

The Saudi Exchange Company announces **An Enhanced Stock Split Process**

The Saudi Exchange Company has announced changes to its trading and membership procedures to improve trading following stock splits. The amendments to the number of shares and their prices in investors' portfolios will be reflected immediately from the first trading session following the stock split.

WHAT IS A STOCK SPLIT?

A stock split is when a company decreases the nominal value of its shares, which causes an increase in the number of its outstanding shares by splitting each existing share into multiple shares. Though a stock split causes a decrease in the market price of the company's shares, the shares' overall market value remains the same. Stock splits are typically used to improve share affordability, enhance liquidity, and attract a broader base of investors.

WHAT IS THE ENHANCEMENT MADE TO THE STOCK SPLIT PROCESS?

For investors: The enhanced stock split process will ensure that changes in share quantities and prices are immediately reflected in investors' portfolios, with the adjusted shares available for trading starting from the first session following the approval of the split decision.

For issuers: This enhancement will not impact the procedure of stock splits or its requirements for listed companies.

WHEN WILL THESE ENHANCEMENTS BE IMPLEMENTED?

All stock splits taking place on the Main Market and Nomu – Parallel Market, effective from 01 July 2025.

KEY BENEFITS OF THIS ENHANCEMENT TO INCLUDE:



Immediate reflection of new share quantity and price in investors' portfolios from the first trading session after stock split decision approval.



Adjusted stock quantities will be tradeable from the first trading session after stock split decision approval.



More efficient portfolio tracking and management on the day of the stock split for investors.



Alignment with global markets best practices.

These benefits will allow investors to make faster, more informed investment decisions, in alignment with the Saudi Exchange broader efforts to modernize market infrastructure in line with global best practices