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LUMI RENTAL COMPANY ANNOUNCES ITS INTENTION TO PROCEED WITH AN INITIAL PUBLIC OFFERING AND LISTING OF ITS SHARES ON THE MAIN MARKET OF THE SAUDI EXCHANGE

Overview of the Offering

- Lumi Rental Company ("Lumi" or the "Company") will offer 16,500,000 shares (the "Offer Shares"), representing 30% of its issued share capital (the "IPO" or the "Offering").
- The net proceeds of the Offering will be received by the Selling Shareholder, Seera Group Holding (formerly known as Al Tayyar Travel Group).
- Lumi's shares are intended to be listed on the Saudi Exchange's Main Market following the successful completion of the Offering and listing formalities with both the CMA and the Saudi Exchange.
- Saudi Fransi Capital has been appointed as Financial Advisor, Lead Manager, Bookrunner and Underwriter. EFG Hermes has been appointed as Bookrunner. Riyadh Bank, Banque Saudi Fransi and Saudi National Bank have been appointed as Receiving Agents.
- All the Offer Shares will be offered to the Participating Parties (as defined below).
- If there is sufficient demand from Individual Investors (as defined below), and the Participating Parties subscribe to all the Offer Shares allocated to them, the Financial Advisor, in coordination with the Company, has the right to reduce the number of Shares allocated to the Participating Parties to 90% of the Offer Shares, and to offer 10% of the Offer Shares to Individual Investors.

Riyadh, Saudi Arabia, 24 August 2023: Lumi, one of the leading car rental and leasing companies in the Kingdom of Saudi Arabia (the "Kingdom"), today announces its intention to proceed with an initial public offering of its ordinary shares on the Saudi Exchange's Main Market. On 29 March 2023G, the CMA approved the Company's application for the offering of 16,500,000 Offer Shares, representing 30% of the Company's total issued share capital. The offer price range for the Offer Shares will be announced on 30 August 2023G, and the final offer price for the Offer Shares will be announced on 7 September 2023G,

following the institutional bookbuilding process. The net proceeds of the Offering will be received by the Selling Shareholder, Seera Group Holding (formerly known as Al Tayyar Travel Group).

The planned IPO marks an important milestone in Lumi's growth journey, during which time it has become one of the leading car rental companies in the Kingdom. Lumi is focused on building a strong pipeline of future revenue and asset growth, achieving greater scale and market share, and further growing its operations and profitability.

Engineer Mohammed Bin Saleh Al-Khalil, Chairman of Lumi, commented: *"It gives us great pleasure to announce the start of our IPO process, another remarkable milestone for Lumi. We are proud to have grown from a breakeven business to a billion-riyal market leading player in less than a decade. This has been made possible by the dedication and support of our management team, our Board members and shareholders. The IPO provides an opportunity for investors to participate in a sector that is benefitting from powerful macroeconomic and structural tailwinds, and is positioned for significant growth. With our own growth accelerating, this is an exciting time to invite investors to share in our onward journey of success."*

Syed Azfar Shakeel, Chief Executive Officer of Lumi, said: *"As one of the leading players positioned for growth in the land mobility sector, we are delighted to have announced our intention to float on the Saudi Exchange. Lumi is a fast-growing local player operating in a large and expanding market. With a dynamic and holistic business model, our operations are enabled by one of the largest active fleets in the Kingdom. Our service offering across rentals, leasing and used car sales caters to a wide client base, with industry-leading customer service delivered through an omnichannel platform. Driven by a seasoned leadership team and a diverse and committed workforce, we are ideally positioned to continue to build on our robust financial profile, in pursuit of dynamic growth and shareholder returns."*

Company Overview and Business Activities

- Lumi is one of the leading car rental companies in the Kingdom with a unique and diverse offering, including lease services to Corporate and Government sector clients, car rentals via digital channels and a network of 35 airport and city branches across the Kingdom, and used car sales.
- Lumi was established by Seera Group Holding in 2006G as a sole proprietorship to provide car rental services amongst a portfolio of travel companies. In 2016G, as part of the transformation programme to steer Seera Group Holding in a new, more focused direction, strategic plans for Lumi were reconfigured and an expert management team was mobilised.
- Since 2016G, the Company has achieved a high rate of growth, increasing from a fleet size of 3,603 vehicles to 24,730 vehicles as of 30 April 2023G.
- As of 30 September 2022G, the Company had a total of 771 employees across the Kingdom.
- The Company's business consists of three reportable segments:
 1. **Vehicle Lease:** long-term lease of commercial and non-commercial vehicles to corporate and Government sector entities. Lease services include fleet procurement, maintenance, insurance, vehicle replacement, and roadside assistance.
 2. **Car Rental:** car rental and related services to retail customers and corporate clients via 35 airport and city branches across the Kingdom, as well as through digital channels including website, mobile application, call centre and WhatsApp. Rental services include car rentals, motorcycle rentals, chauffeur services and extra services (flexible drop-off, extra insurance, cross-border permits, optional child seats).
 3. **Used Vehicles Sales:** sales of used vehicles from the Company's own lease and rental fleet through a bidding process or a car showroom. Lumi does not sell any third-party used vehicles.

