



Al Ramz

Real Estate Company

**ANNOUNCEMENT OF INTENTION TO FLOAT
IN THE PARALLEL MARKET “NOMU” WITH
A PRIMARY ISSUANCE OF SHARES**



Overview of the IPO

- Al Ramz Real Estate Company (“the Company” or Al Ramz”) announces its intention to proceed with its initial public offering through the issuance of three million, three hundred and thirty-three thousand and three hundred and thirty-three (3,333,333) shares, representing 10% of its share capital after the offering and list the shares for trading in the Parallel Market “Nomu”.
- Al Ramz Real Estate Company obtained the approval of the Capital Market Authority on 17/10/2022G on its application to offer three million, three hundred and thirty-three thousand and three hundred and thirty-three (3,333,333) shares, representing 10% of its shares after the offering and list the shares for trading in the Parallel Market “Nomu”.
- The subscription in the shares of Al Ramz Real Estate Company is limited to the categories of Qualified Investors, as set out in the glossary of defined terms used in the regulations and rules of the Capital Market Authority and the glossary used in the rules of the Saudi Stock Exchange (“Tadawul”).

Offering Period

The book-building period for Qualified Investors (non-individuals) will start on Tuesday 28/04/1444H (corresponding to 22/11/2022G) and will end on Thursday 07/05/1444H (corresponding to 01/12/2022G). Qualified Investors (non-individuals) will be advised their provisional allocation on Monday 11/05/1444H (corresponding to 05/12/2022G) and payment period for Qualified Investors (non-individuals) on the basis of the provisional allocation will begin on Tuesday 12/05/1444H (corresponding to 06/12/2022G) and will end on Monday 18/05/1444H (corresponding to 12/12/2022G). The subscription period for Qualified Investors (individuals) will commence on Tuesday 19/05/1444H (corresponding to 13/12/2022G) and will end on Wednesday 20/05/1444H (corresponding to 14/12/2022G).



Al Ramz Achievements in Figures

19+
Projects
Under-development

1800+
Housing Units
Under-development

135,000+
Square Meters of Total
Land Area Under-development

619+
Sold Housing Units

85,000+
Square Meters Comprising
The Total Built-up Area

SAR343mn
Revenues in the Fiscal
year 2021G

SAR85mn
Revenues during the
six-months ended 30
June 2022G

SAR83mn
Net Profit in the
Fiscal year 2021G

SAR21mn
Net Profit during
the six-months
ended 30 June
2022G



“Al Ramz IPO Enhances Company Growth and Financial Strength”

Commenting on the IPO, Rasheed Abdulrahman Nasser Al Rasheed, Al Ramz Real Estate Company Board Chairman mentioned that the Company has grown tremendously since its inception in 2016 and has become today one of the most prominent real estate developers in the Kingdom of Saudi Arabia. We are witnessing significant demand for housing due to rising employment, personal income levels, population growth and Vision 2030 initiatives to facilitate and increase home ownership. Moreover, as of 2020, the population composition in the Kingdom indicates that 69% of the population is below the age of 40 which is usually the demographic seeking to invest in their own property.

Mr. Rasheed mentioned that with these attractive fundamentals of the real estate market, Al Ramz is uniquely positioned with its strong business model focussed on customer satisfaction, in-house project development capability and construction management skills strongly supported by a robust corporate governance framework.

Lastly, the Chairman highlighted that with its established track-record Al Ramz is embarking on the next phase of growth. The IPO is part of this phase and the offering of the Company's shares for the public will support the Company growth strategy. The IPO proceeds will provide the Company with the financial capability to further grow its project portfolio by investing the funds in existing projects as well as increase its land bank for future projects.

Rasheed Abdulrahman Nasser Al Rasheed

Board Chairman



“We have had an outstanding track-record of completed projects within a short period of time”

Commenting on the IPO, Engineer Haroon Rasheed Abdulrahman Al Rasheed, Al Ramz CEO said: “Within a short time since our inception, we have established an outstanding track-record of completed projects. Going forward, we are confident that our customer centric strategy which leverages our project development and management capabilities will continue to yield solid results”

Mr. Haroon confirmed that the Company achieved rapid growth and has become one of the leading real estate developers in the Kingdom. Al Ramz has focused on developing high quality projects leading to strong demand from customers. He expected that the demand for the Company’s projects will continue, driven by the strong economic fundamentals, favorable demographics, improving standards of living, and regulatory developments that are supportive of the real estate sector.

