

Offering of Four hundred seventy-two million five hundred thousand (472,500,000) ordinary shares at an issue price of fifty (50) halalas per share through the issuance of Preemptive Rights with a total value of two hundred thirty-six million two hundred fifty thousand (236,250,000) Saudi Riyals. This represents a (75%) increase in the capital, raising the Company's capital to five hundred fifty-one million two hundred fifty thousand (551,250,000) Saudi Riyals, and following the increase, the total number of the Company's shares will be one billion one hundred two million five hundred thousand (1,102,500,000) ordinary shares.



Trading Period: Starting on \*\*/\*\*/\*\*\*\* H (corresponding to \*\*/\*\*/\*\*\*\* AD) and ending on \*\*/\*\*/\*\*\*\* H (corresponding to \*\*/\*\*/\*\*\*\* AD).  
Subscription Period: Starting on \*\*/\*\*/\*\*\*\* H (corresponding to \*\*/\*\*/\*\*\*\* AD) and ending on \*\*/\*\*/\*\*\*\* H (corresponding to \*\*/\*\*/\*\*\*\* AD).

Anaam International Holding Group Company (hereinafter referred to as "the Company," "the Group," or "Anaam Group") is a Saudi public joint stock company that was incorporated at the Ministry of Commerce pursuant to the Commercial Registration Number (4030035073), issued in the city of Jeddah on the 07/09/1402H (corresponding to 29/06/1982AD). The Company's headquarters is located in the Kingdom of Saudi Arabia, Jeddah, Al-Rawdah District, on Prince Sultan Street, Building No. 6723, Sub No. 2049, Postal Code 23431. The current capital of the Company amounts to three hundred and fifteen million (315,000,000) Saudi Riyals, divided into six hundred and thirty million (630,000,000) ordinary shares, with a nominal value of fifty (50) halalas per share, fully paid (hereinafter referred to individually as "the current share" and collectively as "the current shares"). As of the date of the publication of this prospectus, there are no major shareholders in the Company (defined as those owning 5% or more of the Company's shares).

The Board of Directors of the Company, in its meeting held on the 28/10/1444H (corresponding to the 18/05/2023AD), recommended an increase in the Company's capital through the issuance of Preemptive Rights valued at two hundred thirty-six million two hundred fifty thousand (236,250,000) Saudi Riyals. This recommendation is subject to obtaining the necessary regulatory approvals and the approval of the extraordinary general Assembly. On \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD), the extraordinary general Assembly of the Company consented to an increase in the Company's capital by way of a rights issue. The subscription involves the offering of four hundred and seventy-two million five hundred thousand (472,500,000) new ordinary shares (referred to as "Preemptive Rights" or "new shares") at an offering price of fifty (50) halalas per share (referred to as "the offering price"), with a nominal value of fifty (50) halalas per share, for the purpose of increasing the Company's capital from three hundred and fifteen million (315,000,000) Saudi Riyals to five hundred and fifty-one million two hundred and fifty thousand (551,250,000) Saudi Riyals, and increasing the number of shares from six hundred and thirty million (630,000,000) ordinary shares to one billion one hundred and two million five hundred thousand (1,102,500,000) ordinary shares, subject to obtaining all necessary regulatory approvals.

Preemptive Rights shall be issued as tradable financial instruments (hereinafter individually referred to as "Preemptive Rights" or "Rights shares") to shareholders at the end of trading on the day of the extraordinary general meeting that includes the approval of the capital increase (hereinafter referred to as the "rights issue date"). And individuals registered in the company's shareholder register at the Securities Depository Center at the close of the second trading day following the extraordinary general meeting that approves the capital increase on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD) (hereinafter collectively referred to as "registered shareholders" and individually as a "registered shareholder") will have these rights credited to their accounts subsequent to the extraordinary general meeting, taking into account the settlement procedures, at a ratio of (0.75) right for every (1) share held in the company. Each right grants its holder the entitlement to subscribe for (1) new share at the offering price.

Registered shareholders and other general investors ("New Investors") who are permitted to trade preemptive Rights and subscribe to new shares will have the ability to trade and subscribe to Preemptive Rights in the Saudi Stock Exchange ("Tadawul" or "the Market"). The Trading Period and the Subscription Period will commence three (3) business days after the approval of the extraordinary general meeting which includes the approval of the capital increase on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD), with the Trading Period ending on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD) ("Trading Period"), while the Subscription Period will continue until the end of \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD) ("Subscription Period"). It should be noted that both the Trading Period and Subscription Period will begin on the same day, but with the Trading Period lasting until the end of the sixth day from the start of the period, and the Subscription Period continuing until the end of the ninth day from the start of the same period.

Registered shareholders will have the ability to trade their preemptive rights during the Trading Period, either by selling the rights they have acquired, or a portion thereof, or by purchasing additional rights through the Market. They are also entitled to take no action regarding the rights they possess. Additionally, New Investors will have the opportunity during the Trading Period to buy rights through the Market and to sell any such rights that they purchase during the Trading Period.

The subscription for the new shares will be available in a single phase according to the following conditions:

1. During this period, all registered shareholders and new investors will have the opportunity to subscribe to the new shares.
2. A registered shareholder will be entitled to directly subscribe to a number of new shares equivalent to or less than their current shareholding during the Subscription Period. If the shareholder purchases additional rights, they will be entitled to subscribe to shares using these rights after the settlement period (2 business days).
3. New investors will be entitled to subscribe to the new shares directly after the settlement of the rights purchase process (2 business days).
4. The subscription will be available electronically through the investment portfolio on trading platforms and applications, where buying and selling orders are entered, in addition to the subscription in other available channels and means provided by the broker.

In the event that there are Rump Shares that have not been subscribed to after the Subscription Period ends (hereinafter referred to as "Rump Shares"), such shares will be offered to a number of institutionalized investors (hereinafter referred to as "Investment Institutions" and the offering process referred to as "Rump Offering"). These Investment Institutions will submit their bids to purchase the Rump Shares, with the reception of such bids commencing at 10:00 AM on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD) and ending at 5:00 PM on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD) (hereinafter referred to as "Rump Offering Period"). The Rump Shares shall be allocated to the Investment Institutions with the highest bids, then subsequently to those with lower bids, and so on, provided that the price will not be less than the offering price and that the shares will be the Saudi Stock Exchange be allocated proportionally among the Investment Institutions that submit the same offer.

As for fractional shares, they will be added to the Rump Shares and treated equally. The total proceeds from the offer price obtained from the Rump Offering operation will be paid to the company, and the rest of the proceeds from the Rump Offering, without computing any fees or entitlements (exceeding the offer price), will be distributed to the entitled recipients, each according to their entitlement, by no later than \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD).

In the event that the Investment Institutions do not subscribe to all of the Rump Shares and fractional shares, the Rump Shares shall be allocated to the underwriter who will purchase them at the offer price (please refer to Section (13) "Information Relating to the Shares and the Terms and Conditions of the Offering"). The final allocation process will be announced no later than \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD) (hereinafter referred to as the "Allocation Date") (please refer to Section (13) "Information Relating to the Shares and the Terms and Conditions of the Offering"). After the completion of the subscription process, the company's capital will amount to five hundred and fifty-one million two hundred and fifty thousand (551,250,000) Saudi Riyals, divided into one billion one hundred and two million five hundred thousand (1,102,500,000) ordinary shares. The net proceeds from the offering, after deducting the subscription expenses, will be used to finance working capital, reduce borrowing rates, and support the company's future activities (please refer to Section (7) "Use of Offering Proceeds and Future Projects").

All shares of the company are of one class, and no share confers any preferential rights to its holder. The new shares shall be fully paid-up and shall be completely equal to the existing shares. Each share gives its holder the right to one vote, and every shareholder in the company (hereinafter referred to as the "Shareholder") has the right to attend the general Assembly of the shareholders (hereinafter referred to as the "General Assembly"), whether ordinary or extraordinary and to vote therein. The holders of the new shares shall be entitled to any profits declared by the company for distribution after the date of their issue (if any).

On 11/03/1403H (corresponding to 27/12/1982AD), the company was converted into a joint stock company pursuant to the decision of the Minister of Commerce No. 856, with a capital of five hundred million (500,000,000) Saudi Riyals divided into five million (5,000,000) ordinary shares with a nominal value of one hundred (100) Saudi Riyals per share, and were listed in the Saudi Stock Exchange "Tadawul" in January 1994.

On 26/10/1415H (corresponding to 27/03/1995AD), the Extraordinary General Assembly agreed to increase the company's capital from five hundred million (500,000,000) Saudi Riyals to one billion two hundred million (1,200,000,000) Saudi Riyals through the merger of (Nasser Al-Mohammed Al-Mukairish) company into the company, with a total number of twelve million (12,000,000) ordinary shares with a nominal value of (100) Saudi Riyals per share.

On 06/09/1428H (corresponding to 18/09/2007AD), the Extraordinary General Assembly of the company resolved to reduce the company's capital from one billion two hundred million (1,200,000,000) Saudi Riyals to one hundred nine million (109,000,000) Saudi Riyals, representing a reduction ratio of (90.92%) of the company's capital. The number of the company's shares thus becomes ten million nine hundred thousand (10,900,000) ordinary shares instead of one hundred and twenty million (120,000,000) ordinary shares. On 22/12/1433H (corresponding to 07/11/2012AD), the Extraordinary General Assembly of the company approved an increase in the company's capital from one hundred and nine million (109,000,000) Saudi Riyals to one hundred and ninety-six million (196,000,000) Saudi Riyals by issuing eight million seven hundred thousand (8,700,000) ordinary shares at a nominal value of ten (10) Saudi Riyals per share, resulting in a total of nineteen million six hundred thousand (19,600,000) ordinary shares.

On 05/05/1441H (corresponding to 31/12/2019AD), the Extraordinary General Assembly consented to a reduction of the company's capital from one hundred and ninety-six million (196,000,000) Saudi Riyals to fifteen million (15,000,000) Saudi Riyals to amortize the accumulated losses, representing a reduction of (92.35%) of the company's capital. On 10/03/1442H (corresponding to 27/10/2020AD), the Extraordinary General Assembly agreed to an increase in the company's capital from fifteen million (15,000,000) Saudi Riyals to one hundred and five million (105,000,000) Saudi Riyals by issuing nine million (9,000,000) ordinary shares through a Preemptive Rights issue, with a capital increase rate of 600%. On 16/10/1443H (corresponding to 17/05/2022AD), the extraordinary general Assembly approved an increase in the company's capital from one hundred and five million (105,000,000) Saudi Riyals to three hundred and fifteen million (315,000,000) Saudi Riyals by issuing twenty-one million (21,000,000) ordinary shares through Preemptive Rights issue, with a capital increase rate of (200%).

On 18/09/1444H (corresponding to 09/04/2023AD), the Board of Directors recommended to the Extraordinary General Assembly of the company to divide the nominal value of the share from ten (10) Saudi Riyals per share to fifty (50) halalas per share. As a result, the total number of the company's shares will be six hundred thirty million (630,000,000) ordinary shares, instead of thirty-one million five hundred thousand (31,500,000) ordinary shares. On 18/12/1444H (corresponding to 06/07/2023AD), the Extraordinary General Assembly agreed to the division of the nominal value of the share from ten (10) Saudi Riyals per share to fifty (50) halalas per share, bringing the company's shares to six hundred thirty million (630,000,000) ordinary shares, in replacement of the former thirty-one million five hundred thousand (31,500,000) ordinary shares.

The company's existing shares are currently being traded in the Saudi Stock Exchange ("Tadawul" or "the Market"), and the company has submitted an application to the Capital Market Authority in the Kingdom of Saudi Arabia ("the Authority") for the registration and offering of the new shares. Additionally, a request has been made to the Saudi Tadawul Group for the acceptance of their listing. All required documents have been submitted, and all the requirements set by the relevant entities have been fulfilled, culminating in the approval of this prospectus. It is expected that the trading of the new shares in the market will commence shortly after the completion of the new shares' allocation process and the refund of any surplus (please refer to page (O) "Important Dates and Subscription Procedures").

Upon their registration and acceptance for listing, the new shares will be available for trading to Saudi Arabian citizens, residents with legal status, citizens of the member states of the Gulf Cooperation Council, Saudi corporations and banks, Saudi investment funds, Gulf corporations and institutions, and foreign investors outside the Kingdom (through swap agreements or as qualified investors), following their listing and the initiation of trading on the Market. Qualified foreign investors and approved clients will be permitted to trade in the company's shares in accordance with the regulations governing the investment of qualified foreign financial institutions in listed shares. Furthermore, other categories of foreign investors are entitled to obtain the economic benefits associated with the new shares by entering into swap agreements with persons authorized by the Authority ("the Authorized Person"), knowing that in such cases the Authorized Person will be the registered legal owner of the shares.

This prospectus must be read in its entirety, and the sections titled "Important Notice" on page (C) and "Risk Factors" in section (2) contained within this prospectus should be thoroughly reviewed prior to making any investment decisions relating to the rights or the new shares.

### Financial Advisor and Underwriter



### Lead Manager



This prospectus contains information that has been provided in the application for registration and offering of securities in accordance with the requirements of the Capital Market Authority in the Kingdom of Saudi Arabia (referred to as "the Authority") for the securities offering rules and ongoing obligations, as well as the application for the acceptance of the securities' listing pursuant to the listing rules of the Saudi Stock Exchange. The members of the Board of Directors, whose names appear in this prospectus, collectively and individually, assume full responsibility for the accuracy of the information contained in this prospectus and affirm, to the best of their knowledge and belief, after conducting all possible due diligence and to a reasonable extent, that there are no other facts the omission of which would render any statement within this prospectus misleading. The Authority and the Saudi Stock Exchange bear no responsibility for the contents of this prospectus, nor do they provide any confirmations as to its accuracy or completeness, and they expressly disclaim any liability whatsoever for any loss arising from the information contained or reliance on any part thereof.

This Prospectus is an unofficial English translation of the official Arabic Prospectus and is provided for information purposes only. The Arabic language Prospectus Published on the CMA's website ([www.cma.org.sa](http://www.cma.org.sa)) remains the only official, legal binding version and shall prevail in the event of any conflict between the two texts.

This prospectus has been issued on 24/07/1445H (corresponding to 05/02/2024AD).





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Anaam Group



## Important Notice

This Prospectus contains comprehensive details about the company and the offered subscription rights. When applying to subscribe in the new shares, investors will be treated on the basis that their applications rely on the information contained in this Prospectus, which can be obtained from the company's headquarters, the Lead Manager, or by visiting the websites of the company ([www.anaamgroup.com](http://www.anaamgroup.com)), the financial advisor ([www.wasatah.com.sa](http://www.wasatah.com.sa)), and the Capital Market Authority ([www.cma.org.sa](http://www.cma.org.sa)).

The Prospectus will be published and made available to the public for a period of not less than 14 days before the extraordinary general Assembly meeting for the increase of the share capital. In the event that the Extraordinary General Assembly does not approve within six months from the date of the CMA's approval of the registration and offering of rights shares, the CMA's approval shall be considered cancelled.

The company has appointed Al Wasatah Al Maliah Company (Wasatah Capital) as the financial advisor "The Financial Advisor," and Al-Nefae Investment Group as the Lead Manager "The Lead Manager." The company has also appointed Al Wasatah Al Maliah Company (Wasatah Capital) as the underwriter for the offering of the rights issue shares to increase the company's capital under this Prospectus.

The Prospectus contains information provided in accordance with the requirements of the securities offering rules and continuing obligations issued by the Board of the Capital Market Authority under Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017AD) based on the Capital Market law issued by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003AD) as amended by the Capital Market Authority Board Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023AD).

The members of the Board of Directors whose names appear on **page (E)**, collectively and individually, assume full responsibility for the accuracy of the information contained in this Prospectus, and affirm, to the best of their knowledge and belief, after conducting all possible due diligence and to a reasonable extent, that there are no other facts the omission of which would render any statement within this prospectus misleading. The Capital Market Authority and Saudi Stock Exchange "Tadawul" bear no responsibility for the contents of this Prospectus, nor do they provide any confirmations regarding its accuracy or completeness, and they expressly disclaim any liability whatsoever for any loss arising from the information contained in this Prospectus or reliance on any part thereof.

Although the company has conducted all reasonable inquiries to verify the accuracy of the information contained in this Prospectus as on its date of issuance, a portion of the information in this Prospectus has been obtained from external sources. While the company, its directors, members of the board of directors, the financial advisor, and the advisors listed on **page (G) "Advisors"** have no reason to believe that this information is essentially inaccurate, independent verification of this information has not been conducted. Therefore, no commitment or assurance can be made regarding the accuracy or completeness of this information.

The information contained in this Prospectus, as on its date of issuance, is subject to change, particularly as the financial position of the company and the value of the subscription shares may be negatively affected by future developments such as inflation, interest rates, taxes, or other economic, political, or external factors beyond the company's control (**please refer to section (2) "Risk Factors"**). This Prospectus or any oral or written information relating to the offering shares, their interpretation, or reliance thereon, in any form, should not be considered as a promise, confirmation, or corroboration regarding the realization of any future revenues, results, or events.

This Prospectus should not be considered as a recommendation by the company, its board members, or any of its advisors to participate in the subscription process for the Preemptive Rights. The information contained in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation, or specific investment needs. Each recipient of this Prospectus assumes responsibility, prior to making an investment decision, to seek professional advice from a licensed financial advisor authorized by the Authority regarding the suitability of this investment and the information provided in this Prospectus for their specific objectives, circumstances, and financial needs.

Registered shareholders and other members of the general investing public, referred to as "new investors," who are eligible to trade and subscribe to the new shares will be able to trade and subscribe to the Preemptive Rights on the Saudi Stock Exchange "Tadawul" or "the Market." The Trading Period and Subscription Period commence three (3) days after the approval of the Extraordinary General Assembly approving the increase in share capital, on **\*\*/\*\*/1445H** (corresponding to **\*\*/\*\*/2024AD**), and conclude on **\*\*/\*\*/1445H** (corresponding to **\*\*/\*\*/2024AD**) (the "Trading Period"), while the Subscription Period continues until the end of **\*\*/\*\*/1445H** (corresponding to **\*\*/\*\*/2024AD**) (the "Subscription Period").

It should be noted that the Trading Period and Subscription Period shall commence on the same day, but with the Trading Period lasting until the end of the sixth day from the beginning of the period, while the Subscription Period continues until the end of the ninth day from the beginning of the same period.

Registered shareholders will be able to trade their Right Shares during the Trading Period by selling the acquired rights, in whole or in part, or by purchasing additional rights through the Market. New investors will also have the opportunity during the Trading Period to purchase rights through the Market and sell the rights acquired during the Trading Period. Subscription to the new shares will be available in a single stage as follows:

1. All registered shareholders and new investors will have the opportunity to subscribe to the new shares during this period.
2. Registered shareholders will have the option to subscribe directly for their full number of shares or a lesser number during the Subscription Period. In the event of purchasing new rights, they will have the opportunity to subscribe for them after the settlement period (2 business days).
3. New investors will have the opportunity to subscribe for the new shares immediately after settling the purchase of rights (2 business days).
4. Subscription will be available electronically through the investment portfolio in trading platforms and applications that allow the entry of buying and selling orders, in addition to subscription through other channels and means available with the broker.

In the event that there are Rump Shares that have not been subscribed to after the end of the Subscription Period (hereinafter referred to as "Rump Shares"), these shares will be offered to a number of Institutional Investors (referred to as "Investment Institutions") (this process is referred to as "Rump Offering"). These investment institutions shall submit their bids to purchase the Rump Shares, with the reception of such bids commencing at 10:00 AM on **\*\*/\*\*/1445H** (corresponding to **\*\*/\*\*/2024AD**) until 5:00 PM of the following day **\*\*/\*\*/1445H** (corresponding to **\*\*/\*\*/2024AD**) (hereinafter referred to as "Rump Offering Period"). The Rump Shares will be allocated to the investment institutions with the highest bids, then subsequently to those with lower bids, and so on (provided that the price shall not be less than the offering price), with the shares allocated proportionally among investment institutions that submit the same bid. As for fractional shares, they will be added to the Rump Shares and treated equally. The total proceeds from the Rump Offering operation shall be paid to the company, and the rest of the proceeds (if there is any, and exceeding the offering price) shall be distributed to the entitled parties without computing any fees or deductions, each according to their entitlement, by no later than **\*\*/\*\*/1445H** (corresponding to **\*\*/\*\*/2024AD**). It should be noted that investors who did not subscribe or sell their rights, as well as holders of fractional shares, may not receive any compensation if the sale is made during the Rump Offering period at the offering price.

In the event that the investment institutions do not subscribe to all of the Rump Shares and fractional shares, the Rump Shares shall be allocated to the underwriter, who will purchase them at the offering price (please refer to section (13) “Information Relating to Shares, and the Terms and Conditions of the Offering”). The final allocation process shall be announced no later than \*\*/\*\*/1445H (corresponding to \*\*/\*\*/2024AD) (“Allocation Date”) (please refer to section (13) “Information Relating to Shares, and the Terms and Conditions of the Offering”).

The offering of Preemptive Rights under this prospectus is subject to the approval of the shareholders, and a notice will be published convening an extraordinary general Assembly of the company to approve the issuance of Preemptive Rights on \*\*/\*\*/1445H (corresponding to \*\*/\*\*/2024AD). Investors are advised that if the shareholders do not approve the offering of Preemptive Rights at that meeting, the issuance of Preemptive Rights will be discontinued, and this prospectus shall immediately be deemed void, and shareholders will be notified accordingly.

## Financial Information

The audited consolidated financial statements of the company have been prepared for the fiscal years ending in December 31, 2020, December 31, 2021, and December 31, 2022, as well as the reviewed preliminary financial statements for the three-month period ending in March 31, 2023, and the accompanying explanations in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and the standards and other pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The company's financial statements for the fiscal years ending on December 31, 2020, and December 31, 2021, have been reviewed and audited by RSM Allied Accountants for Professional Services.

The financial statements of the company for the fiscal year ending on December 31, 2022, and the reviewed initial financial statements of the company for the three-month period ending on March 31, 2023, have been reviewed and audited by Dr. Mohammed Al-Amri & Partners - Chartered Accountants. The company presents its financial information in Saudi Riyals.

Some of the financial and statistical information contained in this prospectus has been rounded to the nearest whole number. Therefore, if the numbers in the tables are added up, the total may not correspond exactly to what is stated in this prospectus.

## Sector and Market Information

The information and data relating to the Saudi economy, the storage sector, the real estate leasing sector, the medical equipment and healthcare products sector, and the entertainment equipment manufacturing sector, as well as the market data contained in this prospectus, have been obtained from various public sources. While there is no reason to believe that this information is substantially inaccurate, the members of the Board of Directors, shareholders, and advisors have not independently verified the accuracy and completeness of this information. Therefore, no clear statement or confirmation can be given regarding the accuracy and completeness of this information.

## Future Projections and Statements

The projections included in this prospectus have been prepared based on specific assumptions, and future operating conditions may differ from those assumptions. Therefore, there is no guarantee or commitment regarding the accuracy or completeness of any of these projections. The company confirms that the statements contained in this prospectus have been made with due professional care.

Some of the projections in the prospectus “Future Statements” are indicated by the use of certain words such as “plan,” “estimate,” “believe,” “expect,” “may,” “will,” “should,” “it is expected,” “projected,” “guessed,” or the opposite of these words or similar expressions. These statements reflect the current views of the company regarding future events, but they are not guarantees of future performance.

There are many factors that could affect the actual performance, achievements, or results that the company achieves and lead to significant differences from what was explicitly or implicitly expected in the mentioned future statements. Some of the risks or factors that may have such an impact are reviewed in more detail in section (2) “Risk Factors” of this Prospectus. If one or more of these risks or uncertainties materialize, or if any of the assumptions relied upon are proven to be inaccurate or untrue, the actual results may differ substantially from those stated in this prospectus.

According to Article 49 of the “Securities Offering Rules and Continuing Obligations,” the company is committed to providing a supplemental prospectus to the Capital Market Authority if, at any time after the publication date of the initial prospectus and before the completion of the offering, it becomes aware of any of the following:

1. Any material changes in the fundamental information included in the prospectus.
2. The emergence of any significant issues that should have been included in the prospectus.

Except for the aforementioned cases, the company does not intend to update or amend any information regarding the sector, market, or future projections statements contained in this prospectus, whether due to new information, future events, or otherwise. As a result of these risks and uncertainties, as well as cases of uncertainty and assumptions, the events and circumstances related to the future projections in this prospectus may not occur as expected by the company or may not occur at all. Therefore, eligible persons should consider all future projections in light of these disclosures and not rely solely on such statements when making decisions.

# Company Directory

## Board Members

Name	Position	Nationality	Age	Membership Status	Membership Date***	Representation/ Representative Name	Owned Shares*				
							Directly	Indirectly**			Total
							Number	Percentage	Number	Percentage	
Mr. Mohammed Abdul Rahman Saleh Attar	Chairman of the Board	Saudi	70	Non-Executive/ Independent	28/11/2021	--	405,540	0.0643714%	--	--	405,540
Mr. Hassan Saad Farhan Al-Yamani	Vice Chairman - Managing Director	Saudi	65	Executive/ non-independent	28/11/2021	--	21,520	0.0034159%	--	--	21,520
Dr. Walid Jamil Qattan	Board Member	Saudi	67	Non-Executive/ Non-Independent	28/11/2021	--	96,180	0.0152667%	--	--	96,180
Mr. Raied Mohammed Abdullah Katy	Member	Saudi	50	Non-Executive/ Non-Independent	28/11/2021	--	2,000	0.0003175%	--	--	2,000
Mr. Khalid bin Wahib Mohammed Muqalled	Member	Saudi	60	Non-Executive/ Independent	28/11/2021	--	260	0.0000413%	--	--	260
Total							525,500	0.0834128%	--	--	525,500

Source: Company

\* Owned shares refer to shares owned by Board members directly or indirectly through their ownership in companies that hold shares in the company. Indirectly owned shares also include shares owned by relatives of Board members, either directly or through their ownership in companies that hold shares in the company.

\*\* Board members do not have indirect ownership in the company.

\*\*\* The company's Ordinary General Assembly, during its meeting held on 17/04/1443H (corresponding to 22/11/2021AD), approved the election of the aforementioned Board members for a term of three Gregorian years, starting from 28/11/2021 until 27/11/2024.

## Company Address

Anaam Group International Holding Company  
Jeddah - Al Rawdah District - Prince Sultan Street  
Building No. 6723, Sub. No. 2049, Postal Code 23431  
Kingdom of Saudi Arabia  
Phone: +966 (12) 6623000  
Fax: +966 (12) 6357006  
Email: [skhair@anaamgroup.com](mailto:skhair@anaamgroup.com)  
Website: [www.anaamgroup.com](http://www.anaamgroup.com)



## Company Representatives

### Company's First Authorized Representative

Name: **Hassan Saad Farhan Al-Yamani**  
Title: Vice Chairman of the Board and CEO  
Address: Jeddah - Al Rawdah District - Prince Sultan Street  
Building No. 6723, Sub. No.: 2049, Postal Code: 23431  
Kingdom of Saudi Arabia  
Phone: +966 (12) 6623000, Ext.: 400  
Fax: +966 (12) 6357006  
Email: [hyamani@anaamgroup.com](mailto:hyamani@anaamgroup.com)

### Company's Second Authorized Representative

Name: **Raied Mohammed Abdullah Katy**  
Title: Board Member  
Address: Jeddah - Al Rawdh District - Prince Sultan Street  
Building No. 6723, Sub. No.: 2049, Postal Code: 23431  
Kingdom of Saudi Arabia  
Phone: +966 (12) 6623000, Ext.: 451  
Fax: +966 (12) 6357006  
Email: [kraied@anaamgroup.com](mailto:kraied@anaamgroup.com)

## Stock market

### Saudi Stock Exchange (Tadawul)

King Fahd Road - Olaya 6897  
Unit No.: 15  
P.O. Box: 3388, Riyadh 12211  
Kingdom of Saudi Arabia  
Phone: +966 920001919  
Fax: +966 (11) 2189133  
Email: [csc@saudiexchange.sa](mailto:csc@saudiexchange.sa)  
Website: [www.saudiexchange.sa](http://www.saudiexchange.sa)



## Advisors

### Financial Advisor and Underwriter

Al Wasatah Al Maliah Company (Wasatah Capital)  
Riyadh - Al Olaya Main Street, Al Muruj District, Building No. 7459  
Sub-number 2207, Postal Code 12283  
Kingdom of Saudi Arabia  
Phone: +966 11 4944067  
Fax: +966 11 4944205  
Email: [info@wasatah.com.sa](mailto:info@wasatah.com.sa)  
Website: [www.wasatah.com.sa](http://www.wasatah.com.sa)

wasatah capital  
وساطة كابيتال



### Lead Manager

Al Nefae Investment Group  
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مجموعة النفيعي للاستثمار  
AL-NEFAIE INVESTMENT GROUP

### Legal Advisor

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### Chartered Auditor for the fiscal year ended on December 31, 2022, and the three-month period ended on March 31, 2023

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الدكتور محمد العمري وشركاه  
Dr. Mohamed Al-Amri & Co.

### Chartered Accountants for the fiscal years ended in December 31, 2021, and 2020

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**Note:** The above-mentioned financial advisor, underwriter, Lead Manager, legal advisor, and chartered auditors have submitted their written consent for the inclusion of their names and logos, and for the inclusion of their statements in this prospectus, both in form and content. None of them has withdrawn their consent as of the date of this prospectus. Neither the advisors nor the chartered auditors, nor their affiliated companies, shareholders, employees, or any of their relatives, own any shares or interests of any kind in the company or any of its subsidiaries as of the date of this prospectus.

## Offer Summary

Investors interested in subscribing to the shares of this offering must read the full prospectus before making their investment decision regarding the subscription for the Rights shares. The offer summary is not sufficient for making an investment decision. The following is a summary of the offering:

Name of the Source, Its Description, and Establishment Information:	<p>Anaam International Holding Group Company is a Saudi public joint stock company incorporated at the Ministry of Commerce pursuant to the commercial registration number (4030035073) issued in the city of Jeddah on 07/09/1402H (corresponding to 29/06/1982AD). The Company's headquarters is located in the Kingdom of Saudi Arabia, Jeddah, Al-Rawdah District, on Prince Sultan Street, Building No. 6723, Sub No. 2049, Postal Code 23431.</p> <p>It was initially established as a limited liability company and registered in the commercial register in Riyadh under number (35168) on 07/09/1401H (corresponding to 07/12/1980AD) with a capital of one hundred million (100,000,000) Saudi Riyals. The company was converted into a public joint stock company pursuant to Minister of Commerce Resolution No. 856 on 12/03/1403H (corresponding to 27/12/1982 AD) with a capital of five hundred million (500,000,000) Saudi Riyals. On 26/10/1415H (corresponding to 27/03/1995AD), the (Extraordinary) General Assembly approved the merger with (Nasser Al-Mohammed Al-Mukairish) Company in the company. Consequently, the company's name was changed from "The Saudi Company for Livestock Transport and Trade" to "United Al Mawashi Al Mukairish Company". The company was then registered in the commercial register in Jeddah under the new number 4030035073, while retaining the same registration date of the old register, which is 07/09/1402H (corresponding to 29/06/1982AD). On 26/11/1427H (corresponding to 17/12/2006AD), the Extraordinary General Assembly of Shareholders approved the modification of the company's name from "United Al Mawashi Al Mukairish Company" to "Anaam International Holding Group."</p> <p><b>For more details, please refer to Section (3), "Background of the Company and Nature of Its Business," Subparagraph 3-2, "Company History and Important Developments in its Capital Structure."</b></p>
Issuer activities:	<p>The main purposes of the company, according to its Articles of Association, can be summarized as follows:</p> <ul style="list-style-type: none"> <li>Managing its subsidiaries or participating in the management of other companies in which it holds shares and providing necessary support to them.</li> <li>Investing its funds in stocks and other securities.</li> <li>Owning the necessary real estate and movable property to carry out its activities.</li> <li>Providing loans, guarantees, and financing to its subsidiaries.</li> <li>Owning industrial property rights such as patents, trademarks, industrial brands, and royalties, and other moral rights, exploiting them, and leasing them to its subsidiaries or to others.</li> <li>As for the company's activities according to its commercial registration, they include: <ul style="list-style-type: none"> <li>Managing subsidiaries of holding companies.</li> <li>Investing the funds of subsidiaries of holding companies.</li> <li>Owning the necessary real estate and movable property for holding companies.</li> <li>Providing loans, guarantees, and financing to subsidiaries of holding companies.</li> </ul> </li> <li>The company conducts its activities in accordance with applicable regulations, and after obtaining the necessary licenses from the relevant authorities, if applicable.</li> </ul>
Major Shareholders:	As of the date of publication of this prospectus, there are no major shareholders (who own 5% or more of the company's shares.)
Nature of the Offering:	Increasing the company's capital by issuing Rights Issue.
Purpose of the Proposed Rights Issue:	The company aims to increase its capital by issuing Rights Issue to finance the working capital, reduce borrowing rates, and support future company activities. <b>For more information, please refer to Section (7), "Use of Proceeds and Future Projects," in this prospectus.</b>
Total Number of Existing and Issued Company Shares Before the Offering:	Six hundred and thirty million (630,000,000) ordinary shares.
Nominal Value per Share:	Fifty (50) halalas per share.
Company's Capital Before the Offering:	Three hundred and fifteen million (315,000,000) Saudi Riyals.
Total Number of New Shares Offered for Subscription:	Four hundred and seventy-two million, five hundred thousand (472,500,000) ordinary shares.
Price Per Share:	Fifty (50) halalas per share.
Total Offering Value:	Two hundred and thirty-six million, two hundred and fifty thousand (236,250,000) Saudi Riyals.
Adjusted Price:	The company's share price on the stock market has been adjusted to (**) Saudi Riyals per share before the next trading day following the Extraordinary General Assembly meeting to increase the capital. This represents a decrease in the share price by (**) Saudi Riyals per share.



Targeted Investor Categories:	Registered shareholders & new investors		
Registered Shareholders:	Shareholders who own shares at the end of the trading day of the Extraordinary General Assembly meeting to increase the capital, and are registered in the company's shareholder register at the Depository Center at the end of the second trading day following the Extraordinary General Assembly meeting on **/**/****H (corresponding to **/**/****AD).		
New Investors:	General individuals and institutions, who are not registered shareholders, but who have purchased preemptive rights during the Trading Period.		
Rights Issue:	They are tradable securities that give the holder the right to subscribe to new shares after the approval of the capital increase. This right is acquired by all registered shareholders. The right can be traded during the Trading Period. Each right entitles the holder to subscribe to one share of the new shares at the offering price. The Preemptive Rights shall be deposited in the portfolios of registered shareholders after the Extraordinary General Assembly meeting to increase the capital. These rights will appear in the portfolios of registered shareholders under a new code specific to preemptive Rights. Registered shareholders shall be notified of the deposit of their rights in their portfolios.		
Entitlement Ratio:	Each registered shareholder is granted (0.75) rights for every (1) owned share. This ratio is the result of dividing the number of new shares by the company's current number of shares.		
Number of Issued Preemptive Rights:	Four hundred and seventy-two million, five hundred thousand (472,500,000) rights.		
Number of New Underwritten Shares:	Four hundred and seventy-two million, five hundred thousand (472,500,000) ordinary shares.		
Total Value of the new Underwritten shares:	Two hundred and thirty-six million, two hundred and fifty thousand (236,250,000) Saudi Riyals.		
Number of Issued Shares after the Capital Increase:	One billion, one hundred and two million, five hundred thousand (1,102,500,000) shares.		
Company's Capital after the Capital Increase:	Five hundred and fifty-one million, two hundred and fifty thousand (551,250,000) Saudi Riyals.		
Percentage of Shares Offered from the Company's Capital:	(75%).		
New Shares:	Four hundred and seventy-two million, five hundred thousand (472,500,000) ordinary shares, which will be issued as a result of the capital increase.		
Use of the Offering Proceeds:	The company shall use the net proceeds from the offering to finance working capital, reduce borrowing rates, and support future company activities. <b>For more details, please refer to section (7) "Use of Offering Proceeds and Future Projects."</b>		
Expected Total Offering Proceeds and Analysis of their Proposed Use:	It is expected that the total proceeds from the offering of the Preemptive Rights will amount to two hundred and thirty-six million, two hundred and fifty thousand (236,250,000) Saudi Riyals. Approximately fifteen million (15,000,000) Saudi Riyals will be used to cover the offering costs, including fees for the financial advisor, Lead Manager, legal advisor, underwriter, as well as marketing, printing, distribution expenses, and advertising costs related to the offering. The net proceeds of the offering will amount to two hundred and twenty-one million two hundred and fifty thousand (221,250,000) Saudi Riyals, The company intends to use the net offering proceeds to finance working capital, reduce lending rates and support the company's future activities.		
	The following table: Expected use of the net offering proceeds:		
	Item	Amount (in Saudi Riyals)	Percentage
	Investment in privately-owned companies and projects in the packaging materials, auto parts, and food products sectors	100,000,000	42.33%
	Investment in the warehousing and storage sector	20,000,000	8.47%
	Renewal of commercial properties	10,000,000	4.23%
	Reduction of financing costs	75,250,000	31.85%
	Working capital financing	16,000,000	6.77%
	Offering costs	15,000,000	6.35%
	<b>Total</b>	<b>236,250,000</b>	<b>100%</b>
Source: The company			

Offering Costs:	The estimated value of the offering costs is expected to be approximately fifteen million (15,000,000) Saudi Riyals. These costs include fees for the financial advisor, Lead Manager, underwriter, legal advisor, chartered auditors, marketing, printing, distribution, and other expenses related to the offering. <b>For more details, please refer to section (7) “Use of Offering Proceeds and Future Projects.”</b>							
Net Offering Proceeds after Deducting Offering Costs:	It is expected that the net offering proceeds will be approximately two hundred and twenty-one million, two hundred and fifty thousand (221,250,000) Saudi Riyals after deducting all offering costs, which amount to approximately fifteen million (15,000,000) Saudi Riyals. <b>(Please refer to section (7) “Use of Offering Proceeds and Future Projects” for more details.)</b>							
Total Proceeds from The Latest Preemptive Rights Offering:	The company obtained a total of (210,000,000) Saudi Riyals in the latest Preemptive Rights offering after receiving approval from the Extraordinary General Assembly on 16/10/1443H (corresponding to 17/05/2022AD). The company increased its capital from (105,000,000) Saudi Riyals to (315,000,000) Saudi Riyals by issuing (21,000,000) new Preemptive Rights with a nominal value of (10) Saudi Riyals per share. The utilization of the subscription proceeds is as follows:							
	N	Description	Announced Amount (Saudi Riyals)	Actual Utilization (Saudi Riyals)	Actual Spending Percentage of Planned Disbursing	Deviation Amount	Deviation Percentage	Reason for Deviation
	1	Investment in income-generating real estate assets*	65,000,000	103,900,000	159.85%	38,900,000	59.85%	The company aimed to take advantage of the available opportunity to invest in income-generating real estate assets while reducing borrowing rates to avoid excessive financing costs.
	2	Investment in privately-owned companies and projects in the healthcare sector	45,000,000	6,100,000	13.55%	(38,900,000)	(86.44%)	The company directed a portion of the offering proceeds towards investing in income-generating real estate assets.
	3	Investment in privately-owned companies and projects in the warehousing and storage sector*	75,000,000	75,000,000	100%	-	0%	-
	4	Working Capital	12,000,000	12,000,000	100%	-	0%	-
	5	Offering Expenses**	13,000,000	13,000,000	100%	-	0%	-
	Total		210,000,000	210,000,000	100%	-	0%	-
	Source: Company Management							
	* The company announced on the Tadawul website on 24/07/2022AD that it had completed the procedures for transferring ownership of the private office building located in Al Rawdah District, Prince Sultan Street, Jeddah, to the company through self-financing by Anaam International Holding Group Company for an amount of (159,480,281) Saudi Riyals, in addition to the credit facilities provided to the group by Alinma Bank for an amount of (153,226,153) Saudi Riyals. The building consists of a basement, ground floor, mezzanine, and seven repeated floors. As the building contains warehouses, the company considered that the existing warehouses in the building have the same use disclosed in the previous offering prospectus under the category “Investment in privately-owned companies and projects in the warehousing and storage sector,” except that the company planned to acquire a property consisting of seven non-refrigerated warehouses with a height of 14 square meters, built on a land area of 16 thousand square meters. However, the company used the allocated amount of (75) million Saudi Riyals for the same purpose but in another property. The company’s aim in acquiring the building is to utilize the rental spaces for offices and warehouses for investment purposes to support its future activities.  The company announced on the Tadawul website on 02/08/2023 that it has relocated the headquarters of Anaam Company and its subsidiaries (The Saudi Cold Company, Anaam International Investment Company, and Anaam International Food Company) to the private office building located in Al Rawdah District, Prince Sultan Street, Jeddah. The area used for the company’s headquarters and its subsidiaries is approximately 450 square meters, representing approximately 1% of the total available rental space. The company and its subsidiaries do not pay any compensation for the use of the rental space due to its lack of significant impact.							
** Offering expenses include fees for the financial advisor, Lead Manager, legal advisor, underwriter, as well as marketing, printing, and distribution expenses, and advertising costs related to the offering.								
Eligibility Date:	Shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly meeting for capital increase and are registered in the company’s shareholders register at the end of the second trading day following the Extraordinary General Assembly meeting for capital increase, on **/**/1445H (corresponding to **/**/2024AD).							

