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PRESS RELEASE

RIYADH, SAUDI ARABIA

8 OCTOBER 2024

TAMKEEN HUMAN RESOURCES COMPANY ANNOUNCES ITS INTENTION TO FLOAT ON THE MAIN MARKET OF THE SAUDI EXCHANGE

Tamkeen Human Resources Company ("**Tamkeen**" or the "**Company**" or the "**Group**"), one of Saudi Arabia's premier providers of innovative human resources solutions, announces its intention to proceed with an initial public offering (the "**IPO**" or "**Offering**") and the listing of its ordinary shares ("**Shares**") on the Saudi Exchange's Main Market.

On 1 Rabi' al-Awwal 1446H (corresponding to 4 September 2024G), the Capital Market Authority (the "**CMA**") approved the Company's application for the registration of its share capital and the Offering of 7,950,000 ordinary shares (the "**Offer Shares**"), representing 30% of the Company's total issued share capital. The offering price will be determined following the conclusion of the institutional bookbuilding period. Additionally, the Company has received from the Saudi Exchange's conditional approval on 24 Thul-Hijjah 1445H (corresponding to 30 June 2024G) to list on the Main Market.

The Offering proceeds shall be distributed to the Selling Shareholders after deduction of the Offering expenses in proportion to the number of Offer Shares to be sold by each of them. The Company shall not receive any part of the Offering Proceeds.

This IPO marks a significant milestone in the Company's growth. In just six years, it has established itself among the top five providers in the Kingdom of Saudi Arabia's (the "**Kingdom**" or "**KSA**") human resources sector. With the Kingdom's ambitious Vision 2030 initiatives driving a growing demand for skilled manpower, Tamkeen is strategically positioned to meet these workforce needs, ensuring the successful delivery of the nation's realization and development programs.

COMPANY OVERVIEW

- Tamkeen is a prominent Saudi-based provider of workforce solutions, offering a wide range of tailored staffing services to both corporate and individuals clients across the Kingdom.
- The Company was founded in 2018G, Tamkeen has rapidly established itself as a key player in the manpower industry, with a current market share of 4% as of FY2022G, positioning it among the top five workforce solutions provider in Saudi Arabia.
- The Company operates through a network of 17 branches across the Kingdom, supported by a diverse pool of over 14,000 deployed workers from more than 8 nationalities, ensuring broad coverage and adaptability to meet client needs.
- The Company's service offerings are segmented into Corporate, Packaged Services for individuals, Hourly Services and Contractual for individuals, including a joint venture with Dr. Sulaiman Al Habib Medical Services Group Company (HMG), further enhance its capabilities in specialized sectors such as healthcare.
- The Company's operational excellence is reflected in its impressive resource utilization rate of 94.5% as of 31 March 2023G, coupled with a 62% renewal rate for corporate clients during the same period, highlighting the trust and satisfaction among its clients.
- The Company's financial performance is robust, with a 17.6% revenue CAGR from 2021G to 2023G, driven by strong growth in both its Corporate and Individual Segments. The Company has achieved industry-leading profit margins, with a gross margin of 21.1%, an EBITDA margin of 13.2%, and a net profit margin of 12.0% in FY2023G, all while operating debt-free.
- The Company is strategically positioned to capitalize on the increased workforce demand driven by Vision 2030, with high barriers to entry reducing competition and creating opportunities for greater market share.
- Tamkeen's leadership team, with over 75 years of combined experience in the manpower and healthcare sectors, is backed by a strong shareholder base that includes industry veterans and healthcare leaders.

>14,000 Total Deployable Personnel*	17 Nationwide Branches*	4% Market Share in KSA Manpower Market (as of 2022)
62% Corporate Client Renewal Rate*	17.6% Revenue CAGR Increase (2021G – 2023G)	94.5% Resource Utilization Rate*
>1 million Homes served across KSA since inception	>36 Strategic Partnerships with Global Recruitment Agencies*	

*Figures are as of the end of Q1 2024G unless otherwise stated

Abdullah Al-Shehri, Chairman of Tamkeen Human Resources Company, said:

"Achieving this milestone is a testament to the critical role Tamkeen is playing in advancing Saudi Arabia's Vision 2030. This visionary framework, aimed at diversifying the Kingdom's economy and fostering sustainable growth and prosperity, has been closely aligned with Tamkeen's own growth strategy. Our dedication to supporting key national initiatives, such as the Quality-of-Life Program and the Human Capability Development Program, has not only driven our expansion but also established us as a pivotal player in the Kingdom's economic transformation."

