate Lumi's into financial statements, and instead Seera will include Lumi's share of profits from an associate under the equity method. The occurrence of the above could have a material adverse effect on Seera's business, financial position, results of operations and prospects.

2.4 Risks Related to Potential Zakat Liability

Zakat is calculated and paid for by Seera on a consolidated basis, including its subsidiaries, comprising Lumi, in accordance with the Zakat Regulations applicable in the Kingdom. The provision is shown in the consolidated financial statements of Seera. Zakat expense amounted to SAR 32.8 million, SAR 26.7 million, SAR 51.8 million and SAR 17.4 million for the financial years ended 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G, respectively. Lumi's share of this provision is charged to Seera's statement of profit or loss. Lumi's share of Zakat charged was SAR 1.04 million, SAR 1.7 million, SAR 3.05 million and SAR 2.95 million during the financial years ended 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G, respectively. Seera has submitted its Zakat returns on a consolidated basis, paid Zakat dues within the stipulated times, and received certificates from the Zakat, Tax, and Customs Authority (the "ZATCA") for all of the financial years up to 2021G. Also, Lumi submitted its Zakat returns within the stipulated time and received certificates from ZATCA up to 2021G. Moreover, Seera received final Zakat assessments for all of the financial years up to 2020G. Seera will bear any additional claims that may arise from ZATCA for the past years prior to the date of the Demerger and it will provide an undertaking to this effect in connection with the Demerger.

Moreover, subsequent to the Demerger, the prerequisites for Zakat consolidation would no longer be applicable to Lumi and, therefore, Seera would exclude Lumi from its annual consolidated Zakat filing. As a result, any Zakat efficiencies, at the level of Seera, arising from consolidating Lumi for Zakat purposes would not be available post-Demerger of Lumi. Non-trading investments in Saudi companies where the investee company is registered with ZATCA and subject to levy of Zakat (separately) is deducted from the investor company's Zakat base. Furthermore, any gain realised from the sale of Seera's shares in Lumi through the contemplated Demerger, shall form part of Seera's net income and hence be subject to Zakat unless such proceeds are reinvested in other Zakat deductible assets or distributed as dividends to the Shareholders. In addition, dividends received by Seera from Lumi would be subject to Zakat in the form of a reduction in the value of the deductible investment in Lumi. However, such additional Zakat could potentially be mitigated or even eliminated if Seera distributes the dividends to its Shareholders or reinvests in other Zakat deductible assets/investments, during the same Hijri year in which the dividend is received. See Section 7 (TAXATION AND ZAKAT) for further details on the Tax/Zakat implications of the Demerger.

2.5 Risks Related to Lack of Experience of Lumi's Senior Executives in Managing a Publicly Listed Joint Stock Company

Lumi's senior executives have limited or no experience in managing a publicly listed joint stock company and complying with the laws and regulations applicable to such companies. Accordingly, this may require Lumi's senior executives to obtain internal or external training in the management of Saudi public joint-stock companies and the obligations imposed on companies listed on the market, such as regulatory supervision and reporting, which requires great attention from the senior executives of Lumi, and may distract them from managing Lumi's daily business. Pursuant to the laws and regulations applicable to companies listed on the Exchange, once Lumi is listed on the Exchange, it must fulfil a number of ongoing obligations which include issuing its annual consolidated financial statements within a period of no more than three months from the end of each financial year and its quarterly consolidated financial statements within 30 days from the end of each quarter. Lumi's consolidated financial statements for the financial years ended 31 December 2019G, 2020G and

2021G were issued more than three months after the end of Lumi's financial year. Therefore, if Lumi fails to issue its annual consolidated financial statements within three months from the end of its financial year or if it fails to comply in a timely manner with any of the other laws, regulations and disclosure requirements applicable to listed companies, it will be subject to regulatory penalties and fines, which will result in decreased investor confidence and have a material adverse effect on Lumi's business, financial position, results of operations and prospects.

2.6 Risks Related to Fluctuations in the Market Price of the Shares of Lumi

The price of Lumi's shares to be sold by Seera as part of the Demerger will be determined through a book building process based upon several factors, including Lumi's past performance, the prospects for Lumi's businesses, the industry in which it operates, the markets in which it competes and an assessment of Lumi's management, operations and financial results. The price of Lumi's shares after the Demerger may fluctuate and Seera may not be able to sell further shares in Lumi at the Demerger price or a higher price or Seera may not be able to sell them at all. Lumi's share price may be highly volatile and may not be stable due to several factors, including the following:

- market volatility and fluctuations in the price of vehicles and the fleet acquisition or resale costs;
- negative variations in Lumi's operating performance and improved performance of its competitors;
- actual or anticipated fluctuations in its quarterly or annual operating results;
- publication of negative research reports by securities analysts about Lumi, its competitors or the car rental or lease industries;
- the public's negative reaction to its press releases and its other public announcements;
- the resignation or retirement of key personnel;
- negative important and strategic decisions by Lumi or its competitors, and negative changes in its business strategy;
- press reports, whether factual or not, about Lumi or the car rental or lease industries in the Kingdom;
- changes in the regulatory environment affecting Lumi or the car rental or lease industries;
- changes in adopted accounting rules and policies;
- terrorist acts, acts of war or widespread civil unrest;
- natural disasters, the widespread outbreak of a contagious disease and other calamities;
- changes to the policy of pegging the exchange rate between the SAR and the USD; and
- changes in general market and economic conditions, including changes due to further developments in connection with the on-going armed conflict in Ukraine.

The occurrence of any of these risks or other factors could cause the market price of Lumi's shares to decline significantly.

In general, from time-to-time the stock market experiences extreme price and volume fluctuations. Periodic and constant market fluctuations could result in extreme volatility in the price of the listed shares, which could cause a decline in the value of Lumi's shares and higher price volatility if the trading volume of Lumi's shares is low; this would have an adverse effect on Seera's ownership of Lumi's shares.

2.7 Risks Related to the Distribution of Dividends

The future distribution of dividends by Lumi will depend on, amongst other things, several factors, including its future earnings, financial position, cash flows, working capital requirements, capital expenditures and distributable reserves. Moreover, Lumi may not be able to pay dividends to its shareholders, and the Board of Directors of Lumi may not recommend, or Lumi's shareholders may not approve, the payment of dividends. In addition, profit distribution is subject to restrictions set out in Lumi's bank facilities, which include the obligation to the liabilities made by Lumi and the settlement of dues to the lenders. Lumi may become subject to the terms of its future credit financing agreements and thus further restricting dividend payments. Lumi may incur expenses or liabilities that would reduce or eliminate the cash available for dividend distribution. If Lumi does not pay dividends on its shares, its shareholders, including Seera, may not receive any dividend income on investment in such shares and the price of Lumi's shares may be negatively impacted.

2.8 Risks related to Outsourcing Certain Services to Seera

As part of its efforts to streamline operations and to manage costs, Lumi is outsourcing IT, marketing, data analytics and facilities management services to Seera pursuant to a services agreement dated 2 Thul-Hijjah 1443H (corresponding to 1 July 2022G). If Seera fails to perform its obligations in a timely manner or at satisfactory quality levels, Lumi may experience operational difficulties, increased costs, reputational damage and a loss of business. In such case, Lumi would have to seek alternative providers, its costs could increase, and its business could be disrupted. Additionally, changing or replacing Seera for the outsourced services could cause further operational disruptions. In particular, because a significant portion of Lumi's information technology functions are currently outsourced to Seera and because information technology is critical to Lumi's operations, any failure by Seera to the information technology services could impair Lumi's ability to conduct its business operations. Therefore, if Lumi's outsourcing strategies prove to be ineffective or fail to provide expected cost savings, or if Seera fails to perform as anticipated, it will have a material adverse effect on Lumi's business, results of operations, financial position and future prospects.

3. PROPOSED STRUCTURE AND PURPOSE OF THE DEMERGER

3.1 Overview of Seera

3.1.1 History of Seera

Seera Group Holding ("**Seera**") is a Saudi public joint stock company incorporated by virtue of Ministerial Resolution No 811, dated 7 Jumada al-Ula 1426H (corresponding to 14 June 2005G), and registered under Commercial Registration No. 1010148039, dated 24 Rajab 1418H (corresponding to 25 November 1997G issued in the city of Riyadh in the Kingdom of Saudi Arabia (the "**Kingdom**"). Seera's headquarters and registered office are located on Imam Saud bin Abdulaziz bin Muhammad Street, Al-Taawun District, P.O. Box 6477, Riyadh 12476, Kingdom of Saudi Arabia). The current capital of Seera is three billion Saudi Arabian Riyals (SAR 3,000,000,000) divided into three hundred million (300,000,000) ordinary shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share.

Seera started its business as a sole proprietorship by its owner, Dr. Nasser bin Aqil bin Abdullah Al-Tayyar in 1979G under the name "Al-Tayyar Travel Group". The sole proprietorship was transformed to a limited liability company on 24 Rajab 1418H (corresponding to 25 November 1997G), under the name "Al-Tayyar Travel Group Company", with a capital of (SAR 1,000,000) one million Saudi Arabian Riyals. Seera's capital was increased by capitalizing the retained earnings of (SAR 14,000,000) fourteen million Saudi Arabian Riyals on 16 Sha'ban 1419H (corresponding to 05 December 1998G) to (SAR 15,000,000) fifteen million Saudi Arabian Riyals. On 13 Muharram 1422H (corresponding to 07 April 2001G), the capital was increased through a shareholder cash contribution to (SAR 20,000,000) twenty million Saudi Arabian Riyals. On 11 Rabi' al-Thani 1425H (corresponding to 30 May 2004G), Seera's capital was increased by capitalizing retained earnings in the amount of (SAR 69,000,000) sixty-nine million Saudi Arabian Riyals, in addition to the legal reserve in the amount of (SAR 11,000,000) eleven million Saudi Arabian Riyals, bringing its capital to (SAR 100,000,000) one hundred million Saudi Arabian Riyals. On 26 Ramadan 1425H (corresponding to 11 September 2004G), Seera increased its capital by capitalizing retained earnings in the amount of (SAR 50,000,000) fifty million Saudi Arabian Riyals bringing its capital to (SAR 150,000,000) one hundred and fifty million Saudi Arabian Riyals. Seera was converted to closed joint stock company pursuant to Resolution No. 811 of HE, the Minister of Commerce and Industry, issued on 5 Rajab 1426H (corresponding to 14 June 2005G). On 18 Muharram 1429H (corresponding to 27 January 2008G), Seera's capital was increased by capitalizing retained earnings in the amount of (SAR 300,000,000) three hundred million Saudi Arabian Riyals bringing its capital to (SAR 450,000,000) four hundred and fifty million Saudi Arabian Riyals, divided into (45,000,000) forty-five million shares, with a nominal value of (SAR 10) ten Saudi Arabian Riyals per share. On 13 Ramadan 1429H (corresponding to 13 September 2008G), Seera's capital was increased by capitalizing retained earnings in the amount of (SAR 150,000,000) one hundred and fifty million Saudi Arabian Riyals bringing the capital to (SAR 600,000,000.00) six hundred million Saudi Arabian Riyals divided into (60,000,000) sixty million shares, with a nominal value of (SAR 10) ten Saudi Arabian Riyals per share. On 29 Thul-Qi'dah 1430H (corresponding to 17 November 2009G), Seera's capital was increased by capitalizing retained earnings in the amount of (SAR 120,000,000) one hundred and twenty million Saudi Arabian Riyals, in addition to the legal reserve in the amount of (SAR 80,000,000) eighty million Saudi Arabian Riyals, bringing the capital to (SAR 800,000,000) eight hundred million Saudi Arabian Riyals with a nominal value of (SAR 10) ten Saudi Arabian Riyals per share. On 21 Jumada al-Ula 1434H (corresponding to 2 April 2013G), the capital was increased by capitalizing retained earnings stock Grant) to (SAR 1,200,000,000) one billion and two hundred million Saudi Arabian Riyals. On 19 Jumada al-Ula 1435H (corresponding to 20 March 2014G), the capital was increased by capitalizing retained earnings (stock grant) in the amount of (SAR 1,500,000,000) one billion and five hundred million Saudi Arabian Riyals. On 13 Jumada al-Ula 1436H (corresponding to 04 March 2015G), the capital was increased by capitalizing retained earnings (stock grant) in the amount of (SAR 2,000,000,000) two billion Saudi Arabian Riyals. On 1 Jumada al-Akhirah 1437H (corresponding to 10 March 2016G) the capital was increased by acquisition to (SAR 2,096,500,000) two billion, ninety-six million and five hundred thousand Saudi Arabian Riyals. On 9 Sha'ban 1440H (corresponding to 14 April 2019G), the capital was increased by capitalizing retained earnings (stock grant) in the amount of (SAR 3,000,000,000) three billion Saudi Arabian Riyals.