<b>Trading Period:</b>	The Trading Period begins after (3) working days from the approval of the Extraordinary General Assembly for the capital increase, on **/**/1445H (corresponding to **/**/2024AD) and continues until the end of the day on **/**/1445H (corresponding to **/**/2024AD). During this period, all preemptive rights shareholders, whether registered investors or new investors, are allowed to trade their Preemptive Rights.
<b>Subscription Period:</b>	The Subscription Period begins after (3) working days from the approval of the Extraordinary General Assembly for the capital increase, on **/**/1445H (corresponding to **/**/2024AD) and continues until the end of the day on **/**/1445H (corresponding to **/**/2024AD). During this period, all preemptive rights shareholders, whether registered investors or new investors, are allowed to exercise their subscription rights for the new shares. It should be noted that the Trading Period and the subscription period shall commence on the same day, while the trading period shall continue until the end of the sixth day from the beginning of the period, and the Subscription Period shall continue until the end of the ninth day from the beginning of the same period.
<b>Rump Shares:</b>	They are the Rump Shares that were not subscribed to during the Subscription Period.
<b>Rump Offering:</b>	If there are Rump Shares that have not been subscribed to after the Subscription Period (Rump Shares), those shares will be offered to a number of Institutional Investors (the Investment Institutions), and these Investment Institutions shall submit their offers to purchase the Rump Shares. The offers will be accepted starting from 10:00 AM on **/**/1445H (corresponding to **/**/2024AD), until 5:00 PM of the following day **/**/1445H (corresponding to **/**/2024AD) (Rump Offering Period). The Rump Shares shall be allocated to the investment institutions with the highest bid, then subsequently to those with lower bids, and so on, (provided it is not lower than the offering price), and the shares shall be allocated proportionally among the Investment Institutions that submit the same bid. As for fractional shares, they shall be added to the Rump Shares and treated equally.
<b>Compensation Payments (if applicable):</b>	Cash compensation amounts shall be paid to eligible individuals who did not fully or partially exercise their subscription rights for the new shares, and to fractional shareholders, without any deductions, no later than **/**/1445H (corresponding to **/**/2024AD). It should be noted that the cash compensation amounts represent the amount that exceeds the offering price from the net proceeds of selling the Rump Shares and fractional shares.
<b>Listing and Trading of Preemptive Rights:</b>	<p>Preemptive rights shall be listed for trading on Tadawul and can be traded during the preemptive rights Trading Period. Preemptive rights shall have a separate symbol independent of the company's current stock symbol on Tadawul trading screen.</p> <p>Registered shareholders during the Trading Period have several options, including selling the rights or a portion of them in the market, purchasing additional rights through the market, or taking no action regarding the preemptive rights, whether by selling them or purchasing additional rights. New investors during the Trading Period have the right to buy rights through the market, sell those rights or a portion of them, or take no action regarding the rights purchased during the Trading Period.</p> <p>The "Tadawul" system will cancel the preemptive rights symbol on the trading screen after the end of their Trading Period, and as a result, the trading of preemptive rights shall cease after that period.</p>
<b>Subscription Method:</b>	Subscription requests are submitted electronically through the websites and electronic platforms of brokers that provide these services to subscribers, or through any other means provided by the brokers.
<b>Subscription of Preemptive Rights:</b>	<p>The eligible individuals can subscribe to new shares of preemptive rights either electronically through the websites and electronic platforms of brokers who provide such services to subscribers, or through any other means provided by the brokers. Eligible individuals can exercise their preemptive rights as follows:</p> <ul style="list-style-type: none"> <li>During the Subscription Period, registered shareholders can exercise their granted preemptive rights and any additional rights they have purchased during the Trading Period. They also have the right not to take any action regarding the rights they own.</li> <li>During the Subscription Period, non-registered shareholders who have purchased Preemptive Rights during the Trading Period can also exercise their rights. They also have the right not to take any action regarding the rights they own.</li> </ul> <p>If registered shareholders and new investors do not exercise their preemptive rights at the end of the Subscription Period, the Rump Shares resulting from the non-exercise of those rights will be offered during the Rump Offering Period.</p>
<b>Preemptive Right's Indicative Value:</b>	The right's indicative value represents the difference between the market value of the company's shares during the Trading Period and the offering price. "Tadawul" will calculate and publish the right's indicative value on its website with a delay of five minutes. Market information service providers will also publish this information to allow investors to know the right's indicative value when entering orders.
<b>Preemptive Right's Trading Price:</b>	The right's trading price is the price at which the right is traded. It is determined through the mechanism of supply and demand, and therefore, it may differ from the right's indicative value.
<b>Allocation Date:</b>	The shares will be allocated no later than **/**/1445H (corresponding to **/**/2024AD).
<b>Allocation of Shares and Refunds:</b>	Shares will be allocated to each investor based on the number of rights they have correctly and fully exercised. Fractional shares will be collected and added to the Rump Shares, which will then be offered to the Investments Institutions during the Rump Offering period. The company shall receive the total offering price from the sale of the Rump Shares, while the remaining proceeds from the offering (if any) will be distributed to the entitled individuals who have not fully or partially subscribed to the new shares and to the entitled individuals holding fractional shares without computing any fees or deductions (and exceeding the offering price). It should be noted that investors who have not subscribed or sold their rights and holders of fractional shares may not receive any compensation if they are sold during the Rump Offering period at the offering price (please refer to section (13) "Information Relating to the Shares, and the Terms and Conditions of the Offering" for more details). Any subscription surplus (if any) will be refunded to subscribers without any commissions or deductions from the Lead Manager.
<b>Date of Subscription Refunds (if applicable):</b>	The subscription surplus amount, if any, shall be refunded to subscribers without any commissions or deductions from the Lead Manager, no later than **/**/1445H (corresponding to **/**/2024AD).
<b>Trading of New Shares:</b>	The trading of new shares on Tadawul will commence after completing all the procedures related to the registration, allocation, and listing of the new shares.



Entitlement to Dividends:	Owners of the new shares will be entitled to any dividends declared by the company after the issuance date.
Voting Rights:	All shares of the company are of one class, and no share confers any preferential rights to its holder. The new shares shall be fully paid-up and shall be completely equal to the existing shares. Each share gives its holder the right to one vote, and every shareholder in the company has the right to attend the general Assembly meeting of the shareholders (whether ordinary or extraordinary) and to vote therein.
Restrictions on Trading of Shares:	There are no specific restrictions imposed on trading the company's shares, except for general regulatory restrictions applicable to publicly listed shares.
Restrictions on Trading of Preemptive Rights:	There are no restrictions imposed on trading the rights.
Restrictions on New Shares Resulting from Capital Increase:	There are no specific restrictions imposed on shareholders in general or institutional shareholders following the subscription process resulting from the capital increase.
Shares Previously Listed by the Issuer:	<p>On 11/03/1403H (corresponding to 27/12/1982AD), the company was converted into a public joint stock pursuant to the Minister of Commerce Resolution No. 856, with a capital of five hundred million (500,000,000) Saudi Riyals, divided into five million (5,000,000) ordinary shares, with the value of each share being one hundred (100) Saudi Riyals, and it was listed on the Saudi Stock Exchange "Tadawul" in January 1994 AD. On 26/10/1415H (corresponding to 27/03/1995AD), the company's Extraordinary General Assembly approved an increase in the company's capital from five hundred million (500,000,000) Saudi riyals to one billion and two hundred million (1,200,000,000) Saudi Riyals through the merger with (Nasser Al-Mohammed Al-Mukairish) Company, with a total of twelve million (12,000,000) ordinary shares, with a nominal value of (100) Saudi riyals. On 06/09/1428H (corresponding to 18/09/2007AD), the Extraordinary General Assembly decided to reduce the company's capital from one billion and two hundred million (1,200,000,000) Saudi riyals to one hundred and nine million (109,000,000) Saudi riyals, with a reduction rate of (90.92%) from the company's capital.</p> <p>As a result, the company's number of shares after the reduction became ten million nine hundred thousand (10,900,000) ordinary shares, with a nominal value of (10) Saudi Riyals per share. On 22/12/1433H (corresponding to 07/11/2012AD), the company's Extraordinary General Assembly approved an increase in the company's capital from one hundred and nine million (109,000,000) Saudi riyals to one hundred and ninety-six million (196,000,000) Saudi Riyals by issuing Preemptive Rights amounting to eight million seven hundred thousand (8,700,000) ordinary shares, with a nominal value of (10) Saudi Riyals per share. Thus, the total number of shares after the issuance became nineteen million six hundred thousand (19,600,000) ordinary shares. On 05/05/1441H (corresponding to 31/12/2019AD), the company's Extraordinary General Assembly decided to reduce the company's capital from one hundred and ninety-six million (196,000,000) Saudi riyals to fifteen million (15,000,000) Saudi Riyals to amortize the accumulated losses representing a 92.35% reduction in the capital. On 10/03/1442H (corresponding to 27/10/2020AD), the Extraordinary General Assembly approved an increase in the company's capital from fifteen million (15,000,000) Saudi Riyals to one hundred and five million (105,000,000) Saudi riyals by issuing Preemptive Rights amounting to nine million (9,000,000) ordinary shares. This represented a 600% increase in the capital. On 16/10/1443H (corresponding to 17/05/2022AD), the Extraordinary General Assembly approved the company's capital increase from one hundred and five million (105,000,000) Saudi Riyals to three hundred and fifteen million (315,000,000) Saudi riyals by issuing Preemptive Rights amounting to twenty-one million (21,000,000) ordinary shares. This represented a 200% increase in the capital.</p> <p>On 18/09/1444H (corresponding to 09/04/2023AD), the company's board of directors recommended to the Extraordinary General Assembly to divide the nominal value of the shares from (10) Saudi Riyals per share to (50) halalas per share. As a result, the total number of shares would become six hundred and thirty million (630,000,000) ordinary shares instead of the previous thirty-one million five hundred thousand (31,500,000) ordinary shares. On 18/12/1444H (corresponding to 06/07/2023AD), the company's Extraordinary General Assembly approved the shares nominal value splitting from (10) Saudi Riyals per share to (50) halalas per share. Consequently, the total number of shares would become six hundred and thirty million (630,000,000) ordinary shares instead of the previous thirty-one million five hundred thousand (31,500,000) ordinary shares.</p>
Risk Factors:	Investing in Preemptive Rights involves certain risks, which can be classified as follows: (1) issuer-related risks, (2) market and sector-related risks, and (3) risks related to the offered securities. These risks have been reviewed in <b>section (2) "Risk Factors"</b> of this prospectus and should be carefully studied before making any investment decision regarding the new rights or shares.
Subscription Conditions for Preemptive Rights:	Eligible individuals wishing to subscribe to the new shares must meet the relevant subscription conditions. For information on the terms, conditions, and instructions for subscription, <b>please refer to section (13) "Information Relating to Shares, and the Terms, and Conditions of the Offering"</b>
The Public:	<p>According to securities offering regulations and ongoing obligations, any person other than those listed below:</p> <ol style="list-style-type: none"> <li>1. Affiliates of the Issuer.</li> <li>2. Substantial Shareholders of the Issuer.</li> <li>3. Directors and Senior Executives of the Issue.</li> <li>4. Directors and senior executives of the Affiliates of the Issuer.</li> <li>5. Directors and senior executives of the Substantial Shareholders of the Issuer.</li> <li>6. Any relatives of the persons referred to in 1, 2, 3, 4 or 5 above.</li> <li>7. Any company controlled by any person referred to in 1, 2, 3, 4, 5, or 6 above.</li> <li>8. Persons acting in concert with a collective shareholding of 5% or more of the class of shares to be listed.</li> </ol>

## Substantial Amendments to the Information disclosed in the Latest Prospectus

The Authority has approved the publication of the latest prospectus for the company on 14/08/1443H (corresponding to 17/03/2022AD). The following is a summary of the significant amendments to the information disclosed in the last prospectus, which was issued on 14/08/1443H (corresponding to 17/03/2022AD).

- ▶ Use of fair value model or revaluation for measuring properties and investment properties: As of 28/08/1443H (corresponding to 31/03/2022AD), the fair value model or revaluation was utilized to measure properties and investment properties. The expected financial impact on net assets is an increase of thirty-three million (33,000,000) Saudi Riyals, and the financial impact is expected to commence on 02/12/1443H (corresponding to 01/07/2022AD).
- ▶ Obtaining Islamic Shariah-compliant banking facilities from Alinma Bank: On 16/09/1443H (corresponding to 17/04/2022AD). Islamic Shariah-compliant banking facilities were acquired from Alinma Bank, with a financing amount of one Hundred and sixty million (160,000,000) Saudi Riyals for a duration of 10 years. It should be noted that the provided guarantees are in the form of a mortgage on a commercial building located on Prince Sultan Street in Jeddah.
- ▶ Signing a non-binding Memorandum of Understanding with Abu Zeid Restaurants Limited (a single-person company): On 23/09/1443H (corresponding to 24/04/2022AD), a non-binding Memorandum of Understanding was signed with Abu Zeid Restaurants Limited regarding the potential acquisition of a 55% stake in the company, and after a final agreement was reached between the two parties. Abu Zeid Restaurants Limited is located in Al-Safa District, Jeddah, and operates in the field of preparing and serving traditional cuisine, with approximately 34 branches in different cities in the Kingdom. Their annual sales exceed one hundred million Saudi Riyals. The total value of the acquisition was agreed to be seventy-five million (75,000,000) Saudi Riyals, with a purchase price of forty-one million two hundred and fifty thousand (41,250,000) Saudi Riyals. Therefore, on 23/09/1443H (corresponding to 24/04/2022AD), Anaam International Holding Group issued a supplementary announcement declaring the termination of the Memorandum of Understanding on 25/12/1443H (corresponding to 24/07/2022AD) due to not reaching a final agreement.
- ▶ Signing a Sale and Purchase Agreement for the acquisition of a 55% stake in ARW Manufacturing Company (a limited liability company - a single-person company): On 25/09/1443H (corresponding to 26/04/2022AD), a binding Sale and Purchase Agreement was signed regarding the acquisition of a 55% stake in ARW Manufacturing Company. The total value of this transaction amounts to fifteen million (15,000,000) Saudi Riyals. The payment will be made in cash from the company's internal resources to finance the increase in production lines and support sales.
- ▶ Articles of Association: The Articles of Association have been updated in accordance with the amendments made to the new Companies Act by the Extraordinary General Assembly held on 10/03/1442H (corresponding to 27/10/2020AD). It has been audited and approved by the Ministry of Commerce (Corporate Governance Department) on 18/04/1442H (corresponding to 03/12/2020AD). A copy of the Articles of Association has been uploaded to Tadawul website on the company's dedicated page.
- ▶ Results of the Extraordinary General Assembly, including approval of capital increase: On 16/10/1443H (corresponding to 17/05/2022AD), the Extraordinary General Assembly of Shareholders approved the increase in capital from (105,000,000) Saudi Riyals, divided into (10,500,000) ordinary shares, to (315,000,000) Saudi Riyals, divided into (31,500,000) ordinary shares. The total amount of the increase is (210,000,000) Saudi Riyals. The percentage change in capital is 200%, and the number of shares before the increase was (10,500,000) shares, while the number of shares after the increase is (31,500,000) shares. The increase ratio per share is (2) shares for every 1 share. The company aims to finance working capital, invest in real estate assets, and own shares in privately-owned companies. The method of capital increase is through the offering and listing of Preemptive Rights for (21,000,000) ordinary shares. It should be noted that the entitlement date, if approved by the company's shareholders at the Extraordinary General Assembly meeting, shall be granted to all registered shareholders in the company's records at the Securities Depository Center (Edaa) at the end of the second trading day following the convening of the Extraordinary General Assembly that approved the capital increase. The offering value per share is (10) Saudi Riyals, and the number of shares offered is (21,000,000) ordinary shares. The results of the Extraordinary General Assembly also included amendments to Article (7) of the Articles of Association related to "Capital," amendments to Article (8) of the Articles of Association related to "Subscription in Shares," approval of the amendment to Article (26) of the Articles of Association related to "General Assemblies," and approval of an update to the Audit Committee's Work Regulations.
- ▶ Completion of the procedures for the acquisition of a 55% stake in ARW Manufacturing Company (a limited liability company - a single-person company): On 25/09/1443H (corresponding to 26/04/2022AD), a binding Sale and Purchase Agreement was signed regarding the acquisition of a 55% stake in ARW Manufacturing Company. The total value of this transaction is fifteen million (15,000,000) Saudi Riyals. The payment will be made in cash from the company's own resources to finance the increase in production lines and support sales.
- ▶ Signing a binding Sale and Purchase Agreement for the acquisition of a 100% stake in a private office building: On 22/11/1443H (corresponding to 21/06/2022AD), a binding Sale and Purchase Agreement was signed for the acquisition of a 100% stake in a private office building located in Rawdah District, Prince Sultan Street, Jeddah. The total value of the transaction is three hundred and twelve million (312,000,000) Saudi Riyals, excluding real estate transaction tax. The payment will be made as follows: a bank check in the name of Saudi National Bank from the buyer to the seller in the amount of SAR 44,156,158, issued by Alinma Bank, and that is to settle the remaining amount of the financing contract provided by Saudi National Bank to the seller in exchange for discharging of mortgage. Additionally, a bank check for the remaining purchase amount, totaling SAR 268,550,275, shall be made to the seller on the date of property transfer to the buyer at the competent notary office. The transaction shall be financed through self-financing by Anaam Group in the amount of SAR 159,480,281, in addition to credit facilities granted to the Group by Alinma Bank in the amount of SAR 153,226,153.
- ▶ Purchase of a real estate asset: On 23/11/1443H (corresponding to 22/06/2022AD), income-generating assets were acquired. A real estate asset (a residential and administrative building) was purchased on Prince Mohammed bin Abdulaziz Street, Jeddah, through a public auction for a value of twenty-three million (23,000,000) Saudi Riyals, excluding real estate transaction tax.
- ▶ Completion of procedures for the purchase and transfer of ownership of private office buildings in the company's name: On 25/12/1443H (corresponding to 24/07/2022AD), the procedures related to the transfer of property ownership were completed. This pertains to a Sale and Purchase Agreement for the acquisition of a 100% stake in a private office building located in Rawdah District, Prince Sultan Street, Jeddah, in the company's name.
- ▶ Board of Directors' decision to initiate liquidation procedures for some of its subsidiaries: On 18/01/1444H (corresponding to 16/08/2022AD), approval was granted to initiate liquidation procedures for the following companies: Anaam International Financial Company (a limited liability company owned 100% by the Group) as it is no longer needed, as it has not been actively operational since its establishment. Anaam International Agricultural Company (a limited liability company owned 100% by the Group) as the group sold the agricultural project overseen by this company with the aim of exiting the agricultural sector, rendering it obsolete.
- ▶ Completion of procedures for the purchase of a real estate asset: On 26/01/1444H (corresponding to 24/08/2022AD), the procedures for the purchase and transfer of a real estate asset were completed. This asset is a residential and administrative building located on Prince Mohammed bin Abdulaziz Street (Tahlia Street), one of the most vital locations in Jeddah. The building consists of four floors, including offices and residential apartments, with a total value of 23 million Saudi Riyals.

**Cont.  
Substantial  
Amendments to  
the Information  
disclosed in  
the Latest  
Prospectus:**

- ▶ Issuance of an electronic title deed for Al-Khumrah land south of Jeddah in the company's name: On 13/04/1444H (corresponding to 07/11/2022AD), an electronic title deed was issued, confirming the company's complete ownership of the land located in Al-Khumrah area, south of Jeddah. The land spans an area of 151,465.98 one hundred and fifty-one thousand, four hundred and sixty-five square meters and ninety-eight centimeters.
- ▶ Last offering of Preemptive Rights: In 2022, the company conducted an offering of Preemptive Rights to increase its capital with the purpose of financing working capital, reducing borrowing rates, and supporting future company activities. Through this offering, the company received a total of SAR (210,000,000) from shareholders, resulting from the offering of (21,000,000) Preemptive Rights at a price of SAR (10) per share, representing the nominal value. As explained in **page "J"** of this prospectus, the company utilized the proceeds from the Preemptive Rights issuance as described in the provided table.
- ▶ Signing of a non-binding Memorandum of Understanding (MoU) on 09/06/1444H (corresponding to 02/01/2022AD) with Al-Murjan Holding Group to acquire a 100% stake in Al-Murjan Holding Group Limited's shares in the United Ink Production Company Limited, representing a 69.33% ownership. The MoU has a duration of 120 days from the date of signing and is subject to extension.
- ▶ Board of Directors' recommendation to the company's Extraordinary General Assembly, issued on 18/09/1444H (corresponding to 09/04/2023AD), to divide the nominal value of the share from SAR (10) per share to (50) halalas (SAR 0.50) per share. Consequently, the company's total number of shares will be 630,000,000 shares instead of 31,500,000 shares. The company is committed to completing the necessary relevant procedures to this recommendation.
- ▶ Reference to the announcement made by Anaam International Holding Group Company on Tadawul website on 09/06/1444H (corresponding to 02/01/2023AD) regarding the signing of a non-binding MoU to acquire a 69.33% stake in the United Ink Production Company Limited, representing 100% of Al-Murjan Holding Group Limited's shares in the United Ink Production Company Limited.
- ▶ Additionally, reference to the latest developments announced by Anaam International Holding Group Company on the same matter, published on Tadawul website on 11/10/1444H (corresponding to 01/05/2023 AD). Anaam International Holding Group Company "Anaam Holding" announces that on 11/11/1444 H (corresponding to 31/05/2023 AD), a Sale and Purchase Agreement (SPA) was signed to acquire a 69.33% stake in the United Ink Production Company Limited, representing 100% of Al-Murjan Holding Group Limited's shares in the United Ink Production Company Limited. The acquisition was made for a cash consideration equal to the total transaction value. The value of United Ink Production Company Limited is sixty-five million (56,000,000) Saudi Riyals, and the total transaction value is thirty-eight million eight hundred and twenty-five thousand, six hundred and seventeen Saudi Riyals and ninety-seven halalas (38,825,617.97).
- ▶ Reference to the announcement made by Anaam International Holding Group Company on Tadawul website on 21/12/1444H (corresponding to 09/07/2023AD) regarding the results of the Extraordinary General Assembly (Third Meeting). The Assembly approved the division of the company's shares as follows: the nominal value per share before the adjustment was SAR 10, and after the adjustment, the nominal value per share became 50 halalas (SAR 0.50). It should be noted that the number of shares before the adjustment was 31,500,000 shares, and after the adjustment, the number of shares became 630,000,000 shares. The Assembly also approved the amendment of the company's Articles of Association to align with the new companies' regulations, including reordering and numbering the articles to align with the proposed amendments.
- ▶ Reference to the announcement made by Anaam International Holding Group Company on Tadawul website on 12/11/1444H (corresponding to 01/06/2023AD) regarding the signing of a Sale and Purchase Agreement (SPA) to acquire a 69.33% stake in the United Ink Production Company Limited, representing 100% of Al-Murjan Holding Group Limited's shares in the United Ink Production Company Limited. However, Anaam International Holding Group Company announced on 07/05/1445H (corresponding to 21/11/2023AD) the cancellation of the agreement due to non-compliance with several regulatory and commercial conditions stipulated in the agreement.

**(For more information, please refer to the Subparagraph (10-24) "Material Changes Since the Authority's Approval of the Latest Prospectus for the Issuance of Shares" in section (10) "Legal Information".)**

**Note:** The "Important Notice" section on page "A" and section "2" (Risk Factors) of this prospectus should be carefully studied before making any investment decision regarding the preemptive rights.



## Important Dates and Subscription Procedures

Timetable	Date
Convening the Extraordinary General Assembly, including the approval of the capital increase, determining the entitlement date, and eligible shareholders. It should be noted that the eligible shareholders are the ones who own shares at the end of trading on the day of the Extraordinary General Assembly meeting for the capital increase and are registered with the Depository Center at the end of the second trading day following the Extraordinary General Assembly meeting.	On **/**/****H (corresponding to **/**/****AD).
Trading Period	The Trading Period will begin after (3) business days from the approval of the Extraordinary General Assembly for the capital increase, on **/**/****H (corresponding to **/**/****AD), and continues until the end of **/**/****H (corresponding to **/**/****AD). During this period, all preemptive rights holders - whether existing or new investors - are allowed to trade their preemptive rights.
Subscription Period	The Subscription Period shall begin after (3) working days from the approval of the Extraordinary General Assembly for the capital increase, on **/**/****H (corresponding to **/**/****AD), and continues until the end of **/**/****H (corresponding to **/**/****AD). During this period, all preemptive rights holders - whether existing or new investors - can exercise their right to subscribe to the new shares.
End Date of Subscription Period	The Subscription Period ends, and the acceptance of subscription requests concludes on **/**/****H (corresponding to **/**/****AD).
Rump Offering Period	It starts at 10:00 AM on **/**/****H (corresponding to **/**/****AD) and continues until 5:00 PM on **/**/****H (corresponding to **/**/****AD).
Final Allocation Notice	On **/**/****H (corresponding to **/**/****AD).
Payment of Compensation Amounts (if applicable) to eligible individuals who did not fully or partially participate in the subscription and eligible fractional share holders	On **/**/****H (corresponding to **/**/****AD).
Expected Date of Commencement of Trading in the New Shares	After completing all necessary procedures, the date for the commencement of trading in the new shares will be announced on Tadawul website. The time period between the end of the Subscription Period for preemptive rights and the deposit of shares in shareholders' portfolios will be 9 working days.

**Note:** All dates mentioned in the above timetable are approximate, and the actual dates will be announced on the Saudi Stock Exchange (Tadawul) website ([www.saudiexchange.sa](http://www.saudiexchange.sa)).

## Important Announcement Dates

Announcement	Advertiser	Announcement Date
Announcement of the Extraordinary General Assembly Meeting to Increase Capital	Company	On **/**/****H (corresponding to **/**/****AD)
Announcement of the Results of the Extraordinary General Assembly Meeting to Increase Capital	Company	On **/**/****H (corresponding to **/**/****AD)
Announcement of the Company's Share Price Adjustment, Rights Deposit, and Right's Indicative Value	Tadawul	On **/**/****H (corresponding to **/**/****AD)
Announcement of Adding Preemptive Rights for Anaam International Holding Group Company	Edaa	On **/**/****H (corresponding to **/**/****AD)
Announcement of Rights Trading Period and Subscription Period	Company	On **/**/****H (corresponding to **/**/****AD)
Announcement of the Start of Rights Trading Period and Subscription Period	Tadawul	On **/**/****H (corresponding to **/**/****AD)
Reminder Announcement of the Start of Rights Trading Period and Subscription Period	Company	On **/**/****H (corresponding to **/**/****AD)
Reminder Announcement of the Last Trading Day of Preemptive Rights and the Importance of Selling Rights for Those Who Do Not Wish to Subscribe	Company	On **/**/****H (corresponding to **/**/****AD)
Announcement of:		
▸ Subscription Results	Company	On **/**/****H (corresponding to **/**/****AD)
▸ Details of the Sale of Unsold Shares (if any) and the Start of the Rump Offering Period		
Announcement of the Results of the Rump Offering and Notification of Final Allocation	Company	On **/**/****H (corresponding to **/**/****AD)
Announcement of Depositing the New Shares in the Investors' Portfolios	Edaa	On **/**/****H (corresponding to **/**/****AD)
Announcement of Distributing Compensation Amounts (if any)	Company	On **/**/****H (corresponding to **/**/****AD)

Note: All dates mentioned in the above timetable are approximate, and the actual dates will be announced on the Saudi Exchange website ([www.saudiexchange.sa](http://www.saudiexchange.sa)) in coordination with the Securities Depository Center (Edaa) to determine the dates of rights and share deposits.

It should be noted that according to Article 51 of the Securities Offering Rules and Ongoing Obligations, in the event that an advertisement related to the offering is published in a local newspaper after the publication of the prospectus, the advertisement must include the following:

1. The name of the issuer and its commercial registration number.
2. The securities, their value, type, and class covered by the request for registration and offering.
3. The addresses and locations where the public can obtain the prospectus.
4. The date of the prospectus publication.
5. A statement that the advertisement is for informational purposes only and does not constitute an invitation, offer, or solicitation to own, purchase, or subscribe to the securities.
6. The name of the Lead Manager and the underwriter (if any), financial advisor, and legal advisor.
7. Disclaimer in the following format: "The Capital Market Authority and Saudi Stock Exchange (Tadawul) bear no responsibility for the content of this advertisement, do not provide any assurances regarding its accuracy or completeness, and explicitly disclaim any liability for any loss resulting from the information presented in this advertisement or reliance on any part of it."

## How to Submit a Subscription Application

Subscription to Preemptive Rights is limited to eligible individuals, whether they are registered shareholders or new investors. In the event that eligible individuals do not exercise their preemptive rights, any Rump Shares not subscribed to by eligible individuals will be offered to the Investment Institutions through the Rump Offering Period. Eligible individuals who wish to subscribe to the new shares must submit subscription applications through the channels and services provided by their broker for investors, provided that the eligible person has an investment account with one of the brokers offering these services. The eligible person's data must be up-to-date, and there should be no changes to the data or information of the eligible person (removal or addition of any family members) since their subscription in a recent offering, unless these amendments have been communicated to and approved by the brokers.

Subscription applications are submitted through the investment portfolio on trading platforms where buy and sell orders are entered, in addition to the possibility of subscription through other means provided by the broker for investors and the custodian of shares. The company reserves the right to reject any subscription application for the new shares, in whole or in part, if it does not meet any of the subscription conditions or requirements. Modification or withdrawal of a subscription application is not permitted after its submission, and the subscription application represents a binding contract between the company and the eligible shareholder. (For further information, **please refer to Section (13) "Information Relating to Shares, and the Terms, and Conditions of Offering"**)

## **Questions and Answers about Preemptive Rights**

### **What are preemptive Rights?**

Preemptive Rights are tradable securities that give the holder the right to subscribe to newly issued shares when the capital is increased. It is an acquired right for all shareholders on the day of the Extraordinary General Assembly meeting regarding the capital increase, and they are registered in the company's shareholder registry at the end of the second trading day following the date of the Extraordinary General Assembly meeting. Each right entitles the holder to subscribe to one share at the offering price.

### **Who is granted Preemptive Rights?**

Preemptive rights are granted to all registered shareholders in the company's shareholder registry at the end of the second trading day following the Extraordinary General Assembly meeting.

### **When are Preemptive Rights deposited?**

After the Extraordinary General Assembly meeting approves the capital increase through the offering of Preemptive Rights. The preemptive rights are deposited as securities in the shareholders' portfolios in the company's portfolios of shareholders at the end of the second trading day following the Extraordinary General Assembly meeting. The shares will appear in their portfolios under a new symbol specific to the preemptive rights. These rights or subscriptions are not allowed to be traded or subscribed to except at the beginning of the two trading and subscription periods.

### **How is the investor notified of the deposit of the preemptive rights in their portfolio?**

Notification is made through announcements on the trading platform, as well as through the (Tadawulaty) service provided by the Securities Depository Center and SMS messages sent by brokerage firms.

### **How many preemptive rights shall a registered shareholder receive?**

The number depends on the proportion of the shareholder's ownership in the capital according to the company's shareholder registry at the end of the second trading day following the Extraordinary General Assembly meeting.

### **What is the entitlement factor?**

The entitlement factor allows registered shareholders to determine the number of preemptive rights they are entitled to, based on the current shares they own at the end of the second trading day following the Extraordinary General Assembly meeting. This factor is calculated by dividing the number of new shares by the current number of shares in the company. Therefore, the entitlement factor is (0.75) rights for every (1) share owned by the registered shareholder on the entitlement date. Accordingly, if a registered shareholder owns (1,000) shares on the entitlement date, they will be allocated seven hundred and fifty (750) rights in exchange for the shares he owns.

### **Will the name and trading symbol of these rights be different from the name and trading symbol of the company's shares?**

Yes, the acquired right will be added to investors' portfolios under the original share's name, with the addition of the term "Preemptive Rights" and a new symbol specific to these rights.

### **What is the value of the right at the beginning of its trading?**

The opening price of the right will be the difference between the closing price of the company's share on the day prior to the rights' listing and the offering price (right's indicative value). For example, if the closing price of the company's share on the previous day was (1) Saudi Riyal and the offering price is (50) halalas, then the opening price of the right will be (50) halalas.

### **Who is a registered shareholder?**

A registered shareholder is any shareholder listed in the company's shareholder registry at the end of the second trading day following the Extraordinary General Assembly meeting.

### **Can one subscribe more than once and through multiple brokers?**

Yes, it is possible, but the quantity of subscribed shares should not exceed the number of rights owned at the end of the rights Trading Period. Any increase in the quantity of subscribed shares beyond the number of rights owned at the end of the rights Trading Period will result in the cancellation of the subscription application.

### **Can registered shareholders subscribe to additional shares?**

Yes, registered shareholders can subscribe to additional shares by purchasing new rights through the market during the Trading Period.

### **Can a shareholder lose their subscription right even if they have the right to attend The Extraordinary General Assembly meeting and vote on the capital increase through the offering of Preemptive Rights?**

Yes, a shareholder can lose their subscription right if they sell their shares on the day of the Extraordinary General Assembly meeting or the preceding business day.

### **How does the subscription process work?**

Subscription requests are submitted through the investment portfolio on trading platforms, where buy and sell orders are entered. It is also possible to subscribe through other means provided by the broker to investors and the custodian of shares.

### **Can a person eligible for subscription acquire more shares than the number of rights they own?**

No, a person eligible for subscription cannot acquire more shares than the number of rights they own.

### **If a person owns the company's shares through multiple investment portfolios, in which portfolio will the preemptive rights be deposited?**

Preemptive Rights will be deposited in the same portfolio in which the corresponding shares of the company are deposited. For example, if a shareholder owns one thousand (1,000) shares in the company as follows: Eight hundred (800) shares in Portfolio (A) and two hundred (200) shares in Portfolio (B), the total Preemptive Rights will be deposited will be seven hundred and fifty (750) Rights, in consideration each share has (0.75) right. Accordingly, six hundred (600) rights will be deposited in Portfolio (A), and one hundred and fifty (150) Rights will be deposited in Portfolio (B).



#### Are holders of share certificates entitled to subscribe and trade?

Yes, holders of share certificates entitled to subscribe, but they can only trade them after depositing the certificates in electronic portfolios through the receiving entities or the Securities Depository Center (Depository Center) and providing the necessary documents before the end of the Subscription Period.

#### Can someone who purchased additional rights trade them again?

Yes, they can sell and purchase other rights during the Trading Period only.

#### Is it possible to sell a portion of the preemptive rights?

Yes, investors can sell a portion of these rights and subscribe with the remaining portion.

#### When can a shareholder who purchased Rights during the Trading Period subscribe to the Preemptive Rights?

After the settlement of the rights purchase (which takes two business days), and the subscription to the preemptive rights can be done during the Subscription Period.

#### Can a holder of preemptive Rights sell or transfer the right after the Trading Period expires?

No, that is not possible. After the Trading Period expires, the right holder can only choose to exercise or not the right to subscribe to Preemptive Rights. If the right is not exercised, the investor may incur a loss or a decrease in the value of their investment portfolio.

#### What happens to the unsold or unsubscribed to Preemptive Rights during the Trading and Subscription Period?

In the event that all of the new shares are not subscribed during the Subscription Period, the remaining new shares will be offered for subscription in a manner determined by the Lead Manager, and the compensation value (if any) for the right holders will be calculated after deducting the subscription price. It should be noted that the investor may not receive any compensation if the sale is made during the Rump Offering Period at the offering price.

#### Who has the right to attend the Extraordinary General Assembly meeting and vote on the company's capital increase through the offering of Preemptive Rights?

The registered shareholder in the company's shareholder registry at the end of the trading day following the Extraordinary General Assembly meeting has the right to attend the Extraordinary General Assembly meeting and vote on the company's capital increase through the offering of Preemptive Rights.

#### When is the share price adjusted as a result of a company's capital increase through the offering of Preemptive Rights?

The share price is adjusted by the market before the start of trading on the day following the Extraordinary General Assembly meeting.

#### If an investor purchases securities on the day of the General Assembly meeting, are they entitled to the preemptive rights resulting from the capital increase?

Yes, as the investor shall be registered in the company's shareholder registry after two business days from the date of the share purchase (i.e., by the end of the second trading day following the Extraordinary General Assembly meeting). Knowing that preemptive rights shall be granted to all shareholders registered in the company's shareholder register at the end of trading on the second trading day following the Extraordinary General Assembly meeting. However, they will not have the right to attend or vote at the Extraordinary General Assembly meeting regarding the capital increase.

