



The Leading Manpower Company

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08 May 2024G

SAUDI MANPOWER SOLUTIONS COMPANY

IPO Offer Price Range and the start of Institutional Book-Building Process

Manpower for the Kingdom's future

SAUDI MANPOWER SOLUTIONS COMPANY ("**SMASCO**" or the "**Company**" or the "**Group**") the leading manpower solutions company 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 7 and SAR 7.5 per share (the "**Price Range**"). The institutional bookbuilding period commences today, 8 May 2024G and will close at 5:00 PM KSA time on Tuesday 14 May 2024.

On 11 March 2024, the Capital Market Authority (the "**CMA**") approved the Company's application for registering its share capital and the Offering of 120,000,000 ordinary Shares (the "**Offer Shares**"), representing 30% of the Company's total issued share capital, and 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 7 and SAR 7.50 per share.
- The Offering will consist of a secondary offering of 120,000,000 Offer Shares representing 30% of the Company's total issued share capital.
- The total offering size is expected to be between SAR 840 million (USD 224 million) and SAR 900 million (USD 240 million), indicating a market capitalization at listing between SAR 2,8 billion (USD 747 million) and SAR 3 billion (USD 800 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 shareholders (the "**Current Shareholders**") shall collectively own 70% of the Company's share capital. The Current Shareholders owning 5% or more Shares in the Company are as follows:

Al Holoul Al Mutakamela Holding Co	70.0%
Rafid Advanced Investments Co	7.5%
Mohammad Abdulaziz Al Habib and Sons Holding Co	5.0%
Malem Al Masa Real Estate Co	5.0%

- A maximum of 120,000,000 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 108,000,000 shares, representing 90% of total Offer Shares to accommodate Individual Subscriber demand.
- A maximum of 12,000,000 shares, representing 10% 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.
- SNB Capital Company has been appointed as the Financial Advisor, Lead Manager, Bookrunner, and Underwriter.
- Saudi National Bank, Alrajhi Bank and SNB Capital Company 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 - Comprising the parties 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 pursuant to CMA Board Resolution No. 2-94-2016, dated 15 Shawwal 1437H (corresponding to 20 July 2016G), as amended, including investment funds, companies, qualified foreign investors, GCC corporate investors and certain other foreign investors pursuant to swap agreements) (collectively referred to as the “**Participating Parties**” and each a “**Participating Party**”). The number of Offer Shares to be provisionally allocated to the Participating Parties is one hundred and twenty million (120,000,000) Offer Shares, representing one hundred per cent (100%) of the Offer Shares. The final allocation will be made after the end of the Individual Subscribers’ subscription (as defined in Tranche (B) below), using the discretionary allocation mechanism by the Financial Advisor in coordination with the Company. The Financial Advisor shall have the right, if there is sufficient demand by Individual Subscribers and in coordination with the Company, to reduce the number of Offer Shares allocated to Participating Entities to one hundred and eight million (108,000,000) Offer Shares, representing ninety per cent (90%) of the Offer Shares.

Tranche (B): Individual subscribers - Comprising Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe 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 Saudi Arabian children, as well as any non-Saudi natural persons resident in the Kingdom or GCC natural persons, in each case who have a bank account with a Receiving Agent and the right to open an investment account with a capital market institution or those who have an active portfolio with SNB Capital Company in the event of subscription through SNB Capital Company (the “**Individual Subscribers**” and each an “**Individual Subscriber**”). A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of twelve million (12,000,000) Offer Shares representing ten per cent (10%) of the total Offer Shares shall be allocated to Individual Subscribers. If the Individual Subscribers do not subscribe in full to the Offer Shares allocated to them, the Financial Advisor may in coordination with the Company reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares subscribed by them.

OFFERING TIMETABLE

IPO Milestone	Date
Price Range Announcement and Institutional Bookbuilding Commencement	Wednesday, 29/10/1445H (corresponding to 08/05/2024G)
Institutional Bookbuilding Closing	Tuesday at 5:00 PM KSA time, 06/11/1445H (corresponding to 14/05/2024G)
Announcement of Final Offer Price	Sunday 11/11/1445H (corresponding to 19/05/2024G)
Retail Offering Commencement	Sunday, 18/11/1445H (corresponding to 26/05/2024G)
Retail Offering Closing	Monday at 5:00 PM KSA time, 19/11/1445H (corresponding to 27/05/2024G)
Expected Commencement Date for Trading the Shares	Trading of the Company's shares on the Saudi Exchange is expected to start after the completion of all of the relevant legal requirements and procedures. The trading commencement date of the shares will be announced in local newspapers and Saudi Exchange's website (www.saudiexchange.sa).

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

CONTACT DETAILS



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This announcement is being distributed subject to the provisions of the Rules on the Offer of Securities and Continuing Obligations (the “**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 to be issued and published in due course (the “**Prospectus**”). The information in this announcement is subject to change. In accordance with Article 51 of the OSCO Rules, copies of the Prospectus will, following publication, be available on the websites of the Company (www.smasco.com), the CMA (www.cma.org.sa), the Saudi Exchange (www.saudiexchange.sa) and the Financial Advisor (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.

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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 the Kingdom. These factors will be described in more detail in the Prospectus. Forward-looking statements speak only as of the date they are made. Each of the Company, the Financial Advisor and its respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement 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 financial decisions on the Company's intentions in relation to the Offering at this stage. 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 Financial Advisor is acting exclusively for the Company and no-one else in connection with the Offering. It will not regard any other person as its client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its 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.

The contents of this announcement have been prepared by and are the sole responsibility of the Company. Neither the Financial Advisor nor any of its affiliates or respective 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, the Financial Advisor and any of its 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.

Accordingly, references in the Prospectus, once published, 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 Financial Advisor and any of its affiliates acting in such capacity. In addition, the Financial Advisor and any of its affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Financial Advisor and any of its affiliates may from time to time, acquire, hold or dispose of securities. The Financial Advisor does 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.



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