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## MODERN MILLS COMPANY ANNOUNCES ITS OFFER PRICE RANGE AND START OF INSTITUTIONAL BOOK-BUILDING

**Jeddah, Saudi Arabia – 15 February 2024G** – Following the announcement on 07 February, 2024G of its intention to float 30% of its share capital to the public, **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**”), announces today the price range for its initial public offering (the “**IPO**” or the “**Offering**”), as well as, the commencement of the institutional book-building period for Participating Parties. The final price at which all investors in the Offering will purchase Shares will be determined following the book-building period.

For more information about the IPO, please visit: <https://ipo.modernmills.com.sa/home-en>.

### Offering Details

- The price range for the Offer Shares has been set between SAR 44 and SAR 48 per share (“**Price Range**”).
- The Offering is comprised of 24,549,600 ordinary shares (the “**Offer Shares**”), representing 30% of the Company’s share capital sold by the current shareholders (“**Selling Shareholders**”).
- The total Offering size is expected to be between SAR 1,080 million (USD 288 million) and SAR 1,178 million (USD 314 million), implying a market capitalization at listing between SAR 3,601 million (USD 960 million) and SAR 3,928 million (USD 1,047 million).<sup>1</sup>
- The Offer Shares are offered for subscription to individual investors (“**Individual Investors**”) 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 (the “**Securities Act**”).
- 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.
- The Company Shares will be listed on the Saudi Exchange’s Main Market following the completion of the IPO and listing formalities with the Capital Market Authority (“**CMA**”) and the Saudi Exchange. Shares owned by the public are expected to account for 30% of the company’s total capital.
- With respect to the Offering, the Company appointed HSBC Saudi Arabia as Sole Financial Advisor, Global Coordinator, Joint Bookrunner, Underwriter, and Lead Manager, in addition to Emirates NBD Capital KSA as Joint Bookrunner and Underwriter. Moelis & Company Saudi Limited has been appointed as the Advisor to the Selling Shareholders.

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<sup>1</sup> FX: US\$ 1.00 = SAR 3.75

- AlRajhi Bank and Saudi National Bank have been appointed as Receiving Agents (collectively, the “**Receiving Agents**”) for the Individual Investors tranche.

### Eligible Investors

- The Offering is restricted to the following two groups of investors:
  - **Tranche (A): Participating Parties:**
    - This tranche comprises investors eligible to participate in the book-building process in accordance with the Instructions for Book Building Process and Allocation Method in Initial Public Offerings, as issued by the Capital Market Authority (hereinafter referred to as the “**CMA**”) (the Instructions shall hereinafter be referred to as the “**Book-Building Instructions**”), (said investors shall be collectively referred to as the “**Participating Parties**” and each as a “**Participating Party**”). The number of Offer Shares to be allocated to Participating Parties effectively participating in the book-building process is twenty-four million five hundred forty-nine thousand six hundred (24,549,600) ordinary shares, representing 100% of the total Offer Shares. In the event there is sufficient demand by Individual Investors (as defined under Tranche (B) below), the Financial Advisor shall have the right to reduce the number of Offer Shares allocated to Participating Parties to a minimum of twenty-two million and ninety-four thousand six hundred and forty (22,094,640) ordinary shares, representing 90% of the total Offer Shares. The Financial Advisor, in coordination with the Company, shall determine the number and percentage of Offer Shares to be allocated to Participating Parties.
  - **Tranche (B): Individual Investors:**
    - This tranche includes 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**”). Subscription by a person in the name of his divorcee shall be deemed invalid. If a transaction of this nature is proved to have occurred, the applicable regulations shall be enforced against such person. If a duplicate subscription is made, the second subscription will be deemed void, and only the first subscription will be accepted. A maximum of two million four hundred and fifty-four thousand nine hundred and sixty (2,454,960) ordinary shares, representing ten percent (10%) of the Offer Shares, shall be allocated to Individual Investors. In the event that the Individual Investors do not subscribe in full for the Offer Shares allocated to them, the Lead Manager may reduce the number of Offer Shares allocated to Individual Investors in proportion to the number of Offer Shares subscribed for thereby.

## **Book-Building and Subscription Procedures for Participating Parties**

- Participating Parties must submit requests to participate in the book-building process by filling out Bid/Subscription Orders. Participating Parties may amend or cancel their bids at any time during the Book-Building Period, provided that said bids are amended by submitting a modified bid form or an appendix Bid Form (where applicable) before the Offer price determination process that will take place before the Offering Period ends.
- Once the book-building process for Participating Parties is completed, the Bookrunners shall announce the subscription percentage by Participating Parties.
- The Lead Manager shall notify the Participating Parties regarding the Offer Price and the number of Offer Shares initially allocated thereto. Subscription by Participating Parties must begin during the Offering Period, which also includes Individual Investors, in accordance with the Subscription Terms and Conditions as detailed in the Subscription Applications Forms.
- The Bookrunners, in coordination with the Company and Selling Shareholders, shall have the authority to determine the Offer Price as dictated by supply and demand, provided that it does not exceed the price specified in the Underwriting Agreement, and that the subscription price be aligned with the price change units applied by Tadawul.

## **Subscription by Individual Investors**

- Subscription Application Forms will be made available during the Offering Period on the websites of the Receiving Agents that provide this service. Subscription Application Forms shall be completed in accordance with the instructions mentioned below. 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.

## **Restriction on shares (Lock-up Period)**

Starting from the commencement of trading of the Company's shares on the Saudi Exchange, substantial shareholders who own 5% or more of the Shares (the "**Substantial Shareholders**") are prohibited from disposing of their shares for a period of six (6) months without obtaining the approval of the General Food Security Authority and the CMA, subject to obtaining any required approvals from other concerned Government Authorities.

## Expected Offering Timeline

Milestone	Date (Gregorian)	Date (Hijri)
Bidding and Book-Building Period for Participating Parties	15 <sup>th</sup> February 2024 till 4:00pm on 21 <sup>st</sup> February 2024	05/08/1445 till 4:00pm on 11/08/1445
Final Offer Price Announcement	27 <sup>th</sup> February 2024	17/08/1445
Individual Investors Subscription Period	5 <sup>th</sup> March 2024 till 6 <sup>th</sup> March 2024	24/08/1445 till 25/08/1445
Final allocation of shares and notification of excess subscription monies (if any)	12 <sup>th</sup> March 2024	02/09/1445
Refund of excess subscription monies (if any)	By 18 <sup>th</sup> March 2024	By 08/09/1445
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 ( <a href="http://www.saudiexchange.sa">www.saudiexchange.sa</a> ).	

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<b>Joint Bookrunner and Underwriter</b>	
<b>Emirates NBD Capital KSA</b>	<b>Bilal Mohammed Barqawi</b> Investment Banking <a href="mailto:projectgrain@emiratesnbd.com">projectgrain@emiratesnbd.com</a>

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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.

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