#### If an investor has multiple portfolios with different brokerage firms, how will the rights be calculated for them?

The investor's share will be distributed among the portfolios they own, based on the ownership percent. If there are fractional shares, those fractions will be aggregated. If they reach a whole number or more, the whole number will be added to the portfolio where the investor holds the largest quantity of Rights.

#### What are the Trading and Subscription Periods?

The Trading and Subscription of rights commence simultaneously after three business days following the approval of the Extraordinary General Assembly meeting, which includes the approval of the capital increase. Trading ends on the sixth day, while the Subscription Period continues until the ninth day, as stated in this prospectus and the company's announcements.

#### Can subscriptions be made during the weekend?

No, that is not possible.

#### Can general investors who are not registered shareholders subscribe to Preemptive Rights?

Yes, they can do so after purchasing the Preemptive Rights during the Trading Period.

#### Will there be any additional fees for trading Preemptive Rights?

The same commissions shall be applied to buying and selling transactions as they are for shares, without a minimum commission amount, provided that the maximum commission does not exceed fifteen and a half basis points (0.155%) of the total transaction value.

#### If someone subscribes to the new shares and then sells the rights, what happens in this case?

If a registered shareholder subscribes and then subsequently sells the preemptive rights, and the number of preemptive rights that are equivalent to the number of rights he subscribed for is not purchased before the end of the Trading Period, their subscription application shall be completely rejected if all or part of the rights are sold, and which are equivalent to the rights sold. The registered shareholder shall be notified, and the rejected subscription amount will be refunded through the shareholder's broker.

#### Additional Assistance:

If you have any inquiries, please contact the company via email at [skhair@anaamgroup.com](mailto:skhair@anaamgroup.com). For legal reasons, the company can only provide information contained in this prospectus and cannot offer advice on the objective basis for issuing the rights or provide financial, tax, legal, or investment advice.

For further information regarding the terms and conditions of the subscription, please refer to section (13) "Information Relating to Shares, and the Terms, and Conditions of the Offering," and the rest of the information provided in this prospectus.

## ■ Key Information Summary

This summary provides a brief overview of the essential information contained in this prospectus. As a summary, it does not include all the information that may be relevant to shareholders and other investors, both Institutional and Individual. Recipients of this prospectus are advised to read it in its entirety before making any investment decisions regarding the rights or new shares.

## ■ Company Overview

Anaam International Holding Group is a Saudi Arabian joint stock company registered with the Ministry of Commerce under Commercial Registration Number 4030035073, issued on 07/09/1402H (corresponding to 29/06/1982AD). The company is headquartered in Jeddah, located in the Al Rawdah district on Prince Sultan Street, Building Number 6723, Sub-number 2049, Postal Code 23431.

The company was initially established as a limited liability company and was registered in the commercial register in Riyadh under number 35168 on 07/09/1401H (corresponding to 07/12/1980AD). It had a capital of 100,000,000 Saudi Riyals under the name "The Saudi Livestock Transport and Trading Company."

The company was converted into a public joint stock company pursuant to the Minister of Commerce's Resolution No. 856 dated 11/03/1403 H (corresponding to 27/12/1982 AD) with a capital amounting to five hundred million (500,000,000) Saudi riyals.

On 26/10/1415H (corresponding to 27/03/1995AD), the (Extraordinary) General Assembly approved the merger of (Nasser Al Mohammed Al Mukairish) Company into the company, resulting in a change of the company's name from " The Saudi Livestock Transport and Trading Company " to "United Al Mawashi Al Mukairish Company" The company's capital became 1,200,000,000 Saudi Riyals.

On 26/11/1427H (corresponding to 17/12/2006AD), the (Extraordinary) General Assembly of Shareholders approved changing the company's name from "United Al Mawashi Al Mukairish Company" to "Anaam International Holding Group Company."

The company's authorized capital is 315,000,000 Saudi Riyals, divided into 630,000,000 ordinary shares with a nominal value of 50 halalas per share.

Note that there are no significant shareholders (owning 5% or more) other than the company's shareholders themselves.

## ■ Company Capital Structure

Anaam International Holding Group was established as a limited liability company by 24 founders from various companies and businessmen in the Kingdom of Saudi Arabia, in the city of Riyadh, with a commercial registration number 35168 on 20/01/1401 H (corresponding to 07/12/1980 AD) and a capital of 100,000,000 Saudi Riyals.

On 12/03/1403 H (corresponding to 27/12/1982 AD), The company's capital was increased to 500,000,000 Saudi Riyals, divided into five million (5,000,000) shares, with a nominal value of 100 Saudi Riyals per share.

On 26/10/1415 H (corresponding to 27/03/1995 AD), The Extraordinary General Assembly approved an increase in the company's capital. From five hundred million (500,000,000) Saudi Riyals to one billion and two hundred million (1,200,000,000) Saudi Riyals through the merger of (Nasser Al Mohammed Al Mukairish Company) In the company, with a total number of shares amounting to twelve million (12,000,000) ordinary shares and a nominal value of (100) Saudi Riyals per share, and the company's commercial registry was registered under No. (4030035073) issued by the city of Jeddah on 07/09/1402 H (corresponding to 29/06/1982 AD).

On 06/09/1428 H (corresponding to 18/09/2007 AD), The Extraordinary General Assembly for the company decided to decrease the company's capital from one billion and two hundred million (1,200,000,000) Saudi Riyals to one hundred and nine million (109,000,000) Saudi Riyals, With a reduction rate of (90.92%) of the company's capital.

On 22/12/1433 H (corresponding to 07/11/2012 AD), The Extraordinary General Assembly of the company decided to approve the increase of the company's capital from one hundred and nine million (109,000,000) Saudi Riyals to one hundred and ninety-six million (196,000,000) Saudi Riyals by issuing Preemptive Rights Shares of eight million seven hundred thousand (8,700,000) ordinary shares with a nominal value of (10) Saudi Riyals per share. So that the total number of company shares becomes, nineteen million six hundred thousand (19,600,000) ordinary shares.

On 05/05/1441 H (corresponding to 31/12/2019 AD), The Extraordinary General Assembly approved to decrease the company's capital from one hundred and ninety-six million (196,000,000) Saudi Riyals to fifteen million (15,000,000) Saudi Riyals, in order to extinguish the accumulated losses, With a reduction rate of (92.35%) of the company's capital.

On 10/03/1442 H (corresponding to 27/10/2020 AD), The Extraordinary General Assembly approved to increase the company's capital from fifteen million (15,000,000) Saudi Riyals to one hundred and five million (105,000,000) Saudi Riyals by issuing Preemptive Rights Shares of nine million (9,000,000) ordinary shares, with a capital increase of 600%.

On 16/10/1443 H (corresponding to 17/05/2022 AD), The Extraordinary General Assembly approved to increase the company's capital from one hundred and five million (105,000,000) Saudi Riyals to three hundred and fifteen million (315,000,000) Saudi Riyals by issuing Preemptive Rights Shares of twenty one million (21,000,000) ordinary shares, with a capital increase of (200%).

On 18/09/1444 H (corresponding to 09/04/2023 AD), The Board of Directors of the Extraordinary General Assembly recommended a stock split, reducing the nominal value of each share from 10 Saudi Riyals to 50 Halalas per share. As a result, the total number of company shares becomes 630,000,000 ordinary shares instead of 31,500,000 ordinary shares. On 18/12/1444 H (corresponding to 06/07/2023 AD), the Extraordinary General Assembly of the company approved the split of the nominal value of the share from ten (10) Riyals per share to fifty (50) halalas per share, thus bringing the number of the company's shares to 630,000,000 ordinary shares instead of 31,500,000 ordinary shares.

On \*\*/\*\*/1444 H (corresponding to \*\*/\*\*/2024 AD), The Extraordinary General Assembly approved a capital increase from 315,000,000 Saudi Riyals to 551,250,000 Saudi Riyals and that's by offering Preemptive Rights Shares amounting 236,250,000 Saudi Riyals.

## **Company Activities Summary**

The main purposes of the company, according to its Articles of Association, are as follows:

- ▶ Managing its subsidiaries or participating in the management of other companies in which it has investments and providing necessary support.
- ▶ Investing its funds in stocks and other securities.
- ▶ Owning the necessary real estate and movable assets to conduct its activities.
- ▶ Providing loans, guarantees, and financing to its subsidiaries.
- ▶ Owning industrial property rights, such as patents, trademarks, industrial designs, and licensing them to its subsidiaries or others.

According to its commercial registration number (4030035073) issued by Jeddah on 07/09/1402 H (corresponding to 29/06/1982 AD), the company's activities are summarized as follows:

- ▶ Managing subsidiaries of holding companies.
- ▶ Investing the funds of subsidiaries of holding companies.
- ▶ Owning the necessary real estate and movable assets for holding companies.
- ▶ Providing loans, guarantees, and financing to subsidiaries of holding companies. The company conducts its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the relevant authorities, if required.

The company carries out its purposes through the following business sectors:

### **Storage Sector:**

The group provides third-party storage services for frozen products through its warehouse located on Al-Muhajir Road in Jeddah. The logistics sector is considered a promising sector in the Saudi market, with a significant growth in demand. The company aims, in its upcoming five-year plan, to build two cold storage warehouses with a storage capacity of up to ten thousand cubic ton and construct dry warehouses on its land in the Al-Khumrah area of Jeddah. The company also aims to expand this activity through acquisitions or mergers with other companies in the same field.

### **Real Estate Leasing Sector:**

One of the company's core strategies is to invest in income-generating properties to achieve a steady income and increase the market value of its assets. In line with this approach, the group has purchased an office building in Jeddah, located on Prince Sultan Street, east of Saudi Airlines Complex, which is one of the city's important commercial buildings. The company has also purchased an administrative building with a residential building behind it on Tahlia Street in Jeddah, west of Madinah Road, with the aim of refurbishing and leasing it.

### **Medical Equipment and Healthcare Products Sector:**

The group has a subsidiary company named ARW Manufacturing Company, which started its operations in 2017 through its factory located in the Third Industrial City in Jeddah, under the supervision of the Saudi Industrial Property Authority (MODON). The company specializes in manufacturing low-risk disposable medical consumables and supplies. It has also distinguished itself in the production of medical and surgical masks, being one of the frontline defenders during the COVID-19 pandemic in 2020. Additionally, the operational plan for 2023 includes the introduction of new high-quality products for the first time in the Kingdom of Saudi Arabia, such as medical bandages and adhesive tapes of various sizes and medical classifications. The company also Keen in manufacturing cosmetic and hygiene products, such as medical wipes and wet tissues in various sizes and types. The company is committed to implementing the highest international quality standards in collaboration with regulatory authorities in the Kingdom to gain consumer trust in its local products. ARW Manufacturing Company aims to be a leading and significant player in the field of medical and cosmetic supplies manufacturing in the Kingdom.

### **Entertainment Equipment Manufacturing:**

Aligned with the Kingdom's economic goals represented in the National Transformation Program 2020 and Vision 2030, which include encouraging investment and spending on domestic tourism and entertainment, supporting local content, and the national industry, Anaam International Holding Company owns a 51% stake in Saudi Wasit for Entertainment and Beautification Systems in Sudair Industrial City. The factory spans an area of 26,000 square meters and is equipped with the latest technologies and production lines, making it the first integrated Gulf factory to locally produce all types of children's games (with various designs, types, and materials) and entertainment equipment and accessories for public parks, beaches, and resorts, as well as garden furniture, fitness equipment, and water cities. The products are manufactured to meet international specifications and standards for strength, durability, beauty, and the highest levels of global safety, as defined by international standards and approved by the Saudi Standards, Metrology, and Quality Organization. The company has obtained multiple quality certifications, including ISO 9001:2015, SASO conformity certificate, TUV certification, and others. In its expansion plan, Anaam Holding Company acquired a 51% ownership stake in the company at the end of 2021. The company has successfully executed several significant projects in a short period and gained the trust of major clients such as Aramco, Roshn Real Estate, over 150 municipalities throughout the Kingdom, as well as numerous housing and real estate development projects.



## ■ Company Vision

"To become the best and most successful joint-stock company characterized by its investment expertise, executive capabilities, and the ability to maximize the company's value."

## ■ Company Mission

"To invest in sectors with significant growth opportunities and attractive returns through effective management that focuses on creating added value for shareholders, partners, employees, and the community."

## ■ Company Strategy

The company has defined its general strategic objectives for the next five years, which include activating its role as a holding company and focusing on investment in the industrial, logistics, medical, income-generating real estate, and entertainment sectors, as well as property management activities. Additionally, the company aims to make profitable financial investments to achieve financial stability. Financial goals are focused on sustainable growth in revenue and income, improving liquidity, and distributing annual dividends to shareholders. The company also aims to increase its market value through successful investments and profits, as well as by offering and listing investee companies on the Saudi stock market.

## ■ Company Strengths and Competitive Advantages

The company has several competitive advantages, including:

1. Extensive experience and presence in key regions of the kingdom.
2. The company owns a fleet of refrigerated (reefer) vehicles of various sizes and seeks to develop this fleet to serve its objectives.
3. It possesses well-equipped and healthy refrigerated warehouses.
4. It has a specialized and highly experienced team in the field of work.
5. The ability to attract qualified personnel to enhance its operations.
6. It has strong relationships with foreign and local companies operating in this field, trust earning their trust.
7. The company owns land plots near Jeddah Islamic Port that can be utilized to serve its interests.

## ■ Company Objectives

1. Build a successful and positively influential economic entity in the sectors it operates and deals with.
2. Achieve an appropriate level of return on investment for shareholders, coupled with balanced growth in ownership rights.
3. Improve and develop the business model to align with external variables and the company's internal capabilities.
4. Enhance our expertise and employ it to achieve positive growth in the local and regional livestock investment sector.
5. Establish internal and external alliances with successful local, regional, and international entities in the sectors it operates in for experience transfer and knowledge exchange.
6. Technological integration in all fields.
7. Align with the Saudi Vision 2030 and its implementation programs, primarily in terms of developing investments in animal resources, food security, and improving quality of life.

## Market Overview

Over the past period, Anaam International Holding Company has worked on expanding its investments by entering new sectors. The company's main sectors include:

- ▶ Storage sector.
- ▶ Real estate leasing sector.
- ▶ Medical equipment and healthcare products sector.
- ▶ Entertainment equipment manufacturing.

### ▶ Storage Sector

The Saudi storage sector is one of the most thriving sectors at the moment, with increasing demand from the local consumers for various food and consumer goods. The storage sector is a profitable market in the Kingdom of Saudi Arabia, with an annual spending ranging from SAR 337 billion to SAR 375 billion, equivalent to 13% to 16% of the Saudi Gross Domestic Product (GDP). The startup environment is witnessing growth, with small and medium-sized enterprises dominating the sector in the Kingdom. Around 80% of the spending in the storage sector is done through internal operations with a relatively low level of external contracting. This increases the likelihood of significant growth in the storage sector in Saudi Arabia. Furthermore, the global market size for the sector reached approximately SAR 37.35 trillion in 2022, and it is expected to grow at a compound annual growth rate (CAGR) of 6.3% from 2023 to 2028, reaching a market size of approximately SAR 53.89 trillion in 2028.<sup>2</sup>

### ▶ Real Estate Leasing Sector<sup>3</sup>

The real estate sector is a fundamental pillar of the Kingdom's vision and its perception of a vital society. The government provides significant support for the development of the sector through various initiatives, including greater reliance on technology in value chains, enhancing transparency by publishing real estate indicators online, launching the Developers Services Center (ETMAM) to create an attractive investment environment, and providing innovative financial solutions to empower customers.

Saudi Arabia has growing potential in the real estate construction sector, which is the largest among the Gulf Cooperation Council (GCC) countries. Additionally, the rapid growth in population density, especially among the youth, is expected to reach a population growth of 6 million by 2030.

The current value of the demand for real estate services is USD 20.5 billion, distributed across various areas as follows: USD 9.9 billion for contracting and subcontracting services, USD 6.9 billion for architectural, engineering, and environmental consultancy services, and USD 3.7 billion for facility management services. Furthermore, it is expected that the value of mortgage loans will increase from USD 133.3 billion to USD 213.3 billion over the next ten years.

The global real estate leasing market size has increased from USD 2,375.91 billion in 2022 to USD 2,561.84 billion in 2023, with a compound annual growth rate (CAGR) of 7.8%. It is projected to reach USD 3,388.85 billion by 2027, with a CAGR of 7.2%.<sup>4</sup>

### ▶ Medical Equipment and Healthcare Products Sector<sup>5</sup>

The medical industries are considered one of the supporting industries for the national economy and achieve one of the key objectives of Saudi Vision 2030, which is diversifying sources of income. The medical supplies industry has made significant progress in Saudi Arabia in recent years, benefiting from major investments in the sector, as well as the official trend to regulate its regulatory frameworks and upgrade the standards governing manufacturers. This industry has succeeded in enhancing its presence, benefiting from the rapid development experienced by the local healthcare sector, which is a top priority in achieving the goals of "Vision 2030". The medical supplies industry is characterized by sustainability, as there is a continuous demand for it in Saudi Arabia due to the ongoing expansion of medical services.

According to the National Industrial Development and Logistics Program (NIDLP), the market size of medical devices and equipment in the Kingdom is SAR 19 billion, with an annual growth rate of around 4.4%. It is considered a competitive advantage for the labor market to localize these industries. The NIDLP also expects the market size of pharmaceutical products in the Kingdom to reach SAR 44 billion by 2030, after recording SAR 28 billion in 2020. In addition, the goal is to make the Kingdom a leading and innovative manufacturing and exporting entity to the markets of the Middle East, Africa, and the countries of the Organization of Islamic Cooperation, with markets exceeding SAR 400 billion.

The aim is to develop the medical devices and supplies industry and support healthcare security by raising the localization rate of the medical devices and supplies industry to 15%, which includes consumable medical supplies, simple, medium, and highly sterilized devices, and activating industry localization agreements and information transfer in the field of medical supplies.

### ▶ Entertainment Equipment Industry<sup>6</sup>

The Saudi government has worked on enhancing the entertainment experience through two approaches. Firstly, at the public sector level, the General Entertainment Authority was established, in addition to the entertainment arm of the Public Investment Fund. Secondly, it has opened the field for the private sector to contribute to this sector through a series of decisions and laws to facilitate this task for them.

As for the General Entertainment Authority, which was established in 2016, it aims to develop more exhibitions and entertainment centers, including family centers, water parks, theaters, opera houses, art exhibitions, museums, and more. The Authority, as part of its future plans, is launching new entertainment seasons in various cities across the Kingdom, in addition to its series of accomplishments in this field. Alongside the Authority, the Entertainment Development and Investment Company, established by the Public Investment Fund with an initial capital of SAR 10 billion, operates as well.

In addition to the initiatives provided by the Authority, entertainment projects in the Kingdom have attracted some private sector companies, and it is expected that the contribution of this sector will reach about 40% of the required financing for the entertainment sector.

The Kingdom also aims to establish an investment fund with a capital of SAR 440 million, dedicated to approximately 600 small and medium-sized projects, in order to support and stimulate Saudi investment in the entertainment sector.

1 <https://sa.investing.com/>

2 [www.expertmarketresearch.com](http://www.expertmarketresearch.com)

3 [www.investsaudi.sa](http://www.investsaudi.sa)

4 [www.thebusinessresearchcompany.com](http://www.thebusinessresearchcompany.com)

5 <https://maaal.com>

6 <https://www.awalan.com>

## Statement of Financial Position

The financial information summary of the company provided below is based on the audited financial statements of the company for the fiscal years ended on December 31, 2020AD, 2021AD, and 2022AD, as well as the reviewed interim financial statements for the three-month period ended on March 31, 2023AD. These statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia, as well as the standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The financial statements for the fiscal years ended on December 31, 2020AD, and December 31, 2021AD, were reviewed and audited by RSM Allied Accountants for Professional Services Company. The financial statements for the fiscal year ended on December 31, 2022AD, and the reviewed interim financial statements for the three-month period ended on March 31, 2023AD, were reviewed and audited by Dr. Mohammed Al-Amri & Partners - Certified auditors. The company presents its financial statements in Saudi Riyals. It is important to read the financial information summary in conjunction with the information provided in the “Risk Factors” section, the “Financial Information and Management Discussion and Analysis” section, and any other financial statements presented in other parts of this disclosure.

### Financial Statement

Item (in Saudi Riyals):	Fiscal Year Ended			Period Ended March 31	
	2020	2021	2022	2022	2023
	Audited	Audited	Audited	Unaudited	Unaudited
Current Assets	102,969,930	113,395,706	63,972,851	117,833,155	69,521,254
Non-Current Assets	137,593,486	155,534,877	530,657,380	144,243,795	534,772,814
<b>Total Assets</b>	<b>240,563,416</b>	<b>268,930,583</b>	<b>594,630,231</b>	<b>262,076,950</b>	<b>604,294,068</b>
Current Liabilities	132,230,474	151,330,384	307,847,751	142,654,922	313,431,001
Non-Current Liabilities	4,857,205	2,300,809	5,322,976	14,342,083	7,056,134
<b>Total Liabilities</b>	<b>137,087,679</b>	<b>153,631,193</b>	<b>313,170,727</b>	<b>156,997,005</b>	<b>320,487,135</b>
Shareholders' Equity	103,475,737	115,299,390	281,459,504	105,079,945	283,806,933
<b>Total Liabilities and Shareholders' Equity</b>	<b>240,563,416</b>	<b>268,930,583</b>	<b>594,630,231</b>	<b>262,076,950</b>	<b>604,294,068</b>

Source: Based on the audited financial statements of the company for the fiscal years ended on December 31, 2020, 2021, and 2022, and the reviewed interim financial statements for the three-month periods ended on March 31, 2022, and March 31, 2023AD.

### Income Statement

Item (in Saudi Riyals):	Fiscal Year Ended			Period Ended March 31	
	2020	2021	2022	2022	2023
	Audited	Audited	Audited	Unaudited	Unaudited
Net, Sales	8,192,783	7,737,793	30,318,193	3,218,376	12,085,527
Cost of Goods Sold	(6,958,556)	(5,129,717)	(17,424,815)	(2,939,950)	(5,890,774)
<b>Total Operating (Loss) / Profit</b>	<b>1,234,227</b>	<b>2,608,076</b>	<b>12,893,378</b>	<b>278,426</b>	<b>6,194,753</b>
Selling and Marketing Expenses	(305,559)	(364,505)	(2,133,951)	(395,897)	(983,879)
General and Administrative Expenses	(9,643,542)	(19,294,553)	(27,730,598)	(5,855,069)	(4,231,001)
<b>Net profit (loss) of operating activity</b>	<b>(8,714,874)</b>	<b>(17,050,982)</b>	<b>(16,971,171)</b>	<b>(5,972,540)</b>	<b>979,873</b>
<b>Net profit (loss) for the year/period before Zakat</b>	<b>(8,705,574)</b>	<b>(18,181,266)</b>	<b>(27,646,420)</b>	<b>3,776,450</b>	<b>2,347,429</b>
Zakat Provision	-	-	(3,819,075)	-	-
<b>Net profit (loss) for the year/period from continuing operations</b>	<b>(8,705,574)</b>	<b>(18,181,266)</b>	<b>(31,465,495)</b>	<b>3,776,450</b>	<b>2,347,429</b>
<b>Non-Operating Items</b>					
Profit from Non-Operating Items	2,715,571	20,932,558	-	-	-
<b>Net profit (loss) for the year/period</b>	<b>(5,990,003)</b>	<b>2,751,292</b>	<b>(31,465,495)</b>	<b>3,776,450</b>	<b>2,347,429</b>
<b>Total Comprehensive (Loss) / Profit attributable to:</b>					
Owners of the main company	(7,344,008)	4,480,072	(30,208,849)	4,445,879	3,332,021
Non-controlling Equity	-	(986,419)	(3,149,140)	(669,429)	(984,592)
<b>Total comprehensive profit (loss) for the year</b>	<b>(7,344,008)</b>	<b>3,493,653</b>	<b>(33,357,989)</b>	<b>3,776,450</b>	<b>2,347,429</b>

Source: Based on the audited financial statements of the company for the fiscal years ended on December 31, 2020, 2021, and 2022, and the reviewed interim financial statements for the three-month periods ended on March 31, 2022, and March 31, 2023AD.

## Cash Flow Statement

Item (in Saudi Riyals):	Fiscal Year Ended			Period Ended March 31	
	2020	2021	2022	2022	2023
	Audited	Audited	Audited	Unaudited	Unaudited
Net Cash from Operating Activities	(15,583,698)	(30,164,565)	(15,567,376)	2,651,401	(34,472,901)
Net Cash from Investing Activities	3,678,473	45,118,328	(423,978,419)	(57,015,342)	32,356,962
Net Cash from Financing Activities	91,268,773	(17,114)	349,007,662	(351)	(18,216)
Net Cash Flow	79,363,548	14,936,649	(90,538,133)	(54,364,292)	(2,134,155)
Opening Cash and Cash Equivalents	1,092,812	80,456,360	95,393,009	95,393,009	4,854,876
Closing Cash and Cash Equivalents	80,456,360	95,393,009	4,854,876	41,028,717	2,720,721

Source: Based on the audited financial statements of the company for the fiscal years ended on December 31, 2020, 2021, and 2022, and the reviewed interim financial statements for the three-month periods ended on March 31, 2022, and March 31, 2023AD.

## Key Performance Indicators Table

Key Performance Indicators (KPIs)	Measurement Unit	Fiscal Year Ended			Period Ended March 31	
		2020	2021	2022	2022	2023
		Audited	Audited	Audited	Unaudited	Unaudited
Total Profit	One thousand Saudi Riyals.	1,234.2	2,608.1	12,893.4	278.4	6,194.8
Sales Growth	%	(2.6%)	(5.6%)	291.8%	61.3%	275.5%
Operating Profit (Loss) Margin	%	(106.4%)	(220.4%)	(56.0%)	(185.6%)	8.1%
Return on Assets	%	(3.1%)	1.7%	(5.1%)	1.7%	0.6%
Return on Equity	%	(7.1%)	3.9%	(10.7%)	4.2%	1.2%
Liquidity Ratio	Once	0.78	0.75	0.21	0.83	0.22
Debt Ratio	Once	0.57	0.57	0.53	0.60	0.53
Debt to Equity Ratio	Once	1.32	1.33	1.11	1.49	1.13

Source: Based on the audited financial statements of the company for the fiscal years ended on December 31, 2020, 2021, and 2022, and the reviewed interim financial statements for the three-month periods ended on March 31, 2022, and March 31, 2023AD.



## Risk Factors Summary

Investors interested in subscribing to the shares of this offering should study and review all the information contained in this prospectus before making their investment decision regarding the subscription or trading of the preference shares. This includes, in particular, the risk factors detailed in **section (2) “Risk Factors”** of this prospectus.

There are several risks associated with the issuance of preference shares, summarized as follows:

### Risks related to the issuer

- › Risks related to the new Companies Law.
- › Risks of accumulated losses exceeding 20% of the capital
- › Risks of failure to obtain or renew licenses and certificates.
- › Risks related to trademark protection.
- › Risks of fines for violating labor laws
- › Risks of non-compliance with relevant rules, regulations, and company governance policies
- › Risks related to internal policies, procedures, and controls.
- › Risks related to the impact of the Covid-19 pandemic.
- › Risks of management decisions
- › Risks of employee errors or misconduct
- › Risks of relying on qualified human resources
- › Risks of localization of jobs (Saudization)
- › Risks of reliance on non-Saudi employees
- › Risks related to government fees applied to non-Saudi employees.
- › Risks of non-compliance with social insurance requirements
- › Risks of unsuccessful expansion strategies.
- › Risks of delays in implementing future projects
- › Risks of the adopted investment strategy
- › Risks of food storage operations
- › Risks of business concentration in specific geographical areas
- › Risks of multiple acquisitions by the company
- › Risks of diminishing reputation in subsidiary companies
- › Risks associated with the financial performance of subsidiary companies.
- › Risks of depreciation of the group's refrigerated warehouses
- › Risks related to insurance coverage adequacy.
- › Risks of credit facilities
- › Risks of funding sources
- › Liquidity risks
- › Risks of contracts with third parties
- › Risks of credit and collection
- › Risks of changes in accounting standards and adoption of new standards
- › Risks of litigation and legal claims
- › Risks associated with existing and potential Zakat obligations.
- › Risks related to inactive and non-operating companies.
- › Risks of asset and property preservation
- › Risks related to previous preference shares.
- › Risks of the company's business plan and future assumptions
- › Risks related to deficiencies in financial reports.
- › Risks of transactions with related parties
- › Risks of fluctuations in prices of basic materials for sister companies
- › Risks of market price fluctuations and competition in the real estate market.

◆◆ **Risks related to the market and sector in which the issuer operates:**

- › Economic and political risks
- › Risks related to competitive environment.
- › Risks associated with natural disasters.
- › Risks related to energy and water price increases.
- › Risks of changes in relevant regulations and laws
- › Risks related to required reports.
- › Risks associated with additional fees or new taxes.
- › Risks related to the implementation of value-added tax and its impact on the company.
- › Risks associated with interest rate fluctuations.
- › Risks related to growth opportunities.

◆◆ **Risks related to the offered securities:**

- › Risks associated with potential fluctuations in the price of preferred shares.
- › Risks related to potential fluctuations in the stock price.
- › Risks related to shareholders' lack of awareness of the trading mechanism and exercise of their Preemptive Rights.
- › Risks of non-profitability or sale of preference rights
- › Risks related to future data.
- › Risks associated with the possibility of issuing new shares.
- › Risks related to decreased demand for company shares and rights.
- › Risks of decreasing ownership percentages.
- › Risks of not exercising preference rights in a timely manner
- › Risks related to the distribution of dividends to shareholders.
- › Risks associated with speculation in preference rights.
- › Risks related to the non-disclosure of financial statements and information and suspension of trading.

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# 1- Terms and Definitions

Table No. (1): Definitions and Terminology

The Terminology	The Definition
Anaam Group, Anaam Holding, Anaam, the Group, the Company, the Issuer	Anaam International Holding Group Company
The Headquarters	Anaam International Holding Group Company
Subsidiaries	The term "Subsidiary Companies" refers to the companies over which another company holds control through its ability to influence the actions or decisions of another entity, either directly or indirectly, whether exercised solely or in conjunction with a close or subsidiary party. This control can be established by: (1) owning 30% or more of the voting rights in a company, or (2) having the right to appoint 30% or more of the members of the administrative body of a company.
Management	Management team of Anaam International Holding Group Company
The Kingdom	The Kingdom of Saudi Arabia
The Bylaws	The company's articles of association
The Board or Board of Directors	The company's board of directors whose names appear on <b>page (E)</b> .
Major Shareholders	Shareholders who own 5% or more of the company's shares.
Related Party	In the context of the rules of offering securities and ongoing obligations, it means the following: <ol style="list-style-type: none"> <li>1. The issuer's subsidiaries, except for companies wholly owned by the issuer.</li> <li>2. Substantial Shareholders of the Issuer.</li> <li>3. Directors and Senior Executives of the Issuer.</li> <li>4. Directors and senior executives of the Affiliates of the Issuer.</li> <li>5. Directors and senior executives of the Substantial Shareholders of the Issuer.</li> <li>6. Any relative of the persons referred to in (1, 2, 3, 4, or 5) above.</li> <li>7. Any company controlled by any persons referred to in (1, 2, 3, 4, 5, or 6) above.</li> </ol>
The Public	In the context of the regulations of offering securities and ongoing obligations, the term refers to any person other than those listed below: <ol style="list-style-type: none"> <li>1. Affiliates of the Issuer.</li> <li>2. Substantial Shareholders of the Issuer.</li> <li>3. Directors and Senior Executives of the Issuer.</li> <li>4. Directors and senior executives of the Affiliates of the Issuer.</li> <li>5. Directors and senior executives of the Substantial Shareholders of the Issuer.</li> <li>6. Any relatives of the persons referred to in (1, 2, 3, 4 or 5) above.</li> <li>7. Any company controlled by any person referred to in (1, 2, 3, 4, 5, or 6) above.</li> <li>8. Persons acting in concert with a collective shareholding of (5%) or more of the class of shares to be listed.</li> </ol>
Rump Shares	The Rump Shares that were not subscribed to or purchased during the Subscription Period.
Entitlement Ratio	The result of dividing the number of new shares by the number of current shares of the company.
Eligible Persons	All holders of preferential rights, whether they are registered shareholders or those who purchased preferential rights during the Trading Period.
New Investors	General investors, both individuals and institutions - except for the registered shareholders - who purchased preferential rights during the Trading Period.
Registered Shareholders	Shareholders owning shares on the day of the extraordinary general assembly meeting regarding the capital increase and who are registered in the company's shareholder registry by the end of the second trading day following the Extraordinary General Assembly meeting.
Registered Shareholder	The registered investor in the securities ownership registry of the issuer.
Capital Market Authority or the Authority	The Capital Market Authority in the Kingdom of Saudi Arabia.
Companies Law	The Companies Law in the Kingdom of Saudi Arabia issued by Royal Decree No. (M/132) dated 01/12/1443 H (corresponding to 30/06/2022 AD) which came into effect on 26/06/1444 H (corresponding to 19/01/2023 AD).
Commercial Register Law	The Commercial Register Law issued by Royal Decree No. (M/1) dated 21/02/1416 H (corresponding to 20/07/1995 AD) and its executive regulations issued by Ministerial Resolution No. (1003) dated 21/09/1416 H (corresponding to 11/02/1996 AD).

The Terminology	The Definition
Capital Market Law	The Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424 H (corresponding to 31/07/2003 AD) and the amendments that have been made to it.
Labor Law	The Saudi Labor Law issued by Royal Decree No. M/51 dated 23/08/1426H (corresponding to 27/09/2005AD) and the amendments that have been made to it.
Stock Market	The Saudi Stock Exchange “Tadawul”.
Trading System	The automated trading system for Saudi stocks.
Securities Depository Center Company	It is a closed joint-stock company wholly owned by the Saudi Stock Exchange “Tadawul”. It was established in 2016 in accordance with the Saudi Companies Law issued by Royal Decree No. M/3 dated 28/01/1437 H (corresponding to 11/11/2015 AD).
General Assembly	The General Assembly, which is held in the presence of the company's shareholders pursuant to the provisions of the Companies Law and the company's articles of association. It can be ordinary or extraordinary.
Ordinary General Assembly	The Ordinary General Assembly meeting of the company's shareholders is held in accordance with the company's articles of association.
Extraordinary General Assembly	The Extraordinary General Assembly meeting of the company's shareholders is held in accordance with the company's articles of association.
New Shares	Four hundred seventy-two million and five hundred thousand (472,500,000) ordinary shares, which will be issued to increase the capital of the company.
Gross Domestic Product (GDP)	The Gross Domestic Product of the Kingdom of Saudi Arabia.
The Government	The government of the Kingdom of Saudi Arabia.
Corporate Governance Regulations	The Corporate Governance Regulations in the Kingdom of Saudi Arabia, issued by the Capital Market Authority Board pursuant to Resolution No. (8-16-2017) dated 16/05/1438 H (corresponding to 13/02/2017 AD) based on the Companies Law issued by Royal Decree No. M/3 dated 28/01/1437 H (corresponding to 10/11/2015 AD), amended by the decision No. (8-5-2023) dated 25/06/1444 H (corresponding to 18/01/2023 AD). Based on the Companies Law issued by Royal Decree No. M/132 dated 01/12/1443 H (corresponding to 30/06/2022 AD).
Rules on the Offer of Securities and Continuing Obligations	The Regulations on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority Board pursuant to Resolution No. 3-123-2017 dated 09/04/1439 H (corresponding to 27/12/2017 AD) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424 H, amended by the decision of the Capital Market Authority Board No. 8-5-2023 dated 25/06/1444 H (corresponding to 18/01/2023 AD).
Regulations Governing Qualified Foreign Financial Institutions' Investment in Listed Securities	These are specific regulation governing investment in securities by non-Saudi residents outside the Kingdom. These regulations issued by the Capital Market Authority Board pursuant to the decision (1-42-2015) dated 15/07/1436 H (corresponding to 04/05/2015AD) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424 H (corresponding to 31/07/2003 AD), and amended by the decision of the Authority's Board No. (3-65-2019) dated 14/10/1440 H (corresponding to 17/06/2019 AD).
Listing Rules	The Listing Rules issued by the Saudi Stock Market “Tadawul” and approved by the decision of the Capital Market Authority Board No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017 AD), and amended by decision No. (1-104-2019) dated 01/02/1441 H (corresponding to 30/09/2019AD), and amended by decision No. (1-22-2021) dated 12/07/1442 H (corresponding to 24/02/2021AD), and amended by decision No. (1-19-2022) dated 12/07/1443 H (corresponding to 13/02/2022AD), and amended by decision No. (1-52-2022) dated 12/09/1443 H (corresponding to 13/04/2022), and amended by decision No. (3-96-2022) dated 10/02/1444 H (corresponding to 06/09/2022AD), and amended by decision No. (1-108-2022) dated 23/03/1444 H (corresponding to 19/10/2022 AD).
Listing	Listing of securities in the main market.
Rights or Preemptive Rights	These are tradable securities that grant the holder the right to subscribe to new shares upon approval of the increase in capital, which is an acquired right for all registered shareholders. Each right entitles its holder to subscribe to one new share at the offering price. The rights will be deposited after the Extraordinary General Assembly meeting for the capital increase and will appear in the registered shareholders' accounts under a new unique code for preferential rights. The registered shareholders will be notified of the rights deposit in their portfolios.
Advisors	The company's consultants regarding the offering process are named on <b>page (G)</b> .
Lead Manager	Al-Nefae Investment Group Company.
Underwriter	Al Wasatah Al Maliah Company
Net Proceeds of the Offer	Net proceeds from the offer after deducting the expenses incurred during the process.
Offering/Subscription Price	Fifty (50) halalas per share.
Subscriber	Anyone who subscribes to shares offered for subscription.
Indicative Right Value	The difference between the market value of the company's share during the Trading Period and the offering price.



