



NAQI WATER COMPANY
ANNOUNCES ITS INTENTION TO LIST
ON SAUDI EXCHANGE'S MAIN MARKET



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NAQI WATER COMPANY ANNOUNCES ITS INTENTION TO LIST ON SAUDI EXCHANGE'S MAIN MARKET

Naqi Water Company ("Naqi" or the "Company") announces its intention to proceed with an initial public offering of thirty percent (30%) of its shares on the Saudi Exchange's Main Market.

The decision of the Capital Market Authority ("CMA") was issued on May 25, 2022, containing the approval of the Company's request to offer six million (6,000,000) ordinary shares representing thirty percent (30%) of its total shares of twenty million (20,000,000) shares for public subscription. The sale price of the Company's shares will be determined after the end of the book-building process.

Naqi's preparations to offer its shares in the public offering represent as fruitful culmination of an important stage in its history of success, growth and development, which the Company witnessed in record time to become one of the most important companies specialized in bottled-water production in the Kingdom. It has a distinguished position in the water market in KSA, which is considered the largest water market in the region, and has become one of the largest competitors in the market.

Company Overview

The Company is one of the leading companies in the sector of water production and bottling, which enjoys continuous growth and an increasing presence, including the work of water extraction, purification, desalination, distribution and sale in various regions and cities of the Kingdom. The Company activities consist of the wholesale and retail sectors, including hypermarkets, supermarkets and groceries, home and end user sales, in addition to sales to institutions, government agencies, schools, universities and mosques, hotel and restaurant, as well as sales to agents and distributors in various KSA regions and cities.

Vision

To have a leading role in the field of water production and bottling throughout the Kingdom, GCC countries, and MENA region by improving its trademark and consequently building a pioneering trade name in the industry, in addition to meeting the highest quality and customer service standards, developing business relations and recruiting, training and retaining the best human resources.

Mission

The Company seeks to develop a modern business model relevant to its object by providing various types of products of different sizes and weights in line with the highest standards of quality and value at competitive prices. The Company is also keen to attend to all the needs of its partners and customers in a sustainable manner through increasing the research and development efforts in order to create added and sustainable value for its Shareholders and encourage effective and constructive participation to keep pace with the aspirations of Shareholders and stakeholders.

Strategy

The Company has set key strategic objectives based on its strengths and market opportunities that are consistent with its vision and mission.

The Company's strategic objectives include strengthening its leadership position in the water production and bottling sector by developing its business strategies, growing its customer base, and expanding its operations in new markets throughout KSA, GCC, and MENA region; developing production and manufacturing operations and production capacity; improving working capital efficiency; enhancing the competencies of the team; and improving the Company's governance. The Company is also adopting on complementary strategies that include marketing development, sales and distribution strategy in addition to promoting, advertising and having a market penetration pricing strategy in line with its business strategies to ensure the growth of its customer base and the expansion of its operations.

Company's Competitive Advantages & Strengths:

The Company has developed competitive advantages and sustainable strengths that allow it to pursue market opportunities that are in line with its vision and mission. The Company's competitive advantages and strengths include:

- Responsiveness to market changes through the ability to produce various products through its modern plants and production lines and benefit from production efficiency due to low overheads, cost savings and economies of scale.
- Operational Efficiency, accompanied by the strategic location of Naqi's plant in Al-Qassim region, which facilitates the access of the Company's products to the major regions in the Kingdom.
- Meeting the requirements and needs of its customers, the Company strives to attend to its customers' requirements and needs through its reliance on modern machinery, equipment and manufacturing resources, which enable the Company to design and produce a wide range of products and to continuously develop and update production lines, machinery and equipment.
- Ability to obtain sufficient funding from financial institutions, enabling the Company to finance the expansion of its business and growth on an ongoing basis, due to the distinguished operational performance of the Company and its expansionary executive decisions, in addition to its distinctive brand.
- Extensive Experience of Senior Management in the industry and the field of water bottling, which enables the Company to benefit from its resources as required.
- Employing strategic partnerships with sister companies and close relationships with business partners in order to facilitate the Company's operations and growth.
- A strong Company brand, which has become recognisable all over the Kingdom through wholesale and retail customers.



Naqi's CEO

"The subscription is a qualitative leap in the history of the Company's achievements"

The CEO, Mr. Abdulaziz Youssef Al-Sayegh, expressed his pleasure for the initial public offering of the Company's shares, noting that it represents an important opportunity for investment in both individuals and institutions, especially since the Company works according to a clear strategy for growth and development, and is based on well-studied plans that have proven successful in the past years.

He explained that the IPO of the Company's shares will enhance its strategy, and the Company's continuation in achieving its goals, and maintaining its leading position in the water bottling sector in the Kingdom of Saudi Arabia. He added that listing the Company's shares in Saudi Exchange "Tadawul" is a new addition to its record and history as one of the most important companies specialized in water production and bottling in the Kingdom.

He emphasized that the Company applies the highest international standards in water production, and has comparative capabilities and advantages that make it able to compete and achieve the highest sales rates, as it relies on the best human resources who are capable of development and innovation.

Offering Details

The public offering process consists of six million (6,000,000) ordinary shares with a nominal value of (10) Saudi riyals per share. The offering shares represent thirty percent (30%) of the Company's capital, which amounts to two hundred million (200,000,000) Saudi riyals.

This offering will be restricted to the following two segments of investors:

(A): Participating Entities:

Comprising the parties entitled to participate in the book-building process as specified under the Capital Market Authority's Instructions for Book Building Process and Allocation Method in Initial Public Offerings (the "Book-Building Instructions") 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 six million (6,000,000) Offer Shares, representing 100% of Offer Shares. If there is sufficient demand by Individual Investors, the Bookrunner shall have the right to reduce the previously allocated Offer Shares to Participating Entities to five million four hundred thousand (5,400,000) Offer Shares, representing 90% of the total Offer Shares.

(B): Retail 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 holding a bank account in the Receiving Agents and being entitled to open an investment account. 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 six hundred thousand (600,000) ordinary Shares, representing 10% 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 may reduce the number of Offer Shares allocated to Individual Investors in proportion to the number of Offer Shares subscribed by them.

Subscription by Retail Investors




Each of the retail subscribers must subscribe for a minimum number of ten (10) Offer Shares, and not more than two hundred and fifty thousand (250,000) ordinary shares as a maximum. Changes to or withdrawal of the subscription application shall not be permitted once the Subscription Application Form has been submitted.

Retail subscribers may subscribe through the websites, smart phone applications, or ATMs of the Receiving Entities that provide all or some of these services to their clients, provided that:

- (A) The retail subscriber shall have an account with the Receiving Entities that provide such services.
- (B) There has been no change in the information of the Retail Subscriber since his subscription in the last initial public offering "IPO".
- (C) The non-Saudis and Gulf national retail subscriber shall have an account with the Capital Market Institution that provides such service.

Retail subscribers can obtain a copy of this prospectus from the Company's website (www.naqiwater.com), the Capital Market Authority (www.cma.org.sa) or the financial advisor (www.aljaziracapital.com.sa).

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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 and the appropriateness of the offering for the concerned person.

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 respective client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its respective clients, arrangement or other matter referred to herein.

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www.naqiwater.com