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Riyadh, Saudi Arabia [15 September 2024G]

## **Fourth Milling Company Announces its IPO Offer Price Range and the Start of Institutional Book-Building**

Fourth Milling Company (the “Company”), a leading company in the field of flour production in the Kingdom of Saudi Arabia (the “Kingdom”), announces the price range for its initial public offering (the “IPO” or “Offering”) and the commencement of the institutional book-building period for Participating Parties.

The price range for the Offering has been set between SAR 5 and SAR 5.30 per share (the “Price Range”). The institutional book building commences today, 15 September 2024G and will close at 4:00 PM KSA time on 19 September 2024G.

On 26 June 2024G, the CMA approved the Company’s application for registering its share capital and the Offering of 162,000,000 ordinary Shares (the “Offer Shares”), representing 30% of the Company’s total issued share capital. The offering price will be announced following the end of the institutional bookbuilding period.

The Offering’s net proceeds will be distributed to the selling shareholders. The Company will not receive any part of the proceeds from the Offering.

The final price at which all subscribers in the Offering will purchase Shares will be determined at the end of the book-building period.

### **OFFERING DETAILS**

The Offer Shares will be listed and traded on the Saudi Exchange’s Main Market following the completion of the Offering and listing formalities with both the CMA and the Saudi Exchange.

- The price range of the Offering has been set between SAR 5 and SAR 5.30 per share.
- The Offering will consist of a secondary offering of 162,000,000 Offer Shares representing 30% of the Company’s total issued share capital.
- The total offering size is expected to be between SAR 810 million (USD 216 million) and SAR 858.6 million (USD 228.9 million), indicating a market capitalization at listing between SAR 2.7 billion (USD 720 million) and SAR 2.8 billion (USD 763.2 million).
- The Offer Shares will be offered for subscription to Individual Subscribers and Participating Parties (as defined below).

- Following completion of the Offering, the current shareholder, Gulf Milling Industrial Company (the "Current Shareholder") shall own, 70% of the Company's share capital.
- A maximum of 162,000,000 shares, representing 100% of total Offer Shares will be allocated to Participating Parties.
  - The Financial Advisor may, in coordination with the Company, reduce the number of shares allocated to Participating Parties to 129,600,000 shares, representing 80% of total Offer Shares to accommodate Individual Subscribers demand.
  - A maximum of 32,400,000 shares, representing 20% of the total Offer Shares, will be allocated to Individual Subscribers.
  - Following listing, the Company is expected to have a free float of 30% of the Shares.
  - Riyadh Capital has been appointed as the Financial Advisor, Lead Manager, Bookrunner, and Underwriter.
  - Riyadh Bank and Arab National Bank have been appointed as receiving agents (collectively, the "Receiving Agents").

The Offering shall be restricted to the two following groups of investors ("**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 ("**CMA**") (the Instructions shall be referred to as the "**Book-Building Instructions**"), (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 is one hundred and sixty-two million (162,000,000) Offer Shares, representing 100% of the total Offer Shares. In the event there is sufficient demand by Individual Subscribers (as defined under Tranche (B) below), the Lead Manager shall have the right to reduce the number of Offer Shares allocated to Participating Parties to a minimum of one hundred and twenty-nine million and six hundred thousand (129,600,000) ordinary shares, representing 80% 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 Subscribers:** 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 Subscribers**", and each an "**Individual Subscriber**"). 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 thirty-two million four hundred thousand (32,400,000) ordinary shares, representing twenty percent (20%) of the Offer Shares, shall be allocated to Individual Subscribers. In the event that the Individual Subscribers 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 Subscribers in proportion to the number of Offer Shares subscribed for thereby.

## OFFERING TIMETABLE

IPO MILESTONE	DATE
Offering Period for Participating Parties and Book-Building Process	Sunday, 12/03/1446H (corresponding to 15/09/2024G) and closing at the end of Thursday, 16/03/1446H (corresponding to 19/09/2024G)
Submission Period for Individual Subscribers	Starting from Wednesday, 29/03/1446H (corresponding to 02/10/2024G) and closing at the end of Thursday, 30/03/1446H (corresponding to 03/10/2024G)
Announcement of final Offer Shares allotment	Sunday, 18/11/1445H (corresponding to 06/10/2024G)
Refund of excess subscription monies (if any)	Tuesday, 05/04/1446H (corresponding to 08/10/2024G)

For more information on the IPO, visit [www.ipo.MC4.com.sa](http://www.ipo.MC4.com.sa)

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## CONTACT DETAILS

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