The Terminology	The Definition
Trading Price of the Right	It is the price at which the right is traded, noting that it is determined through the supply and demand mechanism, and therefore it may differ from the indicative value of the right.
Offer Period	The period that starts from ** **/**/****H (corresponding to **/**/****AD) to ** **/**/****H (corresponding to **/**/****AD).
Rump Offering Period	If there are shares that have not been subscribed after the Subscription Period deadline has passed, during which any Rump Shares that were not subscribed to will be offered for purchase to Institutional Investors (referred to as "investment institutions") (this offering process is referred to as "the Rump Offering"). These investment institutions will present their offers to buy the Rump Shares, and these offers will be accepted starting from 10:00 AM on ** **/**/****H (corresponding to **/**/****AD) until 5:00 PM on ** **/**/****H (corresponding to **/**/****AD) "the Rump Offering Period." The Rump Shares will be allocated to the investment institutions with the highest offer then the next and so on (provided that it is not less than the offering price), with the shares being proportionally allocated to the investment institutions that present the same offer. As for the fractions of shares, they will be added to the Rump Shares and treated accordingly.
Fiscal Year/Years	It is defined time period stated in the company's articles of association, marking the start and end dates for presenting the institution's activity results. It's worth noting that the company's fiscal year concludes on December 31st of each Gregorian year.
Saudization	The replacement of expatriate labor with Saudi citizens in private sector jobs.
Prospectus	This document prepared by the company regarding the subscription of preferential right shares.
Riyal	The Saudi Riyal is the official currency of the Saudi Arabia Kingdom.
Ministry of Environment, Water and Agriculture	The Ministry of Environment, Water and Agriculture in the Saudi Arabia Kingdom.
Ministry of Energy	The Ministry of Energy in the Kingdom of Saudi Arabia.
Ministry of Municipal, Rural Affairs and Housing	The Ministry of Municipal and Rural Affairs in the Saudi Arabia Kingdom.
General Authority of Zakat and Tax and Customs	It is one of the governmental entities that are administratively linked to the Minister of Finance, and it is the entity entrusted with the collection of Zakat and taxes.
Saudi Food and Drug Authority (SFDA)	The Saudi Food and Drug Authority.
General Organization for Social Insurance (GOSI)	The General Organization for Social Insurance in the Saudi Arabia Kingdom.
Ministry of Human Resources and Social Development	The Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia.
Ministry of Commerce	The Ministry of Commerce in the Saudi Arabia Kingdom.
Al Wasatah Al Maliah Company or Wasatah Capital	Al Wasatah Al Maliah Company is a closed joint stock Saudi company licensed by the Capital Market Authority with license number (08125-37), which authorizes it to deal, arrange, custody, manage investments and operate investment funds.
Al-Nefae Investment Group	Al-Nefae Investment Group is a closed joint stock Saudi company licensed by the Capital Market Authority under license number (07082-37), which authorizes it to engage in authentic and agent-based dealing, underwrite, manage, arrange, provide consultancy and custody in securities, manage investments, and operate funds.
Investment Institutions	<p>The set of institutions includes the following:</p> <ol style="list-style-type: none"> <li>1. Government entities and companies owned by the government, either directly or through a private portfolio manager, any international entity recognized by the Authority, or the market, and any other financial market recognized by the Authority, or the depository center.</li> <li>2. Public investment funds established in the Kingdom and offered publicly in addition to private funds that invest in securities listed on the Saudi Stock Exchange if the terms and conditions of the fund permit, complying with the provisions and restrictions stipulated in the investment funds regulation.</li> <li>3. Persons licensed to deal in securities as principals, in compliance to financial adequacy requirements.</li> <li>4. Clients of a person licensed to practice management business provided that such licensed person has been appointed under terms that enable them to make decisions about participating in the offers and investment in the Saudi Stock Exchange on behalf of the client without the need to obtain prior approval from them.</li> <li>5. Any other legal entities permitted to open an investment account in the Kingdom and an account at the depository center, considering the criteria of investment of listed companies in securities, provided that the company's participation does not lead to any conflict of interest.</li> <li>6. Gulf investors of legal personality, which include companies and funds established in the countries of the Gulf Cooperation Council.</li> <li>7. Qualified foreign investors.</li> <li>8. The ultimate beneficiary of those with legal status in a swap agreement concluded with a licensed person according to the terms and conditions of swap agreements.</li> </ol>

The Terminology	The Definition
Saudi Organization for Chartered and Professional Accountants (SOCPA)	Saudi Organization for Chartered and Professional Accountants (SOCPA).
International Financial Reporting Standards (IFRS)	A set of accounting standards and their interpretations issued by the International Accounting Standards Board.
Value Added Tax (VAT)	On 02/05/1438 H, the Council of Ministers decided to approve the Unified Agreement for the Value Added Tax for the Countries of the Cooperation Council for the Arab Gulf States, which came into effect on January 1, 2018 AD, as a new tax added to the system of taxes and other fees that must be implemented by specific sectors in the Kingdom, and in Countries of the Cooperation Council for the Arab Gulf States. The amount of this tax is (5%), and the Kingdom's government decided to increase the Value-Added Tax rate from (5%) to (15%), starting in July 2020 AD, and some products were excluded, including (basic foods and services related to health care and education).
Day or Business Day	A working day in the Kingdom according to the official working days.
Calendar Day	Any day, whether it is a working day or not.
H	The Hijri calendar.
AD	The Gregorian calendar.
Vision 2030	The national strategic economic program aimed at reducing reliance on oil and the petrochemical industry, diversifying the Saudi economy, and enhancing services.
Compound Annual Growth Rate (CAGR)	One of the methods used to calculate the growth rate of a particular item over a specific period.
Isopropyl Alcohol	An organic compound that belongs to the alcohol group, and it is the simplest secondary alcohol, and used as an external antiseptic to prevent inflammation resulted from burns or minor wounds / scratches.
Low-Density Polyethylene (LDPE)	A thermoplastic widely used to manufacture various distribution containers, plastic pipes, plastic bags, various computer components, and laboratory equipment. Its most common use is in plastic bags, although it is utilized in the production of many other products as well.
Resin	A pure, thick liquid chemical substance that used in the composition of glue.
Meranti Wood	A type of wood that usually has a dark brown color.

## 2- Risk Factors

In addition to the other information contained in this prospectus, each prospective investor considering an investment in the offered shares for subscription should carefully review all information contained within this issuance prospectus, including the risk factors outlined below in this section, before making a purchase The Offer Shares. It should be noted that the risks described below do not encompass all the potential risks that the company may face. There may be additional risks currently unknown to the company or that the company currently deems immaterial, which may later change in their effect or significance. The company's business operations, financial position, operating results, cash flows, and future prospects could be materially and adversely affected if any of the mentioned risk factors below materialize.

The company's Board members acknowledge, to their knowledge and belief, that they are not aware of any significant risks not disclosed in this prospectus that could influence the investment decision of shareholders and potential investors, other than those already disclosed in this section.

Investment in the offered shares should only be considered by investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from it. Any potential investor who has doubts about the investment decision in the company should seek advice from a financial advisor licensed by the Capital Market Authority to obtain appropriate counsel regarding the investment in the offered shares.

If any of the risk factors that the company presently considers important materialize or any other risks not currently identifiable by the company or deemed to be non-material at present occur, it could result in a decrease in the market price of the shares. Consequently, a potential investor could lose all or part of their investment in these shares.

The risks outlined below are mentioned in a sequence that does not reflect their level of importance, nor does the order of the risks imply an expected magnitude of their impact on the company. Furthermore, additional risks that are currently unknown or considered immaterial may have the same effects or consequences as those mentioned in this prospectus.

### 2-1 Risks related to the issuer

#### 2-1-1 Risks Associated with the New Companies Law

The Company has complied by the Corporate System issued by Royal Decree No. (M/3) on 28/01/1437 H (corresponding to 10/11/2015AD) and published in the Official Gazette (Umm Al-Qura) on 22/01/1437H (corresponding to 04/12/2015 AD), which came into effect on 27/07/1437H (corresponding to 04/05/2016 AD) and was amended by Royal Decree No. (M/79) on 25/07/1439H (corresponding to 11/04/2018 AD). The Company has also complied with Article (224) of the Corporate System regarding the amendment of its Articles of Association in accordance with the provisions of the Companies Law. The Extraordinary General Assembly approved the updated Articles of Association of the Company in accordance with the new Corporate Law at its meeting held on 09/02/1438 H (corresponding to 09/11/2016 AD). The latest version of the Articles of Association was issued as per the decision of the Extraordinary General Assembly dated 05/05/1441 H (corresponding to 31/12/2019 AD) and was approved by the Ministry of Commerce on 18/06/1441 H (corresponding to 12/02/2020 AD).

On 25/07/1439 H (corresponding to 11/04/2018 AD), Royal Decree No. (M/79) was issued, amending certain articles of the new Corporate System, particularly Article (91) concerning the period for publishing the notice to convene the General Assembly, Article (104) pertaining to the Audit Committee report, paragraph (3) of Article (126) relating to the financial documents, and Article (80) regarding the liability lawsuit, whereby the system allowed for the company to bear the expenses incurred by the shareholder to file a lawsuit against the company, regardless of its outcome. The Company presented these amendments to the Extraordinary General Assembly for adoption on 10/03/1442 H (corresponding to 27/10/2020 AD), and the Extraordinary General Assembly approved the updated Articles of Association of the Company as per the Corporate System. This was subsequently ratified by the Ministry of Commerce on 18/04/1442 H (corresponding to 03/12/2020 AD).

On 01/12/1443 H (corresponding to 30/06/2022 AD), Royal Decree No. (M/132) was enacted, amending the Corporate System, with the new system coming into force on 26/06/1444 H (corresponding to 19/01/2023 AD). The new system grants companies a two-year period from its effective date to align their affairs in accordance with its provisions. The new Corporate System stipulates several new requirements, including the obligation for official registration of all companies, including unregistered joint ventures, the organization and documentation of shares option arrangements, and the imposition of certain preconditions for the distribution of profits. The Company has not yet assessed the impact of the new Corporate System on its operations.

The Company has updated the draft of its Articles of Association to be in compliance with the new Corporate System and its executive regulations. The Extraordinary General Assembly of the Company, on 06/07/2023 AD, approved the adoption of the Articles of Association, which conforms to the new amendments. There is no guarantee whether there will be future amendments to the Corporate System that will require compliance. Should such an amendment be substantial, the Company may incur additional costs to take the necessary steps to ensure compliance, or it may be subject to penalties and fines imposed by the Ministry of Commerce in the event of non-compliance with these regulations on an ongoing basis. Consequently, this could negatively and materially affect the Company's business operations, financial position, results of operations, and future prospects.

#### 2-1-2 Risks of the Company's accumulated losses exceeding 20% or more of capital

The accumulated losses of the Company amounted to SAR 65.3 million of December 31, 2017, AD, and the accumulated losses reached SAR 82.2 million as of December 31, 2018, AD. The Company announced on November 25, 2019, AD, that it had recorded accumulated losses of SAR 181 million, representing 92.3% of its capital at that time. On December 31, 2019, AD, the Company obtained approval from the General Assembly (Extraordinary) to reduce its capital from SAR 196 million to SAR 15 million, which decreased the accumulated losses to 0% of its capital. As of December 31, 2020 AD, the accumulated losses of the Company were SAR 1.5 million, representing 1.45% of the capital, following comprehensive losses of SAR 7.3 million during the year 2020 AD, in addition to SAR 9.5 million in costs associated with the capital increase, totaling accumulated losses of SAR 16.1 million, before decreasing by SAR 14.5 million due to a change in accounting policies where the group began measuring investment properties at fair value in accordance with the requirements of International Accounting Standard No. 40. The loss was attributed to decreased sales and increased general and administrative costs as a result of the Company incurring professional consultancy expenses to evaluate the feasibility of new investments and acquisitions, in addition to pay SAR 2.7 million for zakat differences to the Zakat, Tax and Customs Authority.

On December 31, 2022, AD, the accumulated losses of the Company amounted to SAR 40.3 million, representing 12.8% of the capital, after the Company incurred comprehensive losses of SAR 30.2 million for the fiscal year ended on December 31, 2022AD. The primary reason for the losses incurred during the fiscal year 2022 was due to the losses sustained from short-term investments in securities and the impairment of goodwill associated with the subsidiary companies. Subsequently, the accumulated losses decreased to 11.7% of the capital as of March 31, 2023AD. The Company's incurring of additional future losses will impact the availability of liquidity necessary for the Company's operations and expansion plans and will negatively reflect on its operating results and financial situation.

The following table details the accumulated losses of the Company and its subsidiaries for the fiscal years 2020, 2021, and 2022, and for the three-month period ending on March 31, 2023AD:

**Table No. (2): Details of accumulated losses for the company and its subsidiaries for the fiscal years 2020, 2021, and 2022, and for the three-month period ending on March 31, 2023AD**

Company	2020			2021			2022			Three-Months Period Ending on March 31, 2023AD		
	Losses (Retained earnings)	Net Loss (Profit) for the Period	Losses (And retained earnings end of-period)	Losses (Retained earnings)	Net Loss (Profit) for the Period	Losses (And retained earnings end of-period)	Losses (Retained earnings)	Net Loss (Profit) for the Period	Losses (And retained earnings end of-period)	Losses (Retained earnings)	Net Loss (Profit) for the Period	Losses (And retained earnings end of-period)
Anaam International Food Company	(0.29)	0.14	(0.15)	(0.15)	(0.58)	(0.43)	(0.43)	(1.79)	(2.23)	(2.23)	(0.64)	(2.87)
Anaam International Holding Group	(0.49)	16.70	16.21	16.21	(6.68)	9.52	9.52	24.42	33.94	33.94	(5.33)	28.61
Saudi Wasit Corp for Entertainment, Beauty, and Industry	-	-	-	-	1.03	1.03	1.03	5.36	6.38	6.38	1.24	7.62
ARW manufacturing Company	-	-	-	-	-	-	-	2.24	2.24	2.24	1.40	3.64
<b>Total</b>	<b>(0.79)</b>	<b>16.84</b>	<b>16.05</b>	<b>16.05</b>	<b>(6.24)</b>	<b>10.12</b>	<b>10.12</b>	<b>30.22</b>	<b>40.34</b>	<b>40.34</b>	<b>(3.33)</b>	<b>37.00</b>

It should be noted that on 25/06/1444 H (corresponding to 18/01/ 2023 AD), the Capital Market Authority Board issued Decision No. (8.05.2023) amending the procedures and instructions pertaining to companies with shares listed on the market that have incurred accumulated losses amounting to 20% or more, but less than 35% of their capital, in light of the Companies Law. It stipulates that if a company's accumulated losses reach 20% or more of its capital, the company must immediately disclose this event.

Furthermore, the aforementioned procedures stipulate the following:

Should a company's accumulated losses reach 20% or more but less than 35% of its capital, the company is required to immediately disclose to the public, without delay, through a separate announcement when its accumulated losses reach or exceed 20% but are less than 35% of its capital. The announcement shall include the amount of the accumulated losses and their percentage of capital, along with the principal reasons that led to such losses. The announcement should also indicate that these procedures and instructions will be applied to it.

In the event that the disclosure required under this paragraph coincides with the release of initial or annual financial results, the company is exempt from making a separate disclosure if it includes the required information in the announcement of its initial or annual financial results. Subsequently, upon obtaining a report from the statutory auditor outlining its financial position, the company shall disclose to the public immediately and without any delay through a separate announcement when its accumulated losses have been reduced to below 20% of its capital. The announcement must include the measures that the company has taken to rectify its status, and it shall be accompanied by the statutory auditor's report referred to in this paragraph. There is no assurance that the company will not incur further losses in the future, which may necessitate it to undertake procedures and instructions applicable to companies with shares listed on the market whose accumulated losses amount to 20% or more but less than 35% of their capital, as per the Companies Law.

## 2-1-3 Risks of Failure to Obtain or Renew Licenses and Certifications

The company and its subsidiaries are required to obtain and maintain various regulatory permits, licenses, and approvals in relation to their activities. These licenses include but are not limited to the company's registration certificate issued by the Ministry of Commerce, Chamber of Commerce membership certificates, trademark registration certificates, Saudization Certificates, and certificates related to zakat, tax, customs, VAT registration, and social insurance. (For further details on the licenses and certifications obtained by the company, please refer to Subparagraph (10-16) "Government Approvals and Licenses Obtained by the Company" of Section (10) "Legal Information").

The company Anaam International Holding Group Co. and its subsidiaries (The Saudi Cold Company Limited, Anaam International Investment Company, and Anaam International Food Company) have not obtained the municipal business activity license (Balady). (For further details on the licenses and certifications that have been obtained by the aforementioned companies, please refer to subsection (10-16) "Government Approvals and Licenses Obtained by the Company" of Section (10) "Legal Information"). This failure to secure the required licenses exposes the aforementioned companies to penalties as stipulated in the Municipal Violations Fines and Penalties Regulations (issued by the Council of Ministers' Decision No. 218 on 06/08/1422 H), which set fines ranging from a minimum of SAR 1,000 to a maximum of SAR 5,000. Additionally, it prevents the companies from opening an account with the Labour Office and benefiting from the electronic services it offers, which adversely affects the Group's business operations and results.

Furthermore, Anaam International Holding Group Co. and its subsidiaries (The Saudi Cold Company Limited, Anaam International Investment Company, and Anaam International Food Company) have not secured the safety certificate issued by the General Directorate of Civil Defense

(Salamah website) concerning their main headquarters as of the publication date of this Prospectus. This oversight may subject the company and its subsidiaries to penalties and fines as prescribed in Article (30) of the Civil Defense Law, enacted by Royal Decree No. (M/10) dated 10/05/1406H (corresponding to 21/01/1986AD) and amended by Royal Decree No. (M/66) dated 02/10/1424H (corresponding to 26/11/2003AD). The article stipulates a punishment for violations of any provision of this law or its regulations or decisions made thereunder, with imprisonment for a period not exceeding six months, or a fine not exceeding SAR 30,000, or both for each violation. Furthermore, the company's failure to obtain Civil Defense licenses will prevent it from issuing new municipal licenses or renewing existing ones. Should the company be unable to procure the necessary fire and safety licenses from the Civil Defense, this could lead to the closure of the main headquarters, branches, or affiliated facilities until the legal procedures to obtain the Civil Defense licenses are completed. This would have a significant negative impact on the company's business, financial condition, operational results, and future prospects.

It is noteworthy that the main office of the company and all the administrative offices and properties for both the company and its subsidiaries (The Saudi Cold Company, Anaam International Investment, and Anaam International Food Company) have been relocated to a new site on Prince Sultan Road – Al Rawdah District, near the Saudi Airlines City building, in accordance with the company's announcement dated 15/01/1445H (corresponding to 02/08/2023AD). It is also worth mentioning that it is incumbent upon the company and its subsidiaries (The Saudi Cold Company, Anaam International Investment, and Anaam International Food Company) to obtain the necessary licenses for this relocation (Municipality and Civil Defense).

It is also noteworthy that a statement from the Jeddah Municipal Council addressed to the management of Anaam International Food Company, when attempting to obtain certain required licenses (such as Civil Defense and municipal commercial activity licenses (Balady), which are necessary for the operational activities of Anaam International Food Company located in the southern area of Jeddah within the Slum areas threatened with demolition in the city, the Council requested Anaam International Food Company to wait until the completion of the preparation of guiding plans for the area where Anaam International Food Company is situated and to inform Anaam International Food Company upon their completion.

No file has been opened with the Ministry of Human Resources and Social Development (Labour Office) for each of the following subsidiaries: Anaam International Investment Company and The Saudi Cold Company. Additionally, these companies are not registered with the General Organization for Social Insurance and the Labour Office due to their cessation of any operational activities and the fact that no workforce has been employed within these companies. Consequently, they will be unable to obtain compliance certificates or benefit from the services provided by the aforementioned entities.

In consideration of the company's and its subsidiaries' financial situation with respect to Zakat compliance, the company and its subsidiaries have been unable to procure the Zakat, Tax, and Customs Authority certificate. It should be noted that the company and its operations may be subject to disruptions as a result of the failure to obtain the said certificate, despite the company being obligated to file its Zakat and tax returns. Should the company fail to submit the tax returns, it may be subject to a penalty for late submission, which can amount to up to 25% of the tax that should have been declared. **For further information regarding Zakat, please refer to subparagraph "10.18.4" Continuous Obligations as per the Zakat, Tax, and Customs Authority requirements, from Section (10) "Legal Information" of this prospectus.**

As of the date of this prospectus, the subsidiary company "ARW Manufacturing Company" has not renewed the Social Insurance and the Nationalization (Saudization) certificates. **For further information regarding Zakat, please refer to subparagraph "10-17-4" ARW Manufacturing Company, from Section (10) "Legal Information" of this prospectus.**

Should the company and its subsidiaries fail to renew their existing licenses, permits, and certificates, or obtain any necessary licenses for their operations, or in the event that any of their licenses are suspended or terminated, or if any such licenses are renewed with terms that are not favorable to the company and its subsidiaries, or if the company and its subsidiaries are unable to obtain additional licenses, permits, and certificates that may be required in the future, such circumstances could expose the company and its subsidiaries to operational cessation and prohibition from conducting their business activities. This could include the closure of the headquarters of the company and its subsidiaries or the freezing of some or all of the services provided by the regulatory authorities to licensed establishments, resulting in operational disruptions and incurring additional costs which would negatively impact their operational results and financial situation.

## 2-1-4 Brand Protection Risks

The company, along with a number of its subsidiaries, has registered a total of five (5) trademarks, which are relied upon as distinctive trademarks for its business operations **(for further information, please refer to subsection "10.22" "Trademarks" of Section 11 "Legal Information")**.

The company possesses a trademark that has been registered with the Saudi Authority for Intellectual Property under class (29), one of the categories of trademarks, which pertains specifically to (meats and poultry).

Additionally, the subsidiary company, Anaam International Food Co. Ltd., holds a trademark registered with the Saudi Authority for Intellectual Property under class (29), a classification that encompasses trademarks related to (meats and poultry). Furthermore, another subsidiary, ARW Manufacturing Company, has a trademark registered with the Saudi Authority for Intellectual Property under registration number (1437018058) in class (5), a category of trademarks under which (pharmaceuticals and pesticides) products fall. ARW Manufacturing Company also possesses another trademark registered with the Saudi Authority for Intellectual Property under registration number (1444033466) in class (5), which includes products related to (pharmaceuticals and pesticides). Additionally, the subsidiary Saudi Wasit Crop for Industry owns a trademark registered with the Saudi Authority for Intellectual Property under registration number (1443006664).

The Saudi Cold Co. Limited and Anaam International Investment Co. have not registered any trademarks with the Saudi Authority for Intellectual Property. It is noteworthy that the purpose of trademark registration is to provide necessary protection. Additionally, the competitive position of the company depends on its ability to continue utilizing these trademarks and to safeguard its rights related to these trademarks against any unauthorized use by third parties. Should the company be compelled to defend these trademarks, it may incur substantial costs in litigation and legal proceedings, necessitating the diversion of technical and managerial human resources towards such Defense. This could have a negative and material impact on the company's business, financial condition, operational results, and future prospects. It is also pertinent to mention that, as of the date of this prospectus, the trademarks of both the Saudi Cold Co. and Anaam International Investment Co. have not been subject to any violations, nor have they engaged in any legal settlements regarding the use of the trademark.

## 2-1-5 Risks of Imposition of Fines Related to Violations of Labour Laws

The Labour Law and its implementing regulations mandate that all employers must have a written employment contract with every employee and worker, in duplicate. Moreover, the Ministry of Human Resources and Social Development requires that employment contracts be documented electronically through the submission and updating of employment contract information for workers and providing workers the opportunity to verify



the accuracy of their contract data. This documentation process for both Saudi and non-Saudi workers is to be conducted via the “Qiwa” platform, as per the Ministerial Decree issued on the 16/05/1444 H, (corresponding to 11/12/2022AD). It should be noted that all employment contracts for workers hired after the date of this decree must be documented immediately, while those contracted prior are subject to compulsory phased documentation, to be completed by the end of the fourth quarter of the year 2020. The company is committed to 100% compliance with electronic contract documentation. Non-compliance by the company may be considered a violation of the Labour Law and its implementing regulations, subjecting the company to a fine of one thousand (1,000) Saudi Riyals per non-compliant worker, as stipulated in the schedule of violations and penalties issued under Ministerial Resolution No. (178743) on 27/09/1440 H (corresponding to 01/06/2019 AD). Such non-compliance could negatively impact the company's business operations and results.

As of the date of publication of this prospectus, the Company is committed to the implementation of the Wage Protection System (WPS), which is one of the programs of the Ministry of Human Resources and Social Development aimed at providing a suitable and safe working environment in the private sector. The program enhances transparency and preserves the rights of the contracting parties by monitoring the wage disbursement processes for all employees in the private sector (Saudi and expatriate workers), measuring the extent of the establishments' compliance with paying wages in a timely manner and in the agreed-upon amount. The goal is to reduce wage disputes between establishments and workers in the private sector. The system obligates the establishment to submit the wage disbursement file through the Ministry's electronic services portal and to update the labour data regularly upon any changes. The program monitors the monthly wage disbursement data of the establishments and compares it with the data registered at the Ministry of Human Resources and Social Development, overseeing the employer's discipline in payment on time and in the agreed amount, as recorded in the Wage Protection System. Should the Company fail to submit the wage file to the Ministry's website on the due date or fail to disburse wages on time and/or in the agreed amount, it may be subject to penalties and fines which could reach the suspension of the Ministry's services and a financial penalty of ten thousand (10,000) Saudi Riyals, as well as a fine of three thousand (3,000) Saudi Riyals for each worker whose wage payment is not made on the due date as stipulated in the schedule of violations and penalties issued under Ministerial Resolution No. (178743) on 27/09/1440 H (corresponding to 01/06/2019 AD). If the Company does not comply with submitting the Wage Protection file on a monthly basis, this will expose it to the fines associated with non-payment of salaries on their due date. There are some discrepancies in the number of employees and their movements between the various legal and internal records, including social insurance and payroll **(for more information, please refer to Subparagraph 2.1.15 Risks of Non-Compliance with Social Insurance Requirements)**. Therefore, if these penalties are imposed on the Company, it will negatively impact its business and operational results. It's worth noting that as of the date of this prospectus, the Company has not been subject to any violations or penalties as a result of non-compliance with the Labour Law, which may reach up to a thirty-day closure of the establishment and may even lead to permanent closure.

## 2-1-6 Risks of Non-Compliance with Rules, Regulations, and Policies Pertaining to the Company's Governance

The Company has a governance charter that has been prepared in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority under Decision No. (8-16-2017) on 16/05/1438 H, (corresponding to 13/02/2017AD), based on the Companies Law issued by Royal Decree No. M/3 on 28/01/1437 H as amended by the decision of the Capital Market Authority Council No. 8-5-2023 dated 25/06/1444 H, (corresponding to 18/01/2023 AD). Below are the provisions that the Company did not comply with as of the date of publication of this prospectus:

- ▶ Article 25/5: Establishing the organizational and functional structures of the company and submitting them to the Board of Directors for consideration and adoption by the Board. The organizational structure of the group for the year 2020 was adopted by a decision of the Board of Directors dated 26/10/1441 H (corresponding to 18/06/2020 AD), and work is underway to adopt the functional structures.
- ▶ Article 52/B/4 and Article 71/B/A: The appointment of the director of the unit or the internal audit department or the internal auditor and the proposal of their remuneration. There is an employment contract for the internal auditor approved by the Chief Executive Officer based on the administrative decision issued by the Chief Executive Officer under the number (32 R T /2016) on 23/02/1438 H (corresponding to 23/11/2016 AD). This is based on a delegation of authority from the Board of Directors to the Chief Executive Officer.
- ▶ Article 67: The formation of a committee called the Risk Management Committee, whose chairman and the majority of its members shall be non-executive members of the Board of Directors. The members of the committee must possess an adequate level of knowledge in risk management and financial affairs. Consequently, the company intends to implement this article upon an increase in the number of members of the Board of Directors, due to the current limited number of board members.
- ▶ Article 39: Establishing the necessary mechanisms for the annual evaluation of the performance of the Board, its members, committees, and the executive management; this shall be carried out through appropriate performance indicators linked to the achievement of the company's strategic objectives, the quality of risk management, the adequacy of internal control systems, and others. The evaluation should identify strengths and weaknesses and propose remedies in line with the company's interests. The performance evaluation of the Board and its committees is subject to the company's internal control systems, noting that work is currently underway to implement this article as stipulated.
- ▶ Article 84: Developing a policy that ensures a balance between its objectives and the goals sought by the community, with the purpose of improving the social and economic conditions of society. The company is currently working on implementing this article in accordance with the Corporate Governance Regulations.

Accordingly, as of the date of this prospectus, the company has not incurred any fines or sanctions due to non-compliance with the Corporate Governance Regulations. It should be noted that the company's failure to implement the Corporate Governance Regulations issued by the Authority may subject it to financial penalties under paragraph (c) of Article (59) of the Capital Market Law, which states that the Capital Market Authority may - if it appears that the company has committed or engaged in actions that constitute a violation of any of the provisions of the law or the rules issued by the Authority - do all or any of the following:

1. Issuing a warning to the company.
2. Obliging the company to take the necessary steps to prevent the occurrence of the violation, or to take the corrective measures required to address the consequences of the violation.
3. Imposing a financial penalty by the Council on any person responsible for violating this system and its executive regulations, as well as the market regulations, the depository centre, the clearing centre, and their rules. The imposed fine must not exceed five million (5,000,000) Saudi Riyals for each violation committed by the violator.

Should any financial penalties or sanctions be imposed due to non-compliance with the application of the Corporate Governance Regulations, it would have a negative impact on the company's business and the results of its operations.

## 2-1-7 Risks Related to Policies, Procedures, and Internal Control

The policies, procedures, and the internal control environment exhibit weaknesses in The Company's working mechanism. This includes deficiencies in the financial reporting system, including cost accounting and gross profit analysis, the estimated budget system and its comparison with actual performance, as well as cash flows and operational flows for each department, in addition to the workforce succession planning and its appointment mechanism.

Furthermore, the company has not possessed a clear policy for the delegation of authority regarding the size of investment transactions between the Board of Directors and the shareholders of the company concerning the approval of investments undertaken by the group.

In accordance with Article Sixty-Seven (indicative) of the Corporate Governance Regulations issued by the Capital Market Authority under the decision of its Board number (8.16.2017) on 16/05/1438 H (corresponding to 13/02/2017AD) based on the Companies Law issued by Royal Decree number M/3 on 28/01/1437 H (corresponding to 10/11/2015 AD), and as amended by the decision of the Capital Market Authority Board number 8.5.2023 on 25/06/1444 H (corresponding to 18/01/2023 AD) based on the Companies Law issued by Royal Decree number M/132 on 01/12/1443 H (corresponding to 30/06/2022 AD), listed companies are required to establish units or departments to assess and manage risks. However, as of the date of this prospectus, the company has not yet formed a committee to assess and manage risks.

Regarding internal auditing, although the Board of Directors of the company adopted the internal control systems and regulations in its circular resolution on 13/04/1439 H (corresponding to 31/12/2017 AD) in accordance with Articles Sixty and Sixty-Four of the Corporate Governance Regulations issued by the decision of the Authority's Board number (8.16.2017) on 16/05/1438 H (corresponding to 13/02/2017 AD) based on the Companies Law issued by Royal Decree number M/3 on 28/01/1437 H (corresponding to 10/11/2015 AD), the internal audit functions are not operating at full capacity within the company. This may affect the quality of the management reports provided to the administration and thereby impact the efficiency of decision-making. The company erroneously indicated in the annual Board of Directors report for the year 2022 that the Internal Audit Department submits its periodic reports to the Audit Committee, but the company did not submit any periodic reports related to internal control to the Audit Committee. The internal audit team should have an approved and independent audit policy that reports directly to the Board of Directors and includes policies on activities related to finance, internal controls, human resources, information technology, and other key regulatory areas in alignment with best practices.

Additionally, the company does not have a manual that provides clear guidance regarding the handling of accounts receivable, treasury management, revenue recognition, recording and reversing of provisions and contingent liabilities, and capital commitments, transactions with related parties, as well as maintaining the zakat certificate. The company's failure to commit to preparing a manual that offers clear guidance on the aforementioned points may lead to long-term operational and administrative problems, as well as a deterioration in the quality of financial and managerial reports.

The company is obliged to update its policies, procedures, and internal control systems. It must invigorate the function of the internal audit committee and ensure that its periodic reports are effectively and systematically delivered in line with best practices. The company should allocate sufficient time and resources to develop an audit plan that covers all tasks related to the company's financial and operational matters. This includes provisions for regular audits and an annual review to ensure that the financial statements comply with required disclosures and are free from material misstatements.

The company must ensure the periodic preparation of a detailed account, including the results of the operations of all subsidiary companies, which should be consistent with the financial statements disclosed by the company. The financial statements must include consolidation work and be reconciled with the trial balances to ensure accuracy. Should the company's management be unable to make such adjustments, it may face risks leading to operational issues that could negatively impact the company's business and results of its operations.

## 2-1-8 Risks Related to the Impact of the Coronavirus (COVID-19) Pandemic

The novel coronavirus (COVID-19) began to spread in December 2019, and the World Health Organization declared the virus a global pandemic in March 2020. The virus subsequently spread widely and rapidly, affecting more than 194 countries around the world, leading the globe to face an unprecedented health and economic crisis. In the second half of February 2020 AD, as the virus spread and reached many countries worldwide, numerous nations began imposing public health containment measures to delay its spread and enhance the capacity of the healthcare sector. The evolution of the situation in this manner led to a sudden halt in economic activities and a sharp decline in economic prospects. Consequently, the spread of the virus had a significant impact on the global economy and placed pressure on individuals, companies, and governments.

The Government of the Kingdom of Saudi Arabia has imposed health and economic measures to contain the consequences of the escalating virus outbreak, similar to many countries around the world and in the region. The health measures included the full and partial lockdown of economic and government activities, quarantine, and restrictions or bans on travel. The economic measures included financial support for citizens and those affected by the COVID-19 pandemic, state-paid family and sick leave, an expansion of unemployment benefits, deferral of tax payments, and other initiatives to support businesses.

The company has benefited from the Saudi government's initiatives to support and protect the private sector from the risks of decreased cash liquidity and the inability to meet short-term obligations. Such initiatives included the Saudi government covering a percentage of the salaries of Saudi employees, extending work permits for non-Saudi employees, and deferring payments of Value Added Tax (VAT) and Zakat obligations.

On 03/09/1441H (corresponding to 26/04/2020 AD), a Royal Decree was issued to return life to normal and partially lift the curfew in all regions of the Kingdom, with an emphasis on adherence to precautionary measures including physical distancing and limiting the number of individuals present in workplaces and service provision areas. During the preparation period of this issuance's prospectus, the health situation in the Kingdom is subject to daily monitoring by the Ministry of Health, which issues daily statistical reports to follow the numbers of infections, recoveries, and deaths. All regions and cities of the Kingdom of Saudi Arabia are under continuous assessment by the Ministry of Health, which may necessitate the re-imposition of full or partial lockdowns in some cities of the Kingdom. Although the company operates in the logistics field of transport and refrigerated storage, which is among the sectors that receive support from the Government of the Kingdom of Saudi Arabia due to its contribution to provide food necessities to citizens and residents, it is difficult to predict the impact of the COVID-19 pandemic on the company's activities if full or partial curfews are re-imposed generally in the cities of the Kingdom and specifically in the city of Jeddah, where the company's warehouses and headquarters are located.

In accordance with the decision of the General Assembly of the Supreme Court No. (45/M) on 08/05/1442 H, judicial principles were established concerning matters related to the (Coronavirus) pandemic and the impact of force majeure and emergency circumstances on the obligations and contracts affected thereby, and the manner in which such effects are to be assessed. The application of the principle to such affected contracts and obligations is conditional upon the fulfilment of five requirements. Whereas the application applies if the contract was concluded before the commencement of the precautionary measures for the pandemic and its execution continued thereafter; the impact of the pandemic on the contract must be direct and unavoidable; the effect of the pandemic on the contract must be independent without the contribution of another cause; the

aggrieved party must not have waived their rights or settled the matter; and finally, the effects and damages of the pandemic must not have been addressed by a specific regulation or a decision by the competent authority

The Supreme Court confirmed that the court shall, upon the request of damage Plaintiff and after balancing between the parties and considering the surrounding circumstances, modify the contractual obligation affected by the pandemic in a manner that achieves justice. The court also affirmed that it would apply the provisions in the cases of lease contracts for real estate and movable property affected by the pandemic.

The first case: If the lessee is unable to utilize the leased property either fully or partially due to the pandemic, the court shall reduce the rent in proportion to the decrease in the intended usual benefit.

In the second case: The lessor does not have the right to terminate the contract if the lessee's delay in paying the rent for the period during which the property could not be fully or partially utilized was due to the pandemic.

It is difficult to estimate the potential impact that the resurgence of that virus or other infectious diseases may have on the economy of the Kingdom and the commercial operations of the company, as well as the possibility of exposing the company to the risks of business interruption. Moreover, it could not be guaranteed that the precautionary measures will succeed in stopping or mitigating the spread of the Coronavirus or any other infectious diseases. It is likely that these measures will have negative and significant effects on the Saudi economy, investor confidence, and business to an unpredictable extent, which will adversely and materially affect the company's works, results of its operation, financial position, and future prospects.

## 2-1-9 Management Decision Risks

The company's business results and those of its subsidiaries principally depend on the management's ability to make correct and appropriate decisions regarding its operations and activities. On 22/11/2021AD, the Ordinary General Assembly approved the election of the members of the Board of Directors for the current term, which commenced on 28/11/ 2021AD, for a duration of 3 years, ending on 27/11/ 2024 AD, it being understood that four members of the current elected Board have been re-elected for the present term. The following table illustrates the number of terms, including the current one, served by each Board member:

Table No. (3): Number of Terms Served by the Board Members

Name	Number of Terms Including the Current Term
Hassan Saad Farhan Al-Yamani	Four terms from 2012 AD to 2024 AD
Walid Jamil Qattan	Four terms from 2012 AD to 2024 AD
Raied Mohammed Abdullah Katy	Three terms from 2015AD to 2024 AD
Mohammed Abdul Rahman Saleh Attar	Two terms from 2018 AD to 2024 AD
Khaled bin Wahib Mohammed Muqalled	Current term from 2021AD to 2024 AD

In the event that the company's management makes false decisions concerning its works, this will negatively reflect on the company's performance, operational results, and profitability.

## 2-1-10 Risks of Employees' Errors or Misconduct

The company is obligated to prepare a work regulation charter in accordance with the model prepared by the Ministry of Human Resources and Social Development. The company may include additional terms and conditions in the charter, if they do not conflict with the provisions of the Labor Law, its regulations, and its associated administrative decisions. The company must publicly display the work regulation charter and any amendments thereto in a conspicuous place within the establishment or via any other means that ensure those subjects to it comply with its provisions.

(Anaam International Holding Group Company) has an internal work regulation charter approved by the Ministry of Human Resources and Social Development with the number (452) and on 11/02/1437 H (corresponding to 23/11/ 2015 AD).

Despite these measures, the company and its subsidiaries cannot guarantee the prevention of employees' misconduct or errors, such as fraud, both deliberate and inadvertent errors, embezzlement, deceit, theft, forgery, misuse of its properties, or acting on its behalf without obtaining the necessary administrative authorizations. Consequently, such actions may result in liabilities and responsibilities borne by the company, statutory penalties, or financial accountability. Therefore, the company cannot assure that the misconduct of its employees will not materially harm its financial position or the results of its operations.

