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Press Release

Nayifat Finance Company announces completion of the offering period for Individual Investors

Riyadh, 15 November 2021 – Nayifat Finance Company (“**Nayifat**” or “**NFC**” or the “**Company**”), one of the leading nonbank financial institutions (NBFIs) within the consumer financing space in Saudi Arabia, along with HSBC Saudi Arabia, as the financial advisor, today announces the successful completion of the retail offering period in relation to its Initial Public Offering (“**IPO**” or the “**Offering**”) on the Saudi Exchange main market.

The retail subscription period for Individual Investors Tranche, which commenced on 07 November to 08 November 2021, saw 1,021,759 investors subscribing to SAR 34 at a Final Offer Price of SAR 34 per share, generating an oversubscription of 20.95x with a total demand of c.SAR 2.5bn. The retail tranche comprised of 3,500,000 shares representing 10% of the total Offering.

The retail offering followed the successful completion of the institutional book-building process on 28 October 2021. The book-building process generated an order book of SAR 162 billion, and was 136x oversubscribed, as follows:

- Saudi Corporates (including private companies, listed companies, insurance companies and Capital Markets Institutions) with a coverage ratio of 92x
- Mutual Funds, Private Funds and DPMs with a coverage ratio of 37x
- Foreign investors (including GCC, QFIs and SWAP investors) with a coverage level of 5x
- Government Related Entities with a coverage ratio of 2x

Based on the results of the retail offering, the shares allocated to institutional investors will be scaled back to 31,500,000 shares, representing 90% of the total Offer Shares. The Company allocated a

minimum of 3 shares to each retail subscriber included in the subscription request. The remaining shares have been allocated on a pro rata basis at around 0.6188%, based on the size of each subscriber's request compared to the total remaining subscribed shares. Refunds of excess subscription amounts (if any) will be processed no later than 15 November 2021.

Offering Details:

- The Final Offer Price for the Offering has been set at SAR 34 per share, implying a market capitalization at listing of SAR 3,400 million
- The total Offering size is SAR 1,190 million
- The Offering is comprised of 35,000,000 existing shares to be sold by the current shareholders
- 100% of the Offer Shares have been provisionally allocated to institutional investors that participated in the book building process ("**Institutional Investors**"). This was reduced to thirty-one million, five hundred thousand (31,500,000) Offer Shares, representing 90% of the total Offer Shares. The final number of Offer Shares allocated to the Institutional Investors will be adjusted accordingly based on subscription from Individual Investors (as detailed below).
- Immediately following listing, the Company is expected to have a free float of 35% of the Shares
- With respect to the Offering, the Company appointed HSBC Saudi Arabia to act as Financial Advisor, Lead Bookrunner, Lead Underwriter and Lead Manager. The Company also appointed Saudi Fransi Capital and GIB Capital as Joint Bookrunners and Co-underwriters (HSBC Saudi Arabia, Saudi Fransi Capital and GIB Capital are referred to together as ("**Bookrunners**")

Key offering dates:

Transaction milestone	Date
Refund of Excess Subscription Amounts (if any)	On or before 15 November 2021
Expected Start Date of Trading on the Saudi Exchange	Trading of the Company's Shares in the Saudi Exchange is expected to commence after relevant regulatory requirements are satisfied. Trading will be announced through the Saudi Exchange website (www.saudiexchange.sa).

For more information and for the prospectus, please visit the Capital Market Authority website www.cma.org.sa, or NFC's website: <https://ipos.nayifat.com/>

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About NFC

NFC is a pioneer and one of the leading players in the NBFi space focused on serving the financing needs of individuals in the Kingdom. NFC is poised to capitalize on growth avenues supported by a comprehensive product suite, strong distribution network, robust risk management framework and a flagship brand. The Company has demonstrated a proven track record of growth and agility to navigate market conditions and adapt its strategies to the needs of the evolving consumer finance market in Saudi Arabia.

NFC was established in 2002 with a share capital of SAR 10 million and today operates with a share capital of SAR 1 billion. It was the first NBFi to be licensed by the Saudi Central Bank in 2014, and has been one of the leading players in the consumer finance market with a market share of 18% as of Q1 2021¹. It has a comprehensive portfolio comprising more than 44K customers.

