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Jubail, KSA – 25 October 2022G

## THE POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ) ANNOUNCEMENT OF THE IPO FINAL OFFER PRICE

Following the Offer Price Range announcement on 9 October 2022G by the Power and Water Utility Company for Jubail and Yanbu ("**Marafiq**" or the "**Company**"), and the issuance of the Supplementary Prospectus on 20 October 2022G, the Company along with HSBC Saudi Arabia and Riyadh Capital, as joint financial advisors, announce today the successful completion of the participating parties' book-building process in compliance with the guidelines of the Capital Market Authority ("**CMA**") and the determination of the final offer price (the "**Final Offer Price**") for the Offer Shares of the initial public offering (the "**IPO**" or the "**Offering**") at SAR 46 per share, implying a market capitalization of SAR 11.5 billion (US\$ 3.1 billion<sup>1</sup>).

The book-building process generated an order book of SAR 197 billion (US\$ 52.5 billion) and resulted in a subscription of coverage of 59x of the total offered shares.

**Mohammed Al-Zuabi, President & CEO of Marafiq, commented:**

*"The strong institutional interest in our offering underlines the demand and confidence in our investment proposition - we are a stable revenue generating business, with strong growth prospects, and a clear and promising dividend policy. We started our journey almost 20 years ago with a mandate to provide power and water services to industrial cities in Jubail and Yanbu, and have since grown to provide water utilities services in Ras Al Khair and power and water utilities services in Jazan.*

*"Today, Marafiq is a critical component of Saudi Arabia's industrial ambitions, which are central to the Kingdom's Vision 2030. We will continue to leverage our existing asset base to accelerate our growth in our*

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

*existing areas of operations and capitalize on opportunities associated with Saudi Vision 2030 privatisation drive. We look forward to bringing onboard a set of new retail investors and to starting life as a listed company next month."*

#### Confirmation of Offer Details

- The Final Offer Price for the Offer Shares has been set at SAR 46 per share, implying a market capitalization at listing of SAR 11.5 billion (US\$ 3.1 billion)
- The total Offering size is SAR 3.36 billion (US\$ 897 million)
- The Company is expected to have a free float of 30% of the entire issued share capital of the Company at listing.
- The Offering is comprised of 73,094,500 shares, representing 29.24% of the existing ordinary shares of the Company, to be sold by the current four substantial shareholders (the "**Offer Shares**"). The Offering, after taking into account minority shareholders with a total of 0.76% of Marafiq's share capital, will correspond to a 30% free float at listing. 100% of the Offer Shares have been provisionally allocated to the participating parties having participated in the book-building ("**Participating Parties**"), with the final allocation made after the end of the subscription period for individual subscribers ("**Individual Subscribers**"). In the event that Individual Subscribers subscribe for the Offer Shares allocated thereto, the Financial Advisors shall have the right to reduce the number of Offer Shares allocated to Participating Parties to 51,166,150 shares, representing seventy percent (70%) of the total Offer Shares after the completion of the Individual Subscribers subscription process.
- The Individual Subscribers, comprising Saudi Arabian nationals, foreign residents in the Kingdom and GCC nationals, will be able to subscribe for shares in the retail offering between 26-30 October 2022G (until 5pm) at the Final Offer Price of SAR 46 per Offer Share through the appointed receiving agents which are Al Rajhi Bank, Banque Saudi Fransi, Riyad Bank, Saudi British Bank and Saudi National Bank (collectively, the "**Receiving Agents**"). The minimum number of Offer Shares that can be allocated is ten (10) shares, and the maximum number is 250,000 shares. The balance of the Offer Shares, if any, will be allocated pro rata based on the number of Offer Shares requested by each Individual Subscriber and the total number of the Offer Shares requested for subscription. In the event that the number of Individual Subscribers exceeds 2,192,835 Subscribers, the Company will not guarantee the minimum allocation of ten (10) Offer Shares per Individual Subscriber. In such case, the allocation of Offer Shares to Individual Subscribers will be determined at the discretion of the Company and the Financial Advisors.
- The Offer Shares to Individual Subscribers will be made as follows:
  - Individual Investors are required to fill and submit an electronic subscription form. Individual Investors who have participated in recent initial public offerings in the Kingdom can also subscribe through the internet, telephone banking or automated teller machines ("**ATMs**") of any of the Receiving Agents branches that offer any or all such services to its customers, provided that the following requirements are satisfied: (i) the Individual Investor must have a bank account at a Receiving Agent which offers such services; and (ii) there have been no changes in the personal information or data of the Individual Investor (by way of exclusion or addition of any member of his family) since such person last participated in an initial public offering.

With respect to the Offering, the Company has appointed HSBC Saudi Arabia as Joint Financial Advisor, Joint Bookrunner, Joint Global Coordinator, Lead Manager and Underwriter; and Riyadh Capital as Joint Financial Advisor, Joint Bookrunner, Joint Global Coordinator, and Underwriter.

## Transaction Timeline

Key Events	Date (Gregorian)	Date (Hijri)
Bidding and Book-Building Period for Participating Parties	09/10/2022G – 23/10/2022G at 12:00 pm	13/03/1444H – 27/03/1444H at 12:00 pm
Subscription Period for Individual Investors Based on Final Offer Price	26/10/2022G – 30/10/2022G at 5:00 pm	01/04/1444H – 05/04/1444H at 5:00 pm
Deadline for submission of Subscription Application Forms and payment of subscription monies (for Individual Subscribers)	30/10/2022G at 5:00 pm	05/04/1444H at 5:00 pm
Announcement of final allocation of Offer Shares	03/11/2022G	09/04/1444H
Refund of excess subscription amounts (if any)	07/11/2022G	13/04/1444H
Expected start date of trading on the Saudi Exchange	Trading of the Company's shares on the Exchange is expected to commence after fulfilment of all relevant statutory requirements. Trading will be announced in local newspapers and on the Saudi Exchange website ( <a href="http://www.saudiexchange.com">www.saudiexchange.com</a> )	

For more information, including the prospectus, please visit the Capital Market Authority website ([www.cma.org.sa](http://www.cma.org.sa)) or Marafiq website ([www.marafiq.com.sa](http://www.marafiq.com.sa)).

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## Enquiries

Joint Financial Advisors, Bookrunners, and Underwriters	
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## Media Enquiries

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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 2(e) 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 2(e) 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

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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 to be issued and published in due course (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.marafiq.com.sa/ipo], the Saudi Exchange at www.saudiexchange.sa, the CMA at www.cma.org.sa and each of the Financial Advisors.

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 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.

The 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 clients 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 Financial Advisors or any of their affiliates or respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express

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In connection with the Offering, each of the Financial Advisors and any of 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.

Accordingly, references in the Local Prospectus or the International Offering Circular, 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 Advisors and any of their affiliates acting in such capacity. In addition, the 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 Financial Advisors and any of their affiliates may from time to time acquire, hold or dispose of securities. None of the Financial Advisors intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.