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## **PRESS RELEASE**

**30 November 2023G**

### **MBC GROUP Announces its IPO Offer Price Range and the start of the Institutional Book-Building Process**

MBC GROUP (“**MBC**” or the “**Company**”), one of the leading media and entertainment companies in the Middle East and North Africa (“**MENA**”) region, announces today the price range for its initial public offering (“**IPO**” or the “**Offering**”) as well as the commencement of the institutional book-building period for Participating Parties.

The price range for the Offering has been set between SAR 23 and SAR 25 per share (the “**Price Range**”). The institutional book-building period commences today, 30 November 2023G and will close at 2:00PM KSA time on Wednesday 6 December 2023.

On 21 November 2023G, the Capital Market Authority (the “**CMA**”) approved the Company’s application for registering its shares and offering 33,250,000 Ordinary Shares through a capital increase (“**Offer Shares**”), representing 10% of the Company’s share capital (following the issuance of the Offer Shares and increase of the Company’s share capital). The final price at which all subscribers in the Offering will purchase Shares will be determined at the end of the book-building period.

For more information about the IPO, please visit: <https://mbc.net/ipo>

#### **Offer Details**

- The price range for the Offering has been set between SAR 23 and SAR 25 per share.
- The Offering comprises a primary offering of 33,250,000 new ordinary shares, representing 10% of the Company’s share capital (following the issuance of the Offer Shares and increase of the Company’s share capital).
- The total Offering size is expected to be between SAR 765 million (USD 204 million) and SAR 831 million (USD 222 million), implying a market capitalization at listing between SAR 7,648 million (USD 2,039 million) and SAR 8,313 million (USD 2,217 million).
- The Offer Shares will be offered for subscription to individual investors (“**Individual Subscribers**”) and institutional investors (“**Participating Parties**”), including Participating Parties outside the United States in accordance with Regulation S under the US Securities Act of 1933, as amended.

- Following completion of the Offering, the current shareholders (“**Current Shareholders**”) shall collectively own 90% of the Company’s share capital. The Current Shareholders are Al Istedamah Holding with a shareholding of 60% and Waleed Ibrahim Al Ibrahim with a shareholding of 40%.
- The Offer Shares will be listed and traded on the Saudi Exchange’s Main Market following the completion of the IPO and listing formalities with the CMA and the Saudi Exchange.
- A maximum of 33,250,000 shares, representing 100% of total Offer Shares, will be allocated to Participating Parties.
- The Financial Advisors may, in coordination with the Company, reduce the number of shares allocated to Participating Parties to 29,925,000 shares, representing 90% of total Offer Shares, to accommodate for Individual Subscriber demand.
- A maximum of 3,325,000 ordinary shares, representing 10% of the total Offer Shares, will be allocated to Individual Subscribers.
- With respect to the Offering, the Company has appointed HSBC Saudi Arabia, JP Morgan Saudi Arabia and SNB Capital as Joint Financial Advisors, Joint Bookrunners, and Underwriters. In addition, the Company has appointed HSBC Saudi Arabia as Lead Manager.
- GIB Capital is acting as the financial advisor to the substantial shareholders.
- Arab National Bank, Banque Saudi Fransi, Riyad Bank, and Saudi National Bank, have been appointed as receiving agents (collectively, the “**Receiving Agents**”) for retail investors.
- Please refer to the Prospectus for details on the expected timetable of the Offering.
- The Offering is restricted to the following two groups of investors:
  - Tranche (A): Participating Parties
    - This tranche comprises a number of institutions and companies, including investment funds, qualified foreign investors and GCC investors with legal personality (collectively referred to as the “Participating Parties”) who are entitled to participate in the book building process as specified under the Instructions for Book Building Process and Allocation Method in Initial Public Offerings issued by the CMA. Participating Parties will initially be allocated 33,250,000 Offer Shares, representing 100% of the total Offer Shares, and the final allocation will be made after the end of the subscription period for the Individual Subscribers (as defined in Tranche (B) below). In the event that Individual Subscribers subscribe for the Offer Shares allocated thereto, the Joint Financial Advisors, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Parties to 29,925,000 shares, representing ninety percent (90%) of the Offer Shares. The Joint Financial Advisors, in coordination with the Company, shall determine the number and percentage of Offer Shares to be allocated to Participating Parties, using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any shares if deemed appropriate by the Company and the Joint Financial Advisors.
  - Tranche (B): Individual Investors
    - This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit 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, any non-Saudi natural person who is resident in the KSA or GCC nationals, in each case, who have a bank account, and are entitled to open an investment account, with of the Receiving Agents (collectively referred to as the “**Individual Subscribers**”, and each an “**Individual Subscriber**”) and together with the Participating Parties as the “**Subscribers**”). A subscription for Shares made by a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first

subscription will be accepted. A maximum of 3,325,000 Offer Shares, representing 10% of the Offer Shares, shall be allocated to Individual Subscribers. If Individual Subscribers do not subscribe for all the Offer Shares allocated thereto, the Lead Manager, in cooperation with the Company, may reduce the number of Shares allocated to Individual Subscribers in proportion to the number of Shares to which they subscribed.