The Company offers customers 100% Sharia compliant products and services including consumer finance, credit cards, SME financing and FinTech lending. NFC leverages on minimal competition on pricing and deep distribution network covering 23 cities, with 392 employees across 27 branches in the Kingdom.

Contact details

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¹ Calculated on gross loans (net of unearned finance income) basis. Based on SAMA Monthly Bulletin "Personal Finance" preliminary Q1 2021 market size

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This announcement is not an offer for sale of securities of the Company, directly or indirectly, in or into the United States. The Offer Shares may not be offered or sold in the United States unless registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), or offered on a transaction exempt from, or not subject to, the registration requirements of the Securities Act. The Company has not registered and does not intend to register any portion of the Offer Shares under the Securities Act or the laws of any state in the United States or to conduct a public offering of any securities in the United States. Copies of this announcement are not being, and may not be, distributed, forwarded or otherwise sent, directly or indirectly, in or into the United States.

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This announcement is only addressed to and directed at (a) persons in member states of the European Economic Area who are “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation EU**”); (b) persons in the United Kingdom who are “qualified investors” within the meaning of Article 2 of Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the European Union Withdrawal Act 2018 (“**UK Prospectus Regulation**”) who are: (i) “investment professionals” as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Order**”); or (ii) entities falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order; and (c) persons to whom it can otherwise lawfully be distributed (all such persons together being referred

to as “Relevant Persons”). This communication and any investment activity to which it relates will only be engaged in with Relevant Persons and it should not be acted upon or relied on by anyone other than a Relevant Person.

This announcement is being distributed in accordance with paragraph (c) of Part 4 and Part 6 of the Instructions for Book Building Process and Allocation in Initial Public Offering issued by the CMA. This announcement is for information purposes only and under no circumstances shall constitute an offer or invitation, of form the basis for a decision, to invest in any securities of the Company. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors may only subscribe in the Offer Shares on the basis of the CMA approved Arabic language prospectus issued and published (the “Domestic Prospectus”). The information in this announcement is subject to change. In accordance with Article 34 of the OSCO Rules, copies of the Domestic Prospectus are available on the websites of the Company at www.nayifat.com, the Saudi Exchange at www.saudiexchange.sa, the CMA at www.cma.org.sa and the Financial Advisor.

This announcement is not an offer document for the purposes of the Rules of the OSCO Rules and should not be construed as such. The CMA and the Saudi Exchange do not take any responsibility for the contents of this announcement, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this announcement.

The international offering circular prepared in connection with the Offering (the “**International Offering Circular**”) is the sole legally binding document containing information about the Company and the Offering outside of Saudi Arabia. In the event of any discrepancy between this announcement and the Domestic Prospectus and/or the International Offering Circular, as the case may be, the Domestic Prospectus and/or the International Offering Circular will prevail.

This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “aim”, “anticipate”, “believe”, “can”, “consider”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “ought to”, “potential”, “plan”, “projection”, “seek”, “should”, “will”, “would”, or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth or strategies. Many factors could cause the actual results to differ materially from those expressed or implied by any such forward-looking statements, including, among other things, risks specifically related to the Company and its operations, the development of global economic and industry conditions, and the impact of economic, political and social developments in Saudi Arabia. These factors will be described in more detail in the Domestic Prospectus and the International Offering Circular. Forward-looking statements speak only as of the date they are made. Each of the Company, the Bookrunners and their respective affiliates expressly

disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

There is no guarantee that the Offering will occur and you should not base your financial decisions on the Company's intentions in relation to the Offering at this stage. This announcement does not constitute a recommendation concerning the Offering. Acquiring Offer Shares to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering an investment should consult an investment advisor or an authorized person specializing in advising on such investments.

The Bookrunners are acting exclusively for the Company and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

The contents of this announcement have been prepared by and are the sole responsibility of the Company. None of the Bookrunners or any of their affiliates or respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offering, each of the Bookrunners and any of their affiliates, may take up a portion of the Offer Shares in connection with the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such Offer Shares and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in the Domestic Prospectus or the International Offering Circular 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 Bookrunners and any of their affiliates acting in such capacity. In addition, the Bookrunners and any of their affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Bookrunners and any of their affiliates may from time to time acquire, hold or dispose of securities. None of the Bookrunners intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.