3.1.2 Overview of Seera's Business

Seera (formerly known as Al Tayyar Travel Group) is the leading, publicly listed travel and tourism group in the Kingdom. Since its inception over four decades ago, it has expanded from an airline ticketing agency in 1979G to a diverse portfolio of businesses geared towards providing specialised services across the travel and tourism ecosystem through its four main verticals: the Travel Platform, Car Rental, Hospitality and Investments with operations in the Kingdom, UAE, Egypt, Jordan, Kuwait, the UK and Spain.

After its initial public offering in 2012G, Al Tayyar primarily operated as a corporate travel agency for a major government partner. Meanwhile, the group continued expansion into new businesses and countries, including notable investments in Almosafer, a small hotel booking startup, Portman Travel Group, a UK travel management company, and in Careem, an emerging mobility player at the time offering ride-hailing services. In 2016G, leadership and the board of directors launched a transformation programme across Al Tayyar's entire portfolio in pursuit of focused and aggressive growth to create long-term value for shareholders. By the year 2019G, upon the realization of the transformation programme's objectives, Al Tayyar was renamed Seera, having re-positioned its entire portfolio as follows:

3.1.2.1 Travel Platform

A digitally-enabled travel platform under the umbrella of Almosafer to match supply and demand across the travel ecosystem through the following units:

- **Consumer travel (Almosafer):** The largest omni-channel and digitally-driven consumer travel brand in the Kingdom, offering booking services for flights, hotels, and other activities through online channels (application and web), as well as offline channels (retail stores, airport branches, call center and WhatsApp), in the Kingdom, UAE and Kuwait. Driven by product innovation across the entire travel experience, Almosafer has become the predominant travel brand in the Kingdom, and is used by Saudi consumers to book their outbound and domestic trips. As a result of its scale and strong customer base, Almosafer engages in opportunities to deliver more differentiated, higher value offerings, including the development of a platform called Chalet+ for alternative accommodation bookings in the Kingdom, such as chalets, camps, farms, etc. in addition to a concierge service, to cater to the luxurious and personalised needs of high net worth individuals in the Kingdom;
- **Business Travel (Almosafer Business):** The leading travel management company in the Kingdom, offering corporate travel booking services (flights, accommodation, transfers, visa services, etc.) to the employees and relevant stakeholders of corporate and government clients across the Kingdom. Almosafer Business serves a large and prestigious corporate and government client base through an online booking portal, as well as offline via implants present on client premises and a call center. Almosafer Business's service offerings include travel expense reporting and advisory on travel policy, in addition to specialised travel requests, such as charter flights, private jets and group bookings;
- **Destination Management (Discover Saudi):** Established in late 2019G, in line with the launch of tourist visas to the Kingdom and Vision 2030's ambitious plans for inbound tourism, Discover Saudi promotes the Kingdom as a destination and provides tailored destination management services for inbound tourists through agents from across the world. Discover Saudi manages the entire travel experience from meet and greet at the airport, transfers to hotels, tours and activities in-destination, as well as domestic travel between cities in the Kingdom. Leveraging a massive network of agents globally, Discover Saudi distributes Saudi travel content through an online distribution platform that uses application programming interface technology to integrate with travel partners. With the advent of large-scale events in the Kingdom, such as Riyadh Season, Fil, Extreme E, The Saudi Cup and others, Discover Saudi provides guests and participants end-to-end travel logistics services, such as arranging their flights, hotels, limousine bookings and fulfilling any other travel need; and
- **Hajj and Umrah (Mawasim):** The Mawasim business is a wholesale tour operator offering holistic religious tourism experiences for pilgrims from all over the world. Since completing the full acquisition of Mawasim in 2019G, the Hajj and Umrah segment bundles religious travel services creates packages of flights, accommodation, transportation, Umrah visas, activities, and other services for the economy, comfort and luxury customer segments. Packages are distributed to agents globally through an online portal that is integrated with the Ministry of Hajj and Umrah's Maqam and Nusuk platforms for Umrah visa issuance, as well as through local representatives in key source markets, such as Indonesia and Pakistan. Mawasim offers extensive ground-handling services in Jeddah and Makkah to support pilgrims throughout their umrah journey and to guide them on their spiritual experience which often extends to visits in neighbouring cities of religious significance, such as Madinah and Taif.

As announced by Seera on 17 Safar 1444H (corresponding to 13 September 2022G), it signed a non-binding term sheet with the Public Investment Fund (PIF) regarding the subscription by PIF (or an entity wholly owned by PIF) to newly issued ordinary shares representing 30%, on a fully diluted basis, of the share capital of Almosafer against a subscription amount of up to SAR 1,554 million (including up to SAR 386 million earn-out amount), based on a preliminary pre-money enterprise value of SAR 3,750 million. The transaction is subject to obtaining regulatory and any other approvals as may be required by the parties and the signing of the definitive agreements which will be subject to a number of conditions, including the completion of a customary due diligence by PIF. It will further scale Almosafer's inbound, outbound, religious and domestic tourism operations, becoming the leading tourism provider in the region while serving as the champion for the Kingdom's ambitious plans for tourism.

3.1.2.2 Car Rental (Lumi)

Lumi is one of the leading car rental companies in the Kingdom, providing vehicle lease, rental and used car sales services. See section 3.2 (*Overview of Lumi*) for more details.

3.1.2.3 Hospitality

There are eight hotels with 2,283 operational room keys within the hospitality portfolio, including 5-star properties, such as the Sheraton Jabal Al Kaabah in Makkah and the Movenpick Hotel in Jeddah, three newly developed properties under the Choice Hotels brand in Riyadh and Jeddah, and three unbranded pilgrims-focused properties in Makkah that are leased out.

As the master developer of Choice hotel properties in the Middle East, the hospitality business partners with local tourism authorities to finance development of hospitality infrastructure in line with the Kingdom's tourism agenda, particularly via expansion into tier-2 cities (e.g., Jouf, Al Ula, Abha, etc.). This includes the mountain resort in Al Baha under development in partnership with the Tourism Development Fund and the joint venture with Al Ula Development company to develop a hotel in Al Ula.

Seera has contributed to the establishment of a real estate investment fund under the management of Alinma Investment Company by the contribution of three new Choice hotels in Riyadh and Jeddah as announced on 26 Rabi' al-Awwal 1444H (corresponding to 22 October 2022G), in support of the Group's strategy of converting real estate assets into tradable investments and reflecting the fair value of these assets.

3.1.2.4 Investments

This is Seera's corporate ventures arm for investments within the travel and tourism or adjacent sectors, and includes the following notable ventures:

- Seera was one of the largest and earliest institutional investors in Careem, a pioneer of the GCC Region's ride-hailing economy, and successfully divested its stake upon Careem's acquisition by Uber completed in the first quarter of 2020G with an exit value of SAR 1.78 billion; and
- Seera invested in the Portman Travel Group, a UK travel group composed of three divisions: (i) business travel, providing travel management services to public sector clients and corporations in various sectors; (ii) luxury leisure travel tours, catering to affluent European clientele seeking exclusive luxury hotel, resort and cruise products along with bespoke adventures and journeys; and (iii) sports travel, supporting travel logistics of professional sports teams including English Premier League football clubs, in addition to travel for participation in and attendance at sports events. The Portman Travel Group pursues organic and inorganic growth via the acquisition of leading companies in the UK and European travel sector to increase its scale. Seera expects to benefit from a future profitable exit from its investment in the UK business.

During 2020G and 2021G, the COVID-19 pandemic created an unprecedented contraction in the global travel and tourism industry, and Seera, as with all organizations operating in the travel sector, was impacted by government-imposed travel restrictions and lockdowns. To mitigate the impact of the pandemic and to position itself for the rebound in travel, Seera focused on optimizing operations across all businesses, pivoting to new opportunities for its businesses and investing in new products and services for the future, while continuing the high growth journey of Lumi's Car Rental unit.

As of 30 September 2022G, Seera had a total of approximately 4,200 employees across the Kingdom, UAE, Egypt, Jordan, Kuwait, the UK and Spain.

3.1.3 Financial Highlights – Seera

Seera generated revenue of SAR 2,190 million, SAR 905 million, SAR 1,328 million and SAR 1,627 million in the financial years ended 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G, respectively. The net income / (loss) was SAR 186 million, SAR 18 million, SAR (376) million and SAR 79 million in the financial years ended 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G, respectively. The total value of Seera's assets as of 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G was SAR 8,278 million, SAR 7,805 million, SAR 7,888 million and SAR 8,085 million, respectively. Total liabilities of Seera amounted to SAR 2,434 million, SAR 1,928 million, SAR 2,414 million and SAR 2,730 million as of 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G, respectively.

3.2 Overview of Lumi

3.2.1 History of Lumi

Lumi Rental Company ("Lumi") is a Saudi closed joint stock company established pursuant to Ministry of Commerce Resolution No. 228 dated 9 Rajab 1442H (corresponding to 21 February 2021G), is registered under Commercial Register No. 1010228226 dated 23 Muharram 1428H (corresponding to 11 February 2007G), issued in the city of Riyadh in the Kingdom. Lumi's headquarters and registered office are located on Imam Saud bin Abdulaziz bin Muhammad Street, Al-Taawun District, P.O. Box 6477, Riyadh 12476, Kingdom of Saudi Arabia. As of the date of this Circular, Lumi's current capital amounts to five hundred and fifty million Saudi Arabian Riyals (SAR 550,000,000), divided into fifty-five million (55,000,000) ordinary shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share. Lumi started its business as a branch of a sole corporation, Al Tayyar Car Rental Corporation, owned by Nasser bin Aqeel bin Abdullah Al-Tayyar. On 14 Shawwal 1427H (corresponding to 5 November 2006G), the Corporation branch was transformed into a limited liability company in the name "Al Tayyar Rental Company" and was registered under Commercial Register No. 1010228226 dated 23 Muharram 1428H (corresponding to 11 February 2007G), with a capital of one million Saudi Arabian Riyals (SAR 1,000,000) divided into one thousand (1,000) cash shares with a nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share, of which Al-Tayyar Real Estate Development and Investment Company owned 50 per cent., and Nasser bin Aqeel bin Abdullah Al-Tayyar owned 50 per cent. In accordance with the shareholders' resolution dated 15 Ramadan 1430H (corresponding to 5 September 2009G), Lumi's capital was increased from one million Saudi Arabian Riyals (SAR 1,000,000) divided into one thousand (1,000) cash shares with a nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share to fifteen million Saudi Arabian Riyals (SAR 15,000,000); divided into fifteen thousand (15,000) cash shares with a nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share through the capitalization of fourteen million Saudi Arabian Riyals (SAR 14,000,000) from the shareholders' account. In accordance with the decision of the partners of the Saudi United Transport Company on 21 Jumada al-Ula 1436H (corresponding to 12 March 2015G), Lumi acquired ninety (90 per cent.) percent of the Saudi United Transport Company. On 25 Jumada al-Ula 1440H (corresponding to 31 Muharram 2019G), Lumi's shareholders decided to merge Lumi with Saudi United Transport Company. On 4 Sha'ban 1440H (corresponding to 9 April 2019G), Lumi's name was changed from "Al-Tayyar Car Rental Corporation" to "Lumi Rental Company". According to the shareholders' resolution dated 25 Muharram 1442H (corresponding to 13 September 2020G), Lumi was converted from a limited liability company to a closed joint stock company, and the capital was increased from fifteen million Saudi Arabian Riyals (SAR 15,000,000), divided into fifteen thousand (15,000) shares with a nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share, to five hundred and fifty million Saudi Arabian Riyals (SAR 550,000,000) divided into fifty-five million (55,000,000) ordinary shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share through the capitalization of five hundred and thirty-five million Saudi Arabian Riyals (SAR 535,000,000) from the retained earnings and additional capital account.