## 2-1-11 Risks of Relying on Qualified Human Resources

The company and its subsidiaries aim to attract and employ qualified individuals to ensure the efficiency and quality of their operations through effective management and proper operation. The success of the company is contingent upon its ability to attract and retain such qualified employees.

As of the date of the publication of this Prospectus, the total of employees in the company and its subsidiaries is approximately 190 employees. The breakdown is as follows:

Anaam International Holding Group Company has 29 employees, representing 15.3% of the total workforce, including 13 Saudi nationals, one of whom is the Chief Executive Officer.

Anaam International Food Company Ltd. has 27 employees, accounting for 14.2% of the total workforce, with 8 Saudi nationals among them, including the Human Resources Manager and the Shareholder Affairs Manager.

Saudi Wasit Crop for Entertainment and Beauty Systems Industry has 86 employees, which constitutes 45.3% of the total workforce, including 21 Saudi nationals.

ARW Manufacturing Company has 48 employees, representing 25.2% of the total workforce, with 13 Saudi nationals. And there are no employees registered under other subsidiaries.

The company primarily relies on its logistics activities, which include the operation of its refrigerated and dry warehouses, in addition to its real estate activities that involve property leasing. Furthermore, the company has subsidiary activities in the industrial and entertainment sectors. The company's management believes that it faces risks associated with the availability of labour in these areas, as these operations require the procurement of highly skilled and trained labour, such as truck drivers, warehouse workers, or employees in its industrial activities, including those at ARW Factory and Saudi Wasit Crop. This labour is either sourced from outside the Kingdom or employed from within, from non-Saudi nationals, due to the nature of these jobs not aligning with the qualifications of job-seeking citizens. Consequently, the lack of available labour and the high cost of importing it from abroad, as well as the fees the company pays for non-Saudi labour, including work permits and residencies, could negatively impact the company's operational results and financial position.

The fees for residencies, the labour office, and recruitment amounted to SAR 1,033,753; SAR 1,058,995; SAR 1,097,223; and SAR 137,104 during the fiscal years ending on December 31, 2020AD; December 31, 2021AD; December 31, 2022AD; and the three-month period ending on March 31, 2023AD, respectively. These amounts represent 6.11%, 4.27%, 2.32%, and 1.42% of the total costs during the fiscal years ending on December 31, 2020AD; December 31, 2021AD; December 31, 2022AD; and the three-month period ending on March 31, 2023AD, respectively.

The company and its subsidiaries have experienced a relatively high employee turnover rate due to the restructuring undertaken by the company during the years 2021, 2022, and the three-month period ending on March 31, 2023AD. During the year 2020AD, no new employees were hired, while the number of employees who departed from the company (whether through dismissal or resignation) was 3. In the year 2021AD, 11 new employees were hired, whereas the number of departing employees (through either dismissal or resignation) was 12. In the year 2022AD, 26 employees were hired, and the number of departing employees (either by dismissal or by resignation) was 18. During the three-month period ending on March 31, 2023AD, 14 new employees were hired, while the number of employees leaving the company (whether through dismissal or resignation) was 9. This turnover is primarily due to the company's recent acquisition activities, which included the acquisition of Saudi Wasit in the year 2021AD, ARW Manufacturing Company in the year 2022 AD, and the office building on Prince Sultan Street in Jeddah also in the year 2022 AD.

If the company and its subsidiaries lose key human resources or be unable to retain them, it would negatively affect the company's operations. Furthermore, profitability may be adversely affected if the company is compelled to offer higher salaries and benefits to retain such personnel, which would, in turn, negatively reflect on the company's performance, operational outcomes, and profitability.

## 2-1-12 Risks of Job Localisation ("Saudization")

The labour laws of the Kingdom of Saudi Arabia mandate that all establishments must maintain a minimum percentage of Saudization, as determined by the Nitaqat program, an initiative of the Saudi Ministry of Human Resources and Social Development to assess businesses operating in the Saudi market based on the number of Saudi citizens employed within them.

A file has been opened with the Ministry (Labour Office) under the unified number (13329-9) in accordance with the Saudization certificate issued by the Labour Office number (11292033-940055) dated 21/05/1445H (corresponding to 04/12/2023AD), which expires on 28/08/1445H (corresponding to 09/03/2024AD). This certifies that the company complies with the required localization ratio as per the Nitaqat program, classified within the medium green range for services (insurance and business services), with a Saudization percentage of 45% for the small category (B). In accordance with Article (3) of the company's Articles of Association and the commercial registry, the company's activities are exclusively defined as those of a holding company. Per the Nitaqat guidelines issued by the Ministry of Labour and Social Development, we have observed no specific classification for this type of company. Consequently, the company must verify with the Labour Office the reason for its classification under insurance and business services and take the necessary steps to correct its classification to avoid any future violations that may be imposed by the Ministry of Labour and Human Resources and Social Development, which could negatively affect its operational results and financial position.

It is noteworthy that the Saudization rate for Anaam International Food Company Limited stands at 39%, while it is 34% for ARW Manufacturing Company and 35% for Saudi Wasit for Entertainment, Beauty, and Industrial Systems. The company must maintain the required Saudization ratio as per the Nitaqat program, where it is classified within the medium green range for services (insurance and business services), with a Saudization percentage of 45% for the small category (B). The company is obliged to continuously verify its status to remain within the medium green range. The company had previously fallen into the red range in June 2021, with a Saudization rate of 20.16%. Under the red range, the company would not be permitted to renew work visas for foreign workers, nor would it be allowed to open new branches or facilities. Should the company fail to increase its Saudization rate, it may face additional penalties including a ban on participating in government tenders and a prohibition on obtaining government loans and other incentives, which could negatively affect the company's operations and financial performance.

For further information regarding the job nationalization for the company and its subsidiaries, please refer to Subparagraph (10.18.5) ("Ongoing Obligations as per the Requirements of the Ministry of Human Resources and Social Development") of Section (10) "Legal Information" in this prospectus.

## 2-1-13 Risks of Reliance on Non-Saudi Employees

The proportion of Saudi employees (Saudization rate) within the company is approximately 45% of the total workforce, whereas the Saudization rate in Anaam International Food Company Limited is 39%, it is 34% for ARW Manufacturing Company, and 35% for Saudi Wasit for Entertainment, Beauty, and Industrial Systems. Non-Saudi employees hold 40% of the leadership positions within the company. Consequently, should the company be unable to retain its non-Saudi staff or to find replacements with equivalent skills and experience, or if there are changes in the policies and regulations of the Ministry of Human Resources and Social Development resulting in an increased Saudization requirement for the sector, the company's business results and financial position could be materially and adversely affected. **For more information regarding non-Saudi employees, please refer to Subparagraph (3.6) ("Employees and Saudization") of Section (3) "Background on the Company and the Nature of its Business" in this prospectus.**

## 2-1-14 Risks Related to Government Fees Imposed on Non-Saudi Employees

In 2016 AD, the government enacted a number of resolutions aimed at comprehensive reforms of the labor market in the Kingdom of Saudi Arabia. Among these was the implementation of additional fees for each non-Saudi employee working for a Saudi entity, effective from (01/01/2018 AD). The fee was set at four hundred (400) Saudi Riyals monthly for each non-Saudi employee for the year 2018 AD, increasing to six hundred (600) Saudi Riyals monthly for the year 2019 AD, and subsequently to eight hundred (800) Saudi Riyals monthly for the year 2020. This will lead to an increase in the company's overall costs, which in turn will negatively affect its business operations, financial performance, and operational results.



Furthermore, the government has imposed financial fees on the dependents and companions of non-Saudi employees, effective from 01/07/2017AD, at a rate of one hundred (100) Saudi Riyals monthly for each dependent in the year 2017 AD, with an annual increase to reach four hundred (400) Saudi Riyals monthly for each dependent by the year 2020 AD. Consequently, the financial fees borne by non-Saudi employees for their families will lead to an increased cost of living for them, which may result in their inclination to seek employment in other countries where the cost of living is lower. Should such a scenario occur, the company would face difficulties in retaining its non-Saudi employees, which may compel it to bear those costs for non-Saudi employees directly, or indirectly by increasing the wages of its non-Saudi employees. This will lead to increased costs for the company, which will negatively affect its operational results.

## 2-1-15 Risks of Non-Compliance with Social Insurance Requirements

The company has a discrepancy between the number of employees registered with the Social Insurance and those whose names appear on the payroll. The primary reason for this discrepancy is due to some employees not being registered with Social Insurance as of the date of this publication. This non-registration constitutes a violation by the company and may expose it to penalties and fines related to violations of labour laws, for fine or up to double the total value of the subscriptions for the period in which the person was not registered, whichever is greater. The fines are compounded for each person registered in violation.

Furthermore, Article Sixty-Two of the Social Insurance Law stipulates that without prejudice to any more severe penalty provided for by another system, any person who violates any provision of this system and its regulations—including providing incorrect information or failing to provide information requested by the institution—shall be punished by a fine not exceeding ten thousand (10,000) Saudi Riyals, and this limit is doubled in the case of recurrence. The number of workers involved in one compound the fines or more violations committed by the employer, and are compounded for each piece of information provided or withheld.

It is noted that the General Organization has not subjected the company to any violations or penalties for Social Insurance regarding this matter. The following table illustrates the number of employees registered with Social Insurance, the number of employees on the company's payroll, and the differences between them:

**Table No. (4): A Table Showing the Number of Employees According to the Payroll and Social Insurance**

Description	2021		2022		For the three-month period ending March 31, 2023	
	Payroll	Social Insurance	Payroll	Social Insurance	Payroll	Social Insurance
Anaam International Holding Group Company	29	30	37	25	41	26
Anaam International Foodstuff Limited Company	29	39	24	28	22	26
Saudi Wasit Factory for Entertainment, Beauty, and Industrial Systems	26	-	102	81	109	93
Anaam International Foodstuff Company	-		51	43	54	48

The company must adhere to registering its employees with the social insurance in order not to be subject to violations and fines related to labor law infractions. If this occurs, it shall negatively and materially, affect the company's financial performance and the results of its operations.

## 2-1-16 Risks of Unsuccessful Expansion Strategy

The expected future growth of the company depends on the success of its expansion strategy and the modernization of existing activities and their expansion. The company aims to diversify its activities, which has resulted in the investment in real estate assets and the acquisition of stakes in privately owned companies, to achieve sustainable growth in revenues and income and maximize the return for the company's shareholders. However, the company's inability to execute its planned expansion strategies or the failure of these strategies will negatively affect future growth opportunities, affecting the company's financial position and, consequently, the results of its operations. Moreover, even if these expansion plans are implemented, there can be no assurance that the desired outcomes of this expansion will be achieved, as they are linked to future expectations. Therefore, if the desired results are not fully or partially achieved, this will materially and negatively affect the company's financial performance and the results of its operations.

On Thursday, 26/12/1442 H (corresponding to 05/08/2021 AD), the company completed the procedures for acquiring 51% of the shares of Wasit Factory for Entertainment and Beauty Systems – a branch of Saudi Wasit Institution. Furthermore, on 25/09/1443 H (corresponding to 26/04/2022 AD), the company acquired 55% of the shares of ARW Manufacturing Company. Saudi Wasit Factory incurred losses of (4.4) million SAR during the year 2022, and ARW Manufacturing Company incurred losses of (2.2) million SAR during the same period.

The primary reason for incurring these losses is that the mentioned companies are startups and thus require a period for restructuring and the completion of expansion operations, production lines, and the appointment of the necessary staff for these expansions. This will then reflect on the operational performance of the aforementioned companies.

There is no assurance whether the subsidiary companies will be able to turn to profitability in the future or not. If the subsidiary companies continue to incur additional losses in the coming periods, this will materially and negatively, affect the company's financial performance and the results of its operations.



## 2-1-17 Risks of Delay in Implementing Future Projects

The company may face risks stemming from the implementation of its plans and future projects. Through increasing its capital via the issuance of rights issue shares, the subject of this prospectus, the company intends to finance working capital, reduce financing costs, and support the company's future activities. **(Please see section (7) "Use of Proceeds from the Offering and Future Projects" of this prospectus.)** Although the company has prepared a business plan to implement these projects according to a certain timetable, several factors outside the company's control could lead to delays in project implementation or a temporary or permanent cessation of execution. These factors include, for example, obtaining government approvals and licenses, reaching agreements with other parties, the availability of labor, and other factors that could lead to a temporary or permanent work stoppage, thereby affecting the possibility of achieving the desired benefit from these projects as planned. This would negatively reflect on the company's operations and financial position.

## 2-1-18 Risks of the Investment Strategy Pursued

Anaam International Holding Group Company does not have a specific investment plan or strategy for conducting its strategic investments. Most of the company's recent investments are mostly paid by cash flow and the availability of funds. Although the company has a general investment policy that identifies the targeted sectors, the company does not have predefined financial criteria regarding the return on investment and the amount of benefit it expects to receive from its investments in the upcoming periods. All recent investments have been made in various industries such as entertainment, real estate, medical industries, and short and long-term equity investments without conducting any market research on the threats and opportunities present in the targeted industry. Therefore, there is no assurance of achieving the desired benefit from these investments, which would negatively reflect on the company's operations and financial position.

The company utilized some of the proceeds from the previous rights issue differently than disclosed in the previous issuance prospectus related to the request for capital increase through the issuance of Preemptive Rights concerning the disclosed investments. The company redirected an amount of SAR38.9 million from investment in the healthcare sector to investment in income-generating real estate assets. According to the previous issuance prospectus, the company had announced an investment in income-generating real estate assets valued at SAR65 million, while the actual use amounted to SAR103.9 million, with high deviating from the announced amount by SAR38.9 million, which is a high deviation rate of 59.85%. Additionally, the company had planned to enter into companies and projects with private ownership in the healthcare sectors valued at SAR45 million, while the actual use reached SAR6.1 million, thus with low deviating from the announced amount by SAR38.9 million with a low deviation rate of 86.44%.

## 2-1-19 Risks of Food Storage Operations

The company generates a part of its current revenue from its logistical activities, which include third-party transportation services and leasing of refrigerated and dry warehouses. These activities accounted for 84.8%, 90.1%, 20.7%, and 14.9% of the company's total revenue during the years 2020, 2021, and 2022 AD, and the three-month period ending on March 31, 2023AD, respectively. The revenue from third-party transportation, as shown in the table below, decreased from SAR2.1 million in the year 2020 to 2.2 million Saudi Riyals in 2021, and then to SAR0.1 million in 2022, due to the company discontinuing third-party transportation services because they were not economically viable. The following table details the company's revenues from the transportation and storage sectors and their percentage of total revenue during the years 2020, 2021, and 2022, and the three-month period ending on March 31, 2023AD:

Table No. (5): The company's revenue from the transportation and storage sector and its percentage of total revenue

Item (in Saudi Riyal)	Fiscal Year Ended December 31			The three-month period ending on March 31, 2023
	2020 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	
Dry and Refrigerated Warehouse Leasing	4,813,478	4,787,300	6,152,015	1,797,793
Transportation Services	2,129,885	2,186,322	121,480	-
Total	6,943,363	6,973,622	6,273,495	1,797,793
Total Sales	8,192,783	7,737,793	30,318,193	12,085,527
Percentage of Warehouse Leasing and Transportation Sales of Total Sales	84.8%	90.1%	20.7%	14.9%

As for frozen food products, there is a risk involved in maintaining the required temperature, which ranges between minus 10 and minus 18 degrees Celsius. Therefore, it is necessary to have an electrical generator that matches the size of the storage room to maintain the required cooling rates. For dry food items, such as rice and others, there is a risk of exposure to insects and rodents, as well as the necessity to maintain a certain level of humidity. The company has performed maintenance on all 22 of its refrigeration units. Additionally, the company conducts regular maintenance for its warehouses. However, any malfunction of the refrigerators or a decrease in their operational efficiency may result in the spoilage of food products belonging to the lessees. According to the contracts signed with the lessees, the company will bear any losses of food items that result from the malfunction of the refrigerators. In the event of a malfunction, the company will be obligated, as per the leasing agreements, to pay compensation for the value of the spoiled goods, which will negatively and materially, affect the group's operational results and financial position.

In case of any error in the storage process in the company's refrigerated or dry warehouses, this can lead to damage to the food products, resulting in the company incurring fines or paying compensation to the product owners who lease the company's refrigeration units. This will negatively affect the company's income, its operational results, and its financial position.

## 2-1-20 Risks of Concentration of the Company's Activities in Specific Geographic Areas

The company's business and its current subsidiaries are all concentrated in the city of Jeddah and Al Majma'ah Governorate (Sudair City). The following table shows the geographic distribution of the company's revenue for the fiscal years ending on December 31, 2020AD, December 31, 2021AD, December 31, 2022AD, and the three-month period ending on March 31, 2023AD:

Table No. (6): Geographic distribution of the company's revenue

Region	2020		2021		2022		The three-month period ending on March 31, 2023	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Western Region	6,943,363.00	85%	7,737,793.00	100%	22,758,549.80	75%	8,759,863.12	72%
Northern Region	1,249,420.00	15%	-	-	1,265,591.75	4%	-	-
Central Region	-	-	-	-	4,691,861.18	15%	1,527,437.21	13%
Eastern Region	-	-	-	-	237,024.13	1%	1,019,368.90	8%
Southern Region	-	-	-	-	1,365,165.70	5%	778,858.00	6%
<b>Total</b>	<b>8,192,783.00</b>	<b>100%</b>	<b>7,737,793.00</b>	<b>100%</b>	<b>30,318,192.56</b>	<b>100%</b>	<b>12,085,527.23</b>	<b>100%</b>

The company has announced a number of acquisitions in various regions and sectors. The following table summarizes a set of acquisition operations and their status, which the company has announced during the past period:

Table No. (7): A set of acquisition operations and their status announced by the company

Announcement Date	Description	Current Status
September 1, 2020AD	Signing a non-binding Memorandum of Understanding (MoU) with Ghadeer Real Estate Company (a limited liability company).	Expiration of the Memorandum of Understanding and failure to reach an agreement dated 10/04/1442 H (corresponding to 25 November 2020 AD).
March 30, 2021AD	Signing a non-binding Memorandum of Understanding with Takamul National Agriculture Company regarding the potential acquisition of 100% of the shares of Takamul National Agriculture Company.	The Memorandum of Understanding expired on 24/09/2021 AD, and not to reach an agreement
April 5, 2021AD	Signing a non-binding Memorandum of Understanding with Saudi Wasit Establishment regarding the potential acquisition of 51% of Saudi Wasit Factory for Entertainment & Beauty Systems – a branch of Wasit Establishment.	The acquisition procedures for 51% of the shares of Saudi Wasit Factory for Entertainment & Beauty Systems – a branch of Saudi Wasit Establishment was completed on Thursday, 26/12/1442 H (corresponding to 05/08/2021 AD).
February 16, 2022AD	Signing a non-binding Memorandum of Understanding with Abu Zaid Restaurants Limited, regarding the potential acquisition of 55% of the shares of Abu Zaid Restaurants Limited.	The procedures for transferring the property ownership to the company's name were completed on Sunday, 24/07/2022 AD.
April 24, 2022AD	Signing a non-binding Memorandum of Understanding with the owners of private office buildings located in Jeddah, Al Rawdah district, on Prince Sultan Street opposite the Saudi Airlines building, regarding the potential acquisition of 100% of the private office building, with a total company value of SAR 325,000,000 excluding real estate transaction tax.	The Memorandum of Understanding expired on 24/09/2021AD, and not to reach an agreement.
June 1, 2022AD	Signing a binding Sale and Purchase Agreement regarding the acquisition of a 55% stake in ARW Manufacturing Company.	The acquisition procedures for 55% of the shares of ARW Company were completed on 25/09/1443H, (corresponding to 26/04/2022 AD).
June 22, 2022AD	Purchasing a real estate building consisting of a residential and administrative tower on Prince Mohammed bin Abdulaziz Street (Tahlia Street), comprising 4 floors of offices and residential apartments, at a value of SAR 23 million, excluding real estate transaction tax.	On 26/01/1444H (corresponding to 24/08/2022 AD), the company announced the completion of the procedures for purchasing and transferring the property to the company's name.
January 2, 2023AD	Signing a non-binding Memorandum of Understanding dated 09/06/1444H (corresponding to 02/01/2023AD) with a duration of 120 days from the date of signing, extendable, with Marjan Holding Group Company, for the acquisition of Marjan Holding Group's stake, which amounts to 69.33% in United Ink Production Company Limited.	On 11/11/1444 H (corresponding to 31/05/2023 AD), a Sale and Purchase Agreement (SPA) was signed to acquire a 69.33% stake in United Ink Production Company Limited, representing 100% of Marjan Holding Group Limited's shares in United Ink Production Company Limited, with a cash consideration for the full value of the transaction, where the value of United Ink Production Company Limited is fifty-six million (56,000,000) Saudi Riyals, and the transaction value is thirty-eight million, eight hundred twenty-five thousand, six hundred seventeen and ninety-seven halalas (38,825,617.97). On 07/05/1445H (corresponding to 21/11/2023 AD), Anaam International Holding Group announced the cancellation of the agreement due to non-fulfillment of a number of regulatory and commercial conditions that must be met according to the terms of the agreement.

Despite completing some acquisitions, such as the acquisition of Wasit Factory for Entertainment and Beautification Systems and ARW Manufacturing Company, the company was unable to reach an agreement regarding some other acquisitions. This situation may recur in the future if the company decides to engage in other acquisition processes. In case these acquisitions are not completed, or if there is a change in demand or supply, increased competition, or an unforeseen event occurs in Jeddah and Al Majma'ah (Sudair city) - God forbid - such as natural disasters and the like, this will negatively and substantially affect the company's operations results, profitability, and financial position.

## 2-1-21 Risks of the company's approach to multiple acquisitions

The company aims to diversify its investments by entering into new investments to diversify income and reduce the risk of revenue concentration. Despite completing some of these acquisitions, there are some agreements where the company has not reached a final agreement regarding the acquisition process.

For example: On September 1, 2020AD, a non-binding memorandum of understanding was signed with Ghadeer Real Estate Company (a limited liability company), which expired on November 25, 2020AD, without reaching an agreement. In addition, on March 30, 2021AD, the company signed a non-binding memorandum of understanding with the Takamul National Agriculture Company regarding the potential acquisition of 100% of the shares of Takamul National Agriculture Company, and the company announced the expiration of the memorandum of understanding on 24/09/2021 AD, without reaching an agreement.

Then, on April 24, 2022, the company signed a non-binding memorandum of understanding with Abu Zaid Restaurants Limited, regarding the potential acquisition of a 55% stake in Abu Zaid Restaurants Limited, which expired on 25/07/2022 AD, without reaching an agreement.

The company bears the expenses of due diligence, financial consultancy fees, and any other fees related to the acquisition process, and the company does not guarantee the success of future acquisition operations it may announce as part of its expansion plan, which could negatively affect its financial position and future projections.

## 2-1-22 Risks of Goodwill Impairment in Subsidiaries

In light of the company's numerous acquisitions to diversify its investments and to achieve geographical and sectoral diversity in its activities, the company faces the risk of losses due to goodwill impairment resulting from the acquisition process. The company has made several acquisitions over the past two years, which has resulted in the recognition of intangible assets in the form of goodwill amounting to SAR 14,601,485.

On 05/08/2021 AD, the company acquired a 51% ownership stake in Saudi Wasit Factory for Entertainment and Beauty Systems, valued at SAR 24,480,000, resulting in intangible assets (goodwill) valued at SAR 11,730,000.

On 26 April 2022 AD, the company acquired a 55% stake in ARW Manufacturing Company, valued at SAR 6,100,000, which resulted in intangible assets (goodwill) valued at SAR 2,871,485.

The company has revalued the above-mentioned companies to assess the fair value and the recorded goodwill value, which resulted in the recognition of goodwill impairment losses amounting to SAR 6,739,289 during the fiscal year 2021, specifically related to Saudi Wasit Factory, and goodwill impairment losses amounting to SAR 7,862,196 during the fiscal year 2022, comprising SAR 4.99 million related to Saudi Wasit Factory, and SAR 2.87 million related to ARW Manufacturing Company. Consequently, the company has lost the entire recorded goodwill value in the books amounting to SAR 14,601,485.

It's worth mentioning that when the company revalued Saudi Wasit Factory for Entertainment and Beauty Systems, it did not take into account any cost reduction because of the acquisition, such as a decrease in shared administrative expenses due to the acquisition process. Additionally, the company did not consider the impact of inflation on future periods when estimating revenues and expenses, which makes future estimates inaccurate and will indeed reflect on the estimated value of the company. The valuation model also assumed an increase in inventory days, an increase in the average days to collect receivables, and a decrease in the average days to pay payables, which suggests a negative forecast for the operating cash flows of the activity in future periods.

Furthermore, the valuation model assumed a fixed percentage of salaries and wages from revenues and included significant capital investments in future periods without a clear plan for these investments. All of the above can have a negative effect on the accuracy of the valuation of Saudi Wasit Factory for Entertainment and Beauty Systems, which the company used as a basis for calculating the impairment of goodwill and reflecting it in the consolidated financial statements of the group.

There is no evidence that this issue is repeated in any other accounting assumptions made by the company in the presentation and disclosure of its financial information. If this were to occur in any other future assumptions, it would negatively affect the accuracy of the company's financial information, and consequently, the presentation of a true and fair view of the financial position, with its assets and liabilities.

The following table illustrates the balances of intangible assets (goodwill) that the company formed during the acquisition processes and the movements that occurred on them.

Table No. (8): Movement on Intangible Assets (Goodwill)

Item (in Saudi Riyal)	Amount
Balance as of January 1, 2021AD	-
Additions	11,730,000
Impairment loss	(6,739,289)
Balance as of December 31, 2021AD	4,990,711
Additions	2,871,485
Impairment loss	7,862,196
Balance as of December 31, 2022AD	-

The company intends to enter into further investments and expansions to diversify its investments, which are expected to result in intangible assets such as goodwill. If the company continues to recognize losses due to the impairment of the value of its investments, this will negatively affect its financial position and future prospects.

## 2-1-23 Risks Associated with the Financial Performance of Subsidiaries.

On August 5, 2021AD, the company acquired a 51% ownership stake in Wasit Factory for Entertainment and Beauty Systems, valued at SAR 24,480,000. On April 26, 2022AD, the company acquired a 55% stake in ARW Manufacturing Company, valued at SAR 6,100,000. The following table shows the results of the subsidiaries during the fiscal year ended December 31, 2022AD, and the three-month period ending March 31, 2023AD, along with the share of Anaam Company in the results of the companies:

Table No. (9): A table showing the results of the subsidiaries and the percentage of Anaam Company in the results of the companies

Fiscal Year Ended December 31, 2022			
Statement	Wasit Factory for Entertainment and Beauty Systems	ARW Manufacturing Company	Total
Annual Loss	4,364,060	2,238,314	6,602,374
Share of Anaam International Holding Group in the Loss	2,225,671	1,231,073	3,456,744
Three-Month Period Ended March 31, 2023			
Statement	Wasit Factory for Entertainment and Beauty Systems	ARW Manufacturing Company	Total
Annual Loss	2,139,971	1,817,429	3,957,400
Share of Anaam International Holding Group in the Loss	1,091,385	999,586	2,090,971

There is no certainty as to whether the aforementioned subsidiaries will be able to improve their performance in the future. If the company continues to incur additional losses, this will negatively reflect on the company's operational results.

## 2-1-24 Risks of Depreciation of the Group's Refrigerated Warehouses

The company's revenue from the rental of warehouses constitutes 58.8%, 61.9%, 20.3%, and 14.9% of the total revenue during the fiscal years 2020, 2021, 2022, and the three-month period ending March 31, 2023, respectively. The group's ability to lease its refrigerated warehouses depends on the operational efficiency of these warehouses, which is significantly affected by factors such as wear and tear, depreciation, and the availability of maintenance, upgrades, and replacements. The company records a fixed annual depreciation rate of 10%, with the depreciation expenses for the refrigerated warehouses amounting to SAR 303,765; SAR 331,109; SAR 348,201; and SAR 80,535 for the years 2020, 2021, and 2022, and the three-month period ending March 31, 2023, respectively. The group's refrigerated warehouses were established in 1995, and the company does not follow a specific maintenance policy. The group's maintenance and operations department conduct necessary routine maintenance, as well as exceptional maintenance in the event of any technical malfunction. If the group is unable to perform the required updates and maintenance in a timely manner, it may lose some or all of its customers, and these warehouses may go out of service, resulting in the group losing a significant portion of its current revenue. This, in turn, would lead to a decrease in the group's profitability, an increase in its losses, and a materially negative impact on its financial position. The following table illustrates the rental revenue of the warehouses to third parties and its percentage of the revenue:

Table No. (10): The rental revenue of the warehouses to third parties and its percentage of the revenue

Statement (in Saudi Riyal)	Fiscal Year Ended December 31			Three-Month Period Ended March 31, 2023
	2020 Audited	2021 Audited	2022 Audited	
Dry and Refrigerated Warehouse Rentals	4,813,478	4,787,300	6,152,015	1,797,793
Total Sales	8,192,783	7,737,793	30,318,193	12,085,527
Percentage of Warehouse Rental Sales from Total Sales	58.75%	61.87%	20.29%	14.88%

For more information on the depreciation policies of the warehouses, please refer to Subparagraph "6-6" (Summary of Significant Accounting Policies) of Section "6" (Financial Information and Management's Discussion and Analysis) of this prospectus.

## 2-1-25 Risks Related to Adequacy of Insurance Coverage

Both the company and its subsidiaries have a health insurance policy for their employees and their families under policy number (49548100) entered into with Bupa Arabia for Cooperative Insurance, a company licensed to operate in the Kingdom. The insurance policy is valid for a Gregorian year starting from the date of 13/12/1444H (corresponding to 01/07/2023 AD) and ending on 24/12/1445H (corresponding to 30/06/2024 AD).

The Saudi Wasit Factory for Entertainment, Beauty, and Industrial Systems has a property damage insurance policy under policy number (P/300/3402/23/000030) entered into with Al Ahlia Insurance Union Cooperative, a company licensed to operate in the Kingdom. The insurance policy is valid from the date of 03/08/1444H (corresponding to 23/02/2023 AD) for a Gregorian year, ending on 13/08/1444H (corresponding to 22/02/2024 AD), where if any insured property or any part thereof suffers incidental material damage, is destroyed or damaged, the insurance company will pay the insured the value of the property at the time of this loss.

Additionally, ARW Manufacturing Company has an all-risk property insurance policy under policy number (P-01-2023-2-205-023321) entered into with the National Insurance Company, a company licensed to operate in the Kingdom. The insurance policy is valid from 28/07/1444H (corresponding to 19/02/2023 AD) for a Gregorian year, ending on 08/08/1445H (corresponding to 18/02/2024 AD), where if any insured property or any part thereof suffers incidental material damage, is destroyed or damaged, the insurance company will pay the insured the value of the property at the time of this loss.

There are no health insurance policies for the other subsidiaries (The Saudi Cold Company and Anaam International Investment Limited), noting that both The Saudi Cold Company and Anaam International Investment have ceased any operational activities and there are no risks associated with the absence of active employees under these companies.

These insurance contracts include deductibles and exclusions from coverage, as well as other restrictions related to the insurance coverage that are negotiated with the insurance companies. The company's ability to receive due compensation from the related insurance company depends on the insurer's financial solvency and their ability to pay the value of the compensation. Therefore, the insurance may not cover all losses incurred by the company and no guarantee is given that the company will not incur losses that exceed the limits of the insurance policies or outside the scope of coverage provided in these documents. It is possible that situations may arise where the value of a claim exceeds the insurance retained by the company, or that a compensation claim submitted by the company to the related insurance company may be rejected, or that the claim and compensation process may be protracted, which will negatively affect the company's business, future prospects, operational results, and financial position **(For more information about insurance coverage, please refer to Subparagraph (10.23) "Insurance" of Section (10) "Legal Information" of this prospectus).**

Aside from medical insurance, the company, acting as the insured party, has not provided insurance policies with local insurance companies to cover certain risks that the group's assets or properties might be exposed to in the course of conducting its business (such as insurance for warehouses and buildings against fire incidents, certain natural disasters, and all risks related to assets and properties that are not considered mandatory for the company); with the exception of ARW Company and Saudi Wasit Company for Entertainment and Beauty Systems. Should such incidents occur (God forbid), they could result in physical damages leading to material losses that the company may not be able to partially or fully compensate due to the lack of appropriate insurance coverage. This will negatively affect the company's operations and its ability to absorb the amounts resulting from the losses, in addition to a temporary cessation of its operations, which will have a negative effect on its financial results and profits.

## 2-1-26 Credit Facilities Risks

The company and its subsidiaries have loans and credit facilities with the Industrial Development Fund, Riyadh Bank, and Alinma Bank. The company acquired Saudi Wasit during the year 2021, at which time Saudi Wasit had a loan from the Industrial Development Fund valued at SAR 15.1 million at the time of acquisition. The company also acquired ARW Manufacturing Company during the year 2022 AD, While ARW Company had a loan with Riyadh Bank valued at SAR 375.9 thousand at the time of acquisition. This amount increased by SAR 411.5 thousand during the year, resulting in a total of SAR 787.5 thousand by the end of 2022 AD, and another loan from the Industrial Development Fund valued at SAR 1.8 million at the time of acquisition, which stood at SAR 1.5 million by the end of the year 2022 AD. During the year 2022 AD, Anaam International Holding Group obtained financing from Alinma Bank valued at SAR 153.2 million to finance the acquisition of office buildings on Prince Sultan Street in Jeddah. The following table illustrates the outstanding loans on the company during the financial years 2020 AD, 2021 AD, and 2022AD, and the three-month period ending on March 31, 2023AD:

**Table No. (11): The outstanding loans on the company during the financial years 2020 AD, 2021 AD, and 2022AD, and the three-month period ending on March 31, 2023AD**

Financing Entity	2020	2021	2022	The three-month period ending on March 31, 2023.
Industrial Development Fund*	-	15,105,254	14,960,751	15,109,839
Alinma Bank	-	-	153,225,234	153,225,234
Riyadh Bank	-	-	787,500	750,291
Total Loans	-	15,105,254	168,973,485	169,085,364
Current portion of long-term loan	-	15,105,254	168,354,906	168,503,994
Non-current portion of long-term loan	-	-	618,579	581,370

\* The Industrial Development Fund loan during the year 2021AD consisted of a loan due from the Saudi Wasit Factory for Entertainment & Beauty Systems for Industry, and during the year 2022 AD, it consisted of a loan due from the Saudi Wasit Factory for Entertainment & Beauty Systems for Industry valued at SAR 13.5 million, and a loan due from ARW Manufacturing Company valued at SAR 1.5 million. As of March 31, 2023AD, the loan consisted of a loan due from the Saudi Wasit Factory for Entertainment and Beauty Systems for Industry valued at SAR 13.7 million, and a loan due from ARW Manufacturing Company valued at SAR 1.5 million.

Some of the current financing arrangements of the company and its subsidiaries contain covenants imposing operational and financial restrictions on the group.

### ► Saudi Wasit Factory for Entertainment and Beauty Systems for Industry

On 29/01/1440 H (corresponding to 09/10/2018 AD), the Saudi Industrial Development Fund ("the Fund") entered into loan contract number (2821) with Mr. Mohammed Ibrahim Mohammed Al-Haidari (Saudi Wasit Factory for Entertainment and Beauty Systems), whereby the Saudi Industrial Development Fund grants the Saudi Wasit Factory for Entertainment and Beauty Systems ("the Project") a loan of up to SAR 16,870,000, against certain guarantees and covenants that include, but are not limited to, insuring the project in a manner satisfactory to the Fund in terms of value, risks, restrictions, and reservations, provided that the Fund is the final beneficiary upon the entitlement of the compensation amount, offering additional mortgages on the properties covered by the mortgage deed upon the Fund's request, maintaining a current assets to current liabilities ratio of not less than 1:1 throughout the term of the loan, ensuring that the ratio of total liabilities to net tangible assets (net value of physical assets) does not exceed 1:3 during the term of the loan, limiting dividend distributions to no more than 25% of the paid-up capital or the total annual installments of the Fund's loan due during the year of distribution, whichever is less, capping annual capital expenditures at SAR 400,000 and annual rent expenses at SAR 200,000.



## ► ARW Manufacturing Company

On 28/05/1439 H (corresponding to 14/02/2018 AD), the Saudi Industrial Development Fund (SIDF) entered into loan agreement number (3087) with Mr. Anas bin Rashid bin Wahas Al-Harbi (owner of 100% of ARW Manufacturing Company's capital before the company acquired a 55% share of ARW Manufacturing Company's capital to grant a loan totaling SAR 2,000,000) for the purpose of financing Anas Rashid Wahas Al-Harbi's paper products factory located in the Third Industrial City in Jeddah. The financing was secured against guarantees and covenants, including but not limited to maintaining a current assets to current liabilities ratio of at least 1:1 throughout the term of the loan, ensuring that the total liabilities to net tangible value (net value of physical assets) ratio does not exceed 1:3 during the term of the loan, capping annual capital expenditures at SAR 200,000, limiting annual rent expenses to SAR 100,000, and restricting dividend distributions to no more than 25% of the paid-up capital or the yearly installments of the Fund's loan due within the distribution year, whichever is less.

## ► The Company (Anaam)

The company made and entered a credit facility agreement on 26/08/1443 H (corresponding to 29/03/2022 AD) with Alinma Bank to obtain financing through deferred sale (flexible Murabaha), with a total limit of SAR (160,000,000) for a period of (10) years starting from 25/08/1443 H (corresponding to 29/03/2022 AD), and ending on 19/12/1453 H (corresponding to 31/03/2032 AD). The purpose of the financing is to fund up to a maximum of (49.23%) of the value of purchasing a commercial building located in Jeddah with a total area of (4,411) square meters. The financing was secured against guarantees, covenants, and documents provided in favor of Alinma Bank, which included, but were not limited to, mortgaging the financed property in favor of Alinma Bank or its nominee, if it covers (100%) of the financing amount. Additionally, there was a requirement to transfer no less than (80%) of the building's rental income to an account with Alinma Bank, not less than SAR (23,000,000) in favor of Alinma Bank, and the assignment of insurance compensation on the building during the financing period for SAR (160,000,000) in favor of Alinma Bank. Furthermore, an unconditional promissory note for the total financing limit, an additional promissory note for SAR (30,000,000) in favor of Alinma Bank, and a series of covenants were provided by the company in exchange for the granted loan.

- Use the financing for the purpose for which it was granted.
- Repayment of obligations due on their due dates.
- Signing any documents requested by the bank.
- Notify Alinma Bank of any potential change in its legal form or ownership percentages.
- Not to create any disposition of mortgage, contract, privilege, right, or otherwise on the fixed and movable assets previously provided as security to the bank.
- Not to enter into any other obligations that affect its commitments under the financing agreement.
- Pay all litigation fees and expenses including attorney's fees incurred in case of default on its obligations under the financing.