He added: The decision to go public represents a significant step forward in our journey. This IPO enhances our market presence and underscores our long-term commitment to transparency, growth, and sustainable value creation. It is more than just a financial milestone; it reflects our commitment to the long-term prosperity of Saudi Arabia. Together, we are building a resilient and diversified economy, and I look forward to the opportunities ahead.”

Fares Al Henaki, CEO and Board member of Tamkeen Human Resources Company, added:

“As we look ahead, Tamkeen is entering a transformative phase, guided by our commitment to innovation, operational excellence, and strategic growth. Our success is built on a strong foundation of industry-leading profit margins, a robust nationwide presence, and deep partnerships that provide us with unparalleled access to talent. The IPO reinforces our ability to continue delivering exceptional value to our clients and enhances our profile in the public market.

"This IPO is not just a milestone; it's a launchpad for the next chapter of our growth, enabling us to capitalize on the vast opportunities created by Vision 2030 and the evolving needs of the Kingdom's workforce, positioning us to deliver long-term value to both clients and shareholders alike.”

KEY INVESTMENT HIGHLIGHTS: *BUILDING SUCCESS, ONE WORKFORCE AT A TIME*

UNIQUELY POSITIONED TO BENEFIT FROM THE AMBITIOUS VISION 2030 PROGRAM AND HIGH BARRIERS TO ENTRY

1. **Vision 2030 Realization Programs:** These initiatives have created favorable market conditions for Tamkeen's growth. Notably:
 - The Quality-of-Life Program and Visit Saudi initiative drive landmark giga projects like the Red Sea Development Company, NEOM, and Qiddiya. These projects aim to increase tourism's contribution to 10% of national GDP by 2030G, generating over one million jobs.
 - Tourist visitors in Saudi Arabia are projected to rise from 46 million in 2020G to 150 million by 2030G.
 - The number of pilgrims visiting Saudi Arabia is expected to increase from 8 million per year in 2020G to 30 million by 2030G.
2. **Human Capability Development Program (HCDP).** Empowering Saudi citizens, particularly women, to increase their participation in the labor market. By Q3 2023G, women made up 34.2% of the workforce, surpassing the 2030G target of 30%, with projections now forecasting 40% by 2030G.
3. **Private Sector Growth:** Initiatives like the Privatization Program and the National Transformation Program are expected to boost the private sector's contribution to Saudi's GDP to 65% by 2030G. Key points:
 - Eight special economic zones across KSA will support NIDLP sectors
 - Foreign direct investment is expected to rise from 3.8% to 5.7% of GDP, equating to SAR 95.4 billion.
4. **Manpower Sector Growth:** Favorable market conditions will ultimately drive organic growth for the manpower sector.
 - Corporate manpower market forecast: SAR 15,767 million in 2023G to SAR 23,732 million in 2030G (CAGR of 6%).
 - Individual manpower market projection: SAR 6,873 million in 2023G to SAR 9,884 million in 2030G (CAGR of 5.3%).
5. **Market Share and Barriers of Entry:**
 - With a market share of 4% as of 2022G, Tamkeen is the fifth-largest player in Saudi Arabia.

- High barriers to entry and limited competition position Tamkeen to capture additional market share.
 - Saudi MHRSD regulations now require HR firms to allocate 30% of resources to the individuals segment, a segment where Tamkeen excels.
 - A SAR 100 million capital requirement deters potential entrants, further solidifying Tamkeen's market position.