3.2.2 Overview of Lumi's Business

Seera established Lumi in 2006G as a sole proprietorship to provide car rental services amongst a portfolio of travel companies. In 2016G, in response to its transformation programme to steer the Seera in a new, more focused direction and to enhance long-term shareholder value, strategic plans for the car rental business were reconfigured and an expert management team was mobilised to deliver it. As of the date of this Circular, Lumi has emerged as one of the leaders in the car rental sector.

Since 2016G, Lumi has experienced high growth, increasing from a fleet size of 3,603 vehicles as of 31 December 2015G to 19,634 vehicles as of 30 September 2022G, to service a diversified customer base. As a leading omnichannel rental brand in the Kingdom, as of 30 September 2022G, Lumi serves customers across the Central, Western, Eastern, Northern and Southern Regions from 33 car rental branches and three vehicle

maintenance centres, in addition to mobile workshops and third party vendors, digital channels and a used cars sales showroom.

Lumi's core activities consist of the following business segments:

- a) **vehicle lease** and the provision of other related services;
- b) **car rental** and the provision of other related services; and
- c) **sale of used cars** owned by Lumi and released from its operations of the above two business segments.

As of 30 September 2022G, Lumi had a total of 771 employees across the Kingdom.

3.2.3 Financial Highlights – Lumi

Lumi generated revenue of SAR 317.3 million, SAR 430.5 million, SAR 521.5 million and SAR 524.8 million in the financial years ended 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G, respectively. Its net income was SAR 29.6 million, SAR 50.3 million, SAR 106.1 million and SAR 102.5 million in the financial years ended 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G, respectively. The total value of Lumi's assets as of 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G was SAR 807.8 million, SAR 920.0 million, SAR 1,363.1 million and SAR 1,531.4 million, respectively. Lumi's total liabilities amounted to SAR 265.1 million, SAR 326.8 million, SAR 664.1 million and SAR 729.9 million as of 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G, respectively.

3.2.4 Vision, Mission, Strategy and Competitive Advantages

3.2.4.1 Vision

Reshape the way people and businesses move across the Kingdom and beyond by digital innovation in the land mobility sector.

3.2.4.2 Mission

Create convenience and drive customer loyalty through innovation, operational excellence and a young fleet in the land mobility sector.

3.2.4.3 Strategy

Lumi maintains the following three key pillars in its growth strategy:

- building a pipeline of future revenue and asset growth through long-term lease contracts by consistently providing service excellence and pricing competitiveness that caters to the large-scale lease management needs of its corporate and Government clients;
- achieving scale, growth and profitability as a rental business by building on its optimal branch network through openings in established and new cities that are gaining prominence as travel destinations and adopting an omni-channel approach to capture customers through integrated online (mobile application, website and WhatsApp) and offline (branch, call centre) channels, combined with increasing mid and high-value vehicles in its rental fleet mix, retaining customers through a loyalty programme, increasing the corporate rental client base and providing end-to-end logistics and fleet management support for large-scale events across the Kingdom; and
- fleet disposal at maximised purchase price recovery by opening used vehicle sales showrooms in Jeddah and Dammam in addition to its existing used vehicle sales showroom in Riyadh and by digitising its existing closed bidding process for used vehicles to enhance the buyer experience.

3.2.4.4 Competitive Advantages

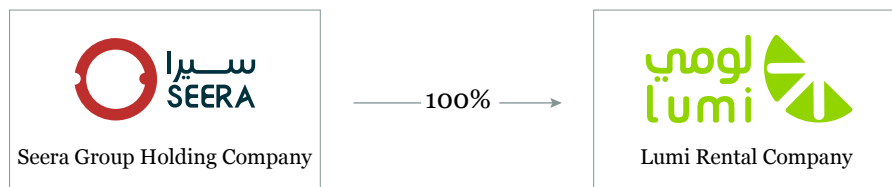
There are many factors that enable Lumi to compete with its current and potential competitors and provide it with strong attributes for sustainable growth. These factors include:

- a lease portal that Lumi has developed to raise service requests and access relevant fleet documentation and details to enhance customer experience;
- omni-channel services offering through integrated online (mobile application, website, and WhatsApp) and offline (branch, call centre) channels for the ease of its customers;
- fleet procurement through strong relationships with car dealers enabling Lumi to obtain attractive prices and priority delivery;
- very strong maintenance infrastructure, including three inhouse workshops, mobile workshops, contracts with the third-party service providers covering more than 650 maintenance points across the Kingdom and 24/7 roadside assistance for rental customers and lease clients.
- leveraging its digital products that were developed based on customer and client experience research and continuously working on digitising its process to enhance customer experience and operational efficiency, including integration with different tools;
- having a high-profile shareholder, such as Seera, which enhances its reputation as a stable and secure institution; and
- delivering consistent quality and service that has helped Lumi gain the trust of its corporate clients and retail customers, and resulting in receiving various business awards and obtaining ISO certifications.

3.2.5 Ownership Structure

The following chart illustrates Lumi's structure as of the date of this Circular:

Exhibit No. (3.1): Lumi's Ownership Structure as of the Date of this Circular



As of the date of this Circular, Lumi's share capital is five hundred and fifty million Saudi Arabian Riyals (SAR 550,000,000), consisting of fifty-five million (55,000,000) ordinary shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share. The following table sets out Lumi's pre- and post-Demerger direct ownership structure:

Table No. (3-1): Lumi's Pre- and Post- Demerger Direct Ownership Structure

Shareholder	Pre-Demerger			Post-Demerger		
	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)
Seera Group Holding	55,000,000	100%	550,000,000	38,500,000	70%	385,000,000
Public	-	-	-	16,500,000	30%	165,000,000
Total	55,000,000	100%	550,000,000	55,000,000	100%	550,000,000

Source: Seera.

3.2.6 Lumi's Board of Directors

Lumi's Board of Directors consists of seven directors who are appointed by the general assembly by means of a cumulative vote. The Companies Law, the Corporate Governance Regulations, the Bylaws, and Lumi's internal corporate governance regulations determine the duties and responsibilities of Lumi's Board of Directors. The term of the Directors' membership in the Board of Directors, including the Chairman, shall be for a maximum period of three years for each term.

The following table sets out Lumi's directors as of the date of this Circular:

Table No. (3-2): Lumi's Board of Directors

Name	Position	Nationality	Status and Independence	Direct Share Ownership		Indirect Share Ownership		Date of Appointment ⁽¹⁾
				Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
Majed Ayedh Ajel Alnefaie ⁽²⁾	Chairman	Saudi	Non-Executive / Non-Independent	-	-	0.0032667%	0.00228669%	25 Shawwal 1443H (corresponding to 26 May 2022G)
Ibrahim Abdulaziz Ibrahim Alrashed ⁽³⁾	Vice Chairman	Saudi	Non-Executive / Non-Independent	-	-	0.0004667%	0.00032669%	25 Shawwal 1443H (corresponding to 26 May 2022G)
Abdullah Nasser Abdullah Aldawood ⁽⁴⁾	Director	Saudi	Non-Executive / Non-Independent	-	-	0.0007773%	0.00054411%	25 Shawwal 1443H (corresponding to 26 May 2022G)
Sulaiman Nasser Jebran Althatlan Alqahtani	Director	Saudi	Non-Executive / Independent	-	-	-	-	25 Shawwal 1443H (corresponding to 26 May 2022G)
Abdullah Fahad Mohammed Alfassam	Director	Saudi	Non-Executive / Independent	-	-	-	-	25 Shawwal 1443H (corresponding to 26 May 2022G)
Khalid Mohamed Abu bakr Alamoudi	Director	Saudi	Non-Executive / Independent	-	-	-	-	25 Shawwal 1443H (corresponding to 26 May 2022G)
Hatim Ali bin Talib Barjash	Director	Saudi	Non-Executive / Independent	-	-	-	-	25 Shawwal 1443H (corresponding to 26 May 2022G)

Source: Seera.

⁽¹⁾ Dates listed in this table are the dates of appointment to the current positions in the Board of Directors, noting that the current term of the Board of Directors expires on 18 Sha'ban 1446H (corresponding to 17 February 2025G).

⁽²⁾ As of the date of this Circular, Majed Ayedh Ajel Alnefaie owns 0.0032667 per cent. of Seera, the parent company of Lumi. As a result, he indirectly owns approximately 1,797 shares in Lumi.

⁽³⁾ As of the date of this Circular, Ibrahim Abdulaziz Ibrahim Alrashed owns 0.0004667 per cent. of Seera, the parent company of Lumi. As a result, he indirectly owns approximately 257 shares in Lumi.

⁽⁴⁾ As of the date of this Circular, Abdullah Nasser Abdullah Aldawood owns 0.0007773 per cent. of Seera, the parent company of Lumi. As a result, he indirectly owns approximately 428 shares in Lumi.

The Secretary of the Board of Directors is Reem Abdulaziz Abdulrahman AlDaej, who was appointed pursuant to a resolution by the Board of Directors dated 30 Ramadan 1443H (corresponding to 1 May 2022G).

3.2.7 Lumi's Executive Management

3.2.7.1 Overview of Lumi's Executive Management

Lumi's executive management is comprised of qualified and experienced members with the necessary knowledge and expertise to run Lumi's business in line with the objectives and directives of the Board of Directors and the Shareholders. Lumi has been successful in recruiting and retaining its Executive Management team, developing qualified employees and promoting them to senior positions.

3.2.7.2 Members of Lumi's Executive Management

The following table sets out the details of the members of Lumi's executive management:

Table No. (3-3): Details of Lumi's Senior Executives

Name	Position	Appointment Date	Nationality	Age (Years)	Number of Shares Held Pre-Offering	Number of Shares Held Post-Offering
Syed Mohammed Azfar Shakeel	Chief Executive Officer	9 Jumada al-Ula 1437H (corresponding to 18 February 2016G)	Pakistani	49	-	-
Sulaiman Dhari Sulaiman Alrasheed	Chief Financial Officer	15 Safar 1444H (corresponding to 11 September 2022G)	Saudi	45	-	-
Usama Masood Masood Alam	Head of Finance Department and Deputy Chief Financial Officer	28 Jumada al-Ula 1443H (corresponding to 1 January 2022G)	Pakistani	31	-	-
Homoud Redha Homoud Alhamzah	Director of Lease	24 Muharram 1443H (corresponding to 1 September 2021G)	Saudi	40	-	-
	Director of Fleet Management	28 Jumada al-Ula 1443H (corresponding to 1 January 2022G)				
Badr Abdulmohsen Ali Altamimi	Director of Rental	28 Jumada al-Ula 1443H (corresponding to 1 January 2022G)	Saudi	37	-	-
Sulaiman Saleh Sulaiman Alrubaish	Director of Used Car Sales	18 Thul-Hijjah 1443H (corresponding to 17 July 2022G)	Saudi	39	-	-
Mohamad Suleiman Mohammed Alamro	Chief Human Resources Officer	28 Juamada al-Ula 1443H (corresponding to 1 January 2022G)	Saudi	32	-	-
Vacant	Director of Marketing	-	-	-	-	-

Source: Seera.

3.3 Proposed Structure of the Demerger

The proposed structure of the Demerger is an offering of sixteen million and five hundred thousand (16,500,000) ordinary shares of Seera's wholly owned subsidiary, Lumi Rental Company, representing 30 per cent. of Lumi's share capital through an initial public offering on the Exchange.

