



ALMAWARID MANPOWER COMPANY

Announces its intention to proceed with an initial public offering and list its shares on the Saudi Exchange's Main Market



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ALMAWARID MANPOWER COMPANY

Announces its intention to proceed with an initial public offering and list its shares on the Saudi Exchange's Main Market

Almawarid Manpower Company ("Mawarid" or the "Company") announces its intention to proceed with an initial public offering ("IPO") and list its shares on the Main Market of the Saudi Exchange. The Capital Market Authority ("CMA") passed its resolution on 26 December 2022G in approval of the Company's request for offering four million five hundred thousand (4,500,000) ordinary shares, representing thirty percent (30%) of its total shares comprising of fifteen million (15,000,000) shares for public subscription. The offering price of the Company's shares will be determined after the completion of the book-building process.

About Mawarid:

- Mawarid was established in 2012G as a closed joint stock company.
- Mawarid's current capital is one hundred and fifty million (150,000,000) Saudi Riyals.
- Mawarid recruits trained and professional manpower from more than 24 countries and qualifies them to meet the needs of its clients; i.e. individual and corporate Segments.
- Mawarid has an extensive client base and serves +500 corporate clients across more than 13 Segments.
- The Company has two fully owned Subsidiaries; namely Sawaid Recruitment Company, which provides human resources in the Corporate Segment (human resources provided on a long-term or permanent basis in general) and Musanid Al Marafiq for Maintenance and Cleaning Company (working in the domain of facilities maintenance, general maintenance, general cleaning of buildings).

The Company had a sizable network and partnerships with more than 35 supporting agencies for overseas recruitment based in 24 different countries. The Company's three principal business segments consist of the following:

• Corporate Segment

This segment represents contracts signed with corporate clients, mainly in connection with maintenance, restaurants, construction, contracting, transportation, and hospitals. The contracts signed under the Corporate Segment have an average length of two years.

• Individual Segment – Contractual

This segment represents revenue generated from contracts signed with individual customers, mainly in connection with housemaids, cleaners and private drivers. The invoices are paid in advance.

• Individual Segment – Hourly Rental

This segment represents revenue generated from individual customers on an hourly basis, mainly in connection with housemaids and cleaners.



Ahmad Mohammed Alrakban,
Chairman of the Board of Directors of Mawarid

Personally and on behalf of the Board of Directors, it's my pleasure to announce our intention to offer the Company's shares and list them on the Saudi Exchange. This step will play a critical role in our Company's growth path, and a milestone in our leadership position across the human resources and social development segment. Our upcoming listing comes as an embodiment of an exceptional stage in which we move forward in the achievement of our renewable vision of serving our clients, keeping pace with changes to the labor market, and realizing KSA Vision 2030. We strive to be the leading power above all expectations in providing distinguished solutions and professional cadres for human resources.



Riyadh Ibrahim Alromizan,
CEO of Mawarid

Mawarid has achieved success at the levels of growth and development as a prominent contributor to the provision of manpower services across KSA. Opening doors for investment in the Company will undoubtedly stimulate the growth process that has continued over the past ten years. Today, Mawarid is about to enter a new phase of growth and expansion in business, along with a sense of responsibility and focus on sustainable development, strategic and operational development, as well as insisting on raising investor confidence and maintaining the highest standards in service provision.



Mawarid focuses on saving time and effort for clients To raise focus on developing relevant activities and successes