NATIONWIDE PRESENCE AND EFFICIENT OPERATIONS ENSURING SEAMLESS COVERAGE AND ADAPTABILITY ACROSS SAUDI ARABIA

- Tamkeen's strategic network and tailored solutions enable it to effectively meet the diverse needs of corporate, government, and individual clients across Saudi Arabia.
- As of 31 March 2024G, Tamkeen's available manpower stood at 14,196 across the Kingdom, with a diverse workforce representing over 8 nationalities, allowing it to cater to a broad range of partner requirements.
- The Company's ability to provide adaptable coverage while maintaining a high efficiency rate (94.5% utilization) makes Tamkeen a trusted partner for clients seeking reliable and customized solutions.
- In the Corporate Segment, Tamkeen has:
 - An experienced client acquisition team, based in Riyadh and other key locations, serving a broad range of corporate clients across multiple specialties.
 - Grown its corporate manpower from 4,559 in 2021G to 8,159 in 2023G. This growth is reflected in its revenue, which increased from SAR 197 million in 2021G to SAR 277 million in 2023G.
 - A high renewal (62%), supported by industry leading backlog, ensure sustained growth through future revenue opportunities.
- In the Individuals Segment:
 - With 17 branches across the Kingdom, supported by its app, website, Tele Sales and call center, Tamkeen ensures a streamlined customer journey and remains accessible to clients.
 - Tamkeen offers a wide range of services, including maids, chauffeurs, babysitters, and home cooks.
 - Its manpower pool has grown from 4,559 in 2021G to 6,042 in 2023G, with a 15.1% CAGR. and reached 6,037 as of 31 March 2024G, showcasing continuous growth and adaptability.

STRONG NETWORK OF ALLIANCES WITH GLOBAL RECRUITMENT AGENCIES, ENSURING ACCESS TO A DIVERSE AND SECURE PIPELINE OF MANPOWER

- Tamkeen has established strategic partnerships with over 36 global recruitment agencies across 15+ sourcing countries, with a focus on key regions in Asia and Africa – close to Saudi Arabia.
- These partnerships provide Tamkeen with dependable access to a vast global manpower network.
- Each agency undergoes a rigorous appraisal process, ensuring high standards:
 - Agencies are evaluated against a comprehensive set of stringent criteria.
 - Tamkeen conducts thorough on-site evaluations.
 - It places significant emphasis on client testimonials, the quality of candidates' resumes, and the effectiveness of both onsite and virtual interviews.

INDUSTRY-LEADING PROFIT MARGINS AND STRONG PERFORMANCE, ALL WHILE OPERATING DEBT-FREE, SHOWCASE OUR COMPETITIVE EDGE

- Tamkeen's consistent annual growth has led to profit margins that significantly exceed those of local competitors.
- Tamkeen achieved remarkable revenue growth with a 17.6% CAGR from 2021G to 2023G. its year-over-year revenue growth from FY 2022G to FY 2023G was 16%, underscoring its continuous expansion and financial strength.
- Net income grew from SAR 53 million in 2021G to SAR 60 million in 2023G, further illustrating its ability to convert revenue growth into bottom-line profitability.
- Tamkeen's financial performance outpaces that of its top competitors, showcasing industry leadership. As at FY 2023G;
 - Gross margin was significantly higher at 21.1% versus the competitor's 12.4% average.
 - EBITDA margin was 13.2% versus competitors 8.9% average.
 - Net profit margin was 12% versus competitors' average of 7%.
- Both Tamkeen's Corporate and Individual Segments have significantly increased the revenue generated, demonstrating its broad market appeal and operational effectiveness:
 - Corporate Segment: Revenue grew from SAR 197 million in 2021G to SAR 277 million in 2023G, achieving a 17.6% CAGR.
 - Individual Segment: Revenue increased from SAR 162 million in 2021G to SAR 219 million in 2023, marking a 16.3% CAGR.
- Its free cash flow increased slightly from SAR 51 million in 2021G to SAR 52 million in 2023G, indicating steady cash generation that supports Tamkeen's ongoing operations and growth initiatives.