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## **Contact Details**

Joint Financial Advisors, Joint Bookrunners, and Underwriters		
<b>HSBC Saudi Arabia</b> Mohammed Fannouch, Managing Director, Co-Head of Investment Banking <b>Email:</b> <a href="mailto:MBCIPO@hsbcsa.com">MBCIPO@hsbcsa.com</a>	<b>J.P. Morgan Saudi Arabia</b> Mohammad Al-Mansour Executive Director, Investment Banking <b>Email:</b> <a href="mailto:MBC_IPO@jpmorgan.com">MBC_IPO@jpmorgan.com</a>	<b>SNB Capital</b> Zaid Ghoul Managing Director, Head of Investment Banking <b>Email:</b> <a href="mailto:snbc.cm@alahlicapital.com">snbc.cm@alahlicapital.com</a>
Financial advisor to the substantial shareholders		
<b>GIB Capital</b> Sameer Nawaz, Head of Investment Banking <b>Email:</b> <a href="mailto:GIBC.IB@gibcapital.com">GIBC.IB@gibcapital.com</a>		
<b>IPO Enquiries</b>	<b>Media Enquiries</b>	
<b>MBC GROUP</b> Bassam Albraikan <b>Email:</b> <a href="mailto:media@mbc.net">media@mbc.net</a>	<b>Brunswick Group</b> Jade Mamarbachi / Rawan El Saleh <b>Email:</b> <a href="mailto:mbcgroup@brunswickgroup.com">mbcgroup@brunswickgroup.com</a>	

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The Offering and the distribution of this announcement and other information in connection with the Offering may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes must inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America.

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 in 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.

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy, the Offer Shares referred to herein to any person in the United States, Australia, Canada, South Africa or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The offer and sale of the Offer Shares has not been and will not be registered under the applicable securities laws of Australia, Canada, South Africa or Japan. Subject to certain exceptions, the Offer Shares may not be offered or sold in Australia, Canada, South Africa or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, South Africa or Japan. There will be no public offer of the Offer Shares in the United States, Australia, Canada, South Africa or Japan.

In the European Economic Area (the “**EEA**”), this communication is only addressed to and directed at persons in member states of the EEA who are “qualified investors” within the meaning of Article 21 of Regulation (EU) 2017/1129 (as amended) (“**Qualified Investors**”). In the United Kingdom, this communication is only addressed to and directed at persons who are “qualified investors” within the meaning of Article 21 of Regulation (EU) 2017/1129 (as amended), which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, who are also: (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) are other persons to whom it may otherwise lawfully be communicated (all such persons referred to in (i), (ii) and (iii) together being “**Relevant Persons**”). This communication must not be acted or relied on (i) in the United Kingdom, by persons who are not Relevant Persons and (ii) in any member state of the EEA by persons who are not Qualified Investors. Any investment activity to which this communication relates (i) in the United Kingdom is available only to, and may be engaged in only with, Relevant Persons; and (ii) in any member state of the EEA is available only to, and may be engaged only with, Qualified Investors.

This announcement is being distributed subject to the provisions of the Rules on the Offer of Securities and Continuing Obligations (“**OSCO Rules**”) issued by the CMA, and should not result in any binding undertakings to acquire shares or subscribe in the Offering. This announcement is for information purposes only and under no circumstances shall constitute an offer or invitation, or 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 that has been issued and published (the “**Local Prospectus**”). The information in this announcement is subject to change. In accordance with Article 51(d) of the OSCO Rules, copies of the Prospectus will, following publication, be available on the websites of the Company at [www.mbc.net](http://www.mbc.net), the Saudi Exchange at [www.saudiexchange.sa](http://www.saudiexchange.sa), the CMA at [www.cma.org.sa](http://www.cma.org.sa) and the Joint Financial Advisors at [www.jporgansaudi Arabia.com](http://www.jporgansaudi Arabia.com), [www.hsbcSaudi.com](http://www.hsbcSaudi.com), and [www.alahlicapital.com](http://www.alahlicapital.com).

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 or incompleteness 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”. 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 or contained in projections, 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. Each of the Company, the Joint Financial Advisors and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements 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 investment decisions on the Company's intentions in relation to the Offering. 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 Joint Financial Advisors 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 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 Company for providing the protections afforded to their respective clients, 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 Joint Financial Advisors or any of their respective affiliates, 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 Joint Financial Advisors and 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.

References in the Local 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 Joint Financial Advisors and any of their affiliates acting in such capacity. In addition, the Joint Financial Advisors and any of their affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Joint Financial Advisors and any of their affiliates may from time to time, acquire, hold or dispose of securities. The Joint Financial Advisors do 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.