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Riyadh, Kingdom of Saudi Arabia – 30 January 2025G

Arabian Company for Agricultural and Industrial Investment Announces its Intention to Float on the Main Market of the Saudi Exchange

Arabian Company for Agricultural and Industrial Investment (the "Company" or "Entaj"), one of the leading poultry brands in the Kingdom of Saudi Arabia (the "Kingdom") announces its intention to proceed with an initial public offering (the "IPO" or "Offering") and the listing of its ordinary shares ("Shares") on the main market of the Saudi Exchange.

On 30 September 2024G, the CMA approved the Company's application for registering its share capital and the Offering of 9,000,000 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 company also obtained Tadawul's conditional approval on 22 September 2024G for listing on the Main Market.

The Offerings' net proceeds will be distributed to the Selling Shareholders. The Company will not receive any part of the Net Offering Proceeds.

OVERVIEW OF ENTAJ

- Entaj is one of the leading poultry producers in the Kingdom, delivering a wide range of high-quality poultry products—including fresh, frozen, and cut-up chicken—to retail and foodservice channels across the Kingdom. The Company's operations date back in 2004G when the Foods Business Unit of Arabian Agricultural Services Company ("ARASCO") established the "Entaj" brand for the production and marketing of broiler chickens. Entaj has grown significantly and following a strategic restructuring by ARASCO in 2021G, now operates under the Arabian Company for Agricultural and Industrial Investment as a flagship brand in the food production sector.
- Entaj's comprehensive, vertically integrated operations encompass the entire poultry production cycle within its facilities, from breeding and hatching to manufacturing and packaging. With the company controlling the entire production process, it boasts a production capacity of 185 million birds annually, providing a solid foundation for future growth and expansion of its broiler farms and processing plants. Strategically located across Saudi Arabia, Entaj's farms and processing facilities ensure extensive market reach and efficient nationwide distribution.
- With a processing plant operating at over 90% utilization, Entaj handles approximately 226,000 fresh chickens, 74,000 frozen chickens, and 100,000 cutups daily. Presently, Entaj processes 390,000 birds per day, and as of December 2024, the Company has completed a project to expand daily production capacity to 600,000 birds, reflecting its commitment to meeting growing consumer demand. The Company also prioritizes sustainability in its operations, maintaining a 6.4% annual mortality rate, supported by a dedicated workforce of 1,755 employees who drive Entaj's consistent quality and service standards.
- Entaj's unwavering focus on quality and innovation has earned it a trusted reputation in the Kingdom's poultry market. The Company continues to strengthen its market position by investing in advanced processing techniques, expanding its distribution network, and implementing rigorous quality assurance protocols at every stage of production, ensuring fresh and reliable products for its customers across the Kingdom.



MESSAGE FROM THE VICE CHAIRMAN

Ziyad Al Sheikh

"Our intention to float on the Saudi Exchange is a defining moment for Entaj, marking the next phase of our growth. Over the years, we've established Entaj as a trusted brand by prioritizing quality and operational efficiency, ensuring we meet the needs of consumers across the Kingdom.

This IPO aligns with our commitment to support the Kingdom's food security agenda, and it will allow us to invest further in our infrastructure and workforce to drive sustainable growth. We are prepared to leverage this opportunity to strengthen our market position and deliver even greater value to our stakeholders."



MESSAGE FROM THE CEO

Raja M. Alharbi

"Entaj's success to date is built on a foundation of high standards, efficient operations, and a clear focus on the needs of our customers. Our decision to list will provide us with the resources to expand our production capacity, advance our distribution network, and enhance our product offerings to meet the growing demand for high-quality poultry across Saudi Arabia.

As we take this significant step, we are excited to move forward with our strategic initiatives, ensuring we continue to deliver excellence and reliable supply for consumers, while creating value for our shareholders and contributing to the Kingdom's food security objectives. We believe this is the right moment to share our vision with the public market, enhancing our visibility and access to resources. Together, we will drive sustainable growth and contribute to the Kingdom's economic development in line with Vision 2030."

