



Frequently Asked Questions Elm IPO



1. Who are the individuals that are entitled to buy shares?

Shares can be bought by natural Saudi persons, including the divorced or widowed Saudi woman with minor children from a marriage to a non-Saudi who is entitled to subscribe to the offer shares in their names once she provides proof that she is divorced or widowed and that she is mother of her minor children. Shares can also be bought by natural resident investors and GCC investors, who have bank accounts with a receiving agent and have the right to open an investment bank.

2. What is the authorized and issued capital of the company?

The company capital is eight hundred million (800,000,000) SR divided into eighty million (80,000,000) shares with a nominal value of ten (10) fully paid SR.

3. What is the number of offer shares?

The number of offer shares is twenty-four million (24,000,000) shares; seven million and two hundred thousand (7,200,000) shares will be allocated to retail investors.

4. What is the offer share price?

The offer share price is (128) SR.

5. When will the subscription period commence, and when will it end?

The offering period commences on (Thursday 02/07/1443 H - 03/02/2022 AD) and will end on (Sunday 05/07/1443 H - 06/02/2022 AD).

6. What is the number of shares I can subscribe to?

The minimum number of shares that can be subscribed to is ten (10) shares. Each individual has the right to subscribe to this number and its multiples, provided it shall not exceed two hundred and fifty thousand (250,000) shares.

7. What will happen if the subscriber has submitted more than one subscription application?

Only the first subscription application will be accepted, and all subsequent applications will be rejected.

8. Where can I obtain the subscription application forms?

Subscription application forms can be obtained during the subscription period from the receiving agents' branches.

9. Who are the receiving agents?

- Riyadh Bank
- Saudi National Bank
- Al-Rajhi Bank
- Arab National Bank

10. Can I subscribe online?

Yes, individual subscribers who participated in an IPO that took place recently in the Kingdom can subscribe online, banking phone or ATMs of the receiving agents providing any of these services if the subscriber has an account in one of the receiving agents providing such services and that there has been no change in the personal information of the individual subscriber since the last time he subscribed to an offer shares.

11. Can I subscribe via ATMs?

Yes, it is possible to subscribe via ATMs of the receiving banks that provide such service without visiting the branch if the subscriber is a customer of one of these banks. The subscriber shall use the ATM card provided he and his family members included in the family identification card have participated in one of the previous IPOs via that bank.

12. Can subordinates be added online, via phone banking services and ATMs?

Subordinates cannot be added online, via phone banking services and ATMs.

13. How can the subscriber pay the total value of the offer shares?

The full value of offer shares shall be paid to the receiving agents through deducting from the individual subscriber account with the receiving agent where the subscription application form is submitted.

14. How will I subscribe?

The subscription application form must be submitted to one of the branches of the receiving banks in the Kingdom of Saudi Arabia.

15. What are the documents that should be submitted with the subscription applications?

- The original and copy of the civil identification card or the residency identification card for individual subscribers, including GCC nationals, and non-Saudi residents.
- The original and copy of the family identification card (when subscribing to family members.)
- The original and copy of the power of attorney (when subscribing on behalf of others.)
- The original and copy of the certificate of guardianship (when subscribing on behalf of orphans.)
- The original and copy of the divorce certificate (when subscribing on behalf of the children of a divorced Saudi woman.)
- The original and copy of the death certificate (when subscribing on behalf of the children of a widowed Saudi woman.)
- The original and copy of the birth certificate (when subscribing on behalf of the children of a divorced or widowed Saudi woman.)

16. What is the number subscription applications that can be submitted by the family guardian?

It is enough for each primary subscriber subscribing for his benefit and for his family members registered in the family identification card to complete one subscription application if the family members will subscribe to the same number of shares that will be submitted by the primary subscriber, which will result as follows:

- All shares allocated to the primary individual subscriber and subordinate subscribers will be registered in the name of the primary individual subscriber.
- Excess money against unallocated shares which have been paid by the primary individual subscriber on his own behalf or for subordinate subscribers will be refunded to the primary subscriber.
- The primary individual subscriber shall have the entire dividends distributed against the shares allocated for the primary individual subscriber and the subordinate subscribers in the event the shares are not sold or transferred.

17. When will the individual subscription applications be used?

A separate subscription application is used as follows:

- If the subscriber wishes to register the offer shares that are allocated in a name other than the name of the primary individual subscriber.
- If the number of shares that the primary individual subscriber wishes to subscribe to differ from the number of shares that will be subscribed to by the subordinate individual subscribers.
- If the wife wishes to subscribe in her name and register the offer shares allocated to her on her own behalf, she shall complete a separate application other than the subscription application form completed by the primary individual subscriber. In this case, any subscription application made by her husband on her behalf shall be cancelled, and the receiving agent will deal with the separate subscription application form submitted by the wife.