3.4 Purpose of the Demerger

The Demerger will benefit Seera in the following areas:

3.4.1 Enable the Execution of Seera's Portfolio Strategy

- **IPO Exit as Part of Seera's Investment Strategy:** Seera's investment strategy consists of identifying scalable companies operating in fast-growing markets within Seera's core and adjacent sectors, investing in them and leveraging Seera's core capabilities and expertise in marketing and technology until the companies in which Seera invests become top-tier players, and then Seera partially or wholly exiting them to unlock shareholder value. Part of the net offering proceeds from the Demerger will be used to fund the next investment cycle.
- **Dividend Distribution:** Seera will allocate part of the net offering proceeds from the Demerger to fund its other core sectors (for more information on Seera's sectors, see Section 3.1 (*Overview of Seera*) and may distribute dividends to its Shareholders (any recommendation by the Board of Seera to distribute dividends will depend on, amongst other things, Seera's historic and anticipated earnings and cash flows, financing and capital requirements and market and general economic conditions, Seera's Zakat position and legal and regulatory considerations, including obligations set out in the financing agreements and any limitations contained in its Bylaws, and Seera's Shareholders will have to approve such distributions at a General Assembly meeting).
- **Reaching Fair Market Capitalization:** Investors will have more visibility over Lumi's operations and cash flow. This will enable them to make better investment decisions and assess the fair value of Lumi and indirectly Seera's portfolio to reflect this in the share price. See also Section 2.6 (*Risks Related to Fluctuations in the Market Price of the Shares of Lumi*) for a discussion of risks in relation to fluctuations in the market price of the shares of Lumi.

3.4.2 Spur Further Growth in Lumi

- **Enhanced Capital Allocation Supporting Lumi's Growth Strategy:** The Demerger will enable Lumi to access additional capital resources to complement its funding requirements to accelerate its fleet enhancement and expansion plan.
- **Inorganic Growth:** The Demerger will help Lumi to use its shares as an acquisition currency and consider opportunistic acquisitions to increase its market share in a fragmented car rental market.
- **Increase in Brand Awareness as a Result of Being a Listed Company:** The Demerger will enhance Lumi's brand awareness locally and internationally (including research report coverage), and will help to attract and retain talent, to attract more clients and customers, and to create more opportunities with partners and suppliers in the industry.

3.4.3 Govern Lumi's Management via Independent and Focused Team with Increased Focus on Car Rental as Lumi's Core Business

Seera, as a holding company, operates across four separate verticals (see Section 3.1 (*Overview of Seera*)). The Demerger will allow Lumi's independent management and board to focus more on car rental as a core business and improve the decision-making process to achieve its business objectives as a result of increased autonomy and the focused accountability for Lumi's financial results in front of Lumi shareholders directly and Seera shareholders indirectly, all while operating under the strict compliance and governance standards required by listed companies that will further improve Lumi's accountability, transparency and stability.

4. FINANCIAL INFORMATION ILLUSTRATING THE IMPACT OF THE DEMERGER

The expected benefits of the Demerger are set out in Section 3.3 (*Proposed Structure of the Demerger*). The impact of the Demerger on Seera from a financial perspective is set out below.

4.1 Impact on Assets

As of 31 December 2019G, 2020G and 2021G, and as of 30 September 2022G, Seera had consolidated assets of SAR 8,278.2 million, SAR 7,805.0 million, SAR 7,887.8 million and SAR 8,084.7 million, respectively, while, at the same time, Lumi had assets of SAR 807.8 million, SAR 920.0 million, SAR 1,363.1 million and SAR 1,531.4 million, respectively, representing 9.8 per cent., 11.8 per cent., 17.3 per cent. and 18.9 per cent. of Seera' assets, respectively. As a result of the Demerger, Seera will receive net offering proceeds from the Demerger, while continuing to consolidate Lumi's assets.

4.2 Impact on Net Profits

Seera's net profits/loss for the financial years ended 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G were SAR 185.6 million, SAR 18.2 million, SAR 376.4 million and SAR 78.9 million, respectively, while Lumi's net profits for the same period were SAR 29.6 million, SAR 50.3 million, SAR 106.1 million and SAR 102.5 million, respectively, representing 16.0 per cent., 276.8 per cent., (28.2) per cent. and (129.9) per cent., respectively, of Seera' net profits. Seera will record a one-time gain from selling a 30 per cent. stake in Lumi, but Seera's net profits are therefore expected to decrease following the completion of the Demerger while the net offering proceeds from the Demerger will be deployed as per Seera's future investment strategy. See also Section 2.3 (*Risks Related to Divestment of a 30 per cent. Ownership Stake in Lumi*) for a discussion of risks related to the divestment of a 30 per cent. ownership stake in Lumi.

4.3 Impact on Revenue

Seera's revenue for the financial years ended 31 December 2019G, 2020G and 2021G, and the nine-month period ended 30 September 2022G was SAR 2,190.3 million, SAR 904.6 million, SAR 1,327.9 million and SAR 1,627.2 million, respectively, while Lumi's revenue for the same period was SAR 317.3 million, SAR 430.5 million, SAR 521.5 million and SAR 524.8 million, respectively, representing 14.5 per cent., 47.6 per cent., 39.3 per cent. and 32.2 per cent., respectively, of Seera's revenue. Seera will continue to consolidate Lumi's revenue in full and the demerger will have no impact on revenue reporting. See also Section 2.3 (*Risks Related to Divestment of a 30 per cent. Ownership Stake in Lumi*) for a discussion of risks related to divestment of a 30 per cent. ownership stake in Lumi.

4.4 Demerger Costs

Seera will be responsible for all costs and expenses associated with the Demerger, which as of the date of this Circular are not yet known. Such expenses will be deducted from the proceeds from the Demerger if completed and Lumi will not be responsible for the payment of any Demerger expenses.

5. VIEWS OF THE BOARD ON THE DEMERGER

Lumi's general assembly approved the IPO on 3 Thul-Hijjah 1443H (corresponding to 2 July 2022G). The Demerger will require the approval of the Extraordinary General Assembly of Seera's shareholders due to the percentage of the profits test exceeding 50 per cent. (see Section 1.3 (*Why is the Approval of the Extraordinary General Assembly of Seera's Shareholders Required for the Demerger?*)).

5.1 Formation of the Specialised Committee

On 2 Rabi' al-Awwal 1444H (corresponding to 28 September 2022G), the Board formed the Specialised Committee required pursuant to Article 117 of the Rules on the Offer of Securities and Continuing Obligations, with an additional member appointed on 14 Rabi' al-Thani 1444H (corresponding to 8 November 2022G), consisting of the following members:

Table No. (5-1): Specialised Committee Members

Name	Position	Nationality	Independence	Date of Appointment
Mohammed AlKhalil	Chairman	Saudi	Independent Director	14 Rabi' al-Thani 1444H (corresponding to 8 November 2022G)
Abdulaziz AlBassam	Member	Saudi	Independent Expert	2 Rabi' al-Awwal 1444H (corresponding to 28 September 2022G)
Yazeed Khalid Almuhaize	Member	Saudi	Independent Director	2 Rabi' al-Awwal 1444H (corresponding to 28 September 2022G)

Source: Seera.

The experience, qualifications and current and other positions of the members of the Specialised Committee are set out below:

- **Mohammed Bin Saleh Al-Khalil** has extensive experience in the fields of investment, real-estate, travel and tourism, petrochemicals and industrial. His experience as a chairman and board member of companies in the fields of travel and tourism, petrochemicals, real-estate and industrial (Seera, Alujain, Tatweer Buildings, Cementra Cement, FAD Investment & Development) brings an excellent portfolio and valuable expertise to the table. He holds a master's degree in Business Administration with honours from Colorado State University and a bachelor's degree in Engineering with honours from King Fahd University of Petroleum and Minerals.
- **Abdulaziz AlBassam** has been the CEO of AIMS Investment since 2019G; his previous experience includes working at Arcapita, Mckinsey & Co., Saudi Aramco in Dhahran, as a Fund Manager, and the Ministry of Economy and Planning in the Advisory Unit. Abdulaziz co-founded Urbanhai and Oasis Capital in Boston, USA and worked as the Managing Director for Oasis Capital; he was also appointed as a member of the Aljomaih Foundation's investment committee. He holds an MBA from Harvard Business School and a bachelor's degree in Business Administration, with majors in Finance and Entrepreneurship, and minors in Economics from Northeastern University. Abdulaziz is also a CFA charterholder.
- **Yazeed Khalid Almuhaize**: is a Board member of Seera Group Holding; he has also been the Advisor to the Managing Director at Qiddiya Investment Company since 2021G. Prior to that, Yazeed was the Assistant General Manager and Head of International Markets at Hassana Investment Company, and prior to that, he worked as an Investment Analyst at the Portfolio Management Department at the General Organization for Social Insurance in the Kingdom of Saudi Arabia from 2007G to 2014G.

None of the members of the Specialised Committee has any substantial interest in the Demerger. See also Section 1.4 (*Why has the Specialised Committee been Formed and What is its Role in the Demerger Process?*).

5.2 Recommendation by the Board

The Board, having considered Seera's strategy of investing in scalable businesses and unlocking their value, the potential of the demerger to drive sustained future growth for Lumi and the spotlight that independent, focused management and governance will place on the achievement of Lumi's business objectives as at the date of this Circular, as well as the Letter from the Specialised Committee, recommending voting in favour of the Demerger, and the Letter from the Financial Advisor provided to the Specialised Committee, recommends that the Shareholders vote in favour of the Demerger at the Extraordinary General Assembly. The Board reserves the right to withdraw or modify its recommendation in compliance with the legal duties and obligations of the Directors. As of the date of this Circular, the board has not withdrawn or modified its recommendation stated herewith.

With regard to the information available to the Financial Advisor as at the date specified in the Letter from the Financial Advisor and subject to the assumptions, exceptions and qualifications set out in the Letter from the Financial Advisor, the Specialised Committee has been advised by the Financial Advisor that the Demerger is in the interests of Seera and all of its Shareholders for the following reasons:

- unlocking and realizing value for Seera's shareholders by offering 30 per cent. of Lumi's shares through an initial public offering as part of its investment strategy;
- facilitating the continuation and implementation of Seera's investment strategy by utilizing part of the net offering proceeds in identifying scalable companies operating in fast-growing markets within Seera's core and adjacent sectors and funding such investments;
- allowing Lumi's core business to accelerate the execution of its independent growth strategies, whereby Lumi's management expects to increase value for its shareholders. Investors will have more visibility over Lumi's operations and it will enable them to make informed investment decisions and assess Lumi's fair value. In turn, it will enhance its value to be reflected on Seera's market capitalization and/or share price;
- creating a clear path for Lumi to tap into organic and inorganic growth pillars by stretching its business via acquisitions in the car rental market and increasing its market share, in addition to expanding its services portfolio through the introduction of new business segments;
- aside from the fact that the sale of a minority interest, the Demerger will have no financial impact on Seera, and it will continue to recognize 70 per cent. of Lumi's net profits. In addition, post-Demerger, Seera will still consolidate Lumi's assets and revenues, and there will be no transfer of assets and liabilities;
- Lumi is adopting high standards of corporate governance in light of the Corporate Governance Regulations issued by the CMA to ensure compliance with the best corporate governance practices to protect the rights of its shareholders and other stakeholders;
- Lumi will still benefit from Seera's administrative support services (i.e., marketing, IT, facility management, and data management services) through service level agreements signed between Lumi (as the beneficiary) and Seera (as the service provider); and
- Lumi has an experienced and independent management team and board of directors who are focused on Lumi's direction and strategic plans to enhance long-term shareholder value.

Such advice of the Financial Advisor shall be read in the context of the Letter from the Financial Advisor, a copy of which is attached as Annex B to this Circular. The original version of the Letter from the Financial Advisor will be available at Seera's offices during the period between the publication of this Circular until the Extraordinary General Assembly, as specified in Section 10 (*DOCUMENTS AVAILABLE FOR INSPECTION*).