KEY INVESTMENT HIGHLIGHTS

1. Supportive macro-economic environment and significant sector growth potential

Entaj operates in a highly supportive macro-economic environment that is set to drive its growth. The Kingdom's population is expected to grow from 33.1 million in 2023G to 37.7 million by 2028G, with increasing consumer spending, particularly in the food and beverage sector. This creates a strong foundation for Entaj's focus on fresh poultry, with value sales projected to rise from SAR 18.3 billion in 2023 to SAR 26.7 billion by 2028G, and volume sales expected to reach 1.22 million tonnes.

2. One of the leading poultry businesses with strong brand name and market presence

Entaj is positioned as one of the leading brands in Saudi Arabia's fresh poultry market, holding a 7.6% market share in this competitive space. While larger competitors like Al-Watania and Alyoum have more substantial shares, Entaj's brand strength and recognition are rapidly growing. Through consistent quality, innovation, and building trust with consumers, Entaj continues to expand its market presence and stand out as a strong contender in the industry. Recent efforts to enhance brand image have further solidified its position in the market.

3. State-of-the-art operational capabilities with integrated business model

Entaj boasts state-of-the-art operational capabilities backed by an integrated business model that ensures excellence across all segments. In farming, the company maintains stringent biosecurity measures, utilizing advanced hatchery facilities and strategically located farms, with a highly skilled management team driving efficiency. The production facilities are equipped with cutting-edge technology, and our teams ensure that operations exceed industry standards. Entaj's product range, including poultry, red meat, and table eggs, is distributed through a strong regional network, supported by an expanding e-commerce platform. Our commitment to innovation and operational excellence has earned us local and international recognition, with accreditations such as Saudi GAP, FSSC 22000, ISO, and Halal certifications, underscoring our leadership in the industry.

4. Strong access to end consumer

Entaj ensures strong access to consumers through a widespread retail network across Saudi Arabia, from local baqalas to major hypermarkets, with daily temperature-controlled deliveries and in-store support. As a preferred supplier to restaurants, caterers, and hotels, we provide customized products and direct daily distribution. Our dedicated e-commerce platform and partnerships with online retailers guarantee continuous availability. We are also expanding our distribution capabilities with new centers and an enhanced fleet to reach more areas, particularly in the South and North of the Kingdom.

5. Attractive financial profile with resilient profitability

Entaj boasts an attractive financial profile with resilient profitability, achieving a compound annual revenue growth rate of 23% over the past three years, driven by strong demand for locally sourced poultry and supported by key government initiatives. While growth in 2023 was limited by capacity constraints, ongoing investments and expansion plans will enable us to meet rising demand. Poultry remains the core of our business, contributing 96.6% of revenue.

6. Highly experienced workforce to drive operations

Entaj's highly experienced workforce and knowledgeable shareholders are fundamental to driving its operational success. The management team brings decades of cross-industry experience, which is crucial for ensuring smooth and efficient operations. Backed by ARASCO, which holds a 100% stake directly and indirectly, Entaj benefits from the resources and expertise of one of the Kingdom's most prominent companies. This strong alignment supports both regional and international growth.



ENTAJ'S STRATEGY

Entaj aims to enhance its market presence and expand local production to meet Saudi Arabia's demand for quality poultry. The Company's strategy is aligned with Vision 2030's objectives of supporting local content in the poultry sector and increasing national self-sufficiency. Entaj's strategic pillars are as follows:

Expanding Market Share through Increased Production and Distribution

Entaj plans to leverage the strength of the "Entaj" brand and expand its market share through targeted production and distribution initiatives. This includes increasing production capacity by investing in new facilities and upgrading existing ones, enhancing partnerships with key retail and food service channels, and launching marketing campaigns to drive consumer preference for Entaj products.

Strengthening Brand Recognition and Building Reputation

Entaj is committed to reinforcing its brand reputation by raising brand awareness, participating in industry events, and engaging in corporate social responsibility (CSR) initiatives focused on community involvement, environmental sustainability, and support for local agriculture. These initiatives will drive long-term brand equity and enhance consumer trust in Entaj.

Achieving Continuous Growth through Technology and Innovation

Entaj aims to support its growth with state-of-the-art technology investments across farming and processing operations. Planned advancements include adopting modern poultry farming technologies, upgrading processing lines, and exploring vertical integration into breeder farming, allowing for better control over the supply chain and further integration of operations.