Al Rasheed also confirmed that the Company in creating its own footprint in the Saudi real estate sector relies on service it renders to customers before and after sale, and on the value of quality which it considers as its top promotional tool. Al Ramz is reputable in the Saudi real estate market and among the communities that seek high quality housing in accordance with the highest global standards, as it represents an ideal choice for them to own their housing units. In addition to quality, the Company also believes in innovation, modernization, and use of technical solutions to improve the customer’s experience. We aim at providing a housing experience wherein customers look for tranquility, joy, luxury, and pleasure, while observing the local identity at the same time.

Al Ramz CEO pointed out that the Company is keenly focused on in-house project development, construction efficiency and building its brand with customers. It aims to complete projects expeditiously thus allowing capital recycling and higher project returns.

Engineer Harun Al Rasheed

CEO



Overview of the Company and its Activities

- Al Ramz Real Estate Company is specialized in real estate development. It develops projects on land it purchases, land contributed by partners in joint-ventures and government projects.
- Al Ramz has more than 19 active development projects in Riyadh and Al Khobar with plans to expand into other cities such as Jeddah.
- Since its inception in 2016, Al Ramz has focused on project designs in an urban style to provide customers with a unique modern experience while providing them with safety and security through strong after-sales support in areas of operations and maintenance of its real estate developments.
- Al Ramz has developed a track record for expeditious completion and a reliable brand that have combined to result in attractive financial returns.
- Al Ramz has also developed a robust corporate governance structure that aligns with its commitment to enhance long-range sustainable growth and financial stability.
- The Company adopts an integrated internal control system that comprises rules, policies and procedures adhering to industry best practices.



Company Strategy

- Build a land-bank through acquiring land with its own funds, partnering with major owners of land-banks and partnering with government agencies and companies.
- Diversify its financing and funding sources for construction through efficient capital recycling, bank financing and partnerships with real estate funds.
- Superior project development through robust project assessment and feasibility studies, project design and planning, bills of quantity and contractor selection.
- Efficient execution and delivery by utilizing in-house construction supervision capability, timely completion of projects (historically average time for construction has been 18 months).
- Maintain a strong brand.
- Continue to focus on strong after-sales service including several warranties that extend to 25 years.



Strengths and Competitive Advantages

- Attractive residential real estate market and strong governmental support
- Established track record in implementing and delivering projects expeditiously and with attractive returns
- High quality in construction and modern designs
- Robust project development capability
- Strong pipeline of projects with secured land bank
- Experienced management team supported by robust corporate governance
- Strong financial profile with attractive cash generation



Strong Performance and Financial Position

- The Company achieved a tremendous growth over the last two years, as revenues increased by 355.5% from 75.4 million Saudi Riyals in 2020 to 343.4 million Saudi Riyals in 2021.
- Net profit increased at 120%, 309% and 53% in 2020, 2021 and the first half of 2022, respectively.
- Return on shareholders' equity reached 20.6% in 2021.
- The Company has a strong balance sheet and low level of bank debt. Share capital increased from 50 million Saudi Riyals as on 31 December 2020 to 300 million Saudi Riyals as on 30 June 2022. The Company capital will also increase with the completion of the IPO.
- The debt-to-equity ratio was 13.8% as on 30 June 2022, providing financial flexibility for investment in new projects and further growth.



About the Offering

- Al Ramz Real Estate Company is in the process of listing its shares in the Parallel Market “Nomu” through a primary offering of three million, three hundred and thirty-three thousand and three hundred and thirty-three (3,333,333) new shares to be issued, representing 11.11% and 10% of its share capital before and after the offering, respectively.
- ANB Capital is acting as the Financial Advisor, Bookrunner and Lead Manager of the IPO.
- The maximum number of shares that can be subscribed by each Qualified Investors (non-individuals) is one million six hundred and sixty-six thousand and six hundred and sixty-six (1,666,666) shares.
- The maximum number of shares that can be subscribed by each Qualified Investor (individuals) is three hundred and thirty-three thousand and three hundred and thirty (333,330) shares.
- The Company total shares before the IPO is thirty million (30,000,000) shares paid in full.
- The Company total shares following the IPO will be thirty-three million, three hundred and thirty-three thousand and three hundred and thirty-three (33,333,333) ordinary shares.
- The Company intends to use the offering proceeds to finance part of its projects being currently under development. 75% of the proceeds will be used to finance six (6) projects, while 22% of the total proceeds will be used in the Company’s general operations that may include purchase of lands, financing of new construction projects, and financing working capital.
- The subscription in the offer shares is limited to the categories of Qualified Investors, as set out in the glossary of defined terms used in the regulations and rules of the Capital Market Authority and the glossary used in the rules of the Saudi Exchange.



For more Information and Inquiries:

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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 respective client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its 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. 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.

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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.



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