Company Strategy

- **Transformation into a manpower solutions company:** These solutions include developing outsourcing services to execute manpower operations, consulting, and technical solutions. In order for Mawarid to be a comprehensive firm that provides all recruitment and manpower needs to its clients.
- **Support the transition to a client-based company:** The Company seeks to create a simple and digital experience for users to streamline their access to services and improve the experience of manpower services provided simultaneously to clients. Mawarid plans to develop a procedure to formally collect client feedback and views in an official way as well as develop detailed and overall action plans to ensure the provision of high-quality services to its clients.
- **Enhancing workers' rights and adequate treatment of workers:** Company seeks to ensure that working conditions standards are met and that workers' needs and requirements are met. This will contribute to improving the worker experience in the Kingdom, preserving their rights, contributing to enhancing the Company's brand image, and increasing worker loyalty.
- **Transformation into a technology-driven company:** The Company aims to increase the adoption of technologies through the use of data analytics and deep dive to develop appropriate expectations, the use of AI technologies in the search for competencies and increase the volume of automated progress processes and procedures, and integration enhancement between systems of clients and the Company.
- **Creating a performance-focused company:** The Company saves no effort to improve its organizational structure to streamline key functions and promote the Company's governance model, KPIs, and processes to improve performance, enhance accountability procedures, and develop human capabilities and organizational culture.

Creating optimum customized HR solutions

Strengths and Competitive Advantages of the Company

• Business growth

The Company was able to build a strong client base of corporate service providers which contributed to the growth of its business. The client base includes +500 clients in the Corporate Segment, and the Company provides its services to +13 sectors.

The retail services sector witnessed significant growth in terms of service volume and profit growth. Revenues increased at a CAGR of 18% between 2019 and 2021, while the utilization rate for the Individual – Hourly Rental Segment increased from 50% in 2019 to 85% in 2021.

• Strong market position

The Company is one of the three largest manpower companies in the Kingdom, holding a market share of +10%. The Company has a strong presence in the manpower market through its presence in seven major cities with +13 branches throughout the Kingdom as of 30 June 2022.

• Strong and reliable network of external agencies

The Company has a large network and partnerships with +35 recruitment support agencies. These are located in +24 countries worldwide, including Indonesia, Philippines, Bangladesh, Uganda, Pakistan, and India, which gives the Company an advantage through cooperation with these agencies to ensure that a certain minimum skill level is obtained for well-qualified workers.

• Diverse Portfolio

The Company provides its clients (corporates and individuals) with workers in +20 professions for temporary employment, such as nursing, hospitality, housekeeping and cleaning. The total number of the Company's available workforce is +24,271 personnel.

• Experienced Management

The Executive Management team has vast experience in human resource solutions gained through extensive client interactions. In addition, the Executive Management team have previously held senior positions in the manpower and relevant marketing sectors.

Facts and Figures of Almawarid Manpower Company

+70,000

cadres recruited

+5,000

Active client

13

Breaches

350

Customer service staff

150 Milion

The Company Capital

+10%

Market share

A dedicated team with outstanding experience working with our partners and recruitment agencies worldwide

Subscription to Offer Shares

The Offering is restricted to the following categories of Investors:




Tranche (A): Participating Parties

Comprising the parties permitted to participate in the book-building process as specified under the Book-Building Process and Allocation Method in Initial Public Offerings issued by the CMA, including investment funds, companies, Qualified Foreign Investors, GCC Corporate Investors and certain other Foreign Investors pursuant to swap agreements. Participating entities will provisionally be allocated four million five hundred thousand (4,500,000) Offer Shares, representing 100 per cent. of Offer Shares. The final allocation for the participating entities will be made upon the expiry of individual investors' subscription period. If there is sufficient demand by individual investors, the Bookrunner, in coordination with the Company, shall have the right to reduce the previously allocated Offer Shares to participating entities to four million and fifty thousand (4,050,000) Offer Shares, representing 90 per cent. of the total Offer Shares.

Tranche (B): Individual Investors

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 one of the Receiving Agents who are entitled to open an investment account with a capital market institution. 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 four hundred and fifty thousand (450,000) Offer Shares, representing ten per cent. of the total Offer Shares shall be allocated to individual investors. If the individual investors do not subscribe in full to the Offer Shares allocated to them, the Bookrunner in coordination with the Company may reduce the number of Offer Shares allocated to individual investors in proportion to the number of Offer Shares subscribed by them.

Contact Information:

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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.