Embracing Digital Transformation for Operational Efficiency

Entaj recognises the value of digital transformation in enhancing its operations and competitiveness. The Company plans to adopt advanced data analytics, optimise its e-commerce platform to deliver a seamless online shopping experience, and implement IoT and smart farming solutions for real-time monitoring of farm operations.

Prioritizing Research & Development and Product Innovation

To meet changing consumer preferences, Entaj focuses on research and development to bring new, value-added products to market. Initiatives include developing marinated and ready-to-cook products, collaborating with local and international research institutions, and investing in sustainability-focused R&D to promote eco-friendly practices.

Optimizing Supply Chain for Greater Cost Efficiency

Entaj is dedicated to streamlining supply chain operations to reduce costs and enhance efficiency. This includes implementing advanced logistics and inventory management systems, as well as forming strategic partnerships with suppliers to secure high-quality raw materials at competitive prices.

Developing Local Talent through Training and Career Growth

Committed to nurturing local talent, Entaj provides employees with comprehensive training programs, clear career pathways, and partnerships with educational institutions. These initiatives aim to build a skilled workforce and foster operational excellence across the Company.

Through these strategic pillars, Entaj seeks to solidify its position as a leading provider of high-quality poultry in the Kingdom, contribute to national food security goals, and ensure sustainable, long-term growth.



HIGHLIGHTS OF THE OFFER

- In respect to the Offering, the Company appointed SNB Capital ("SNB Capital") as the lead manager ("**Lead Manager**"), financial advisor ("**Financial Advisor**"), bookrunner (the "**Bookrunner**"), and underwriter (the "**Underwriter**").
- SNB Capital, SAB Invest, Al Rajhi Capital, Saudi Fransi Capital, Alinma Investment, Riyad Capital, AlJazira Capital, Alistithmar Capital, AlBilad Capital, ANB Capital, Derayah Financial Company, Yaqeen Capital, Alkhabeer Capital, GIB Capital, and Sahm Capital have been appointed as receiving agents (collectively, the "Receiving Agents") for retail investors.
- The Company has obtained the necessary approvals from the Capital Market Authority and Saudi Exchange to proceed with the offering and listing process as shown below:
 - The Offering will consist of 9,000,000 ordinary shares (the "Offer Shares"), representing 30% of the Company's total issued share capital.
 - The Offer Shares will be offered for subscription to Individual Subscribers and Participating Parties (as defined below).
 - In the event of sufficient demand from retail investors, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Entities to a minimum of eight million, one hundred thousand 8,100,000 ordinary Shares, representing 90% of the Offer Shares.
 - The final Offering price will be determined after the institutional bookbuilding period is completed.
 - 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.

Subscription for the Offer Shares is restricted to the following groups of investors:

Tranche (A): Participating Parties:

This tranche comprises the parties entitled to participate in the book-building process specified under the Book-Building Instructions issued by the CMA. This includes investment funds, Qualified Foreign Investors, GCC Corporate Investors, and certain other foreign investors under 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 nine million (9,000,000) Offer Shares, representing one hundred per cent. (100%) of the Offer Shares. The final allocation will be made after the end of the subscription period for Individual Subscribers (as defined in tranche (B) below) by the Financial in coordination with the Company using the discretionary allocation mechanism. As a result, some of the Participating Entities may not be allocated any Offer Shares. If there is sufficient demand from Individual Subscribers, the Financial Advisor shall have the right, in coordination with the Company, to reduce the number of Offer Shares allocated to Participating Entities to eight million, one hundred thousand (8,100,000) Offer Shares, representing ninety per cent. (90%) of the Offer Shares.

Tranche (B): Individual Subscribers:

This tranche comprises Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi spouse, who can subscribe for her own benefit in the names of her minor children on the condition that she submits proof that she is a divorcee or widow and the mother of her minor children, as well as any non-Saudi natural person resident in the Kingdom or GCC natural person who has an investment account and an active portfolio with one of the Receiving Agents (collectively, the "Individual Subscribers" and each an "Individual Subscriber", and together with the Participating Entities, the "Subscribers"). 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 nine hundred thousand (900,000) Offer Shares representing ten per cent. (10%) of the total Offer Shares shall be allocated to Individual Subscribers. If 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.

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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.ipo.entaj.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. This announcement may include statements that are, or may be deemed to be, "forward-looking statements". 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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. 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