In giving its recommendation, the Board has not considered the specific investment objectives, financial situation, tax or Zakat position or individual circumstances of any individual Shareholder. As different Shareholders would have different investment objectives and portfolios, the Board recommends that each individual Shareholder should consult his own independent financial advisor in relation to the Demerger and should rely on his own examination of the Demerger and the information herein with regard to such Shareholder's individual objectives, financial situation and needs.

The Shareholders should also note that the trading of Seera's Shares and Lumi's shares after the Demerger are subject to, among other things, the performance and prospects of Seera and Lumi, and their subsidiaries and affiliates, prevailing market conditions, economic outlook and stock market conditions and sentiments (see also Section 2.6 (*Risks Related to Fluctuations in the Market Price of the Shares of Lumi*)).

Accordingly, the Board's recommendation related to the Demerger does not and cannot take into account future trading activities, patterns or price levels that may be established for Seera's shares after the date of this Circular or Lumi's shares after the Demerger.

6. LEGAL INFORMATION

6.1 Legal Arrangements in Connection with the Demerger

The Board of Directors confirms that there will be no transfer of assets, liabilities, employees or intellectual property from Seera to Lumi as part of the Demerger, and that the Demerger will consist of an offering of sixteen million and five hundred thousand (16,500,000) ordinary shares of Seera's wholly owned subsidiary, Lumi, representing 30 per cent. of Lumi's share capital through an initial public offering on the Exchange.

As part of its efforts to streamline operations and to manage costs, Lumi is outsourcing certain administrative support services, including IT, digital and digital delivery, marketing and data analytics services, to Seera, pursuant to a services agreement dated 2 Thul-Hijjah 1443H (corresponding to 1 July 2022G).

If the Demerger is approved by the Extraordinary General Assembly, Lumi's Board of Directors will take any decisions that fall within their competence under the applicable law and will take care of all of the required actions in relation to the completion of the Demerger.

6.2 Corporate Governance Compliance by Lumi

Lumi's policy is to adopt high standards of corporate governance. Its Board of Directors has undertaken to comply with the Corporate Governance Regulations issued by the CMA on 16 Jumada al-Ula 1438H (corresponding to 13 February 2017G), as amended on 24 Muharram 1444H (corresponding to 22 August 2022G).

The Corporate Governance Regulations set out the rules and standards that regulate the management of Lumi to ensure compliance with the best corporate governance practices to protect the rights of Shareholders and other stakeholders. The provisions of the Corporate Governance Regulations are mandatory, except for certain provisions that are designated as guiding provisions.

Lumi's internal Corporate Governance Manual, which was adopted by Lumi's Board of Directors on 30 Ramadan 1443H (corresponding to 1 May 2022G), includes provisions in relation to the following:

- the rights of Lumi's shareholders;
- Lumi's Board of Directors (including its formation, membership, meetings, working procedures, competencies, duties and powers, development, support, evaluation and remuneration);
- the committees of Lumi's Board of Directors;
- management;
- internal control and audit; and
- internal policies.

Further, and as of the date of this Circular, Lumi complies with the mandatory provisions of the Corporate Governance Regulations, except for the following articles:

- Article 8(a) on Lumi announcing information about the nominees for membership in Lumi's Board of Directors on the Exchange's website upon the invitation or call for Lumi's General;
- Article 8(c) on limiting the voting of Lumi's general assembly for candidates whose information was announced according to Article 8(a);
- Article 13(d) on publishing the invitation to Lumi's general assembly on the websites of the Exchange and Lumi;
- Article 14(c) on making information related to the agenda of Lumi's general assembly available to the shareholders through the websites of the Exchange and Lumi;
- Article 15(e) on announcing to the public and notifying the CMA and Exchange of the results of Lumi's general assembly as soon as it ends;

- Article 16(3) on the required number of independent directors of Lumi in the composition of Lumi's Board of Directors;
- Article 17(d) on notifying the CMA of the names of the members of Lumi's Board, a description of their memberships, as well as any changes in their memberships;
- Article 19(b) on promptly notifying the CMA and the Exchange of the termination of the membership of a member of Lumi's Board of Directors, specifying the reasons for such termination;
- Article 20(b) on Lumi's Board of Directors annually evaluating the independence of the Board members and ensuring that there are no relationships or circumstances that affect or may affect his/her independence; and
- Article 68 on Lumi's publishing the Board membership nomination announcement on the websites of Lumi and the Exchange to invite those interested in being nominated for Lumi's Board membership, provided that the nomination period remains open for at least a month from the date of the announcement.

Lumi is not in compliance with the above requirements of the Corporate Governance Regulations applicable to listed companies because it is not yet a listed company as of the date of this Circular. Lumi is in compliance with all of the other provisions of the Corporate Governance Regulations and the Companies Law.

Lumi has three Board Committees (the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee), which are responsible for reviewing Lumi's operations within their particular areas of expertise and presenting their findings and recommendations to Lumi's Board of Directors.

Lumi's Board of Directors consists of seven Directors, most of whom are non-executive Directors, including four independent Directors in accordance with the provisions of the Corporate Governance Regulations. The Board of Directors ensures, among other things, that:

- all of Lumi's Board Committees have clear competencies and that the roles and responsibilities of each Committee are detailed; and
- the minutes of all meetings will be prepared, reviewed and signed by Lumi's Board of Directors in accordance with the Bylaws.

In accordance with Article 95(1) of the Companies Law and Article 8(b) of the Corporate Governance Regulations, Lumi's shareholders have adopted the cumulative voting method in relation to the appointment of Lumi's Directors as reflected in Lumi's Bylaws. This method of voting gives each shareholder voting rights equivalent to the number of shares he/she holds in Lumi. Each shareholder has the right to use all of his/her voting rights for one nominee or to divide such voting rights between his/her selected nominees without any duplication of such votes. This method increases the chances for minority shareholders of Lumi to be represented in the Board of Directors of Lumi through the right to accumulate votes for one nominee.

6.3 Lumi's Dividend Distribution Policy

Pursuant to Article 110 of the Companies Law, each Lumi shareholder is entitled to the rights attached to his/her Lumi shares, including in particular the right to receive a portion of the dividends declared. The declaration and distribution of any dividends will be recommended by Lumi's Board of Directors before being approved by Lumi's shareholders at a general assembly meeting. Lumi is under no obligation to declare dividends, and any decision to do so will depend on, amongst other things, Lumi's historic and anticipated earnings and cash flows, financing and capital requirements and market and general economic conditions, Lumi's Zakat position and legal and regulatory considerations. Dividend distribution by Lumi is subject to obligations set out in the financing agreement entered into with lenders, as well as the limitations contained in its Bylaws. Dividends will be distributed by Lumi in Saudi Arabian Riyals.

Lumi's distribution of dividends is subject to certain limitations contained in Lumi's Bylaws, as Article 47 states that after deducting all general expenses and other costs, Lumi's annual net profits shall be allocated as follows:

- a) ten per cent. of the annual net profits shall be set aside to form a statutory reserve. Such setting aside may be discontinued by the ordinary general assembly of Lumi as soon as such statutory reserve totals 30 per cent. of Lumi's paid-up capital;
- b) upon the request of Lumi's Board of Directors, Lumi's ordinary general assembly may set aside fifty per cent. of the net profits to form a voluntary reserve to be allocated for a specific purpose or purposes; and
- c) Lumi's ordinary general assembly may deduct ten per cent. from the net profits to create social institutions for Lumi's employees, or to grant Lumi's employees shares in Lumi as a reward.

Lumi may distribute interim dividends quarterly or semi-annually in accordance with the rules established by the competent authority. Following the Demerger, Lumi will be able to develop its strategy and form investment and dividend distribution policies in alignment with its own interests. The Demerger will mean that Lumi will have greater flexibility to finance its growth in the implementation of its strategy.

6.4 Impact of Demerger on Seera's Listing Classification

The Demerger will not impact the direction or strategic nature of Seera's business and Seera will continue to be listed on the Exchange in the Consumer Discretionary Section in the Consumer Services Industry Group.

7. TAXATION AND ZAKAT

The following is a general description of certain tax and Zakat considerations specifically related to the Demerger as of the date of this Circular. It does not purport to be a complete analysis of all tax or Zakat considerations related to any specific Shareholder, Seera or Lumi. Shareholders must rely on their own examination of the taxation consequences of the Demerger, and should not treat the contents of this summary as advice related to taxation matters. This summary is based on the laws in effect in the Kingdom on the date of this Circular and is subject to any change in law that may take effect after such date.

7.1 Overview of Saudi Arabian Zakat

Based on the Zakat implementing regulations issued under Ministerial Resolution No. 2216 dated 7 Rajab 1440H (corresponding to 14 March 2019G) (the "**Zakat Regulations**"), Zakat is assessed on Saudi companies that are wholly-owned by GCC Persons (either directly or via GCC entities). Further, a Saudi resident company listed on the Exchange is subject to Zakat on the profits attributable to shares owned by public (non-founding) shareholders, irrespective of whether such shareholders are non-GCC Persons or Persons engaged in oil and hydrocarbon production.

Zakat is a religious levy and is assessed at the rate of 2.57 per cent. of the Saudi/GCC person's share of the Saudi resident company's "net wealth" or at the rate of 2.5 per cent. of the share of the Saudi company's adjusted profit for the year, whichever is higher. Net wealth, for Zakat purposes, generally comprises the Saudi company's equity and long-term financing, less its fixed assets and long-term investments, plus or minus the adjusted results for the relevant financial period.

Saudi and GCC individuals are in principle subject to Zakat if they carry out business activities in the Kingdom. However, Zakat compliance is not currently enforced by ZATCA in respect of individuals, unless they carry out business activities in the form of a sole proprietorship in the Kingdom.

Lumi's post-Demerger Tax/Zakat profile

In essence, the shareholders' profiles determine whether the relevant taxpayer is subject to tax at 20 per cent. (of the share of non-Saudi, non-GCC shareholders), or Zakat at 2.5 per cent. (or 2.57 per cent.) (of the share of Saudi / GCC shareholders), or a combination of both (if the shareholding comprises Saudi / GCC and non-Saudi / non-GCC shareholders).

Pursuant to amendments to the Saudi tax legislation (in February 2018G), all entities listed on Tadawul are subject to Zakat on the public portion (i.e., listed portion) of their shares, regardless of whether they are subscribed by non-Saudi/non-GCC persons, while the tax/Zakat profile of non-public shares (if any) is determined based on the nationality of the founding shareholders. Furthermore, in accordance with the Zakat Regulations, shares of a publicly listed entity on Tadawul, held by non-Saudi resident investors (other than the founding shareholders) are subject to Zakat. Hence, Lumi would be fully subject to Zakat (and not CIT) after the Demerger.

7.2 Tax/Zakat Implications for Seera upon Its Sale of Lumi Shares

Any income recognised by Seera through the Demerger shall form part of Seera's net income and hence be subject to Zakat at year-end at 2.5 per cent. and will continue to be subject to Zakat in the subsequent years as part of Seera's retained earnings, unless Seera reinvests its dividends in other Zakat deductible assets or distributes them as dividends to its shareholders.

The direct transfer/disposal of shares by a non-resident in a Saudi resident entity should give rise to capital gains tax at 20 per cent. of the capital gains realised upon disposal. However, Seera being a Saudi resident entity for tax purposes, would not be subject to any capital gains tax on capital gains derived from its sale/disposal of investment in Lumi.

7.3 Zakat Implications of the Demerger

7.3.1 Zakat Consolidation for Compliance Purposes

In accordance with the Zakat Regulations, companies commonly controlled by the same partners or a holding company (whether directly or indirectly owned), have an option to file consolidated financial statements, as well as a consolidated Zakat return with ZATCA. Accordingly, Seera currently files its consolidated Zakat returns, including Lumi, and settles the corresponding Zakat liability to ZATCA, where applicable.