Strategy for Growth

The following three pillars are the basis of Lumi's growth strategy:

- 1. *Building a pipeline of future revenue and asset growth through vehicle lease contracts with corporate and Government clients***
 - Lumi will continue to expand the fleet size offered to its clients by consistently providing service excellence and pricing competitiveness.
 - These capabilities will be further leveraged to acquire new corporate clients as the Saudi Vision 2030 agenda creates new vehicle lease demand. Lumi aims to engage in bidding for Government lease contracts, and has already done so successfully.
- 2. *Achieving scale, adding to growth of operations and profitability as a car rental business***
 - Lumi will build on its optimal branch network through openings in existing and new cities that are gaining prominence as travel destinations.
 - Lumi is adopting an omnichannel approach to capture customers through integrated online and offline channels.
 - Lumi will continue to offer competitive rental rates across a wide range of fleet options, retain customers through a loyalty programme and increase the corporate rental client base.
 - As the Kingdom continues to organise large tourism events, Lumi plans to provide end-to-end logistics and fleet management support to facilitate land transportation needs for large-scale events.
- 3. *Fleet disposal at maximised purchase price recovery***
 - Lumi has opened used vehicle sales showrooms in Riyadh and Jeddah and will open another in Dammam to further maximise the purchase price recovery of its vehicles.
 - Lumi aims to digitise its existing closed bidding process for used vehicles to enhance the buyer experience.

Strengths and Competitive Advantages

A number of factors enable the Company to pursue and achieve sustainable and profitable growth, while competing successfully with its peer group. These include:

1. Omnichannel service platform

Lumi offers an omnichannel service through integrated online (mobile application, website, and WhatsApp) and offline (branch, call centre) channels for the ease of its customers. This gives a choice to the customer to reserve a vehicle or communicate with the Company through their preferred channels.

2. Efficient fleet procurement and strong relationships with suppliers

Lumi has been buying a sizeable number of vehicles every year for the past several years, resulting in strong relationships with car dealers. This enables it to obtain attractive vehicle prices that are supportive of margins, and priority delivery for its fleet.

3. Maintenance infrastructure

Lumi's maintenance infrastructure includes: three in-house workshops equipped with the required tools and equipment to cater to all vehicle maintenance requirements; mobile workshops to cater to preventive maintenance remotely; contracts with third-party service providers covering more than 650 maintenance points across the Kingdom; and 24/7 roadside assistance for car rental customers and vehicle lease clients.

4. Continuous digitalisation of the offering

Lumi is leveraging its digital products, which have been developed based on customer and client experience research. It is continuously working on digitalising its process to enhance customer experience and operational efficiency.

- For the lease segment, a lease management portal is available for clients to raise vehicle maintenance and repair requests and view all their relevant lease documentation and fleet reports.
- For the rental segment, this includes the digital application and website through which customers register all their information and required documentation and create instant reservations.

5. Supportive shareholder with a strong reputation

Seera Group Holding, the sole shareholder of Lumi, is a leading Saudi travel and tourism business listed on the Saudi Exchange. As part of its transformation programme launched in 2016G to steer Seera Group Holding in a new, more focused direction and enhance long-term shareholder value, strategic plans for the car rental business were reconfigured and an expert management team was mobilised, enabling Lumi to grow at a high pace compared to other rental companies in the Kingdom. Having a high-profile shareholder such as Seera Group Holding is supportive of Lumi's reputation as a secure, stable and well-managed enterprise.

6. ISO-certified and award-winning business

Lumi has been awarded "Leading Car Rental Company in Saudi Arabia & Middle East" by the World Travel Awards for 2020G, 2021G and 2022G. In recognition of its commitment to quality, the Company has also obtained ISO certifications for its Quality Management System (ISO 9001:2015G) in 2019G, for Customer Satisfaction & Complaint Handling (ISO 10002:2018G), and for its Occupational Health & Safety Management System (ISO 45001:2018G) in 2020G.