The agreement also included some financial covenants such as directing 80% of the company's revenues to the company's accounts at the bank and committing to that throughout the financing period, and that the ratio of total liabilities to net tangible equity should not exceed 3:1 throughout the duration of the loan. In addition, the liquidity ratio should not be less than 1:1, and to maintain a minimum net tangible equity (capital + reserves + retained earnings) of no less than SAR 100,000,000 during the financing period.

It's worth mentioning that the company had previously obtained financing in the amount of SAR 27 million from Kirnaf Investment and Installment Company, as the company owns a property consisting of a refrigerator, warehouses, and offices in Jeddah that were mortgaged to Kirnaf Finance Company in exchange for the loan and was fully repaid, with the last installment being in March 2018AD. A final settlement issued between the parties under letter (contract number COM/RST/L/000012) on 18/07/2018AD, and work is ongoing to transfer the title deed in the name of Anaam International Holding Group. The property includes an area of (9,987 m<sup>2</sup>) as stated in the deed number 979 dated 24/10/1977AD, consisting of 3 floors of administrative offices, a refrigeration and freezing unit for foodstuffs, a two-story loading and unloading dock, worker accommodation, and a maintenance workshop. As of the date of this publication, the company has not been able to transfer the deed in the company's name.

As of the date of this publication, the company and its subsidiaries have not complied with some of the commitments referred to above, represented in maintaining the liquidity ratio at 1:1. The main reason for this is the company's recording of a Zakat provision amounting to SAR 102.5 million as of March 31, 2023AD, which led to an increase in current liabilities over current assets. The liquidity ratio of the company decreased from the fiscal year 2020 to the fiscal year 2021AD by 0.02% and from the fiscal year 2021AD to the fiscal year 2022AD, the company's liquidity ratio decreased significantly by 72% from 0.76 times to 0.21 times due to a 44% decrease in current assets by an amount of SAR 49 million, and a significant increase in current liabilities by 105% to reach SAR 156 million. In addition, the decrease in the interest coverage rate, the increase in the debt-to-total assets ratio, and the poor cash situation have led to a weakening of the financial and liquidity position of the company and its subsidiaries. The non-compliance with the liquidity ratio has resulted in the classification of all loans as short-term obligations. The company received a waiver letter from Alinma Bank regarding the required liquidity ratio concerning the fiscal year ending on December 31, 2022AD. However, the company is still struggling to comply with the remaining commitments referred. This gives the financing entity the right to request the acceleration of the repayment of the entire loan as a result, and in the event the company is unable to repay, this will give the financing entity the right to use the guarantees provided by the company in exchange for that financing.

The group's ability to adhere to these commitments and restrictions may be affected by events beyond its control, and there is no guarantee that the group will be able to obtain the lenders' consent to waive or amend the commitments necessary or beneficial to the group's operations, which may affect the group's performance. Any request for waivers or amendments may lead to increased costs for the group or may also result in lenders modifying the terms of the current financing arrangements or imposing additional operational and financial constraints. If the group is unable to comply with any of the commitments stipulated in its current or future financing arrangements, or if it fails to obtain any waiver or amendment, this could lead to an event of default under the terms of these agreements, and it may trigger the acceleration or enforcement of repayment under the financing arrangements. In such cases, there is no guarantee that the group will be able to obtain alternative financing sufficient to meet all such payments. Furthermore, the group's reliance on financing facilities to fund its operations poses a risk in itself due to the possibility of their termination for breach of any of their terms or expiration without renewal. Any of the aforementioned factors could have a negative and material impact on the group's business, financial position, results of operations, and future prospects.

## 2-1-27 Financing Source Risks

The company or any of its subsidiary partnerships may need to obtain loans and banking facilities to finance or assist in financing future expansion. Since obtaining financing depends on the company's capital, financial position, cash flows, and the collateral provided by it, the following table shows the total loans and obligations and their ratio to the company's assets during the fiscal years 2020AD, 2021AD, and 2022AD, and the three-month period ending March 31, 2023AD:

Table No. (12): Total Company Loans and Their Ratio to Total Assets

Item (in Saudi Riyal)	2020	2021	2022	The three-month period ending March 31, 2023
Total Loans		15,105,254	168,973,485	169,085,364
Total Obligations	137,087,679	155,807,400	313,170,727	320,487,135
Ratio of Total Obligations to Total Assets	60.6%	60.4%	52.7%	53.0%

There is no assurance or guarantee regarding the company's ability to secure appropriate financing in a timely manner and on suitable terms. Consequently, the company's inability to obtain the necessary funding from financial institutions will have a negative impact on the company's performance, operational activities, and plans. **For more information about the company's financing activities, please refer to Subparagraph "6.12.3" "Cash Flows from Financing Activities" of Subparagraph number (6.12) "Statement of Cash Flows" of Section (6) "Financial Information and Management's Discussion and Analysis" of this prospectus.**

## 2-1-28 Liquidity Risks

The company and its subsidiaries face liquidity risks when they are unable to generate the necessary funds to meet their financial obligations arising from operational activities and liabilities on time. The company does not guarantee that any emergency or sudden events will not occur that may require immediate liquidity, which could affect the operational performance and financial position of the company. The company's current liquidity ratio was 0.78 times, 0.82 times, 0.21 times, and 0.22 times as of 31/12/2020 AD, 31/12/2021AD, 31/12/2022 AD, and the three-month period ending March 31, 2023AD, respectively, calculated by dividing the total current assets by the total current liabilities. This indicates that the company is not prepared to cover its short-term operational obligations and expenses. The company has established a Zakat provision of SAR (88) million during the year 2019AD and the Zakat provision reached SAR (102.5) million as of March 31, 2023AD. In addition, the long-term loans were classified as short-term liabilities due to the company's non-compliance with the terms of financing agreements **(for more information, please refer to subsection "2.1.26 Credit Facility Risks" of this section)**. The company's current liabilities exceeded its current assets by SAR (243.9) million as of the end of March 31, 2023AD. The excess of current liabilities over the company's current assets adversely affects working capital and the company's ability to meet its short-term obligations, which in turn has an impact on the company's business and financial position.

## 2-1-29 Risks of Third-Party Contracts

Anaam International Food Company has some lease contracts as a "lessor", where it owns and operates properties and refrigerated warehouses for storing frozen foodstuffs in Jeddah. For more information, **please see Subparagraph "10.19.3" "Property Lease Contracts" from Section "10" Legal Information**, where the company leases a number of warehouses and food storage refrigerators it owns, as well as lease contracts for offices and residential units, and other contracts related to government bodies.

It should be mentioned the Council of Ministers' decision No. (292) on 16/05/1438 H, which states that a lease contract not registered in the electronic network is not considered a valid contract producing its administrative and judicial effects. The electronic network for rental services was launched in cooperation between the Ministries of Justice and Municipal and Rural Affairs and Housing (formerly the Ministry of Housing) on 17/05/1439 H, and a circular was issued by the Ministry of Justice to adopt this for all contracts concluded after 04/05/1440 H (corresponding to 10/01/2019 AD).

The company made and entered several lease contracts for renting its warehouses and refrigerators after the date of 04/05/1440 H (corresponding to 10/01/2019 AD), and the company has not complied with the electronic documentation of these contracts. The company must update and register the lease contracts according to the electronic model on the (Ejar) platform and register them in the electronic network to protect its rights and the rights of the lessee. It should be mentioned that in the event of any dispute or claim arising from these lease contracts, they would not be considered by the courts in the Kingdom of Saudi Arabia.

The company relies on the willingness and ability of these parties to fulfill their obligations under the terms and conditions of the mentioned agreements. No guarantees or assurances can be given that these parties will meet expectations, which will negatively affect the company's financial position and business results in the event these parties fail to meet their obligations.

## 2-1-30 Credit and Collection Risks

The company and its subsidiaries face credit risks when a party fails to fulfill a specific financial obligation. The company may face credit risks when other parties fail to meet their obligations towards the company. In the event that these parties fail to fulfill their obligations, it will negatively affect the company, its financial position, and the results of its operations. In addition, the failure of these parties may result from the company's inability to collect receivables from third parties, which negatively affects the company's business and financial position. The following table shows the balance of accounts receivable and its percentage of sales during the financial years 2020, 2021, and 2022 AD.

Table No. (13): Balance of Accounts Receivable and its Percentage of Sales during the Financial Years 2020, 2021, and 2022AD

Statement	2020 AD	2021 AD	2022 AD
Accounts Receivable Balance	1,957,837	1,317,006	9,119,312
Total Revenue	8,192,783	7,737,793	30,318,193
Percentage of Accounts Receivable to Revenue	23.9%	17.0%	30.1%

The company follows International Financial Reporting Standard (IFRS) 9 pertaining to the recording of credit losses, and the expected credit loss model is used by companies to calculate impairment charges on accounts receivable. However, the company has calculated the default rate based on the previous three quarters to the date of computation as a basis for estimating expected losses. It should have relied on at least a two to three-year period, and therefore, the default rates do not provide an accurate representation. Additionally, the expected credit loss model did not show the calculation of expected credit losses for accounts receivable for the period from zero to 30 days within the aging periods, affecting the accuracy of the estimated expected credit losses.

It should be mentioned that the company did not record any credit losses for the three-month period ending on March 31, 2023AD, as the expected credit loss calculation resulted in only 20,000 Riyals difference in reduction over the three months, which the company considered immaterial.

The following table shows the balance of accounts receivable and the turnover rate of accounts receivable during the financial years 2020, 2021, and 2022AD.

**Table No. (14): Balance of Accounts Receivable and Turnover Rate of Accounts Receivable for the Years 2020, 2021, and 2022 AD**

Statement	2020	2021	2022
Accounts Receivable Balance	1,957,837	1,317,006	9,119,312
Accounts Receivable Turnover Rate "once"	4.18	5.88	3.32
Accounts Receivable Turnover Rate "day"	87	62	110

As can be seen from the table above, the average collection days for sales were 87 days, 62 days, and 110 days during the years 2020, 2021, and 2022 AD, respectively.

The following table details the aging of trade accounts receivable as of March 31, 2023AD.

**Table No. (15): Aging of Trade Accounts Receivable as of March 31, 2023AD**

Company	Not Due	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total	Allowance for Doubtful Accounts	Net Carrying Value of Trade Accounts Receivable
Anaam International Food Company Limited	0.00	415,827.00	168,848.00	198,731.50	133,078.00	0.00	916,484.50	(240,119.73)	676,364.77
Anaam International Holding Group Company	351,099.32	356,359.90	372,110.29	6,705.18	597,480.82	0.00	1,683,755.51	(39,833.01)	1,643,922.50
Saudi Wasit Factory for Entertainment and Beauty Systems Company	2,096,976.50	197,666.15	642,337.97	1,602,236.31	1,633,687.78	0.00	6,172,904.71	(130,633.00)	6,042,271.71
ARW Manufacturing Company	1,053,018.23	190,448.71	309,183.67	193,523.15	0.00	0.00	1,746,173.76	(147,538.00)	1,598,635.76
<b>Total</b>	<b>3,501,094.05</b>	<b>1,160,301.76</b>	<b>1,492,479.93</b>	<b>2,001,196.14</b>	<b>2,364,246.60</b>	<b>0.00</b>	<b>10,519,318.48</b>	<b>(558,123.74)</b>	<b>9,961,194.74</b>

Any shortfall from the parties dealing with the company may affect the company's ability to meet its short-term obligations, which in turn will negatively affect the company's financial situation and the results of its operations.

## 2-1-31 Risks of changes in accounting standards, and adoption of new standards

The company's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia, and the company is obligated to apply any amendments and other issues adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA) or changes that occur to these standards from time to time. Therefore, any changes in these standards or the mandatory application of some new standards could negatively affect the financial statements and hence the financial results and the company financial situation.

During the year 2022 AD, the company measured its investment properties at fair value, in accordance with the requirements of International Accounting Standard (IAS) 40 "Investment Property," and accordingly, in line with the requirements of International Accounting Standard (IAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors," the effects disclosed in the financial statements for the year 2022. The change in accounting policy also resulted in an increase in retained earnings amounting to SAR 19.8 million, and these adjustments were reversed in the financial year 2021 AD.

There are new amendments that have not been approved by the company yet, as shown below:

**Table No. (16): The new amendments that have not been approved by the company yet**

International Standard	Summary	Effective Date
International Accounting Standard (IAS) 1	Amendments – Disclosure of Accounting Policies	January 1, 2023AD
International Accounting Standard (IAS) 8	Amendments – Definition of Accounting Estimates	January 1, 2023AD
International Accounting Standard (IAS) 12	Amendments – Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction	January 1, 2023AD
International Financial Reporting Standard (IFRS) 16	Amendments – Lease Liabilities in Sale and Leaseback Transactions	January 1, 2024AD
International Accounting Standard (IAS) 1	Classification of Liabilities as Current or Non-current	January 1, 2024AD
International Accounting Standard (IAS) 1	Amendments – Non-current Liabilities with Covenants	January 1, 2024AD

There are no assurances about any developments that may occur in accounting standards from time to time, and therefore any changes in these standards or the mandatory application of some new standards could negatively affect the financial statements and hence the financial results and the company financial situation.

## 2-1-32 Risks Associated with the Company's Non-compliance with Certain Requirements of the Adopted International Accounting Standards

The financial statements of the company are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia, in addition to amendments and other issues that have been adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA), or the changes that occur to these standards from time to time. There are certain international financial reporting standards that the company has not complied with in presenting the company's financial information, some of which have had a direct impact on the quality of presentation and disclosure of the company's financial information. The quality of financial reporting refers to the credibility of the accounting information contained in those reports, the benefit they provide to their users, and their preparation free from distortion and misleading elements, in light of a set of professional standards that assist in achieving the purpose for which they are used. Presentation and disclosure refer to the financial reports containing all the necessary information to give the user of these reports a clear and accurate picture of the company. The company did not comply with paragraph 10 of International Accounting Standard (IAS) 36 related to the impairment of assets, as the company did not perform an impairment test on the goodwill during the financial year of 2021. The company conducted an impairment test on the goodwill during the financial year of 2022, and as a result, an impairment loss of 6.7 million Saudi Riyals was recognized on the non-current assets represented by goodwill, which was retrospectively applied to the financial statements of the year 2021AD.

The following table shows the international financial reporting standards that the company did not comply with in its presentation of the financial information during the fiscal years 2020, 2021, and 2022, and the three-month period ending on 31 March 2023, which had a direct impact on the quality of presentation and disclosure of the company's financial information.

**Table No. (17): The international financial reporting standards that the company did not comply with in its presentation of the financial information during the fiscal years 2020, 2021, and 2022, and the three-month period ending on 31 March 2023**

No.	International Financial Reporting Standards (IFRS)	Financial Periods Not Applied
1	Paragraph 9 of IAS 36 Impairment of Assets: The company did not assess whether there is any indicator of potential impairment of its assets	Fiscal Years 2020 and 2021
2	Paragraph 10 of IAS 36 Impairment of Assets: The company did not test for impairment of goodwill	Fiscal Year 2021
3	Paragraph 7 of IAS 1 Presentation of Financial Statements: The group did not clearly disclose the transaction of selling Al-Jouf farm and the compensation received according to Note 14 of the financial statements	Fiscal Year 2021
4	Paragraphs 134 and 135 of IAS 1 Presentation of Financial Statements: The group did not disclose qualitative information that enables users of the financial statements to evaluate its objectives, policies, and procedures for managing capital and did not disclose brief quantitative data on what it manages as capital	Fiscal Years 2020, 2021, and 2022
5	Paragraphs 110, 114, and 115 of IAS 15 Revenue from Contracts with Customers: The group did not disclose the revenue recognized from contracts with customers into categories that describe how the nature, amount, and timing of revenue affect the financial statements	Fiscal Years 2020 and 2021
6	Paragraph 119 of IAS 15 Revenue from Contracts with Customers: The company did not disclose the company's policy on the timing of fulfilling its obligations to customers, terms of payment, and obligations related to returns	Fiscal Years 2020 and 2021
7	Paragraph 120 of IAS 15 Revenue from Contracts with Customers: The company did not disclose the total transaction price allocated to the performance obligations that have not yet been satisfied at the end of the reporting period, as well as an explanation of when the company expects to recognize the amount disclosed as revenue	Fiscal Years 2020 and 2021
8	Paragraph 123 of IAS 15 Revenue from Contracts with Customers: The company did not disclose the judgements used that significantly affect the timing and nature of revenue	Fiscal Years 2020 and 2021
9	Paragraph 124 of IAS 15 Revenue from Contracts with Customers: The company did not disclose the performance obligations that the entity satisfies over a period of time	Fiscal Years 2020 and 2021

No.	International Financial Reporting Standards (IFRS)	Financial Periods Not Applied
10	Paragraph 126 of IAS 15 Revenue from Contracts with Customers: The company did not disclose information related to the determination of the transaction price, the amounts allocated to the performance obligations, and the methods and assumptions used to determine the transaction price	Fiscal Years 2020 and 2021
11	Paragraph 25 of IAS 7 Financial Instruments: Disclosures: The company did not disclose the fair value of each class of financial assets and financial liabilities	Fiscal Years 2020 and 2021
12	Paragraphs 33 and 34 of IAS 7 Financial Instruments: Disclosures: The company did not provide sufficient qualitative and quantitative disclosures about the risks arising from financial instruments as required by the mentioned paragraphs	Fiscal Years 2020 and 2021
13	Paragraph 35W from IAS 7 Financial Instruments: Disclosures: The company did not provide information on its credit risk management practices and how they relate to the recognition and measurement of expected credit losses	Fiscal Years 2020 and 2021
14	Paragraph 35J from IAS 7 Financial Instruments: Disclosures: The company did not provide information on the inputs and estimation methods used in measuring expected credit losses.	Fiscal Years 2020 and 2021
15	Paragraphs 35H and 35M from IAS 7 Financial Instruments: Disclosures: The company did not provide information on the inputs and estimation methods used in measuring expected credit losses.	Fiscal Years 2020 and 2021
16	Paragraph 25 of IAS 1 Presentation of Financial Statements: The company did not disclose uncertainties regarding the entity's ability to continue as a going concern	Fiscal Years 2020 and 2021

The company's non-compliance with certain requirements of the adopted International Accounting Standards, as outlined above, directly impacts the quality of the presentation of financial information and the inadequate disclosure of the accompanying notes. Adequate disclosure refers to the minimum amount of information that must be revealed to ensure that financial statements are not misleading to the users of the financial statements. The company must fully comply with the requirements of the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia, in addition to any amendments and other issues adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA) or changes that may occur to these standards from time to time, to ensure adequate disclosure for users of financial information, whether they are internal or external users. The company's failure to provide adequate disclosure may have a direct negative impact on the financial information users and their decisions.

## 2-1-33 Risks of Litigation and Legal Claims

In the course of conducting its business, the company and its subsidiaries may be exposed to cases and lawsuits related to its operations. The company cannot guarantee that disputes will not arise between it and internal parties (such as employees or managers) or external parties it deals with, such as customers, suppliers, distributors, and others, which may lead to the filing of cases (such as labor lawsuits, financial claims, or lawsuits for the termination of existing contracts due to a party's breach of its obligations or commitments) with the competent judicial authorities. Consequently, the company may be exposed to legal claims from governmental bodies, administrations, and investigations. Naturally, the company cannot predict the outcomes of these claims if they occur, nor can it guarantee that such claims will not have a material impact on its business, financial position, and operating results. The company also cannot accurately predict the cost of the litigation or legal proceedings that may be initiated by or against it or the final outcomes of these cases or the judgments issued therein, including compensations and penalties. As of the date of publishing this prospectus, the company is not involved in any legal actions or claims, arbitration, or administrative proceedings, whether joint or separate, existing or likely to be initiated, except for the case filed by the company as a plaintiff against (Kirnaf Finance Company) on 30/09/2022 AD, No. (421454693), currently under consideration at the General Court in Riyadh concerning the claim for the transfer of ownership of the property located in Jeddah with an area of around 10,000 square meters, which was mortgaged to Kirnaf Financial Company in exchange for a loan. It's worth noting that the loan has been fully repaid. Despite the company having fully repaid the loan on time, Kirnaf has not proceeded with the transfer of the deed back to the company's name. The General Court in Riyadh issued a decision in case No. (421454693) on 12/02/1443 H (corresponding to 19/09/2021 AD) to transfer the deed back to the company's name. An agreement has been reached with Kirnaf Finance Company in front of the judge in court to transfer the deed to the company's name after updating it according to the system, and work is currently underway to update the deed through an engineering office.

## 2-1-34 Risks Associated with Existing and Potential Zakat Liabilities

The company has submitted its Zakat declarations for the periods from 1995AD until 2021AD, based on the consolidated financial statements and obtained a valid restricted certificate until April 30, 2022AD. On November 17, 2019AD, the company filed an objection to the assessment for the aforementioned years, which is still under review, and a final Zakat estimate was issued for the period from 2012 to 2018 resulting in an additional Zakat claim of SAR 7,000,000. An objection to these assessments was submitted to the General Secretariat of Tax Committees on October 15, 2020AD.

Also, the company is required by the Zakat, Tax, and Customs Authority to pay Zakat differences amounting to SAR 106,927,278 for the period from 1995AD to 2011AD. Accordingly, the company has made a provision of SAR 88,552,906 in 2019AD, in addition to the amount allocated for 2018AD of SAR 18,374,372. It's worth noting that the total amount of the provision recorded in the consolidated financial statements is (102,501,673) Saudi riyals as of March 31, 2023AD.

The company also appealed to the Appellate Committee for Violations and Tax Disputes against the decision of the Settlement Committee at the General Secretariat of Tax Committees. Furthermore, the First Department for the Settlement of Violations and Tax Disputes in Jeddah issued its decisions on the Zakat assessments for the years 2012AD to 2018AD, where the lawsuit was accepted for the years 2012AD and 2013AD, with the rejection of the years from 2014AD to 2018AD, and the company did not appeal the decisions of the First Department for the Settlement of Violations and Tax Disputes. It is noted that the Zakat differences for the period from 2012AD-2018AD have been fully paid. The company expects that the objection submitted to the Appeals Committee will be decided and the final decision issued during the current year 2023AD. The company has also submitted its Zakat declarations for the years from 2019AD to 2022AD, and the due Zakat amounts have been paid. As of the date of this prospectus, the company has not received any additional Zakat assessments from the Zakat, Tax, and Customs Authority for the years from 2019AD to 2022AD. Therefore, given the position of the company and its subsidiaries with regard to the zakat assessment, the company and its subsidiaries are fallen behind in terms of compliance with their obligations towards the Zakat, Tax and Customs Authority.



The company and its 100% owned subsidiaries file a unified zakat declaration, according to which Anaam International Holding Group Company pays the zakat due from the company and its 100% owned subsidiaries, while its 100% owned subsidiaries must file zakat declarations separately for the Zakat, Tax and Customs Authority and does not result in any additional financial claims.

The subsidiaries owned by Anaam International Holding Group, which are 100% owned by it, which include (Anaam International Food Company Limited, Anaam International Investment Company, The Saudi Cold Company) did not submit individual tax returns to the Zakat, Tax and Customs Authority. Therefore, the subsidiaries were unable to extract the Zakat, Tax, and Customs Authority certificate. It should be noted that the company and its operations may be subject to disruption as a result of not being able to obtain the Zakat, Tax, and Customs Authority Certificate.

It should be mentioned that the company could not predict the decision of the Appeals Committee at the General Secretariat of Tax Committees. In the event that the company's objection is not accepted, it will be exposed to paying these additional amounts, which could negatively impact the company's business and financial situation.

As of the date of publication of this prospectus, the company has not allocated any additional amount beyond what was previously set aside, which poses a risk that the company may be required to pay amounts to the General Authority for Zakat and Income that exceed what has been allocated for those years. This could negatively affect the company's profitability, operating results, and financial position. **For more information about Zakat, please refer to Subparagraph "10.18.4" Ongoing Obligations According to the Requirements of the Zakat, Tax, and Customs Authority, from Section (10) "Legal Information" of this prospectus.**

## 2-1-35 Risks Related to Dormant and Inactive Subsidiaries

The company has two dormant subsidiaries (The Saudi Cold Company Ltd. & Anaam International Investment Ltd.), while the management of the company has liquidated and written off Anaam International Financial Company and Anaam International Agricultural Company. As of the date of this prospectus, the company has not made any decisions regarding the write-off or activation of the inactive companies.

The continued existence of the aforementioned dormant subsidiaries incurs annual losses for the company related to the fees of the legal accountant, commercial registration, chamber of commerce membership certificates, and other necessary certifications and licenses.

Furthermore, the company has not allocated the general expenses for the dormant companies including auditing fees, Zakat, other licenses, and related non-operating periodic expenses. The continuation of inactive companies that do not engage in operational activities represents an additional burden and cost to the company as they are 100% owned by the company, which will negatively affect the company's operating results and financial position.

## 2-1-36 Risks of Maintaining Assets and Properties

The company owns lands, buildings, machinery, vehicles, and furniture that are used in its regular activities. As of December 31, 2022AD, the properties and machinery included lands and buildings valued at SAR 14 million that were mortgaged to the benefit of Kirnaf Finance Company. Despite the repayment of the outstanding loan to Kirnaf, the company has, as of the date of this prospectus, been unable to transfer the title deed to its name, which required the company to file a legal suit against Kirnaf Finance Company to be able to transfer the property title.

The investment properties also include a land plot in Jeddah with an area of 197,554 square meters valued at SAR 16.5 million as of March 31, 2023AD. This land does not have a title deed and is not registered in the company's name; the company acquired it during a merger in 1995. Although the company exercises full control over the aforementioned properties, it does not possess a legal title deed for these properties, which could result in the loss of these properties and consequently incur additional capital losses that negatively affect the company's operating results and financial situation.

In addition, the company has mortgaged its office property located on Prince Sultan Street, which was acquired by the company in 2022 in exchange for financing from Alinma Bank valued at SAR 153.2 million. In addition, the company has mortgaged properties, machinery, and equipment valued at SAR 31.22 million as of December 31, 2022, to the benefit of the Saudi Industrial Development Fund.

It should be mentioned that the company did not conduct impairment tests on fixed assets for the fiscal years 2020AD and 2021AD, except for what was implemented for the sale of the Al-Jouf project. The company executed an impairment test for fixed assets in the fiscal year 2022, which concluded that there was no required reduction in value for both Saudi Waist Factory and ARW Manufacturing Company. However, the operational losses incurred by the company during the years 2020, 2021, and 2022 AD, despite the additions to and disposals of fixed assets indicate the existence of impairment losses for the years 2020AD and 2021AD. This would have necessitated the company to perform an evaluation of the fixed asset impairment during these periods, especially for the subsidiaries that are incurring losses, such as Saudi Wasit Factory. An assessment of fixed assets should be conducted at least at the end of each fiscal year. The company's failure to comply with the evaluation of fixed assets at the end of each fiscal year leads to an overstatement of fixed assets on the financial statements, which may affect the accuracy of the financial statements.

Furthermore, the company has not applied any tags to the fixed assets for tracking purposes, and it is also worth noting that the company did not conduct a physical inventory of any fixed assets during the financial years 2020AD, 2021AD, and 2022AD. Additionally, the company does not have a clear policy for capitalizing fixed assets. The weakness in policies, such as the capitalization policy, and the lack of physical inventory can lead to the company losing some of its assets, which in turn negatively affects the company's operational results and financial position.

## 2-1-37 Risks Related to the Presence of Previous Preemptive Rights Issues

On 08/11/2012 AD, the company increased its capital from SAR 109 million to SAR 196 million by issuing Preemptive Rights shares of SAR 87 million. On 31/12/2019 AD, the Extraordinary General Assembly decided to reduce the company's capital to SAR 15 million to write off its accumulated losses, which amounted to SAR 181 million. On 27/10/2020 AD, the Extraordinary General Assembly decided to increase the company's capital to SAR 105 million. On 08/02/2021 AD, the company's board of directors issued a decision recommending an increase in the company's capital via offering Preemptive Rights of SAR 210 million. The company disclosed in the related issuance prospectuses that the proceeds from the offering would be used to support the company's expansion operations, and the proceeds were distributed to a number of items that the company intends to work on, such as supporting the company's expansion activities, bolstering working capital, and other items. The proceeds from the offering were used as stated in the previous issuance prospectuses, except for what is mentioned below concerning the difference in the use of the proceeds from what was stated in the previous prospectus **(for more information, please review the section "Total Proceeds Previously Obtained in the Last Preemptive Rights Issues" from the "Offering Summary" section on page ("J").** However, the continued reliance on issuing Preemptive Rights may create concern among investors as to whether they can achieve a satisfactory return and growth because of subscribing to the issued Preemptive Rights.

Anaam planned to invest SAR 45 million in healthcare sector projects by the fourth quarter of 2022AD and invested in ARW Manufacturing Company, which operates in the healthcare field, in 2022AD with an investment of SAR 6.1 million. The company directed part of the use of the proceeds totaling SAR 38.9 million, which was allocated for the healthcare sector, towards investing in income-generating real estate assets.

Anaam planned to invest SAR 65 million in real estate activities and SAR 75 million in companies and projects owned by the private sector in the warehousing and storage sectors during 2022AD. However, the company directed SAR 178.9 million towards the real estate sector and the private sector projects in warehousing and storage combined, thus achieving an increase of SAR 38.9 million in real estate and privately owned entities in storage and warehousing combined by acquiring the private office building located on Prince Sultan Road in Jeddah. Despite the company having prepared a feasibility study beforehand for the targeted sectors, it did not adhere to the sectors specified in the previous issuance prospectus and disclosed therein.

Furthermore, the company did not comply with Article.72 of the Rules on the Offer of Securities and Continuing Obligations, which requires disclosure to the public when there is a difference of 5% or more between the actual use of the proceeds from the issuance of Preemptive Rights compared to what was disclosed in the relevant issuance prospectus as soon as it becomes aware of it. If the company fails to comply with the regulations and to disclose the difference in the use of the proceeds from the offering from what was stated in the relevant issuance prospectus, this exposes the company to violations. Any change in the use of the proceeds from the offering or a decrease in the company's revenues as a result of the incorrect use of the proceeds from the offering could lead to losses and a decrease in the value of its shares, resulting in investor aversion and thus destroying the company's future expansion opportunities through further share issues, which would adversely affect the company's operations results and financial position.

## 2-1-38 Risks of the company's business plan and future assumptions

The validity of the assumptions used in preparing future financial information reflects on the quality of the financial information provided and therefore affects the presentation and disclosure of financial information. The aim is to reflect true results about economic activity, which makes financial information potentially misleading when relied upon for decision-making by either the company's executive management or investors in general.

The company creates a future business model that represents financial assumptions based on management's expectations and prospects. Management relies on these expectations of future revenues, expenses, and cash flows to help make investment decisions.

The company's future business plan reflects assumptions that may be exaggerated due to the lack of clear evidence and supporting documentation to gauge the realization of these assumptions. This is primarily due to the lack of historical results for recently acquired companies such as the Saudi Wasit factory and ARW Manufacturing Company, given the recent nature of the acquisition.

The excessive use of assumptions (not based on historical performance) along with the lack of data to validate these assumptions could affect the company's ability to perform according to projected figures, which in turn could reduce shareholder confidence in the company's future. Moreover, a business plan with assumed return on investment rates without the proper required studies, demographic analysis, and scenario analysis could lead to significant deviations from the planned results and the company's long-term goals. This, in turn, would negatively affect the company's future plans and consequently management decisions relating to it.

## 2-1-39 Risks Related to Deficiencies in Financial Reporting

Anaam International Holding Group Company issues its consolidated financial statements along with a group of subsidiaries, which includes 6 companies that the company controls directly and indirectly. These companies include (The Saudi Cold Company, Anaam International Food Company Limited, Anaam International Agricultural Company, Anaam International Investment Company, Saudi Wasit Factory for Entertainment and Beauty Systems Manufacturing, and ARW Manufacturing Company), and the extent of the availability of accurate financial information and reports helps in matching the consolidated financial statements and also in monitoring the financial performance of each company separately.

The company's financial statements contained some classification errors represented in the expenses charged to the cost of sales and administrative and selling expenses for the fiscal years 2021AD, 2022AD, and the first quarter of 2023AD, for instance, certain expenses such as bad debts, maintenance, advertising fees, bank charges, etc., were charged to the cost of sales, which means they have been represented as direct costs associated with generating revenue according to the management's estimate, both in the Saudi Wasit Factory for a period of 6 months of the fiscal year 2022 and ARW Factory for the entire fiscal year 2022AD. The main reason for this was the failure to maintain the financial records of the two companies in the group's unified accounting system to enable the company to classify a unified expense items for the group as a whole. Moreover, the company did not maintain purchase records for the study periods concerning the main purchases at Saudi Wasit Factory for Entertainment and Beauty Systems Manufacturing and ARW Manufacturing Company. The financial statements also included certain amounts due to the company which have been classified as short-term liabilities despite a significant time having passed since their due date. For example, a fine due to customs classified within other creditor due expenses at a value of SAR2.56 million has been outstanding since the fiscal year 2020AD, and the company retained an amount of SAR12 million under the account balance "Dividends and due to shareholders" classified as current liabilities in the audited balance sheet for the fiscal year 2020AD and until the first quarter of the fiscal year 2023AD, which has been outstanding for a long period.

These accounting treatment errors and deficiencies in financial reporting lead to difficulties in reading and comparing financial information, which will affect the quality of decision-making based on this financial information from these statements, potentially negatively affecting the company's business results and its future operations.

## 2-1-40 Risks of Related Party Transactions

The company, in the course of conducting its business, may be exposed to transactions with related parties that are presented to the General Assembly without granting the right to board members with an interest in those contracts to vote on them, whether in the Assembly (if they own shares) or in the board meeting. It also involves board members acknowledging non-competition with the company's business and dealing with related parties on a competitive basis. Additionally, if any board member decides to withdraw from the company, the transactions with the related parties associated with that member may be suspended or there may be a request to amend the terms of the agreement or to deal on terms that are not satisfactory to the company. This may force the company to choose other companies to contract with, and it may not receive the same treatment from them, which will negatively affect the company's business and profitability.

As of the date of the publication of this prospectus, the company and its subsidiaries do not have commercial contracts and commercial transactions with related parties, in accordance with the Corporate Governance Regulations issued by the Capital Market Authority under Decision No. (2017.16.8)

on 16/05/1438 H, (corresponding to 13/02/2017AD), based on the Companies Law issued by Royal Decree No. M/3 on 28/01/1437 H as amended by the decision of the Capital Market Authority Council No. 8.5.2023 dated 25/06/1444 H, (corresponding to 18/01/2023 AD) based on the Companies Regulations issued by Royal Decree No. M/132, dated 01/12/1443 AH (corresponding to 06/30/2022 AD).including board members, senior executives, or their relatives, except for the annual bonuses of the board members and the salaries of senior employees. Since the company has control over its subsidiaries, internal transactions between the company and its subsidiaries do not result in any amounts due to or from the company in its financial statements and the company does not have formal contracts for transactions with related parties. This, in the long term, will lead to difficulties in tracking balances due between the parties, as well as affecting the quality of the financial reports provided to the management for analysis. The company should have formal contracts and agreements with related parties to regulate the relationship with the subsidiaries to ensure sound governance. It's worth mentioning that all transactions with related parties consisted of paying expenses by proxy, and below are the transactions that took place between related parties during the fiscal years 2020, 2021, 2022AD, and the three-month period ending March 31, 2023AD.

**Table No. (18): The transactions that took place between related parties during the fiscal years 2020, 2021, 2022AD, and the three-month period ending March 31, 2023AD**

Related Parties	Nature of Transactions	Nature of Interest	2020 (SAR)	2021 (SAR)	2022 (SAR)	Three-month period ending March 31, 2023AD (SAR)
Anas Al-Harbi	Proxy Expenses	N/A	-	-	5,104,987	-
Mohammed Ibrahim Haidari	Proxy Expenses	N/A	-	2,572,451	-	-
Tariq Mohammed Ibrahim Haidari	Proxy Expenses	N/A	-	955,903	-	-
<b>Total</b>	-	-	-	<b>3,528,354</b>	<b>5,104,987</b>	-

The first paragraph of Article 27 of the Companies Law stipulates that a company's director or board member may not have any direct or indirect interest in the business and contracts made for the account of the company except with the permission of the partners or the general assembly or shareholders or their delegates. Furthermore, the first paragraph of Article 71 of the Companies Law states that, subject to the provisions of Article 27 of the Companies Law, a board member must immediately inform the board upon becoming aware of any interest they have, whether direct or indirect, in the business and contracts made for the account of the company. This notification must be recorded in the minutes of the board meeting when convened. Such a member is not permitted to participate in the voting on the resolution issued in this regard in the board and general assemblies. The board must inform the general assembly when it convenes about the business and contracts in which a board member has a direct or indirect interest, and this notification must be accompanied by a special report from the company's auditor prepared in accordance with the auditing standards adopted in the Kingdom. In addition, the second paragraph of Article 71 states that if a board member fails to disclose their interest as referred to in the aforementioned first paragraph, the company or any interested party may request the competent judicial authority to annul the contract or obligate the member to pay any profit or benefit realized from it.

The third paragraph of Article 71 of the Companies Law states that the responsibility for damages resulting from the business and contracts referred to in the first paragraph above lies with the member who has an interest in the business or contract, and on the board members if they are negligent or fail to perform their obligations in violation of the provisions of that paragraph, or if it is proven that such business and contracts are unfair or involve a conflict of interests and cause harm to the shareholders. Additionally, the first paragraph of Article 87 of the Corporate Governance Regulations stipulates that the board's report must present its operations during the last fiscal year and all factors affecting the company's business. The board's report must include what provisions from the Corporate Governance Regulations have been applied and which have not, and the reasons for this. The transactions referred to above do not include any commercial dealings as they consist of additional interest-free financing from the partners to both Saudi Wasit Factory Company and ARW Manufacturing Company, and do not result in any other obligations.

It's worth noting that as of the date of this prospectus, the amounts due to the aforementioned related parties have not undergone any changes. The due amounts are as of the end of the nine-month period ending on September 30, 2023, as follows:

**Table No. (19): The due amounts are as of the end of the nine-month period ending on September 30, 2023**

Related Parties	Balance due as of 30/09/2023 AD. (SAR)
Anas Al-Harbi	5,104,987
Muhammed Ibrahim Haidari	2,572,451
Tariq Muhammed Ibrahim Haidari	955,903
<b>The Total</b>	<b>8,633,341</b>

Furthermore, the company also does not have any approved list to identify related parties in accordance with the requirements of the International Financial Reporting Standards (IFRS). Although the non-compliance with the standards regarding the preparation of an approved list for identifying related parties is not a material error that requires qualification or drawing attention, the absence of a clear mechanism for dealing with related parties and a clear mechanism for identifying these parties makes the financial information for each party potentially misleading in decision-making and does not provide a clear basis for long-term transactions. This can reflect negatively on the company's operational performance.