7.3.2 Impact of the Demerger on Zakat Consolidation

Subsequent to the Demerger, the prerequisites for Zakat consolidation would no longer be applicable to Lumi. Accordingly, Seera would need to request that ZATCA exclude Lumi from its Zakat consolidation. In view of this, Seera would be required to notify ZATCA of the Demerger and request the deconsolidation of Lumi for Zakat filing purposes. Once the deconsolidation request is approved by ZATCA, Seera would exclude Lumi from its annual consolidated Zakat filing.

Similarly, Lumi would also be required to notify ZATCA of its deconsolidation (from Seera), report the change in its ownership and request that ZATCA update its records.

Once these requests are approved by ZATCA, Lumi will be required to submit its annual Zakat return and pay the corresponding Zakat liability (where applicable) on a standalone basis.

7.4 Zakat Implications on the Holding Investment in Lumi (post-Demerger)

7.4.1 Investment Value in Seera's Books

After the Demerger, Seera's remaining investment in Lumi will be classified as an investment in an associate and accounted for under the equity method, presented as part of its non-current assets in the special purpose financial statements, for Zakat purposes. Seera will have the right to deduct either the opening balance or ending balance of the investment in Lumi (with a consideration of the Zakat treatment of the share of Lumi's profit or loss) from its Zakat base.

7.4.2 Share of Profit or Loss from Lumi

The Zakat treatment of Seera's share in Lumi's profit or loss would depend on the value of the investment in Lumi deducted by Seera from its Zakat base.

If Seera deducts the opening balance of its investment in Lumi, the adjustment of Seera's share in Lumi's profit/loss would be considered in the calculation of Seera's Zakatable net adjusted profit/loss.

However, if Seera deducts the ending balance of its investment in Lumi, then Seera's share in Lumi's profit/loss would not be adjusted against Seera's Zakatable net adjusted profit/loss.

In November 2021G, ZATCA issued guidelines regarding the Zakat treatment of investments accounted for under the equity method, whereby they suggested that the closing balance of the investments should be deducted from the Zakat base as disclosed in the financial statements, while no adjustment should be made to the net adjusted income for Zakat purposes. Accordingly, such treatment would lead to a duplication of Zakat on Seera's share of profit - on one hand at the level of Lumi and on the other at the level of Seera - only if the Zakat is imposed on the net adjusted income, which would contradict the Sharia principles of Zakat.

7.4.3 Dividends

Dividends paid by Lumi to Seera after the Demerger would be subject to Zakat at the level of Seera, in the form of a reduction of the value of the deductible investment in Lumi. However, any additional Zakat resulting from such dividends may be mitigated or even eliminated by distributing dividends to its shareholders or reinvesting in other Zakat deductible assets/investments, during the same Hijri year in which the dividend is received.

7.5 Other Considerations

7.5.1 VAT Grouping

Under Saudi VAT regulations, two or more legal persons may apply to register as a group for VAT purposes, provided that the conditions stipulated by the regulations are met. VAT grouping allows group entities to file a consolidated VAT return, which means that the supply of services between member entities of the group is not subject to VAT. Furthermore, the group's VAT is calculated on a cumulative basis based on the VAT liability of all of the member entities (i.e., their combined output VAT less their combined input VAT).

Subsequent to the Demerger, the prerequisites for VAT grouping, as specified by the Saudi VAT regulations, will continue to be met. Hence, Lumi may remain part of Seera's tax group for VAT purposes.

Under the Saudi VAT regulations, the issue or transfer of a debt security, equity security or any other transferable document recognizing an obligation to pay a monetary amount to the bearer is considered as an exempt supply of financial services. Thus, Seera's disposal of its shares of Lumi should not be subject to any VAT.

7.5.2 Intercompany Transactions

Inter-company balances and transactions between group entities are typically eliminated upon consolidation. Hence, any transfers and/or transactions between Zakat consolidated group entities are usually Zakat neutral.

Subsequent to the Demerger, any Zakat efficiencies arising from Zakat consolidation would not be available to either Seera or Lumi. In such a scenario, Zakat liability on certain intercompany transactions would effectively be duplicated.

7.5.3 Transfer Pricing

The transfer pricing regulations issued by ZATCA in February 2019G are applicable to Saudi taxpaying entities, effective from 2018G (whether in full or in part and not 100 per cent. Zakat paying entities). Hence, historically Seera has not been subject to most transfer pricing compliance requirements except for the fact that the current Zakat Regulations emphasise that transactions between related parties should be at an arm's length basis.

ZATCA is currently in the process of introducing detailed transfer pricing guidelines/compliance obligations for Zakat payers; therefore, going forward, this area will require attention from all Zakatpayers and taxpayers alike. Once the transfer pricing obligations are applicable to Zakatpayers, it is expected that both Seera and Lumi would be required to comply with transfer pricing compliance requirements separately, in addition to other transfer pricing considerations.

7.5.4 Withholding Tax

Since both Seera and Lumi are Saudi residents for tax purposes, there would be no Saudi withholding tax associated with intercompany transactions. However, any payment for services made to non-Saudi residents by Seera or/and Lumi would be subject to withholding tax (at the level of the payer) at the rates stipulated under the Saudi tax legislation.

8. ACTIONS TO BE TAKEN

8.1 Actions to Be Taken in Relation to the Extraordinary General Assembly to Approve the Demerger

- Obtaining the approval of the Ministry of Commerce to hold an Extraordinary General Assembly of Seera.
- The provision of the invitation to hold the Extraordinary General Assembly and the Extraordinary General Assembly meeting agenda to the CMA.
- Voting by the Shareholders on the Demerger at the Extraordinary General Assembly, based on the recommendation of the Board and the Specialised Committee. The quorum for a valid Extraordinary General Assembly will be attendance, either in person or by proxy, at the Extraordinary General Assembly or via remote voting channels, of Shareholders holding at least 50 per cent. of Seera's Shares. The resolutions to be proposed at the Extraordinary General Assembly, including the resolution to approve the Demerger, will be passed by a vote in favour by the Shareholders who are entitled to attend and vote at the Extraordinary General Assembly, either in person or by proxy, or via remote voting channels who hold more than two-thirds (2/3) of Seera's Shares represented at the Extraordinary General Assembly.

In the event that the quorum requirements for the Extraordinary General Assembly are not met, a second Extraordinary General Assembly (the "**Second Extraordinary General Assembly**") will be called. The quorum for the Second Extraordinary General Assembly will be attendance, either in person or by proxy at the Extraordinary General Assembly, or via remote voting channels, of Shareholders holding at least 25 per cent. of Seera's Shares. The resolutions to be proposed at the Second Extraordinary General Assembly, including the resolution to approve the Demerger, will be passed by a vote in favour by the Shareholders who are entitled to attend and vote at the Second Extraordinary General Assembly, either in person or by proxy, or via remote voting channels who hold more than two-thirds (2/3) of Seera's Shares represented at the Second Extraordinary General Assembly

In the event that the quorum requirements for the second Extraordinary General Assembly are not met, a third Extraordinary General Assembly (the "**Third Extraordinary General Assembly**") will be called. The quorum for the Third Extraordinary General Assembly will be attendance, either in person or by proxy at the Extraordinary General Assembly, or via remote voting channels, of any number of Seera's Shares. The resolutions to be proposed at the Third Extraordinary General Assembly, including the resolution to approve the Demerger, will be passed by a vote in favour by the Shareholders who are entitled to attend and vote at the Third Extraordinary General Assembly, either in person or by proxy, or via remote voting channels who hold more than two-thirds (2/3) of Seera's Shares represented at the Third Extraordinary General Assembly.

Shareholders who are unable to attend the Extraordinary General Assembly, or the Second Extraordinary General Assembly, or the Third Extraordinary General Assembly in person will be able to nominate a proxy and instruct the proxy to vote in favour (or against) the resolutions to be proposed at the Extraordinary General Assembly or the Second Extraordinary General Assembly, or the Third Extraordinary General Assembly, or to vote by remote voting channels according to the instructions included in Annex D.

8.2 Actions to be Taken to Implement the Demerger After Approval at the Extraordinary General Assembly

- Lumi's submission of the application for the registration and offering of Lumi's shares to the public for approval by the CMA and its submission of the application to list Lumi's shares on the Primary Market of the Exchange for approval by the Exchange.
- The execution of the IPO.
- Other statutory requirements, if any.

9. RESPONSIBILITY FOR THIS CIRCULAR

The Board is responsible collectively and individually for the correctness of all of the information contained in this Circular, including the Annexes, excluding however the Letter from the Financial Advisor contained in Annex B, in connection with which the Board is only responsible for correctly reproducing it. Subject to such qualifications and to the knowledge of the Board, as of the date hereof, all of the information contained herein is correct and the Board is not aware of any facts or circumstances affecting the validity of this Circular.

Board Statement:

This Circular has been drafted in compliance with Article 118 of the Rules on the Offer of Securities and Continuing Obligations (as such term is defined below) in connection with Seera's Demerger of Lumi.

The Members of the Board whose names are listed below declare that they have complied with their statutory duty of care while ensuring that the information contained herein is, to the best of their knowledge, accurate:

Table No. (9-1): Seera's Board Members

Name	Position	Nationality	Status and Independence	Date of Appointment
Mohammed Saleh Alkhalil	Chairman	Saudi	Independent	16 Sha'ban 1442H (corresponding to 29 March 2021G)
Ahmed Samer Alzaeem	Deputy Chairman	Saudi	Non-executive	16 Sha'ban 1442H (corresponding to 29 March 2021G)
Majed Ayedh Alnefaie	Member/CEO	Saudi	Executive/Non-independent	16 Sha'ban 1442H (corresponding to 29 March 2021G)
Abdullah Nasser Aldawood	Member/ Managing Director	Saudi	Executive/Non-independent	16 Sha'ban 1442H (corresponding to 29 March 2021G)
Mazen Ahmed Aljubair	Member	Saudi	Independent	16 Sha'ban 1442H (corresponding to 29 March 2021G)
Ibrahim Abdulaziz Alrashed	Member	Saudi	Non-executive	16 Sha'ban 1442H (corresponding to 29 March 2021G)
Yazeed Khaled Almuhaize	Member	Saudi	Independent	16 Sha'ban 1442H (corresponding to 29 March 2021G)

Source: Seera.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the headquarters of Seera, located at Al-Ta'aon Area, Emam Saud bin Abdulaziz Road, Riyadh, Kingdom of Saudi Arabia, from 9:00 am until 4:00 pm starting from 4 Jumada al-Ula 1444H (corresponding to 28 November 2022G) until 26 Jumada al-Ula 1444H (corresponding to 20 December 2022G) for a period of not less than 14 business days before the Extraordinary General Assembly held to vote on the Demerger:

- Seera's consolidated financial statements for the financial years ended 31 December 2019G, 202G and 2021G and the nine-month period ended 30 September 2022G;
- Lumi's Bylaws;
- Lumi's articles of association, and the amendments made thereto;
- Lumi's commercial registration certificate issued by the MoC;
- Seera's undertaking to bear any additional claims that may arise from the ZATCA for the past years prior to the date of the Demerger;
- Letter from the Financial Advisor; and
- Letter from the Specialised Committee.

