

المطاحن الحديثة MODERN MILLS

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MODERN MILLS COMPANY ANNOUNCEMENT OF FINAL OFFER PRICE

Jeddah, Saudi Arabia – 28 February 2024G – Following the announcement by **Modern Mills Company** (the “**Company**”, or “**Modern Mills**”, or “**MMC**”), a national and leading milling and nutrition company and a key player in the Kingdom of Saudi Arabia’s food security landscape (the “**Kingdom**” or “**Saudi Arabia**”), on 15 February 2024G of the Offer price range, the Company along with HSBC Saudi Arabia, as Sole Financial Advisor, Global Coordinator, Joint Bookrunner and Underwriter and Lead Manager, and Emirates NBD Capital KSA as Joint Bookrunner and Underwriter, announces today the successful completion of the institutional book-building process in compliance with the rules and regulations issued by the Capital Market Authority (“**CMA**”) and the determination of the final offer price (the “**Final Offer Price**”) for the Initial Public Offering (the “**IPO**” or the “**Offering**”) at SAR 48 per share, implying a market capitalization of SAR 3,928 million (USD 1,047 million¹) at listing.

The institutional book-building process generated an order book of approximately SAR 150 billion (USD 40 billion) and resulted in a subscription coverage of approximately 127x of the total offered shares.

With regards to the offering, Moelis & Company Saudi Limited has been appointed as the Advisor to the Selling Shareholders.

Osama Ashi, CEO of MMC, said: *“Today represents a milestone moment for our business as we successfully progress towards becoming a publicly traded company on the main market of the Saudi Exchange. Subscriptions were covered approximately 127 times and we are pricing at the top of the set range as a direct function of the robust institutional demand for MMC shares. This demand was driven by a renowned set of local, regional and global institutional investors that we had aspired to attract to our shareholder base and is testament to the soundness of our equity story, best-in-class operational model, strong financial position, and solid growth drivers. We will continue to drive growth through strengthening our market share across our three product categories, continued investment in people and technology, expanding our product portfolio, accessing new geographies, and profitably expanding into adjacent categories.*

The success of this stage of the IPO reinforces our role in realizing Saudi Arabia’s vision of a self-sufficient, secure future in food production for generations to come and we look forward to matching this success among retail investors.”

Offering Details

- The Final Offer Price for the Offering has been set at SAR 48 per share, implying a market capitalization at listing of SAR 3,928 million (USD 1,047 million).
- The total Offering size is SAR 1,178 million (USD 314 million).
- The Offering is comprised of 24,549,600 ordinary shares (the “**Offer Shares**”) representing 30% of the Company’s share capital post-listing, to be sold by the current shareholders (the “**Selling Shareholders**”).

¹ FX: US\$ 1.00 = SAR 3.75

- Immediately following the listing on the Main Market of the Saudi Exchange (Tadawul), the Company is expected to have a free float of 30% (24,549,600) of its entire issued share capital (81,832,000).
- The Selling Shareholders are Mada International Holding Company (50% share pre-Offering), Al Ghurair Foods Company (45% share pre-Offering), and Masafi Company (5% share pre-Offering). Following the completion of the Offering, the current shareholders shall collectively own 69% of the Company's share capital.
- The Company will hold 818,320 treasury shares (equivalent to 1% of Company's capital) after the Offering through buying 687,389 shares (representing 84% of treasury shares) based on the final Offer Price and the award of 130,931 shares (representing 16% of treasury shares) by the Selling Shareholders, in conjunction with completing the Offering process to use them within the Company's employee stock program.
- 100% of the Offer Shares have been provisionally allocated to the Participating Parties that took part in the book-building process ("**Participating Parties**"). This may be reduced to 22,094,640 Offer Shares (representing 90% of the total Offer Shares) depending on the level of demand by Individual Investors (as defined below). The final number of Offer Shares allocated to the Participating Parties will be clawed-back accordingly based on subscriptions from Individual Investors.
- Individual Investors are defined as Saudi Arabian nationals, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe in her own name 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 children; and any non-Saudi Arabian national who is residing in Saudi Arabia and any national of countries in the Gulf Cooperation Council (the "GCC"), in each case who has a bank account with a Receiving Agent and has the right to open an investment account with a capital market institution (collectively, the "**Individual Investors**", and each an "**Individual Investor**").
- Individual Investors will be able to subscribe for shares in the retail offering between 05 – 06 March 2024G (corresponding to 24 Shabaan 1445H – 25 Shabaan 1445H²) at the Final Offer Price of SAR 48 per Offer Share through AlRajhi Bank and Saudi National Bank which have been appointed as Receiving Agents (collectively, the "**Receiving Agents**").
- The offer to Individual Investors will be made as follows:
 - Each Individual Investor must submit a Subscription Application Form. Changes to or withdrawal of the Individual Subscription Application Form shall not be permitted once submitted.
 - Subscription Application Forms will be made available during the Offering Period on the websites of the Receiving Agents. Investors can also subscribe through the internet, telephone banking or ATMs of any of the Receiving Agents that offer any or all such services to its customers, provided that the following requirements are satisfied:
 - The Individual Investor must have a bank account at a Receiving Agent which offers such services.
 - There have been no changes to the personal information or data of the Individual Investor since his subscription in a recent Offering.
 - Upon signing and submitting the Individual Investor Application Form to any of the Receiving Agents, it shall be deemed a legally binding agreement between the Selling Shareholders and the relevant Individual Investor.

² According to Um Al Qura Calendar.

Expected Offering Timeline

Milestone	Date (Gregorian)	Date (Hijri)
Individual Investors Subscription Period	5 th March 2024G till 6 th March 2024G	24 Shabaan 1445H till 25 Shabaan 1445H
Final allocation of shares and notification of excess subscription monies (if any)	12 th March 2024G	02 Ramadan 1445H
Refund of excess subscription monies (if any)	By 18 th March 2024G	By 08 Ramadan 1445H
Expected trading commencement date for the Shares	Trading of the Offer Shares on the Exchange is expected to commence after all relevant legal requirements and procedures have been fulfilled. Trading will be announced in local newspapers and on the Saudi Exchange website (www.saudiexchange.sa).	

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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 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 Local Prospectus and/or the International Offering Circular, as the case may be, the Local 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". 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. Forward-looking statements speak only as of the date they are made and the Company does not assume any obligations to update any forward-looking statements.

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. 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 Underwriters 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. Moelis & Company Saudi Limited ("**Moelis**") is acting exclusively for the Selling Shareholders and no-one else in connection with the Offering. It will not regard any other person as their respective client, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, in relation to the Offering and will not be responsible to anyone other than the Selling Shareholders for providing the protections afforded to its clients, arrangement or other matter referred to herein.

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