Summary of Financial Performance

- Lumi reported revenue of SAR 782.6 million in 2022G, achieving year-on-year growth of 50.1%; and revenue of SAR 500.0 million in the first half of 2023G, increasing by 48.6% compared to the first half of 2022G.
- Lumi reported EBITDA of SAR 437.3 million with an EBITDA margin of 55.9% in 2022G, achieving year-on-year growth of 37.7%. The Company reported EBITDA of SAR 271.7 million, with an EBITDA margin of 54.3%, in the first half of 2023G, achieving growth of 28.8% compared to the first half of 2022G.
- Net income increased by 35.4% year-on-year to SAR 143.7 million in 2022G (at a net income margin of 18.4%). In the first half of 2023G, net income increased by 38.8% to SAR 100.0 million (with a margin of 20.0%) compared to the first half of 2022G.
- The total value of the Company's assets as of 30 June 2023G was SAR 2,238.9 million, compared to SAR 1,844.3 million as of 31 December 2022G.

Attractive Market Dynamics

Saudi economy and transportation sector offer structural tailwinds

The Kingdom has the largest economy in the MENA region, with nominal GDP of approximately SAR 3,207 billion as of 31 December 2021G. Saudi Vision 2030, announced in 2016G, reflects an ambitious, yet achievable, blueprint to transform the Kingdom into a diversified economy, with non-oil Government revenues projected to increase sixfold to SAR 1 trillion by 2030G.

Transportation is a key sector for the Saudi Government. Supported by the strategic geographical location of the Kingdom with access to local, regional and international centres, as well as its unique position as the heart of the Arab and Islamic worlds, Saudi Vision 2030 heightens the transport sector's aspirations by transforming the Kingdom into a logistics hub and enhancing liveability across the country. The regulatory environment has recently experienced a number of critical reforms aimed at transforming passenger mobility rental services in the Kingdom into a world-class system to support wider national growth plans across other sectors of the economy.

Strong and growing vehicle leasing market

The Kingdom's vehicle lease sector is dominated by private corporates and Government agencies, where demand is higher within some industries and sectors due to the nature of core services delivered. Before the Covid-19 pandemic, the vehicle lease market was valued at SAR 1.61 billion in 2019G. The pandemic impact on the sector was mild, due to long-term contracts and the essential role of logistics services. The vehicle lease market continues to grow, fuelled by major developments and giga projects and the rapid growth of private sector business in the Kingdom. In 2021G, the vehicle lease market segment was valued at SAR 1.78 billion with 9% growth from the previous year.

Buoyant car rental market benefitting from positive macroeconomic drivers

Revenue from the passenger car rental market segment was estimated at SAR 2.8 billion in the peak year 2019G before the Covid-19 pandemic. During the pandemic period, the car rental market was one of the most impacted segments, as passenger mobility reached record low levels due to international travel restrictions and domestic lockdowns. As the Kingdom recovers from the pandemic's impact and accelerates the development plans of Saudi Vision 2030, including boosting tourism numbers, the car rental market is expected to achieve a healthy rate of growth.

Used car sales an attractive opportunity to capitalize on vehicle lifecycle

The Kingdom is the largest automotive market in the Gulf region, with a used vehicle market of more than 2,000 dealerships. As the country continues to recover from the pandemic's impact, the used vehicle sales from the rental segment continue to recover and grow steadily. The forecasts are positive, with the segment set to steadily grow and exceed pre-pandemic levels in the short term. In 2021G, the used vehicle segment was valued at SAR 39 billion, thus exceeding its pre-pandemic levels due to the change in consumer behaviour amid pandemic safety concerns, moving away from public transport and shared vehicles towards private vehicles ownership, the rise in the prices of the new vehicles post disruption of the automotive production and supply chain worldwide during the pandemic, and the increased value added tax of 15% imposed on new vehicles. Consequently, the resale value of used vehicles has surged more than 20% according to several studies.

Offering Details

The Offering, for which the required CMA and Saudi Exchange approvals have been obtained, will consist of the following:

- The Offering will consist of 16,500,000 existing shares to be sold by Seera Group Holding, representing 30% of the Company's issued share capital, and will be restricted to the following groups of investors:
 - **Tranche (A): Participating Parties** (institutional investors) - Comprising the parties entitled to participate in the book building process as specified under 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 by CMA Board Resolution No. 1-301-2022, dated 2 Rabi' al-Awwal 1444H (corresponding to 28 September 2022G) (collectively the "**Participating Parties**" and each a "**Participating Party**"). The number of Offer Shares to be provisionally

allocated to the Participating Parties (collectively, the “**Participating Entities**” and each a “**Participating Entity**”) is 16,500,000 Offer Shares, representing 100% of the Offer Shares. The final allocation will be made after the end of the Individual Investors’ subscription (as defined in Tranche (B) below), using the discretionary allocation mechanism by the Financial Advisor in coordination with the Company. As a result, some of the Participating Entities may not be allocated any Offer Shares. The Financial Advisor shall have the right, if there is sufficient demand by Individual Investors and in coordination with the Company, to reduce the number of Offer Shares allocated to Participating Entities to 14,850,000 Offer Shares, representing 90% of the Offer Shares.