UNIQUE STRATEGIC PARTNERSHIPS ENABLING TAMKEEN TO CAPITALIZE ON AND DIVERSIFY INTO PROMISING GROWTH AVENUES

- In 2023G, Tamkeen entered into a unique joint venture with Dr. Suliman Al Habib Medical Services Group (HMG) to establish Eraf Medical Company("Eraf"), a homecare services company.
- This partnership leverages HMG's industry expertise and further deepens Tamkeen's medical capabilities, opening new avenues for growth in the healthcare sector.
 - Eraf is a joint venture with Tamkeen holding a 60% stake and HMG holding 40%.
 - Eraf obtained its operating license in Q2 2024G, with infrastructure development and the training of 107 assistants by HMG specialists underway in Q3 2024G.
 - Eraf is expected to become fully operational in Q4 2024G, providing comprehensive homecare services tailored to meet the growing demand for quality care, driven by an aging population and increasing healthcare needs.
- This JV is poised to boost Tamkeen's revenue, expand its footprint in the healthcare sector, and provide a steady stream of income, further diversifying its service portfolio.

SEASONED LEADERSHIP TEAM SUPPORTED BY A STRONG SHAREHOLDER BASE OF INDUSTRY VETERANS AND HEALTHCARE LEADERS

- Tamkeen's management team has proven capabilities, backed by well-trained professionals who possess a deep understanding of the manpower sector and the Saudi market.
- Together, they have built a strong track record of delivering workforce solutions excellence.

- The management team boasts a combined experience of 75 years in the manpower industry, demonstrating expertise and strategic insight.
- Tamkeen is backed by prominent industry figures, including Mr. Abdullah Mohammed AlNgeer and Mr. Abudllah Alshehri, co-founders of another leading manpower provider in the Kingdom. Their involvement adds a cumulative experience of 75 years in the manpower industry.
- Its shareholder base also includes support from Dr. Sulaiman Al Habib Medical Services Group Company, a leading healthcare provider in the Kingdom. This partnership nurtures synergetic and strategic collaborations, enhancing Tamkeen's capabilities and market reach.

HIGHLIGHTS OF THE OFFER

The Offer Shares will be listed and traded on the Saudi Exchange's Main Market following the completion of the IPO and listing formalities with both the CMA and the Saudi Exchange.

- The Offering will consist of 7,950,000 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).

Following the 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:

- Tasheel Real Estate Company (which owns 34.13 % of the Shares);
- Dr Sulaiman Al Habib Medical Services Group Company (which owns 25.00 % of the Shares);
- Fares Saleh Mutlaq Al Henaki (who owns 10.00 % of the Shares);
- Saleh Mohammed Saleh Al Hajaj (who owns 10.00 % of the Shares); and
- Abdulrahman Ali Abdullah Al Gubaisi (who owns 7.5 % of the Shares).

Immediately following listing, the Company is expected to have a free float of 30% of the Shares.

With respect to the Offering, the Company has appointed BSF Capital as the Financial Advisor, Lead Manager, Bookrunner, and Underwriter.

All CMA licensed receiving banks will act as Receiving Agents for retail investors, including Derayah Financial, ANB Capital, SNB Capital, Riyadh Capital, Albilad Capital, Al Rajhi Capital, BSF Capital, Alkhabeer Capital, Aljazira Capital, Yaqeen Capital, Alistithmar Capital, Alinma Investment, and SAB Invest.

- 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** - This tranche comprising the parties entitled to participate in the book-building instructions 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, 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 shall be 7,950,000 Offer Shares, representing 100% of the total 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.

- **Tranche (B): Individual Subscribers** - This tranche includes 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, as well as non-Saudi natural persons resident in the Kingdom or GCC natural persons, who have an investment account and an active portfolio with a Receiving Agent. A maximum of 1,590,000 Offer Shares representing 20% 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.

ENQUIRIES

BSF Capital, the Financial Advisor, Lead Manager, Bookrunner, and Underwriter

Turki Alismaeel / Ahmed Alhamdan

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This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy, the Offer Shares to any person in the United States, Canada, Japan, Australia, South Africa or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The offer and sale of the Offer Shares has not been and will not be registered under the applicable securities laws of any jurisdiction other than the Kingdom.

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.tamkeenhr.com), the CMA (www.cma.org.sa), the Saudi Exchange (www.saudiexchange.sa) and the Financial Advisor (www.bsfcapital.sa).

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”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “aim,” “anticipate,” “believe,” “can,” “consider,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “ought to,” “potential,” “plan,” “projection,” “seek,” “should,” “will,” “would,” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. 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 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.