ANNEX A DEFINITIONS

Board of Directors or Board	Seera's Board of Directors.
CMA	The Capital Market Authority of the Kingdom.
Directors	The members of Seera's Board of Directors appointed by the General Assembly and whose names appear in Circular Summary.
Exchange	The Saudi Exchange (Tadawul).
Executive Management	Seera's Senior Executives.
Extraordinary General Assembly	The Extraordinary General Assembly of Seera's Shareholders convened in accordance with the Bylaws, in which the Demerger will be presented and voted on.
Financial Advisor	Saudi Fransi Capital
financial year	Seera's financial year starting from 1 January to 31 December of each financial year.
G	The Gregorian calendar.
GCC	The Cooperation Council for the Arab States of the Gulf, consisting of the Kingdom of Bahrain, State of Kuwait, Sultanate of Oman, State of Qatar, Kingdom and United Arab Emirates.
Glossary	The Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued by CMA Board Resolution No. 4-11-2004 dated 20 Sha'ban 1425H (corresponding to 4 October 2004G), as amended by CMA Board Resolution No. 1-94-2022 dated 24 Muharram 1444H (corresponding to 22 August 2022G).
H	The Hijri calendar.
IFRS	The International Financial Reporting Standards issued by the International Accounting Standards Board, as endorsed in the Kingdom by SOCPA in addition to some requirements and disclosures added to some standards by SOCPA, and other standards and pronouncements. These standards and pronouncements include those standards and technical releases that are endorsed by SOCPA for matters not covered by IFRS, such as those related to Zakat.
Kingdom	The Kingdom of Saudi Arabia.
MoC	The Saudi Arabian Ministry of Commerce.
Nominal Value	SAR 10 per share.
Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No. 3-123-2017 dated 9 Rabi' al-Thani 1439H (corresponding to 27 December 2017G) in accordance with the Capital Market Law promulgated by Royal Decree No. M/30 dated 2 Jumada al-Akhirah 1424H (corresponding to 31 July 2003G) and amended by CMA Board Resolution No. 1-94-2022 Dated 24 Muharram 1444H (corresponding to 22 August 2022G).
SAR	The Saudi Arabian Riyal, which is the lawful currency of the Kingdom.
Seera or the Group	Seera Group Holding Company.
Shareholders	Any holder of Shares in Seera at the date of the Extraordinary General Assembly.
SOCPA	The Saudi Organization for Certified Public Accountants.
Specialised Committee	The specialised committee formed by the Board on 2 Rabi' al-Awwal 1444H (corresponding to 28 September 2022G) pursuant to Article 117 of the Rules on the Offer of Securities and Continuing Obligations, consisting solely of independent board members or of other independent persons or both who have no substantial interest in the Demerger, to advise the Shareholders on whether the terms of the Demerger are fair and reasonable and whether the Demerger is in the interests of Seera and all of its Shareholders.
Substantial Shareholder	A person who owns five percent (5 per cent.) or more of Seera's share capital.
VAT	The Council of Ministers of the Kingdom resolved on 2 Jumada Al-Awwal 1438H (corresponding to 30 January 2017G) to approve the Unified GCC Value Added Tax Agreement, which came into effect on 1 January 2018G, as a new tax to be added to the system of taxes and other duties to be applied by specific sectors in the Kingdom and in the other GCC countries. The amount of this tax was initially five per cent., and a number of products (such as basic food, and health care and education services) are exempted from such tax. As of 1 July 2020G, VAT was further increased to 15.0 per cent. by the Ministry of Finance of the Kingdom.

Vision 2030	A strategic framework to reduce the Kingdom's dependence on the oil and petrochemical industry, to diversify its economy and to develop the public services sector.
Zakat Regulations	The Zakat implementing regulations issued under Ministerial Resolution No. 2216 dated 7 Rajab 1440H (corresponding to 14 March 2019G).
ZATCA	The Zakat, Tax, and Customs Authority.

ANNEX B LETTER FROM THE FINANCIAL ADVISOR

17 November 2022G
Shareholders and Specialised Committee of Board of Directors
Seera Group Holding Company
Imam Saud bin Abdulaziz bin Muhammad Street
Al-Taawun District, P.O. Box 6477
Riyadh 12476
Kingdom of Saudi Arabia

Dear Madams and Sirs,

Pursuant to Article 117(b) of the Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No. 3-123-2017 dated 9 Rabi' al-Thani 1439H (corresponding to 27 December 2017G) in accordance with the Capital Market Law promulgated by Royal Decree No. M/30 dated 2 Jumada al-Akhirah 1424H (corresponding to 31 July 2003G), and amended by CMA Board Resolution No. 1-94-2022 dated 24 Muharram 1444H (corresponding to 22 August 2022G) (the "**Rules on the Offer of Securities and Continuing Obligations**"), on 9 Rabi' al-Awwal 1444H (corresponding to 5 October 2022G), the Board of Directors of Seera Group Holding Company ("**Seera**") appointed Saudi Fransi Capital as the financial advisor (the "**Financial Advisor**") to provide advisory services and to provide this letter (this "**Financial Advisor Letter**") to the Specialised Committee (as defined below) and the shareholders of Seera (the "**Shareholders**") to make recommendations as to whether the terms of the proposed demerger (the "**Demerger**") of Seera's wholly owned subsidiary, Lumi Rental Company ("**Lumi**"), by an offering of sixteen million and five hundred thousand (16,500,000) ordinary shares representing 30 per cent. of the share capital of Lumi through an initial public offering on the Main Market of the Saudi Exchange (the "**Exchange**") are fair and reasonable and whether the Demerger transaction is in the interests of Seera and all of its Shareholders. The Demerger will become effective if the general assembly of Seera approves the Demerger, if Lumi obtains all of the regulatory approvals in connection with the Demerger, and if the Demerger is subsequently completed and Lumi's shares are registered and listed on the Exchange.

This Financial Advisor Letter is provided to the Shareholders and the Specialised Committee appointed by the Board of Seera on 2 Rabi' al-Awwal 1444H (corresponding to 28 September 2022G) pursuant to Article 117(a) of the Rules on the Offer of Securities and Continuing Obligations.

In connection with the Financial Advisor Letter, we have undertaken such reviews, analyses and inquiries as we deemed necessary and appropriate under the circumstances. For the purposes of providing the Financial Advisor Letter, we have:

- met with certain members of the management of Lumi and of Seera to discuss the operations, financial condition and prospects of the respective companies, as well as the rationale for the Demerger, including information related to certain strategic, financial and operational benefits anticipated from the completion of the Demerger and the risks associated with Lumi and Seera's existing and future operations, business strategies and prospects;
- reviewed the business plan and assumptions prepared by the management of Lumi;
- reviewed a draft Shareholders' Circular dated 21 Rabi' al-Thani 1444H (corresponding to 15 November 2022G) prepared by Seera pursuant to Article 118 of the Regulations (the "Shareholders' Circular");
- reviewed Lumi's audited financial statements for the financial years ended 31 December 2019G, 2020G and 2021G and unaudited financial statements for the nine-month period ended 30 September 2022G;
- reviewed Seera's audited consolidated financial statements for the financial years ended 31 December 2019G, 2020G and 2021G and unaudited consolidated financial statements for the nine-month period ended 30 September 2022G;
- reviewed historical market prices and trading volume for Seera's shares; and
- reviewed certain publicly available financial data for certain peer companies that we deemed relevant or comparable for companies in related industries to Lumi.

We have relied upon and assumed, without independent verification, the accuracy and completeness of all data and information and all other material provided to or discussed with us or publicly available and have not assumed any responsibility with respect to such data, information and other material or for verification of the

same. In addition, we have assumed and relied upon and express no views with respect to the accuracy or reasonableness of any forecasts and projections with respect to Lumi's future financial results and condition, or the assumptions on which they are based and have assumed that such projections, forecasts and analyses were prepared with due care and skill, in good faith and on bases reflecting the best currently available estimates and judgments. We express no views with respect to such projections, forecasts and analyses or the assumptions upon which they are based.

We have relied upon and assumed, without independent verification, that there has been no material change in the assets, liabilities, financial condition, results of operations, business or prospects of Seera and Lumi since the date of the most recently published publicly available interim financial statements, and that there is no information or any facts that would make any of the information reviewed by us incomplete or misleading.

We have also assumed that the Demerger will be consummated as described in the Shareholders' Circular without waiver or modification thereto and that the completion of the Demerger will take place in 2023G. We have further assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Demerger will be obtained without any adverse effect on Lumi or Seera or on the contemplated benefits of the Demerger.

We have not prepared or been furnished with any independent valuation or appraisal of the assets or liabilities of Lumi. Furthermore, in connection with this Financial Advisor Letter, we have not been requested to make, and have not made, nor have we commissioned any physical inspection or independent appraisal of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance-sheet or otherwise) of Lumi, Seera or any other party. In addition, we have not reviewed any of the books and records of Lumi, Seera or any other party. We express no views regarding the value of any entity.

This Financial Advisor Letter is necessarily based on financial, economic, market and other conditions in effect on, and publicly available information as they exist and are disclosed to us as of the date hereof. We have not undertaken, and are under no obligation, to update, revise, reaffirm or withdraw this Financial Advisor Letter, or otherwise comment on or consider events occurring after the date hereof.

This Financial Advisor Letter is furnished solely for the use and benefit of the Shareholders and the Specialised Committee in connection with its consideration of the Demerger and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, for any other purpose or relied upon or used by any other person, without our prior written consent. Without prejudice to the generality of the foregoing, we consent to the inclusion of this Financial Advisor Letter in the Shareholders' Circular.

The Financial Advisor Letter is issued in the Arabic language and reliance may only be placed on this Financial Advisor Letter as issued in the Arabic language. If any translations of this Financial Advisor Letter are delivered, they are provided only for ease of reference, have no legal effect and the Specialised Committee members make no representation as to (and accept no liability in respect of) the accuracy nor completeness of any such translations.

Based upon and subject to the foregoing, including the various assumptions and limitations set forth herein, and in reliance thereon, it is our view that, as of the date hereof, the terms of the Demerger are fair and reasonable and the Demerger is in the interests of Seera and all of its Shareholders for the following reasons:

- unlocking and realizing value for the shareholders of Seera by offering 30 per cent. of Lumi's shares through an initial public offering as part of its investment strategy;
- facilitating the continuation and implementation of Seera's investment strategy by utilizing part of the net offering proceeds in identifying scalable companies operating in fast-growing markets within Seera's core and adjacent sectors and funding such investments;
- allowing Lumi's core business to accelerate the execution of its independent growth strategies, whereby Lumi's management expects to increase value for its shareholders. Investors will have more visibility over Lumi's operations and it will enable them to make informed investment decisions and assess the fair value of Lumi. In turn, it will enhance value to be reflected on Seera's market capitalization and/or share price;
- creating a clear path for Lumi to tap into organic and inorganic growth pillars by stretching its business via acquisitions in the car rental market and increasing its market share, in addition to expanding its services portfolio through introducing new business segments;
- the Demerger will have no financial impact on Seera other than the sale of a minority interest and Seera will continue to recognize 70 per cent. of the net profits of Lumi. In addition, post-Demerger, Seera will continue to consolidate Lumi's assets and revenues, and there will be no transfer of assets and liabilities;

- Lumi is adopting high standards of corporate governance in light of the Corporate Governance Regulations issued by the CMA to ensure compliance with the best corporate governance practices to protect the rights of its shareholders and other stakeholders;
- Lumi will still benefit from Seera's administrative support services (i.e., marketing, IT, facility management, and data management services) through service level agreements signed between Lumi (as the beneficiary) and Seera (as the service provider); and
- Lumi has an experienced and independent management team and board of directors who are focused on Lumi's direction and strategic plans to enhance long-term shareholder value.

Very truly yours,

/s/ Salam Zaki AlKhunaizi

Saudi Fransi Capital

Name: Salam Zaki AlKhunaizi

Title: Chief Executive Officer and Board Member

ANNEX C LETTER FROM THE SPECIALISED COMMITTEE

20 November 2022G
 Seera Group Holding Company
 Imam Saud bin Abdulaziz bin Muhammad Street
 Al-Taawun District, P.O. Box 6477
 Riyadh 12476
 Kingdom of Saudi Arabia

Dear Madams and Sirs,

This letter is being provided to the shareholders (the "**Shareholders**") of Seera Group Holding Company ("**Seera**") in connection with the proposed demerger (the "**Demerger**") of Seera's wholly owned subsidiary, Lumi Rental Company ("**Lumi**"), by an offering of sixteen million and five hundred thousand (16,500,000) ordinary shares representing 30 per cent. of Lumi's share capital through an initial public offering on the Main Market of the Saudi Exchange (the "**Exchange**"). The Demerger will become effective if Seera's general assembly approves the Demerger, if Lumi obtains all of the regulatory approvals in connection with the Demerger, and if the Demerger is subsequently completed and Lumi's shares are registered and listed on the Exchange.