## 2-1-41 Risks of Volatility in Prices of Basic Materials for Subsidiary Companies.

Anaam International Holding Group Company controls 6 companies both directly and indirectly. These companies include the Saudi Cold Company, Anaam International Food Limited Company, Anaam International Agricultural Company, Anaam International Investment Company, Saudi Wasit Factory for Entertainment and Beauty Systems Industry, and ARW Manufacturing Company. Given the nature of the business of the Saudi Wasit Factory for Entertainment and Beauty Systems Industry, which operates in the manufacture of entertainment products and children's toys, as well as ARW Manufacturing Company, which operates in the manufacture of single-use medical supplies, any change in the prices of raw materials or any increase in the prices of certain raw products or any change in the terms of their provision or delay in supply will have a direct and negative impact on the results of operations of these companies. The following table shows the changes in the prices of the main raw materials for the fiscal years ended in 2020, 2021, and 2022 AD, and the three-month period ending on March 31, 2023AD, for both the Saudi Wasit Factory for Entertainment and Beauty Systems Industry and ARW Manufacturing Company.

Table No. (20): The changes in the prices of the main raw materials for the fiscal years ended in 2020, 2021, and 2022 AD, and the three-month period ending on March 31, 2023AD

Raw Material	Unit of Measurement	2021	2022	Three-month period ending on March 31, 2023
<b>Saudi Wasiat Factory for Entertainment and Beauty Systems Industry</b>				
Polyester Rope for Playground Swings	Meter	5	5	5
Steel Pipe 1 inch 1.5mm * 6 meters	Meter	23.5	23.96	23.96
Steel Sheet 1.22 meters * 2.44 meters * 5mm	Unit	348.90	349.55	349.55
Low-Density Polyethylene	Kilogram	4.70	4.70	4.70
Plastic Colorants Master batch – Red	Kilogram	13.5	13.5	13.5
Resin Material	Kilogram	6	6	6
Meranti Wood	Unit	310	310	310
Raw Material	Unit of Measurement	2021	2022	Three-month period ending on March 31, 2023AD
<b>ARW Manufacturing Company.</b>				
Non-Woven Towels	Kilogram	8.75	8.50	7.45
Isopropyl Alcohol	Kilogram	8.50	8.50	9.20
Cardboard	Unit	2.60	2.69	2.75

The profitability of the company is negatively affected by the increase in raw material prices. If the prices of raw materials rise and the company fails to increase the prices of its products, or is unable to procure high-quality raw materials at lower prices, or cannot reduce other operating costs to cover the deficit resulting from increased production costs, this will negatively impact the company's business, its subsidiaries, its financial position, and its future prospects.

## 2-1-42 Risks of Real Estate Market Price Fluctuations and Competition.

Anaam International Holding Group Company has a portfolio of investment properties valued at 466.9 million Saudi Riyals. **(For more information, please refer to the subsection "6-11-1-3 Investment Properties" of Section "6" "Financial Information and Management Discussion and Analysis").** Since its establishment, Anaam International Holding Group Company has been using the cost model to measure its investment properties. In the year 2022, the management decided to change its accounting policy for measuring investment properties to the fair value model.

Accurately predicting the value of real estate assets is challenging due to the unique nature of each property and the local and regional characteristics of real estate markets, which are subject to change over time and are affected by multiple factors, including valuation methods. Furthermore, real estate valuation estimates are subject to significant uncertainty because they are based on assumptions that may prove to be incorrect. Therefore, if the valuation of the company's real estate assets falls below the amounts recorded in the financial statements for any reason, or if it is found that their current valuation was not accurate, this will have a negative and material impact on the company's value, its operational results, its financial position, and its future prospects.

Moreover, the company's performance is exposed to all risks associated with investing in the Saudi real estate sector, including negative changes in regional or global economic conditions, local market circumstances, the financial situation of the lessees, buyers, and sellers of the properties, an excessive increase in supply in the commercial sector and lack of demand and competition, changes in the relative popularity of types of properties and locations, and other unforeseen events and circumstances and other factors outside the company's control, which, if realized, will have a negative effect on the company's business, financial position, operational results, and future prospects.

## 2-2 Risks Related to the Market and the Sector in Which the Issuer Operates

### 2-2-1 Economic and Political Risks

Despite the continued policy of diversification pursued by the government, the oil sector still contributes significantly to the Gross Domestic Product (GDP) of the Kingdom. As a result, fluctuations in oil prices, especially significant decreases, have a direct negative impact on the economy of the Kingdom of Saudi Arabia and its economic activity. The Kingdom of Saudi Arabia also faces the challenge of relatively high levels of population growth and unemployment among Saudi youth. These conditions and other risks beyond the company's control could negatively reflect on the economy.

Any deterioration in economic conditions is likely to generate further pressures on disposable income for workers in the Kingdom of Saudi Arabia and will negatively affect the company's revenues, as the level of workers' spending is susceptible to change and decline. Many countries in the Middle East region are currently experiencing political or security instability. There are no guarantees that the economic and political conditions in those countries will not have a negative impact on the company's business, operation results, financial position, and future prospects.

Furthermore, the imposition of any additional taxes and fees in the Kingdom of Saudi Arabia or the Gulf Cooperation Council countries could have a negative and substantial effect on the company's business and possibly the level of demand for its services, which would strongly reflect on its business or financial position or operation results or expectations. Any substantial and unexpected changes in the economic or political environment in the Kingdom of Saudi Arabia or neighboring countries could negatively and severely, affect the company's business prospects, financial position, and the results of its operations.



## 2-2-2 Risks Related to the Competitive Environment

The company operates in a competitive environment and faces strong competition; there is no guarantee that the company will continue to be able to compete with other companies in the market. In addition, the pricing policies of the company's competitors affect its financial performance. Furthermore, an increase in the supply of products the company manufactures compared to the demand for them will negatively pressure their prices, thereby negatively affecting the company's business, future prospects, operational results, and overall financial position. The company's competitive ability depends on differentiating its products from others in the market by providing high-quality products at reasonable prices. If current or potential competitors offer products of higher quality or at more competitive prices than those offered by the company, there is no assurance that the company can quickly adapt and keep pace with evolving industry trends or changing market requirements, which could have a negative impact on the company's financial results and profitability.

## 2-2-3 Risks Related to Natural Disasters

Natural disasters that are beyond the company's control, such as floods, earthquakes, storms, etc., could damage the company's facilities if they occur, resulting in the company incurring substantial costs. This could also affect the company's ability to continue its operational activities, thereby reducing its income from such operations. Therefore, if such disasters occur and damage the company's facilities, this will have a negative and substantial effect on the company's business, operational results, and financial position.

## 2-2-4 Risks Associated with Rising Energy and Water Prices

The Council of Ministers issued its decision No. (95) on 17/03/1437H (corresponding to 28/12/2015 AD) to raise the prices of energy products, electricity consumption tariffs, and the pricing of water sales and sewage services for the residential, commercial, and industrial sectors, as part of the policies related to rationalizing energy consumption and reducing government subsidies in the Kingdom. Moreover, the Ministry of Energy issued a statement on 24/03/1439H (corresponding to 12/12/2017 AD) about the financial balance program plan to correct energy product prices starting from 14/04/1439H (corresponding to 01/01/2018 AD). The company's operational processes depend on the availability of energy and electricity products, so any interruption or reduction in supplies of these products or any rise in their prices could significantly affect the company's profitability, operational results, and future prospects.

## 2-2-5 Risks of Changes in Related Regulations and Laws

Like other companies operating in the Kingdom of Saudi Arabia, the company is subject to a number of regulations and laws such as the Companies Law, Labor Law, municipal and civil defense regulations, and regulations and rules issued by the Capital Market Authority, among others, which may change or be updated by the relevant authorities. Additionally, new laws and regulations may be issued from time to time by the official entities concerned. Therefore, the company's business could be negatively affected if there is any substantial change in the relevant regulations or the introduction of additional regulations that have a direct impact on the company's performance and profitability.

## 2-2-6 Risks of Required Reporting

The company is required to disclose its quarterly and annual financial statements and the Board of Directors' report within the period set by the Capital Market Authority. The company must also disclose any material information immediately as it occurs. The company may face penalties and fines if it fails to meet the requirements of the Capital Market Authority, the rules of securities offering, the ongoing obligations issued by the Capital Market Authority, and the listing rules issued by the Saudi Stock Exchange "Tadawul", which could have a negative and significant impact on the company's business, operational results, financial position, and future prospects.

## 2-2-7 Risks Related to the Imposition of Additional Fees or New Taxes

The company is not currently subject to any taxes other than the Sharia-compliant Zakat and the Value Added Tax (VAT) at 15% on the fees for services or products provided by the company. Given that the VAT was implemented relatively recently, it is possible that the company will make errors in executing its regulatory requirements, which could lead to penalties from the Zakat, Tax and Customs Authority according to the VAT system. Should this occur, it would carry negative and significant consequences for the company's business, financial condition, operational results, and future prospects.

Should there be any amendments to the current taxes, or new taxes or fees imposed on companies, or should there be any potential future increase in the VAT, it could reduce the demand for the company's products or affect its profitability, which would have a negative and significant impact on the company's business, financial condition, operational results, and future prospects.

## 2-2-8 Risks Related to the Implementation of Value Added Tax (VAT) and Its Impact on the Company

The Council of Ministers decided on the 2nd of Jumada al-Awwal 1438H to approve the Unified Agreement for VAT for the Gulf Cooperation Council (GCC) countries, which came into effect from January 1, 2018AD. As a new tax added to the existing system of taxes and fees on specific sectors in the Kingdom, including the sectors in which the company operates, the value of the tax was initially set at 5%, to be paid by the consumer. However, due to the repercussions of the COVID-19 pandemic, the government was compelled to increase the VAT rate to 15% starting from July 2020. Should the VAT rate increase again in the future, the company may not be able to raise the prices of its products to fully compensate for the tax value due to various factors and considerations, including the nature of contractual relationships with some customers or competitive factors prevailing in the market. This would lead to the company absorbing the uncollected additional tax value from the customer, which would have a negative and significant impact on the company's business, operational results, financial position, profitability, and future prospects.

## 2-2-9 Risks Related to Fluctuations in Interest Rates

The company and its subsidiaries have loans and credit facilities with the Industrial Development Fund, Riyadh Bank, and Alinma Bank. The company acquired Saudi Wasit company during the year 2021, which had a loan from the Industrial Development Fund, valued at SAR13.5 million. The company also acquired ARW Manufacturing Company during the year 2022, where ARW Company had a loan with Riyadh Bank worth SAR787.5 thousand, and another loan from the Industrial Development Fund valued at 1.5 million Saudi Riyals. Additionally, in 2022, Anaam International Holding Group obtained financing from Alinma Bank amounting to SAR153.2 million to finance the acquisition of the office building on Prince Sultan Street in Jeddah.



Furthermore, the company may obtain additional financing and facilities to support its daily operations and business development. Factors outside the company's control can affect external financing arrangements and, specifically, the cost of financing. Among these factors are government policies, monetary and fiscal policies, as well as local and global economic and political conditions, which may lead to changes in interest rates. An increase in financing costs leads to higher financing expenses and, consequently, a decrease in the company's cash flows. This can negatively and significantly affect the company's business, operational results, financial position, and future prospects.

## **2-2-10 Risks of Growth Opportunities**

The company's ability to develop its business depends on the level of market competition, the availability of material and human resources, the capability of its management team, legal systems, and other factors. There is no guarantee of maintaining a consistent level of growth; the company may face difficulties in expanding its activities, increasing its market share, and boosting its sales. Therefore, if the company is unable to manage its growth effectively, its ability to develop its operations, increase or maintain its market share, enhance its profits, and bolster returns for its shareholders could be impacted. This could negatively affect the company's financial position.

## **2-3 Risks of the Offered Securities**

### **2-3-1 Risks Associated with Potential Fluctuations in the Price of Preference Rights**

The market price of preference rights may be subject to significant fluctuations due to changes in market sentiment regarding the company's shares. These fluctuations may be substantial because the range of permissible price variation (which is 10% up or down from the previous day's closing price) for trading preference rights differs from that allowed for ordinary shares. Since Tadawul price of preference rights is based on the current share price of the company and the market's perception of the potential price of the shares after the subscription process, these factors, in addition to those mentioned in the paragraph "Risks Related to Potential Fluctuations in Share Price" below, may affect the price of preference rights.

### **2-3-2 Risks Related to Potential Fluctuations in Share Price**

The company's share price may experience significant volatility and may not be stable due to a variety of factors, including but not limited to market conditions related to shares, any regulatory changes in the sector, deterioration of the company's business results, the inability to execute future plans, the entry of new competing companies, and speculation on the company's operations. It should also be noted that the market price of the company's shares during the offering period of preference rights is not an indicator of their market price after the offering, and there is no guarantee that the market price of the company's shares upon their listing on the financial market will not be lower than their purchase price, which could negatively affect investors.

### **2-3-3 Risks Related to Shareholders' Lack of Awareness of the Mechanism of Trading and Exercising their Preemptive Rights**

The trading of Preemptive Rights constitutes a new market for investors in "Tadawul". Many investors may not be well informed about the mechanism of trading these rights, which will negatively affect their willingness to invest in and trade them. Consequently, their ownership percentage in the company may decrease, which will harm those who did not exercise their rights in the subscription, especially if no compensations are distributed to them when investors do not offer higher prices for the Rump Shares.

### **2-3-4 Risks of Non-Profitability or Inability to Sell Preemptive Rights**

There is no guarantee of profitability of the share by trading it at a higher price. Moreover, there is no assurance of being able to sell it at all, which indicates that there is no guarantee of sufficient market demand to exercise the Preemptive Rights or to receive compensation from the company. Note that investors, who did not subscribe or sell their rights, and owners of fractional shares, may not receive any compensation if the sale occurs during the Rump Offering Period at the offering price.

### **2-3-5 Risks Related to Forward-Looking Statements**

The future results and performance data of the company cannot be actually predicted and may differ from what is presented in this prospectus. The actual results, which determine the company's achievements and its ability to evolve, cannot be anticipated or identified. The inaccuracy of data and results is one of the risks that shareholders must recognize so as not to affect their investment decision. In case the future results and performance data materially differ from what is mentioned in this prospectus, it may lead to shareholders losing part or all of their investments in the company's shares.

### **2-3-6 Risks Related to the Possibility of Issuing New Shares**

If the company decides to issue new shares (other than the Preemptive Rights mentioned in this prospectus), and the current shareholders do not exercise their rights when new Preemptive Rights are issued, then the ownership of the shares will decrease proportionally. This also affects their voting rights and the right to receive dividends, and any additional offering could have a significant impact on the market price of the share.

### **2-3-7 Risks Related to Decreased Demand for the Company's Shares and Rights**

There is no guarantee that there will be sufficient demand for the Preemptive Rights during the Trading Period to enable the holder of the Preemptive Rights (whether a registered shareholder or a new investor) to sell their Preemptive Rights and realize a profit from them, or to enable them to sell the rights at all. Nor is there any guarantee that there will be sufficient demand for the company's shares by the investment institutions during the Rump Offering Period. If the investment institutions do not present high-price offers for the Rump Shares, there may not be sufficient compensation to distribute to the owners of Preemptive Rights who did not exercise their right to subscribe and to those entitled to fractional shares. Furthermore, there is no guarantee that there will be sufficient market demand for the shares acquired by a subscriber either through exercising their Preemptive Rights to these shares, through the Rump Offering, or through the open market.

## 2-3-8 Risks of Diminishing Ownership Percentages

If the holders of Preemptive Rights do not fully subscribe to their entitlement in the new shares, their ownership and the associated voting rights will decrease. There is also no guarantee that if a holder of Preemptive Rights wishes to sell their rights during the Trading Period, the proceeds received will be sufficient to fully compensate them for the reduction in their ownership percentage in the company's capital as a result of its capital increase.

## 2-3-9 Risks of Not Exercising Preemptive Rights in a Timely Manner

The Subscription Period will begin after three (3) business days from the extraordinary general assembly's approval of the capital increase on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD) and will end on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD). Owners of the rights and the financial intermediaries representing them must act appropriately to follow all necessary instructions before the end of the Subscription Period. If the entitled shareholders are unable to exercise their subscription rights properly by the end of the Subscription Period based on their Preemptive Rights, there is no guarantee that there will be a compensatory amount to be distributed to the non-participating entitled shareholders or those who did not carry out the subscription procedures correctly, or to the holders of fractional shares.

## 2-3-10 Risks of Dividend Distribution to Shareholders

Future dividends per share depend on a number of factors including the profitability of the company, the maintenance of its good financial position, capital needs and distributable reserves, the credit strength available to the company and the overall economic conditions. The increase in the company's capital may lead to a decrease in future earnings per share, given that the company's profits will be distributed over a larger number of shares as a result of the capital increase.

The company does not guarantee that any dividends on shares will actually be distributed, nor does it guarantee the amount that will be distributed in any given year. Dividend distribution is subject to certain restrictions and conditions as stipulated by Memorandum of Association.

## 2-3-11 Risks Associated with Speculation in Preemptive Rights

Speculation in Preemptive Rights is subject to risks that may cause substantial losses. The daily fluctuation range allowed for the trading price of Preemptive Rights exceeds the daily fluctuation range allowed for the market price (which is 10% up or down from the previous day's closing price). There is a direct relationship between the share price of the company and the indicative value of the right. Therefore, the daily price limits (i.e., the daily fluctuation range) for trading the rights will be affected by the daily price limits for trading the shares. If a speculator does not sell the rights before the end of the Trading Period and does not exercise these rights to subscribe to the new shares, they may incur some losses. Consequently, investors should review the full details about the mechanism of listing and trading of rights and new shares and how it works and be fully aware of all the factors that affect it, to ensure that any investment decision is based on complete understanding and awareness.

## 2-3-12 Risks Related to the Non-Publication of Financial Statements and Information and the Suspension of Trading

According to Article Sixty-Three of the rules on the offer of securities and continuing obligations : The issuer must prepare its initial financial statements and examine them in accordance with the accounting and auditing standards approved by the Saudi Organization for Chartered and Professional Accountants, and must disclose them to the public within a period not exceeding 30 days from the end of the financial period covered by those statements. The issuer is also required to prepare its annual financial statements and review them in accordance with the accounting and auditing standards approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and must disclose them to the public within a period not exceeding three months from the end of the annual financial period covered by those statements. The issuer must disclose these financial statements at least 21 calendar days before the date of the issuer's annual general assembly.

According to Article Thirty-Six of the Listing Rules approved by the decision of the Capital Market Authority Board No. (3-123-2017) on 09/04/1439H, (corresponding to 27/12/2017 AD), and amended by decision No. (1.108.2022) on 23/03/1444H (corresponding to 19/10/2022 AD). The Saudi Stock Exchange may suspend the trading of the issuer's securities if the issuer does not comply with the set deadlines for disclosing its periodic financial information according to the relevant executive regulations. If the suspension of trading of the securities continues for a period of (6) months without the issuer acting appropriately to correct this suspension, the Authority may cancel the listing of the securities. If the issuer's securities trading is suspended, it will negatively affect the completion of the offering process and thus the financial position and future prospects of the company.

The company has experienced a suspension of trading in its shares after it published its financial statements for the year 2022. Anaam International Holding Group announced its financial results for the year 2022 on the Saudi Tadawul website on 14/10/1444H (corresponding to 04/05/2023 AD), where they were supposed to be published on 30/03/2023AD.

Based on the market authorities granted in the listing rules and the procedures for suspending the trading of listed securities, the Saudi Tadawul Company announced the suspension of trading of Anaam International Holding Group's stock in the market for one trading session, which corresponds to Sunday 11/09/1444H (corresponding to 02/04/2023 AD). Trading of the company's stock will then resume for twenty sessions, and if the company does not announce the publication of the financial statements within the period referred to in paragraph (2), the trading of Anaam International Holding Group's stock will be suspended again.

The company announced on 14/10/1444H (corresponding to 04/05/2023 AD) the financial results for the year ending on December 31, 2022AD.

## 3- Company Background and Nature of Business

### 3-1 Company Overview

Anaam International Holding Group is a Saudi public joint stock company, established under the commercial registration number (4030035073) issued in the city of Jeddah on 07/09/1402H (corresponding to 29/06/1982 AD). The company's headquarters are located in the Kingdom of Saudi Arabia, Jeddah, and Al-Rawdah district, Prince Sultan Street, Building No. 6723, Sub-number 2049, and Postal Code 23431. The company's current capital is three hundred and fifteen million (315,000,000) Saudi Riyals, divided into six hundred and thirty million (630,000,000) ordinary shares with a nominal value of fifty (50) halalas per share, fully paid up.

The company was founded in the year 1401H (1980 AD) under the commercial name "The Saudi Livestock Transport and Trading Company", and on 26/10/1415H (corresponding to 27/03/1995 AD), the General Assembly (Extraordinary) approved the merger of "Nasser Al Mohammed Al Mukairish Company", into the company, consequently changing its name from "The Saudi Livestock Transport and Trading Company" to "United Al Mawashi Al Mukairish Company". On 26/11/1427H (corresponding to 17/12/2006 AD), the General Assembly (Extraordinary) of shareholders agreed to change the company's name from "United Al Mawashi Al Mukairish Company" to "Anaam International Holding Group".

The company's main objectives according to its bylaws are to:

- ▶ Manage its subsidiaries, participate in the management of other companies in which it has shares, and provide the necessary support for them.
- ▶ Invest its funds in stocks and other securities.
- ▶ Own real estate and movables necessary to carry out its activities.
- ▶ Provide loans, guarantees, and financing to its subsidiaries.
- ▶ Own industrial property rights such as patents, trade and industrial marks, franchise rights, and other intellectual rights, exploit them, and lease them to its subsidiaries or others.

The company's activities, according to its commercial register, include:

- ▶ Managing subsidiaries of holding companies.
- ▶ Investing the funds of subsidiaries of holding companies.
- ▶ Owning real estate and movables necessary for holding companies.
- ▶ Providing loans, guarantees, and financing for subsidiaries of holding companies.

The company conducts its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

### 3-2 Company History and Principal Developments in its Capital Structure

- ▶ On 20/01/1401H (corresponding to 28/11/1980 AD), Anaam International Holding Group was established as a limited liability company by 24 founding members consisting of companies and businessmen in the Kingdom, in Riyadh, with a commercial registration number of 35168 and a paid-up capital of one hundred million (SAR100,000,000).
- ▶ On 12/03/1403H (corresponding to 28/12/1982 AD), it was converted into a public joint stock company by virtue of the decision of the Minister of Commerce No. 856, with a capital of five hundred million ( SAR500,000,000) divided into five (5) million ordinary shares with a value of one hundred (100) Riyals each, consisting of three million eight hundred fifteen thousand four hundred sixty-seven (3,815,467) cash shares and one million one hundred eighty-four thousand five hundred thirty-three (1,184,533) in-kind shares representing the net assets and liabilities of The Saudi Livestock Transport and Trading Company (a limited liability company) as of 11/10/1402H (corresponding to 02/08/1982 AD), according to the financial position prepared on that date. The founders subscribed to two million shares with a nominal value of two hundred million (SAR 200,000,000), of which one million one hundred eighty-four thousand five hundred thirty-three (1,184,533) shares were in-kind with a nominal value of one hundred eighteen million four hundred fifty-three thousand three hundred (118,453,300) Saudi Riyals representing the net assets and liabilities of The Saudi Livestock Transport and Trading Company (a limited liability company) as of 11/10/1402H (corresponding to 02/08/1982AD), and eight hundred fifteen thousand four hundred sixty-seven (815,467) cash shares with a nominal value of eighty-one million five hundred forty-six thousand seven hundred (81,546,700) Saudi Riyals. The shareholders paid fifty percent (50%) of their nominal value before the convening of the constituent assembly. The Rump Shares of the company's capital, amounting to three (3) million shares, were offered for public subscription, and the total number of shares subscribed by the public was two million nine hundred ninety-nine thousand nine hundred twenty-six (2,999,926) shares. Subscribers paid (50%) of the value of the subscribed shares, Which amounting to Saudi Riyals (SAR 299,992,600).
- ▶ The extraordinary general assembly of the company convened on 26/10/1415H (corresponding to 28/03/1995 AD), and its most important resolutions were as follows:
  - The merger of Nasser Mohammed Al-Mukairish & Partners Company into the company.
  - Increase of the company's capital to become one billion two hundred million (SAR1, 200,000,000), with a total number of shares amounting to twelve (12) million shares and a nominal value of one hundred (100) Riyals per share.
  - Change of the company's name to "United Al Mawashi Al Mukairish Company."
  - Relocation of the company's main headquarters to Jeddah instead of Riyadh.
- ▶ On 01/11/1415H (corresponding to 01/04/1995 AD), based on the resolutions of the extraordinary general assembly dated 25/10/1415H (corresponding to 27/03/1995 AD), 6,000,000 in-kind shares were issued in favor of Nasser Al Mohammed Al-Mukairish & partners Company, with a nominal value of 600,000,000 Saudi Riyals in exchange for the net assets of Nasser Al Mohammed Al-Mukairish & partners Company.

In addition, 1,000,074 cash shares were issued in favor of Nasser Al Mohammed Al-Mukairish & partners Company with a nominal value of 100,007,400 Saudi Riyals, which were relinquished to be sold in the stock market, and the proceeds were used to offset accumulated losses. The company sold these shares in 2003 for 76.2 million Saudi Riyals for the company's benefit.

- ▶ The company obtained the approval of the Ministry of Commerce for the merger dated 02/12/1415H (corresponding to 02/05/1995 AD), and the company's commercial registration was changed to become 4030035073.
- ▶ On 1996 AD, the remaining 50% of the value of shares that the founders subscribed to was paid up, totaling 815,467 shares with a nominal value of SAR 81,546,700. The shareholders also paid the remaining 50% of the shares they subscribed to, totaling 2,999,926 shares with a value of SAR299,992,600
- ▶ The extraordinary general assembly decided on 12/10/1418H (corresponding to 10/02/1998AD) to reduce the nominal value of the company's ordinary shares from 100 Saudi Riyals per share to SAR50. Consequently, the number of authorized shares became 24 million shares, all issued and fully paid up in nominal value.
- ▶ Based on the decision of the Council of Ministers issued on 27/02/1427H (corresponding to 27/03/2007AD), the nominal value of the shares of joint-stock companies became 10 Riyals, and thus the number of the company's shares after the split became 120 million shares instead of 24 million shares, and the nominal value per share became 10 Riyals instead of fifty Riyals. The company's shares were traded after the split starting from 17/03/1427H (corresponding to 16/04/2007 AD).
- ▶ On 26/09/1427H (corresponding to 19/10/2006 AD), Al-Mukairish Group withdrew from the management of the company, and a new board of directors began, chaired by His Highness Prince Dr. Mishal bin Abdullah bin Turki.
- ▶ On 26/11/1427H (corresponding to 17/12/2006 AD), the extraordinary general assembly decided to change the company's name from (United Al Mawashi Al Mukairish Company) to (Anaam International Holding Group Company).
- ▶ On 28/12/1427H (corresponding to 18/01/2007 AD), the Capital Market Authority decided to suspend trading of the company's shares until its financial situation stabilized, as the company's total accumulated losses at that time amounted to 1.091 million Saudi Riyals, which represented 90.9% of the capital.
- ▶ On 25/03/1428H (corresponding to 13/04/2007 AD), the extraordinary general assembly of the company decided to approve the continuity of the company, support its activity, and restructure it.
- ▶ On 06/09/1428H (corresponding to 18/09/2007 AD), the extraordinary general assembly of the company decided to reduce the company's capital from 1,200 million Riyals to SAR109 million by writing off all the company's accumulated losses to make the number of shares 10,900,000 shares.
- ▶ On 21/12/1428H (corresponding to 31/12/2007 AD), the board of the Capital Market Authority issued a decision allowing the trading of the company's shares outside the continuous trading system until the company achieved profits from its main activities for two consecutive financial years.
- ▶ On 06/11/1430H (corresponding to 25/10/2009 AD), the board of the Capital Market Authority issued a decision to resume trading of the company's shares in the continuous automated trading system starting from 09/11/1430H (corresponding to 28/10/2009 AD) since the company had met the Capital Market Authority's requirements by achieving profits from its main activity for the years 2007 and 2008 AD.
- ▶ On 22/12/1433H (corresponding to 07/11/2012 AD), the extraordinary general assembly of the company agreed to increase the company's capital from 109 million Riyals to 196 million Riyals, thereby increasing the number of shares from 10,900,000 to 19,600,000 shares.
- ▶ On 10/07/1436H (corresponding to 29/04/2015 AD), the company's board of directors issued a decision to recommend increasing the company's capital by offering rights issue shares valued at SAR110 million plus issuing expenses estimated at about SAR7.6 million. On 03/01/1438H (corresponding to 04/10/2016 AD), the company announced on the Saudi Stock Exchange "Tadawul" website that, after consulting with the company's advisory bodies and due to the decrease in share prices at that time, the company decided to postpone the submission of the capital increase request file to the Capital Market Authority until the stabilization of share prices, and then to update the file and submit it according to the required regulatory procedures.
- ▶ On 05/05/1441H (corresponding to 31/12/2019 AD), the extraordinary general assembly decided to reduce the company's capital to SAR15,000,000, divided into 1,500,000 shares, with a nominal value of 10 Saudi Riyals each, all of which are ordinary shares, in order to offset its accumulated losses that amounted to 181 million, which represented 92.3% of the capital.
- ▶ On 10/03/1442H (corresponding to 27/10/2020 AD), the extraordinary general assembly decided to increase the company's capital to SAR105,000,000, divided into 10,500,000 shares with a nominal value of SAR10 each, all of which are ordinary shares.
- ▶ On 26/06/1442H (corresponding to 08/02/2021 AD), the company's board of directors issued a decision to recommend increasing the company's capital through a rights issue valued at SAR210 million. On 16/10/1443H (corresponding to 17/05/2022AD), the extraordinary general assembly approved the increase of the company's capital from one hundred and five million (105,000,000) Saudi Riyals to three hundred and fifteen million (SAR315,000,000) by issuing rights issue shares totaling twenty-one million (21,000,000) ordinary shares, representing an increase in the capital by 200%.
- ▶ On 08/03/1444H (corresponding to 04/10/2022 AD), the company's board of directors issued a decision to recommend increasing the company's capital by offering rights issue shares valued at one hundred and fifty-seven million five hundred thousand (SAR157,500,000).
- ▶ On 28/10/1444H (corresponding to 18/05/2023 AD), the company's board of directors issued a decision to amend the recommendation to increase the company's capital by offering rights issue shares to make the total amount intended to be raised two hundred thirty-six million and two hundred fifty thousand (SAR236,250,000).
- ▶ On 18/09/1444H (corresponding to 09/04/2023 AD), the board of directors recommended to the extraordinary general assembly of the company to split the nominal value of the share from ten (10) Riyals per share to fifty (50) halalas per share, thereby increasing the number of the company's shares to six hundred thirty million (630,000,000) ordinary shares, instead of thirty-one million and five hundred thousand (31,500,000) ordinary shares.

- On 18/12/1444H (corresponding to 06/07/2023 AD), the extraordinary general assembly of the company agreed on splitting the nominal value of the share from ten (10) Riyals per share to fifty (50) halalas per share, and thus the number of the company's shares will become six hundred thirty million (630,000,000) ordinary shares instead of thirty-one million and five hundred thousand (31,500,000) ordinary shares.
- On \*\*/\*\*/1445H (corresponding to \*\*/\*\*/2024 AD), the extraordinary general assembly decided to increase the company's capital to (SAR51,250,000), divided into one billion one hundred two million and five hundred thousand (1,102,500,000) ordinary shares with a nominal value of each being (50) halalas, all of which are ordinary shares.

### 3-3 Vision, Mission, and Strategy Company Vision

"To become the best and most successful joint-stock company distinguished by its investment expertise, execution capabilities, and its potential to maximize the company's value."

#### Company Mission

"To invest in sectors with significant growth opportunities and rewarding returns through effective management focused on creating added value for shareholders, partners, employees, and the community."

#### Strengths and Competitive Advantages of the Company

The company has a number of competitive advantages, including:

- It has extensive experience and presence in the main regions of the Kingdom.
- It possesses refrigerated warehouses that are well prepared and in a healthy environment.
- It has specialized staff with significant experience in the field and the ability to attract qualified personnel.
- The company owns plots of land near the Jeddah Islamic Port that can be exploited to serve the company's interests.

#### Company Values

- Ethics and Integrity:** We develop and grow the company's business with a commitment to ethical aspects and without compromising them so as not to affect the company's integrity and reputation. We work within the company's vision and goals and apply the highest professional and ethical standards in our dealings with stakeholders and with each other.
- Transparency:** We are committed to the principle of full transparency in our dealings with stakeholders, aiming to create a work environment characterized by its clarity, credibility, and integrity.
- Commitment:** We respect our commitments towards stakeholders by building and forming a professional work environment for the company's staff that grows and prospers, delivering value to the company's shareholders, and building a profitable relationship with our partners while fulfilling the company's social responsibility.
- Accountability:** We take full responsibility for our actions, adhering to our commitments, expectations, and requirements, acknowledging our mistakes, and celebrating our successes.
- Leadership:** We strive to be exemplary to others in everything we do. This means being pioneers in investment opportunities, innovative ideas, expertise, execution capabilities, and creating value.

We strive to excel in everything we do, focusing on delivering the highest returns after accounting for risks and creating added value that exceeds expectations.

#### Company Strategy

The company has defined its overall strategic goals for the next five years, which include activating its entity as a holding company and focusing on investing in the industrial, logistical, medical, income-generating real estate, entertainment sectors, and property management activities, in addition to financial investments with rewarding returns in order to achieve profitable financial stability. The financial goals center on achieving sustainable growth in revenue and income, improving liquidity, and thus distributing annual profits to shareholders. The company also aims to increase its market value through successful investments, good profits, and by offering and listing its invested companies in the Saudi stock market.

#### Company Goals

- To build a successful and positively influential economic entity in the sectors it operates and deals with.
- To achieve an appropriate level of growth in the investment return for its shareholders, coupled with balanced growth in equity.
- To improve and develop the business model to match external changes and the company's internal capabilities.
- To enhance expertise and employ it in achieving positive growth in the sector of livestock investment locally and regionally.
- To establish internal and external alliances at the sector level with successful local, regional, and international entities to transfer experience and exchange expertise.
- To introduce technology in all areas.
- To integrate with Saudi Vision 2030 and its realization programs, primarily concerning the development of various resource investments, food security, and improving the quality of life.



## 3-4 Main Activities of the Company

The company operates in managing its subsidiaries or participating in the management of other companies, in which it has shares, providing the necessary support for them and investing its funds in stocks and other financial securities. It also owns the real estate and movables required to carry out its activities and offers loans, guarantees, and financing to its subsidiaries. The company carries out and implements its purposes through the following business sectors:

### ► Storage Sector

The group provides storage services to third parties for frozen products through the company's warehouse located on Al-Mahjar Road in Jeddah. The logistics sector is one of the promising sectors in the Saudi market, and there is a significant growing demand for it. During its upcoming five-year plan, the company aims to build two frozen warehouses with a storage capacity of up to ten thousand cubic tons and to construct dry warehouses on its land located in Al-Khumrah area in Jeddah. The company also aims to expand this activity through acquisition or merger with other companies in the same field.

### ► Real Estate Leasing Sector

One of the company's fundamental strategies is to invest in income-generating real estate with the aim of achieving a stable income and growing the market value of the company's assets. In keeping with this direction, the group has purchased an office building in Jeddah situated on Prince Sultan Street, east of the Saudi Airlines complex, which is considered one of the most important commercial buildings in the city. It has also bought an administrative building, and behind it, a residential building on Tahlia Street in Jeddah, west of Madinah Road, with the intention of refurbishing and leasing it.

### ► Medical Equipment and Healthcare Products Sector

The group has a subsidiary, ARW Manufacturing Company, which commenced its operations in 2017 through its factory located in the Third Industrial City in Jeddah, which falls under the Saudi Authority for Industrial Cities and Technology Zones. The company specializes in the production of low-risk, single-use medical consumables and supplies. The company distinguished itself by manufacturing medical and surgical masks and was one of the first lines of defense during the COVID-19 pandemic in 2020. In addition, the operational plan for the year 2023 includes the addition of quality products for the first time within the Kingdom of Saudi Arabia, such as medical dressings and adhesive medical strips in all sizes and medical classifications. The company also excels in the production of cosmetic and health products such as medical tissues and wet wipes in various sizes and types. The company is committed to applying the highest international quality standards in cooperation with regulatory bodies in the Kingdom to gain consumer trust in the local product. ARW Manufacturing Company strives to be a major and important driver in the field of medical and cosmetic supplies manufacturing in the Kingdom.

### ► Entertainment Equipment Manufacturing

In line with the Kingdom's directions and economic objectives represented in the National Transformation Program 2020 and Vision 2030, which among its main goals includes encouraging investment and spending on tourism and entertainment domestically, supporting local content, and the national industry, Anaam International Holding Group owns a 51% stake in Saudi Wasit for Entertainment and Beautification Systems in the Sudair Industrial and Business City, covering an area of 26,000 square meters. The factory is equipped with the latest technologies and production lines to be the first integrated Gulf factory that produces locally all children's toys (with various designs, types, and materials), entertainment equipment, and its accessories for public gardens, beaches, and amusement parks, as well as garden furniture, fitness games, and water cities, with specifications that consider strength, durability, and beauty with the highest levels of international safety and security standards set by international specifications and standards and approved by the Saudi Standards, Metrology and Quality Organization (SASO), which qualified it to obtain multiple quality certificates such as ISO 9001 and 2015 AD, Saudi standards compliance SASO, TUV conformity certificate, and others.

In the company's expansion plan, Anaam Holding acquired 51% ownership of the company at the end of 2021. The company has implemented many significant projects in the recent period and has been able to gain the trust of major clients such as Aramco, Roshn Real Estate, and more than 150 municipalities and mayoral offices across the Kingdom, as well as numerous housing and real estate development projects.

## 3-5 Subsidiaries

The following table shows the subsidiaries and the ownership percentage for each:

Table No. (21): Subsidiaries and Their Ownership Percentages

Name	Direct Ownership Percentage	Indirect Ownership Percentage	Capital (Saudi Riyal)
The Saudi Cold Company Ltd	100%	-	SAR 19,500,000
ARW Manufacturing Company	55%	-	SAR 1,200,000
Saudi Wasit Factory for Entertainment & Beauty Systems	51%	-	SAR 17,000,000
Anaam International Investment Company	100%	-	SAR 1,000,000
Anaam International Food Company	50%	50%	SAR 500,000

## The Saudi Cold Company Ltd

The Saudi Cold Company Ltd was established under the commercial registration certificate number (4030007971) on 08/11/1393H (corresponding to 03/12/1973 AD). It is a limited liability company with its headquarters located in Jeddah in the Kingdom of Saudi Arabia. It was initially established with a capital of (SAR600,000), which was later increased to (SAR30,000,000) on 28/08/1995 AD. Subsequently, the company's capital was increased to (SAR70,000,000). On 17/05/2009AD, the capital was reduced to (SAR19,500,000). The activities of The Saudi Cold Company Ltd involve cold storage warehouses for food, frozen food storage, and general warehouses that include a diverse assortment of goods.