18. Can I keep a copy of the subscription application form?

The receiving bank will provide the subscriber with an electronic copy of the subscription application form submitted.

19. In which name will the shares be registered?

The shares will be registered in the name of the primary subscriber, even if the subscriber has appointed a representative to subscribe on his behalf (under a power of attorney). The use of the power of attorney will be accepted only if it is on behalf of the children and parents. The shares will be registered in the name of the primary subscriber and not in the name of the representative.

20. When can I pay the subscription value?

The value of the shares to be subscribed to shall be paid in full upon submitting the subscription applications. The subscriber shall be liable for ensuring that a sufficient amount of money is available in his account with the receiving bank during the subscription period.

21. How do I pay?

Payment is made by authorizing the bank to deduct from the subscriber account. Cash payments or cheques are not accepted.

22. Is it required to open a bank account to submit an application to buy the shares of the Company?

Yes, the subscriber must have a bank account with one of the receiving banks or open a bank account with one of the receiving banks if they wish to submit an application to buy the company shares.

23. Can I submit the application to subscribe to the shares of the company through more than a bank?

No, only one subscription application will be accepted.

24. When will the deduction be made from my bank account?

The deduction will be made when your subscription application information is registered by the receiving bank.

25. Is there a minimum age for the subscriber?

There is no specific age for the subscriber as long as they are included in their father's family identification card or hold a birth certificate showing their identity number.

26. What will happen if I am not the Kingdom?

You can appoint a representative to buy shares on your behalf under a power of attorney. The Saudi Embassy or Consulate abroad can issue the power of attorney to Saudi nationals who live abroad.

27. Can the individual submit an application for a subscription in the company's shares by fax if they are outside the Kingdom?

No, they will not be able to do so, and the subscriber must appoint a representative to buy the shares on their behalf under a power of attorney, or by subscription using banking services via the Internet and telephone if they are registered to use these services and has participated in one of the previous IPOs

28. What will happen if the subscriber changes his mind after submitting the subscription application form to the receiving bank?

The applicant will not be able to amend or cancel the application after submitting it to the receiving bank.

29. If the subscriber has already submitted the subscription application, can he visit the branch to submit another application for his family members included in the family identification card?

Subscription application information accepted by the receiving bank cannot be changed. However, new, and separate subscription applications can be submitted for the benefit of family members in their capacity as primary subscribers and not as subordinate subscribers. Deduction will be made from each subscriber own account.

30. Can I borrow the money required for subscription in the shares of the Company?

Please call the bank you are dealing with for more information in this regard.

31. What is the date of allocation?

The allocation of offer shares for individual subscribers is expected to complete within a period not to exceed (Tuesday 07/07/1443 H - 08/02/2022 AD).

32. What will happen in excess money resulting from subscribing to offer shares?

A minimum of ten (10) shares will be allocated to each subscriber. The remaining offer shares - if any - will be allocated on a pro rata basis depending on the size of each subscriber's request against the total shares subscribed to. If the number of subscribers exceeds seven hundred and twenty thousand (720,000) subscribers, the company cannot guarantee the minimum of allocation for offer shares, and shares will be allocated as recommended by the company and the financial advisor.

33. What if I have not received all the shares allocated to me?

The receiving bank will refund the monies of unallocated shares. Excess money will be refunded in full without any fees or deductions and will be credited to the subscriber's account stated in the subscription application form.

34. Where can I receive excess money in the event the total shares I subscribed to are not allocated to me?

The receiving bank will refund excess money in full without any fees or deductions and the excess money will be credited to the subscriber account.

35. When can I receive excess money if the total shares I subscribed to are not allocated to me?

The excess money (if any) will be refunded to the subscribers without any commissions or deductions and will be deposited into the subscriber's account stated in the subscription application form. Refund of excess money will be announced no later than (Thursday 09/07/1443 H - 10/02/2022 AD)

36. When will trading of shares commence?

Trading of company's shares is expected to commence in the financial market after fulfilling all the relevant statutory requirements and procedures. The commencement of trading of shares will be announced on Tadawul website.

37. Can I sell my shares before the commencement of trading?

Shares ownership can only be transferred on the secondary market, i.e., after the commencement of trading of shares in the Saudi Tadawul Trading System. Subscribers will not be able to sell their shares before the commencement of trading.