Pursuant to Article 117 of the Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No. 3-123-2017 dated 9 Rabi' al-Thani 1439H (corresponding to 27 December 2017G) in accordance with the Capital Market Law promulgated by Royal Decree No. M/30 dated 2 Jumada al-Akhirah 1424H (corresponding to 31 July 2003G), and amended by CMA Board Resolution No. 1-94-2022 Dated 24 Muharram 1444H (corresponding to 22 August 2022G) (the "**Regulations**"), Seera's Board of Directors (the "**Board**") has requested that the specialised committee (the "**Specialised Committee**") composed of the members listed below provide this letter to the Shareholders (the "**Specialised Committee Letter**").

In connection with this Specialised Committee Letter, the members of the Specialised Committee have undertaken such reviews, analyses and inquiries they deemed necessary and appropriate under the circumstances. For the purposes of providing the Specialised Committee Letter, each member of the Specialised Committee:

- met with certain members of the management of Lumi and Seera to discuss the operations, financial condition and prospects of the respective companies, as well as the rationale for the Demerger, including information related to certain strategic, financial and operational benefits anticipated from the completion of the Demerger and the risks associated with Lumi and Seera's existing and future operations, business strategies and prospects;
- reviewed the business plan and assumptions that are prepared by Lumi's management;
- reviewed a draft Shareholders' Circular dated 21 Rabi' al-Thani 1444H (corresponding to 15 November 2022G) prepared by Seera pursuant to Article 118 of the Regulations (the "Shareholders' Circular");
- reviewed and took into account the recommendations to the Specialised Committee by the financial advisor appointed in connection with the Demerger as contained in the Letter from the Financial Advisor attached as Annex B to the Shareholders' Circular;
- reviewed Lumi's audited financial statements for the financial years ended 31 December 2019G, 2020G and 2021G and unaudited financial statements for the nine-month period ended 30 September 2022G;
- reviewed Seera's audited consolidated financial statements for the financial years ended 31 December 2019G, 2020G and 2021G and unaudited consolidated financial statements for the nine-month period ended 30 September 2022G;
- reviewed historical market prices and trading volume for Seera's shares;
- reviewed certain publicly available financial data for certain peer companies that we deemed relevant or comparable for companies in related industries to Lumi; and
- conducted such other inquiries, reviewed such other information and considered such other factors as we deemed appropriate.

We have relied upon and assumed, without independent verification, the accuracy and completeness of all data and information and all other material provided to or discussed with us or publicly available and have

not assumed any responsibility with respect to such data, information and other material or for verification of the same. In addition, we have assumed and relied upon and express no views with respect to the accuracy or reasonableness of any forecasts and projections with respect to the future financial results and condition of Lumi and Seera, or the assumptions on which they are based and have assumed that such projections, forecasts and analyses were prepared with due care and skill, in good faith and on bases reflecting the best currently available estimates and judgments. We express no views with respect to such projections, forecasts and analyses or the assumptions upon which they are based.

We have relied upon and assumed, without independent verification, that there has been no material change in the assets, liabilities, financial condition, results of operations, business or prospects of Seera since the date of the most recently published publicly available interim financial statements, and that there is no information or any facts that would make any of the information reviewed by us incomplete or misleading.

We have also assumed that the Demerger will be consummated as described in the Shareholders' Circular without waiver or modification thereto and that the completion of the Demerger is targeted in 2023G. We have further assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Demerger will be obtained without any adverse effect on Lumi or Seera or on the contemplated benefits of the Demerger.

We have not been furnished with any independent valuation or appraisal of the assets or liabilities of Lumi. Furthermore, in connection with this Specialised Committee Letter, we have not been requested to make, and have not made, nor have we commissioned any physical inspection or independent appraisal of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance-sheet or otherwise) of Lumi, Seera or any other party. In addition, we have not reviewed any of the books and records of Lumi, Seera or any other party. We express no views regarding the value of any entity.

This Specialised Committee Letter is necessarily based on financial, economic, market and other conditions in effect on, and publicly available information as they exist and are disclosed to us as of the date hereof. We have not undertaken, and are under no obligation, to update, revise, reaffirm or withdraw this Specialised Committee Letter, or otherwise comment on or consider events occurring after the date hereof.

This Specialised Committee Letter is furnished solely for the use and benefit of the Shareholders in connection with its consideration of the Demerger and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, for any other purpose or relied upon or used by any other person, without our prior written consent. Without prejudice to the generality of the foregoing, we consent to the inclusion of this Specialised Committee Letter in the Shareholders' Circular. This Specialised Committee Letter is not intended to be, and does not constitute, a recommendation to any security holder or any other person as to how such person should act or vote with respect to the Demerger.

The Specialised Committee Letter is issued in the Arabic language and reliance may only be placed on this Specialised Committee Letter as issued in the Arabic language. If any translations of this Specialised Committee Letter are delivered, they are provided only for ease of reference, have no legal effect and the Specialised Committee members make no representation as to (and accept no liability in respect of) the accuracy nor completeness of any such translations.

Based upon and subject to the foregoing, including the various assumptions and limitations set forth herein, and in reliance thereon, it is our view that, as of the date hereof, the terms of the Demerger are fair and reasonable and the Demerger is in the interests of Seera and all of its Shareholders.

Very truly yours,

Specialised Committee

By: /s/ Mohammed AlKhalil
Name: Mohammed AlKhalil
Independent Director

By: /s/ Abdulaziz AlBassam
Name: Abdulaziz AlBassam
Independent Expert

By: /s/ Yazeed Khalid Almuhaize
Name: Yazeed Khalid Almuhaize
Independent Director

ANNEX D NOTICE OF THE EXTRAORDINARY GENERAL ASSEMBLY

Seera Group Holding announces to Invites its Shareholders to Attend the Extraordinary General Assembly Meeting

Introduction:

The Board of Directors of Seera Group Holding Company is pleased to invite the shareholders to participate and vote at the Extraordinary General Assembly meeting, which will be held at 6:30 pm on Tuesday, 26 Jumada al-Ula 1444H (corresponding to 20 December 2022G), through modern technology tools.

City and Location of the General Assembly's Meeting:

Riyadh- Head office - Through modern technology tools.

URL for the Meeting Location:

<http://www.tadawulaty.com.sa>.

Date of the General Assembly's Meeting:

26 Jumada al-Ula 1444H (corresponding to 20 December 2022G).

Time of the General Assembly's Meeting:

6:30 pm

Attendance Eligibility:

Each shareholder registered in the company's shareholders list at Eda'a center at the end of the trading session preceding the general assembly meeting has the right to attend the assembly meeting, according to the rules and regulations.

Quorum for Convening the General Assembly's Meeting:

The Extraordinary General Meeting shall be valid only if attended by shareholders representing at least (50%) of the Share Capital. In case of non-completion of the quorum at this meeting, the Extraordinary General Meeting shall convene at the invitation for a second meeting to be held one hour after the expiration time of the first meeting. The second meeting shall be valid only if attended by shareholders representing at least (25%) of the Share Capital. In case of non-completion of the second meeting quorum, the Extraordinary General Meeting shall convene at the invitation for a third meeting to be held one hour after the expiration time of the second meeting. The third meeting shall be valid irrespective of the number of shares represented therein after competent authorities approval.

General Assembly Meeting Agenda:

1. Voting on the demerger of Lumi Rental Company and the offering of sixteen million, five hundred thousand (16,500,000) ordinary shares representing 30 per cent. of the share capital of Lumi Rental Company through an initial public offering on the Saudi Exchange.

E-vote:

The shareholders who registered in Tadawulaty services will be able to vote electronically and remotely on the agenda items of the association starting at 1:00 am, Saturday, 23 Jumada al-Ula 1444H (corresponding to 17 December 2022G) until the end of the assembly time, and the registration and voting in the Tadawulaty services available free of charge to all shareholders by using the following link (www.tadawulaty.com.sa).

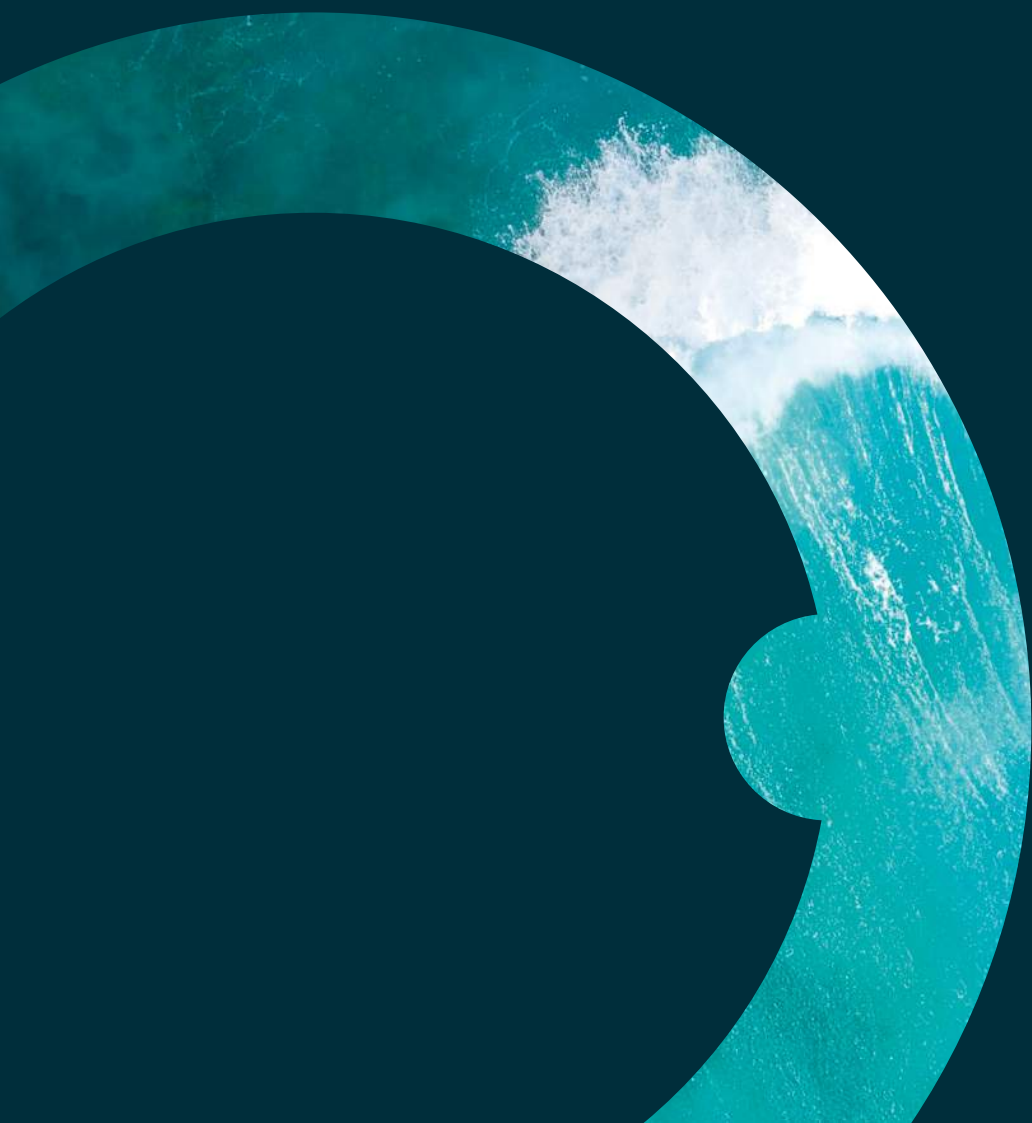
Eligibility for Attendance Registration and Voting:

The eligibility to register attendance at the assembly meeting ends at the time of the assembly, and the right to vote on the assembly's items for the attendees ends when the counting committee finishes counting votes.

Method of Communication:

If you have any inquiries, please don't hesitate to contact the Shareholders Relations Department by phone 0112909303 or email (investors@seera.sa).

seera.sa



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SEERA