- **Tranche (B): Individual Investors** - Comprising Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any non-Saudi natural persons resident in the Kingdom or GCC natural persons, in each case who have a bank account with a receiving agent and the right to open an investment account with a capital market institution (collectively, the “**Individual Investors**” and each an “**Individual Investor**”). A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of 1,650,000 Offer Shares, representing 10% of the total Offer Shares shall be allocated to individual investors. If the individual investors do not subscribe in full to the Offer Shares allocated to them, the Financial Advisor may in coordination with the Company reduce the number of Offer Shares allocated to Individual Investors in proportion to the number of Offer Shares subscribed by them.
- Lumi shares will be listed on the Main Market of the Saudi Exchange following the completion of the Offering and listing formalities with both the CMA and the Saudi Exchange.

For more information, visit <https://lumirental.com/en/ipo>.

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Contacts

Saudi Fransi Capital (investor enquiries)	lumi.IPO@fransicapital.com.sa	Lead Manager, Financial Advisor, Bookrunner and Underwriter
Teneo (media enquiries)	Shady Hamid Shady.hamid@teneo.com Bassem El-Shawy Bassem.El-Shawy@teneo.com	Communications Advisor

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

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy, the Offer Shares to any person in the United States, Canada, Japan, Australia, South Africa or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The offer and sale of the Offer Shares has not been and will not be registered under the applicable securities laws of any jurisdiction other than the Kingdom.

This announcement is being distributed subject to the provisions of the Rules on the Offer of Securities and Continuing Obligations (the “OSCO Rules”) issued by the CMA, and should not result in any binding undertakings to acquire shares or subscribe in the Offering. This announcement is for information purposes only and under no circumstances shall constitute an offer or invitation, or form the basis for a decision, to invest in any securities of the Company. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors may only subscribe in the Offer Shares on the basis of the CMA approved Arabic language prospectus to be issued and published in due course (the “Prospectus”). The information in this announcement is subject to change. In accordance with Article 51 of the OSCO Rules, copies of the Prospectus will, following publication, be available on the websites of the Company (www.lumirental.com), the CMA (www.cma.org.sa), the Saudi Exchange (www.saudiexchange.sa) and the Financial Advisor (www.sfc.sa).

This announcement is not an offer document for the purposes of the OSCO Rules and should not be construed as such. The CMA and the Saudi Exchange do not take any responsibility for the contents of this announcement, do not make any representations as to its accuracy or completeness, and expressly

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This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "aim," "anticipate," "believe," "can," "consider," "could," "estimate," "expect," "forecast," "intend," "may," "ought to," "potential," "plan," "projection," "seek," "should," "will," "would," or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth or strategies. Many factors could cause the actual results to differ materially from those expressed or implied by any such forward-looking statements or contained in projections, including, among other things, risks specifically related to the Company and its operations, the development of global economic and industry conditions, and the impact of economic, political and social developments in the Kingdom. These factors will be described in more detail in the Prospectus. Forward-looking statements speak only as of the date they are made. Each of the Company, the Financial Advisor and its respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise. There is no guarantee that the Offering will occur and you should not base your financial decisions on the Company's intentions in relation to the Offering at this stage. This announcement does not constitute a recommendation concerning the Offering nor any declaration or undertaking by any means. Acquiring Offer Shares to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested.

Persons considering investment should consult an investment advisor or an authorized person specializing in advising on such investments. The Financial Advisor is acting exclusively for the Company and no-one else in connection with the Offering. It will not regard any other person as its client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

The contents of this announcement have been prepared by and are the sole responsibility of the Company. Neither the Financial Advisor nor any of its affiliates or respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offering, the Financial Advisor and any of its affiliates, may take up a portion of the Offer Shares in connection with the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such Offer Shares and other securities of the Company or related investments in connection with the Offering or otherwise.

Accordingly, references in the Prospectus, once published, to the Company's shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Financial Advisor and any of its affiliates acting in such capacity. In addition, the Financial Advisor and any of its affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Financial Advisor and any of its affiliates may from time to time, acquire, hold or dispose of securities. The Financial Advisor does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.