## ARW Manufacturing Company

ARW Manufacturing Company was established under the commercial registration certificate number (4030288106) on 26/05/1437H (corresponding to 06/03/2016AD). It is a closed Saudi joint-stock company with its headquarters located in Jeddah in the Kingdom of Saudi Arabia. The company's activities include the manufacturing of sanitary paper, cleaning wipes and towels, table napkins, disinfectants and sanitizers for medical devices and products, disinfectants and sanitizers for non-medical use, industrial cleaning agents, laundry and cleaning preparations and substances, pharmaceutical preparations for human use, surgical dressings, fracture bandages, medical cotton, single-use medical products and consumables, sterilization devices and equipment, gas protection masks and respirators, and general warehouses that include a diverse assortment of goods.

## Saudi Wasit Factory for Entertainment, Beauty, and Industrial Systems

The Saudi Wasit Factory for Entertainment, Beauty, and Industrial Systems was established in accordance with the commercial registration certificate number (1126002218) on 04/06/1436H (corresponding to 24/03/2015 AD). It is a closed joint-stock Saudi company, headquartered in Al Majma'ah Governorate (Sudair City for Industry and Businesses), in the Kingdom of Saudi Arabia. The company's activities include the manufacturing of athletic play equipment, dolls and doll clothing, sound and musical instrument toys and their accessories, wheel-based ride-on toys made from plastics, table tennis tables, billiard tables, miniature models for entertainment (including small trains and building blocks), puzzle making of all kinds, playing cards production, board and similar games (including chess), manufacture of umbrellas (sun – rain) for personal use, as well as the care and maintenance of parks and gardens for public housing purposes.

## Anaam International Food Company

The Anaam International Food Company was established under the commercial registration certificate number (4030166809) on the date of 24/01/1428H (corresponding to 12/02/2007AD), and it is a limited liability company with its headquarters located in Jeddah in the Kingdom of Saudi Arabia. The company's activities include retail sales of slaughtered poultry, retail sales of frozen meats and poultry, cold food storage warehouses, and frozen food storage warehouses.

## Anaam International for Investment

Anaam International for Investment was established under the commercial registration certificate number (4030165735) on 29/11/1427H (corresponding to 20/12/2006 AD). It is a limited liability company with its headquarters located in Jeddah in the Kingdom of Saudi Arabia. The company's activities include purchasing and selling lands and properties, subdividing them, and conducting off-plan sales activities.

## 3-6 Employees and Saudization

According to the Nitaqat program issued by the Ministry of Human Resources and Social Development, Localization rate as of the date of this prospectus is (45) and is classified within the Small Green Range, category (B), of the Nitaqat program. The following table shows the number of employees in the company for the last three years (2020, 2021, and 2022 AD), and for the three-month period ending on March 31, 2023AD.

Table No. (22): Number of company employees as of December 31, 2020AD, December 31, 2021AD, December 31, 2022, and March 31, 2023AD

Description	2020 AD		2021 AD		2022 AD		Three-month period ending on March 31, 2023	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Saudis	13	17.56%	9	18.23%	9	18.23%	11	43.86%
Non-Saudis	61	82.43%	15	81.77%	15	81.77%	16	56.14%
<b>Total</b>	<b>74</b>	<b>100%</b>	<b>24</b>	<b>100%</b>	<b>24</b>	<b>100%</b>	<b>27</b>	<b>100%</b>

Source: Anaam Holding Group

## 3-7 Business Interruption

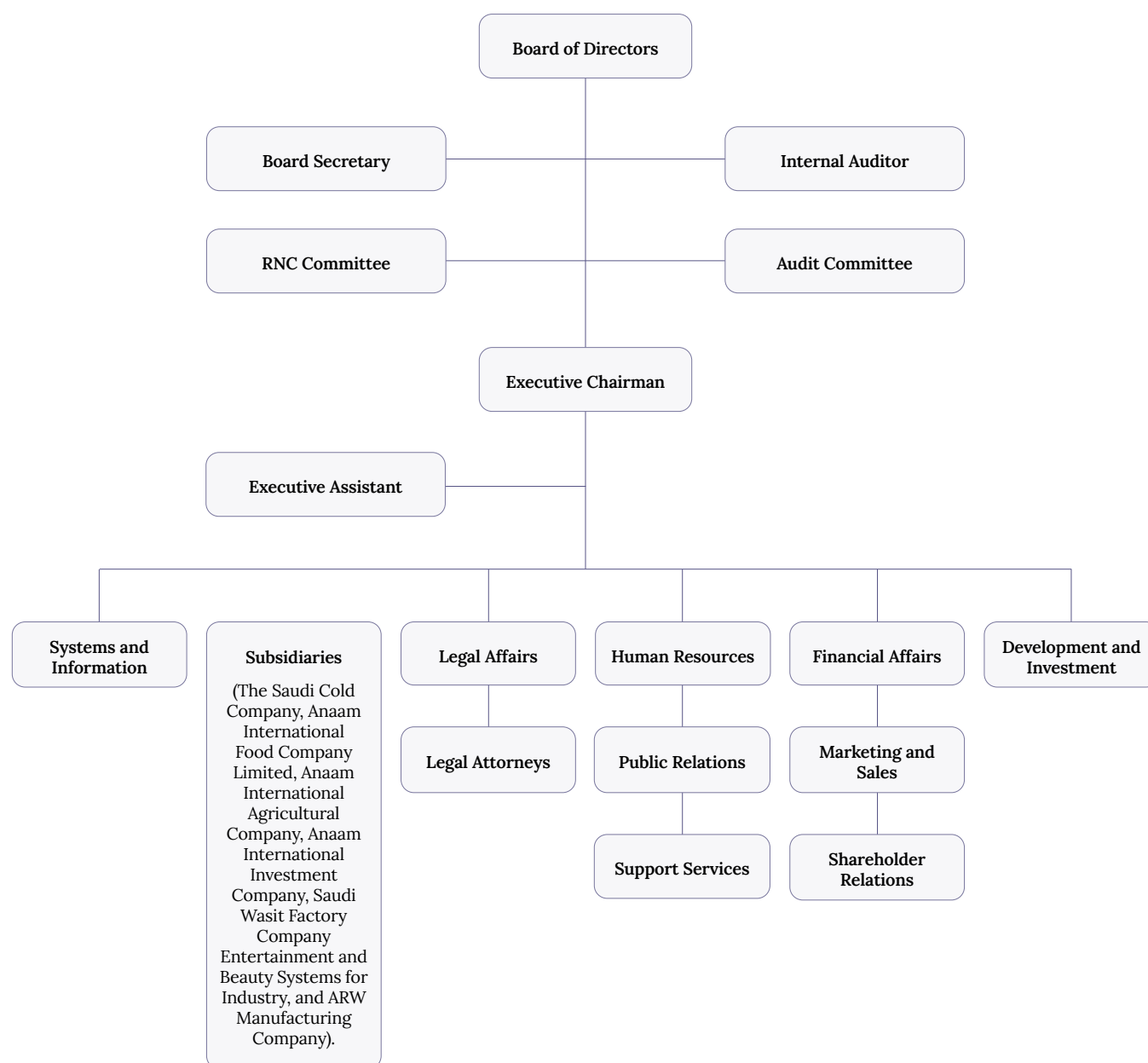
There has been no interruption in the business of the company or any of its subsidiaries that could have or has had a significant impact on the financial position during the last (12) months.

## 4- Company's Organizational Structure

### 4-1 Organizational Structure

The following figure shows the organizational structure of the company:

Figure No. (1): The Organizational Structure of the company as of March 2023 ,31AD.



## 4-2 Board of Directors

The following table shows the members of the Board of Directors:

Table No. (23): Board of Directors Members

Name	Position	Nationality	Age	Membership Status	Membership Date***	Representation/ Representative Name	Owned Shares*				
							Directly		Indirectly**		Total
							Number	Percentage	Number	Percentage	
Mr. Mohammed Abdul Rahman Saleh Attar	Chairman of the Board	Saudi	70	Non-Executive/ Independent	28/11/2021	--	405,540	0.0643714%	--	--	405,540
Mr. Hassan Saad Farhan Al-Yamani	Vice Chairman - Managing Director	Saudi	65	Executive/ non-independent	28/11/2021	--	21,520	0.0034159%	--	--	21,520
Dr. Walid Jamil Qattan	Board Member	Saudi	67	Non-Executive/ Non-Independent	28/11/2021	--	96,180	0.0152667%	--	--	96,180
Mr. Raied Mohammed Abdullah Katy	Member	Saudi	50	Non-Executive/ Non-Independent	28/11/2021	--	2,000	0.0003175%	--	--	2,000
Mr. Khalid bin Wahib Mohammed Muqalled	Member	Saudi	60	Non-Executive/ Independent	28/11/2021	--	260	0.0000413%	--	--	260
<b>Total</b>							<b>525,500</b>	<b>0.0834128%</b>	<b>--</b>	<b>--</b>	<b>525,500</b>

Source: Company

\* The owned shares by the members of the Board of Directors" shall mean the shares held directly or indirectly by the members of the Board in the Company through their ownership in other companies that hold shares in the Company, or the shares owned by the relatives of the members of the Board of Directors whether held directly or through their ownership in companies that hold shares in the Company.

\*\* Members of the Board of Directors do not have any indirect ownership in the Company.

\*\*\* The Ordinary General Assembly of the Company, at its meeting held on 17/04/1443H (corresponding to 22/11/2021 AD), approved the election of the members of the Board of Directors, whose names are listed above, to the membership of the Board of Directors starting from the date of 28/11/2021AD for a term of three Gregorian years, ending on 27/11/2024 AD.

## 4-3 Company Committees

Below is a description of the company's committees, their responsibilities, and the current members of each committee:

### 4-3-1 Audit Committee

Pursuant to Article Thirty-Nine (39) of the Company's Articles of Association, the Audit Committee shall consist of three (3) members who are not executive members of the Board of Directors. The current number of members on the Committee is three (3) members. The members of the Audit Committee were appointed by the Ordinary General Assembly held on 17/04/1443H (corresponding to 22/11/2021AD) and their term shall expire at the end of the current Board's cycle on 25/05/1446H (corresponding to 27/11/2024 AD). The Committee comprises the following named members:

Table No. (24): Members of the Audit Committee

Name	Position
Ahmed Tariq Abdel Rahman Murad	Chairman
Raied Muhammed Abdullah Katy	Member
Khalid bin Wahib Muhammed Muqalled	Member

## Tasks and Responsibilities of the Audit Committee

The Audit Committee is responsible for overseeing the company's operations and ensuring the accuracy and integrity of the reports and financial statements, as well as the internal control systems. The committee's tasks specifically include the following:

### First: Financial Reporting

- › Review the company's interim and annual financial statements as well as related announcements and present them to the Board of Directors.
- › Provide a technical opinion - upon the request of the Board of Directors - regarding the fairness and clarity of the company's financial statements and their inclusion of information that allows shareholders to assess the financial position and performance of the company.
- › Study any significant or emerging issues included in the financial reports.
- › Thoroughly investigate any matters raised by the company's Chief Financial Officer, the person responsible for compliance duties within the company, or the auditor.
- › Verify the accounting estimates in the material matters included in the financial reports.
- › Study the accounting policies adopted by the company and express opinions and recommendations to the Board of Directors regarding them.
- › Ensure the preparation of financial statements in accordance with the accounting principles recognized in the Kingdom.

### Second: Internal Control System

- › Study and review the company's internal and financial control systems and risk management.
- › Consider the effectiveness of the company's assessment of significant risks it may face, and the steps taken by the company to monitor and mitigate these risks.
- › Review and approve the annual audit plan for the internal audit department.
- › Monitor the implementation of tasks by the internal audit department and the extent to which the internal audit department carries out its work according to the approved annual plan.
- › Study the internal audit reports and follow up on the implementation of corrective actions for the findings reported therein.
- › Oversee and supervise the performance and activities of the internal audit within the company to ensure the availability of necessary resources and their effectiveness in performing the tasks assigned.
- › Recommend to the Board of Directors the appointment of the Head of Internal Audit and propose their remuneration.
- › Prepare a report on the Audit Committee's opinion regarding the adequacy of the company's internal control system, and on other actions, it has undertaken within its scope of responsibility. The Board of Directors must deposit sufficient copies of this report at the company's main center at least ten days before the General Assembly meeting; to provide a copy to any shareholder who requests it. The report is to be reviewed during the General Assembly meeting.

### Third: The Auditors

- › Recommend to the Board of Directors the nomination, dismissal, remuneration, and performance evaluation of the auditors, after ascertaining their independence and reviewing the scope of their work and the terms of their engagement.
- › Verify the independence, objectivity, and fairness of the auditors, as well as the effectiveness of the audit activities, taking into account the relevant rules and standards.
- › Review the audit plan and the work performed by the auditors, ensuring that they do not provide any technical or administrative services that fall outside the scope of audit activities, and express its views on this matter.
- › Examine the auditor's report and their comments on the financial statements and monitor the actions taken in response.
- › Engage in regular discussions with the auditors regarding their observations and ensure that they are addressed in coordination with the company's management, and report to the Board of Directors when necessary.

### Fourth: Ensuring Compliance

- › Review the outcomes of regulatory bodies' reports and verify that the company has taken the necessary actions in response to them.
- › Ensure the company's compliance with the relevant systems, regulations, policies, and directives.
- › Examine contracts and transactions proposed to be conducted by the company with related parties, and present its views on these matters to the Board of Directors.
- › Escalate issues deemed necessary for action to the Board of Directors, providing its recommendations on the measures that should be taken and submitting its reports to the Board of Directors.

## 4-3-2 The Nominations and Remuneration Committee

The Nominations and Remuneration Committee is comprised of three (3) members. The Board of Directors pursuant to the resolution issued on 17/04/1443 H (corresponding to 22/11/2021 AD) has appointed the members of the Nominations and Remuneration Committee. The term of the Nominations and Remuneration Committee begins with the start of the board's term on 23/04/1443 H (corresponding to 28/11/2021 AD) and ends at the end of the current board's cycle on 25/05/1446 H (corresponding to 27/11/2024 AD). The committee is composed of the following members:



Table No. (25): Members of the Nominations and Remuneration Committee

Name	Position
Khalid bin Wahib Muhammed Muqalled	Chairman of the Committee
Muhammed Abdul Rahman Attar	Member
Walid Jamil Muhammed Ali Qattan	Member

Source: The Company

## Tasks and Responsibilities of the Nominations and Remuneration Committee

- Develop nomination policies and controls for board and committee membership in alignment with the relevant systems and laws issued by the supervisory authorities overseeing the company's operations.
- Develop, review, update the policies related to the compensation and rewards of board and committee members and executive management, and submit any recommendations thereon to the Board of Directors for presentation to the General Assembly for approval.
- Clarify the relationship between the granted rewards and the implemented policy, and report any significant deviations from the policy and the reasons thereof.
- Conduct a periodic review of the rewards policies and assess their effectiveness in achieving the desired objectives.
- Recommend to the Board of Directors regarding the remuneration of board and committee members and senior executives in accordance with the adopted policies.
- Review nominations for board and committee membership and ensure their alignment with the relevant policies and controls, and raise recommendations to the Board of Directors. Supervise the nomination process for board and committee membership in coordination with the board secretary, General Assembly, and related regulatory authorities.
- Perform periodic evaluations of the effectiveness of the board and executive management structures based on criteria set by the committee and submit recommendations for possible changes to the Board of Directors.
- Regularly review the skills and competencies required for board and committee membership and prepare a profile for the qualifications and capabilities required, including the time commitment necessary for board and committee work.
- Prepare a profile of the capabilities and qualifications required for the executive management positions.
- Identify the strengths and weaknesses within the Board of Directors and its committees, and provide recommendations and suggestions regarding the mechanisms for addressing weaknesses and leveraging strengths.
- The committee shall determine whether a member qualifies as an independent member, taking into consideration the minimum requirements necessary for independence. The committee shall annually affirm the independence of the independent members, and ensure there is no conflict of interest if a member serves on the board of another company.
- Develop job descriptions for the executive and non-executive members, independent members, and senior executives of the company.
- The committee is responsible for providing information and reports on important matters related to its scope of work to the board members upon request.
- Establish procedures for addressing vacancies in the positions of the Board of Directors, its committees, or senior executives within the company.
- Ensure the existence of a suitable and clear rewards and compensation policy within the company to attract and retain qualified human resources, linking such policy to performance and objectives.
- Ensure the existence of a succession plan for senior executives within the company.
- Ensure that the number of candidates nominated for board membership presented to the General Assembly of shareholders exceeds the number of available seats, providing the assembly the opportunity to choose among the candidates.
- Ensure proper disclosure of rewards and compensations in the company's annual report in accordance with the relevant systems and laws.
- Review matters referred to the committee by the board and provide recommendations in respect thereof.

## 4-4 Executive Management

The following table details the names of the Executive Management staff:

Table No. (26): Names of Executive Management Staff

Name	Position	Nationality	Age	Date of Joining the Company	Owned Shares			
					Direct		Indirect	
					Quantity	Percentage	Quantity	Percentage
Hassan Saad Farhan Al-Yamani	Chief Executive Officer - Vice Chairman of the Board	Saudi	65	01/01/2010	21,520	0.0034159%	-	-
Saeed Ahmad Siddiqui	Chief Financial Officer	Pakistani	53	17/01/2021	-	-	-	-
Eman Taher Hijazi	Human Resources Manager	Saudi	30	01/09/2021	-	-	-	-
Hassan Ali Hashem Aqeel	Business Development Manager	Saudi	36	17/07/2022	-	-	-	-
Ahmad Usman Andijani	Accounting Manager	Saudi	33	15/08/2022				
Mohannad Mohammed Redda Al-Harbi	Investor Relations Manager	Saudi	31	26/08/2013				
Ahmad Talaat Nassar	Financial Manager	Egyptian	40	01/11/2022				

Source: The Company

### ► Compensation and Bonuses for Board Members and Senior Executives

The responsibility for proposing the compensation and bonuses for the Board Members and Senior Executives falls upon the Nominations and Remunerations Committee. The following table illustrates the value of the salaries, bonuses, and allowances received by the Board Members, the Chief Executive Officer, the Chief Financial Officer, and three of the key executive employees over the past three years:

Compensation and Bonuses of Board Members and Senior Executives.

Table No. (27): Compensation and Bonuses of Board Members and Senior Executives

Statement (Thousands of Saudi Riyals)	2020	2021	2022
Board Members	72	2,203	9,700
Senior Executives (Including CEO, CFO, and three key employees)	6,167	3,903	4,370
<b>Total</b>	<b>6,239</b>	<b>3,981</b>	<b>4,460</b>

## **5- Employees**

### **5-1 Existing Employee Stock Programs prior to the submission of the registration application and offering of the securities subject to this prospectus**

As of the date of this prospectus, the company does not have any employee stock allocation program.

### **5-2 Arrangements for employee participation in capital**

As of the date of this prospectus, the company does not have any arrangements for employee participation in capital.

# 6- Financial Information and Management's Discussion and Analysis

## 6-1 Introduction

The following section on management's discussion and analysis provides a review of the financial position and operational performance of Anaam International Holding Group (Anaam) and its subsidiaries. This section is based on the consolidated financial statements of the company for the fiscal years ended December 31, 2020, 2021, and 2022 AD, and the interim condensed consolidated financial statements for the periods ended March 31, 2022AD, and March 31, 2023AD. The consolidated financial statements of Anaam International Holding Group and its subsidiaries for the fiscal years ended December 31, 2020AD, and December 31, 2021AD, and the interim condensed consolidated financial statements for the period ended March 31, 2022AD, were reviewed by Allied Accountants for Professional Services Company(RSM). The consolidated financial statements for the fiscal year ended December 31, 2022AD, and the interim condensed consolidated financial statements for the period ended March 31, 2023, were reviewed by Dr. Mohamed Al Amri & Partners (BDO). The consolidated financial statements referred to above are a part of this prospectus.

The consolidated financial statements of the company and its subsidiaries were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia, as well as other standards and releases approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA). All amounts are in Saudi Riyals unless otherwise stated, and percentages have been rounded to the nearest tenth of a percent. Moreover, for the purposes of this section on management's discussion and analysis, the financial information for the fiscal years ended December 31, 2020, 2021, and 2022AD was used, drawing from the financial information included in the consolidated and reviewed financial statements for the fiscal years ended December 31, 2020, 2021, and 2022 AD, respectively, and the consolidated financial statements for the periods ended March 31, 2022, and March 31, 2023AD.

Allied Accountants for Professional Services Company(RSM) and Dr. Mohamed Al Amri & Partners (BDO), Certified Public Accountants, nor any of their affiliates, employees, or their relatives own any shares or any interest of any kind in the company that could affect their independence. Written consent was given unconditionally regarding the publication of their names, logos, and statements in this issuance prospectus as the auditors of Anaam International Holding Group and its subsidiaries for the years referred to above.

The audited consolidated financial statements for the fiscal year ended on December 31, 2020AD, drew attention from the legal accountant and are disclosed in this section. They include land, property, plant, and equipment valued at SAR 47.1 million, which are not registered in the name of the group. The audited consolidated financial statements for the fiscal year ended on December 31, 2021AD, also drew attention from the legal accountant and are disclosed in this section. They include property, plant, and equipment consisting of land and a building valued at SAR 20 million, in addition to land valued at SAR 26 million, neither of which have ownership deeds or are registered in the name of the group. Furthermore, the audited consolidated financial statements for the fiscal year ended on December 31, 2022AD, drew attention from the legal accountant and are disclosed in this section. They contain property, plant, and equipment including a plot of land valued at SAR 14 million and another valued at SAR 16.5 million, the registration procedures of which in the name of the group have not been completed.

The collected property, machinery and equipment consists of lands, buildings, agricultural machinery and equipment, wells and irrigation equipment, cars and trucks, furniture and furnishings, office equipment, computers and fruitful plants, capital projects under implementation with a net book value of (SAR70.1) million for the fiscal year 2020AD. It amounted to (SAR57.5) million for the fiscal year 2021AD, (62.6) million Saudi riyals for the fiscal year 2022AD, and (SAR59.8) million for the financial period. Ending on March 31, 2022AD, and (SAR63.9) million for the high period ending on March 31, 2023AD. The group or its subsidiaries do not have any properties, including contractual securities, or any assets whose value is subject to fluctuations or whose value is difficult to ascertain, which has a significant impact on It is important in evaluating the consolidated financial position of the group, as the group's management reviews the book value of these assets to assess whether there is any indication of a decline in value.

On Safar 25, 1437 H, Council of Ministers Resolution No. (66) was issued stipulating that the cultivation of green fodder be stopped before Safar 25, 1440 H. (Corresponding to November 3, 2018AD). Accordingly, the group stopped growing green fodder during the year 2018AD, as the group's revenues varied during the years of study.

The group's financing structure consists of capital amounting to (SAR105) million for the fiscal years 2020 and 2021AD, and the first quarter for the period ending on March 31, 2022AD, and amounting to (315) million Saudi Riyals for the fiscal year 2022 and the first quarter for the period ending on March 31, 2023AD. This is after increasing the company's capital by (210) million Saudi Riyals through Preemptive Rights issue on Shawwal 16, 1443 H (corresponding to May 17, 2022 AD) to finance working capital, investment in real estate, and investment in shares of other entities owned by the private sector.

This section may include forward-looking statements related to the company's future expectations based on management's current plans and expectations regarding the company's growth, the results of its operations, and its financial position, which may involve risks and uncertainties. The Company's actual results may differ materially from the results indicated or implied in these forward-looking statements due to various factors and future events, including those discussed below and elsewhere in this prospectus, particularly in the "Risk Factors" section of this prospectus.

## 6-2 Board of Directors' declarations regarding financial information

- ▶ The Board of Directors of the Group and its subsidiaries acknowledges that all material facts regarding the company and its subsidiaries and their financial performance have been disclosed in this prospectus, and that there are no other information, documents, or facts that, if omitted, would render the statements in this prospectus misleading.
- ▶ To the best of the knowledge and belief of the Board of Directors of the Group and its subsidiaries, the financial information included in this section has been extracted from the audited consolidated financial statements for the fiscal years ended on December 31 (2020, 2021, 2022 AD) and the periods (unaudited) ended on March 31, 2022 AD, and March 31, 2023 AD, without any material adjustments and in accordance with them. The audited consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and releases approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA). **Except for what was disclosed in subsection "2-1-32" "Risks of non-compliance by the company with certain requirements of approved international accounting standards" in Section 2 "Risk Factors"**

- ▶ The Board of Directors acknowledges that the company and its subsidiaries (the Group) incurred losses during the fiscal years ended on December 31 (2020, 2022 AD). Except for the disclosures made in **Subparagraph 6.11.5.2 “Retained Earnings / (Accumulated Losses)”** of this prospectus regarding accumulated losses, there has been no significant adverse change in the financial or business position of the company and its subsidiaries during the fiscal years ended on December 31 (2020, 2021, 2022 AD) immediately preceding the date of the application for registration and offering of the securities subject to this prospectus, in addition to the end of the period covered by the legal accountant's report until the adoption of the issuance prospectus.
- ▶ The Board of Directors acknowledges that the Group and its subsidiaries possess sufficient funds to meet the working capital requirements for a period of 12 months from the date of this prospectus.
- ▶ The Board of Directors acknowledges that the Group and its subsidiaries have not issued any outstanding or approved debt instruments that have not been issued as of the date of this prospectus, and that the company and its subsidiaries do not have any loans or term loans (whether personally guaranteed or unguaranteed, secured by collateral or unsecured), except for what has been disclosed in **Subparagraph 6.11.3 (“Current Liabilities”)**, and **6.11.4 (“Non-Current Liabilities”)** of this prospectus.
- ▶ The Board of Directors of the Group and its subsidiaries acknowledges that there are no shares in the Group or its subsidiaries subject to any option rights as of the date of this prospectus.
- ▶ The Board of Directors acknowledges that the members neither of the Board of Directors nor any of their relatives have any kind of beneficial shares in the Group and its subsidiaries, except for what has been disclosed in **Subparagraph (4.2) “Board of Directors.”**
- ▶ The Board of Directors of the Group and its subsidiaries certifies that there are no known government, economic, fiscal, monetary, political policies or other factors that have affected or may potentially affect (directly or indirectly) the operations of the Group and its subsidiaries materially, except for what has been disclosed in **section (2) “Risk Factors”** of this prospectus.
- ▶ The Board of Directors of the Group and its subsidiaries acknowledges that the Group and its subsidiaries have not granted any commissions, discounts, brokerage fees, or non-cash compensation to any of the members of the Board of Directors, proposed Board members, senior executives, or those involved in the offering or sale of the securities, or to the experts during the three years immediately preceding the date of the application for the issuance of the Preemptive Rights subject to this prospectus.
- ▶ The Board of Directors acknowledges that there are no material changes from year to year in the financial information, except as disclosed in **subsection “6.10” (Results of Operations)**, **subsection “6.11.1” (Property, Plant, and Equipment)**, and **subsection “6.11.3”** of this prospectus.
- ▶ The Board of Directors of the Group and its subsidiaries acknowledges that there is no reservation in the auditor's report on the financial statements of the issuer or any of its subsidiaries for any of the three fiscal years immediately preceding the date of the application for registration and offering of the securities subject to this prospectus.
- ▶ The Board of Directors of the Group and its subsidiaries acknowledges that there are no actions taken or commitments made to materially revise the audited and published financial statements for the three fiscal years immediately preceding the date of the application for registration and offering of the securities subject to this prospectus.
- ▶ The Board of Directors of the Group and its subsidiaries acknowledges that there are no liens, rights, or costs on the properties of the Group and its subsidiaries as of the date of this prospectus, except as disclosed in **Subparagraph (2.1.36) “Risks of Preserving Assets and Properties”**.
- ▶ The Board of Directors of the Group and its subsidiaries acknowledges that the Group and its subsidiaries do not hold any holdings in derivative securities or other assets whose value is subject to fluctuations or whose value is difficult to ascertain, which significantly affects the assessment of the financial position.
- ▶ The board of directors of the group and its subsidiaries acknowledges that the group and any of its subsidiaries do not have any significant current fixed assets (including leased assets), or any significant fixed assets intended to be purchased or leased, other than what has been disclosed in **section 6.11.1.1 (“Properties, Plant and Equipment”)** of this section, and **section “7” on the use of offering proceeds and future projects** in this brochure.
- ▶ The board of directors of the group and its subsidiaries acknowledges that the group or any of its subsidiaries do not have any loans or other debts, or overdrafts from banking accounts, any obligations under acceptance or acceptance credit, or leasing purchase obligations, whether personally guaranteed or unguaranteed, or secured by mortgage or unsecured by mortgage, except as disclosed in **sections 6.11.3 (“Current Liabilities”), 6.11.4 (“Non-current Liabilities”)** of this section.
- ▶ The board of directors of the group and its subsidiaries acknowledges that the group and its subsidiaries do not have any contingent liabilities or guarantees.
- ▶ The board of directors of the group and its subsidiaries acknowledges that the group and its subsidiaries do not have any seasonal factors or economic cycles related to the activity that may have an impact on the business and financial position of the company and its subsidiaries, except as referred to in **section (2.2) on market and sector-related risks** in this brochure.

## 6-3 Brief about the Group and its Subsidiaries

Anaam International Holding Group is a public Saudi joint stock company listed under the commercial registration number 4030035073 issued in Jeddah, Saudi Arabia, on the 7th of Ramadan 1402H (corresponding to June 29, 1982 AD). The company has investments in the following subsidiaries, all of which were fully established in the Kingdom of Saudi Arabia.

Anaam International Holding Group (“the Company”) is a Saudi joint stock company registered under the commercial register issued in Jeddah with the number 4030035073 and dated 07/09/1402H (corresponding to 29/06/1982 AD).

The main activities of the Company and its subsidiaries (referred to collectively as “the Group”) involve all maritime transport operations for livestock within and outside the Kingdom, owning all the necessary maritime and land transportation means for the Group, trading in marine equipment necessary for the Group's ships, trading in livestock and fodder, and everything related to the production and transport of meat, management and operation of slaughterhouses, meat processing, establishment and management and operation of centers, establishment and management and operation of industrial projects, wholesale and retail trade in foodstuffs, importing, exporting, marketing, and leasing to others, and conducting general service activities in the field of commercial agencies and distribution agencies.



On December 3, 2020AD, the Group changed its activity from farming and trading in raw materials, wholesale and retail trade in foodstuffs and storage services, and leasing to managing subsidiaries or participating in the management of other companies in which the Group invests, providing necessary support to them, and investing its funds in shares and other securities, owning real estate and movables necessary for carrying out its activity, and providing loans, guarantees, and financing to its subsidiaries.

Below is a statement of the subsidiaries listed in these consolidated financial statements. All these companies were established in the Kingdom of Saudi Arabia and are owned by the Group directly and indirectly by 100% except for Saudi Wasit Factory for Entertainment and Beauty Systems where the company owns 51% and ARW Manufacturing Company where the company owns 55%.

**Table No. (28): Ownership percentage in the subsidiaries**

Subsidiary Company Name	Main Activity	Commercial Registration	Operational Status	Ownership Percentage
The Saudi Cold Company	Foodstuff trade, leasing, and storage	4030007971	Not operational	100%
Anaam International Food Company Limited	Foodstuff trade	4030166809	Operational	100%
Anaam International Investment Company	Real estate and services	4030165735	Not operational	100%
Saudi Wasit Factory for Entertainment and Beauty Systems	Entertainment and beauty industry	1126002218	Operational	51%
ARW Manufacturing Company	Medical equipment manufacturing and healthcare products	4030288106	Operational	55%

During the month of August 2021, the company acquired 51% of the shares of Saudi Wasit for Entertainment and Beauty Systems, a company registered in the Kingdom of Saudi Arabia. Additionally, in April 2022, the Group acquired 55% of the shares of ARW Manufacturing Company, which was established in Jeddah, for a total of SAR 6.1 million and is a company registered in the Kingdom of Saudi Arabia.

The board of directors has decided to liquidate Anaam International Agricultural Company, and Anaam International Financial Company was liquidated during the fiscal year 2022.

The fiscal year of the Group starts at the beginning of January of each calendar year and ends at the end of December of the same year.

## 6-4 Foundations of Preparation

### 6-4-1 Applied Accounting Standards

The consolidated financial statements “the Group” have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia, other standards and versions approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and the provisions of the Companies Law in the Kingdom of Saudi Arabia.

Wherever the term “International Financial Reporting Standards” is mentioned in these explanations, it refers to the “International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and versions approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).” The adopted international standards are the international standards as issued by the International Accounting Standards Board in addition to the requirements and disclosures added by the SOCPA to some of those standards as stated in the document of adoption of the International Financial Reporting Standards, and by other standards and versions, it is meant those adopted by the SOCPA, including technical opinions for topics not covered by the international standards.

According to the circular of the Capital Market Authority through its decision dated October 16, 2016, the Group must apply the cost model for measuring property, plant and equipment, and investment properties when implementing the International Financial Reporting Standards for the three-year period starting from the date of application of the International Financial Reporting Standards.

The Capital Market Authority has permitted listed companies to use fair market value or the revaluation unit to measure properties and investment properties as of January 1, 2022. It has also requested companies to continue using the cost model for property, plant and equipment, and intangible assets.

#### ► Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for the end-of-service benefit obligations for employees, which have been calculated based on the present value of the future obligations.

#### ► Going Concern Principle

The Group incurred a loss for the fiscal year amounting to SAR 31.5 million during the year ended December 31, 2022, and accumulated losses reached SAR 40.3 million. The Group's current liabilities exceeded its current assets by SAR 242.3 million. These events or conditions indicate the existence of material uncertainties that may cast significant doubt on the company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis among other things:

- The company's shareholders decided to increase the company's capital by SAR 210 million during the year ended December 31, 2022, through the issuance of Preemptive Rights to finance the Group's working capital (see Note 15 for details).
- Alinma Bank waived the company's breach of loan covenants after the reporting date.
- The total equity is positive as of December 31, 2022; and
- The Group also plans to increase its capital.

### ► For the fiscal period ended March 31, 2023

The Group achieved a net profit of SAR 2.3 million (2022: SAR 3.8 million), with accumulated losses of SAR 37 million (2022: SAR 40.3 million), and the Group's current liabilities exceeded its current assets by SAR 243.9 million. These events or conditions indicate the existence of material uncertainties that may cast significant doubt on the company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis among other things:

- Alinma Bank waived the company's breach of loan covenants after the reporting date; and
- The total equity is positive as of March 31, 2023; and
- The Group also plans to increase its capital.

### ► Functional Currency

These consolidated financial statements have been presented in Saudi Riyal, which is the Group's functional currency as well as the presentation currency.

## 6-5 Significant Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with the applicable accounting standards and policies requires the use of judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the disclosure and the disclosure of contingent liabilities. Uncertainties regarding these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amounts of the assets or liabilities affected in future periods.

These estimates and assumptions are based on management's experience and various other significant sources and involve a high degree of risk that could lead to significant adjustments in the carrying amounts carrying values of the assets and liabilities. The estimates and assumptions are reviewed on a regular basis, and adjustments to accounting estimates are recognized in the period in which the estimates are revised or in the year of settlement, and future years.

The following are the key assumptions concerning the future and other major sources as of the date of the consolidated statement of financial position that involve a high degree of risk that could lead to significant adjustments in the carrying amounts carrying values of the assets and liabilities during the following financial year. The group bases its assumptions and estimates on standards available to them at the time of preparing the consolidated financial statements, and these assumptions and estimates about future developments may change as a result of market changes and circumstances beyond the control of the group. Such changes in assumptions are also disclosed when they occur.

### Acquisition of a sister Company

The fair value of the acquisition (including contingent consideration) and the fair value of the acquired assets and assumed liabilities are measured on an allocation basis.

### Business Combinations

The acquisition accounting for an enterprise requires the allocation of the purchase price to the various assets and liabilities of the acquired entity. For most assets and liabilities, the purchase prices are allocated by recording the assets or liabilities at their estimated fair value. Determining the fair value of acquired assets and assumed liabilities requires a management estimate and often involves the use of significant estimates and assumptions, including assumptions related to future incoming and outgoing cash flows, discount rates, and the useful life of assets.

### Expected Credit Loss Allowance

The group measures the allowance for loss on trade receivables using an expected credit loss provisioning matrix, referring to the debtor's past experience of default and analyzing the debtor's current financial situation, after adjusting for debtor-specific factors, the general economic conditions of the industry in which the debtors operate, and assessing both the current trend and the expected trend of conditions at the reporting date. The group reviews the balances of trade receivables at each reporting date to assess whether an allowance for credit losses should be recorded in the consolidated statement of profit or loss and other comprehensive income.

### Significant Influence Assessment

Since the group holds less than 20% of the voting rights in the investment but has significant influence, this investment is treated as an associate company. Conversely, when the group owns more than 20% of the voting rights (but not more than 50%) and does not have significant influence, the investment is treated at fair value through other comprehensive income.

### Zakat Estimates

The zakat calculated by the group on the ordinary activities represents the total zakat provision. The calculation of the zakat paid by the group depends on a degree of judgment and discretion regarding certain items whose treatment cannot be determined definitively until a resolution is reached with the relevant tax authority or, where appropriate, through a formal legal process.

### Estimated Useful Life of Property, Plant and Equipment

Management estimates the useful life of property, plant, and equipment for the purpose of calculating depreciation. The cost of property, plant, and equipment is depreciated over the expected service life estimated based on the expected use and wear and tear of the asset, the maintenance and repair program, as well as technical obsolescence and considerations of the recoverable value of the asset. Management reviews the residual value and the useful life of the property, plant, and equipment on an annual basis, and depreciation is adjusted in subsequent years if the carrying amount of the asset differs from previous estimates to reflect management's reassessment.

## Fair Value of Investment Properties

The group records its investment properties at fair value, recognizing changes in fair value in the consolidated statement of profit or loss.

The fair value of investment properties is determined by independent real estate valuation experts using recognized valuation methods. These methods include the market comparison approach, the cost approach, and the income capitalization approach.

The market comparison approach is based on comparing the property with similar properties in the market, to find the capital or rental value of the property directly. The market value can be determined by looking for evidence of recent transactions and deals in the real estate market.

The cost approach for fair valuation is a technique used to assess an investment or asset based on its original cost. Under the cost approach, the investment is valued at the cost of acquisition, plus any additional costs incurred to bring it to its current state or location. This method assumes that the original cost is a reliable indicator of fair value, as long as there have been no significant changes in the investment or asset since its purchase.

Under the income capitalization approach, the income due from current lease agreements and expected future rental flows are capitalized at appropriate rates to reflect the conditions of the investment market at the dates of valuation.

The group's analysis of undiscounted future cash flows, the assessment of the remaining expected period of holding investment properties, and the expectations of revenues related to them, require management to make significant estimates and judgments regarding future rental incomes and capitalization rates.

## Actuarial Valuation of Defined Benefit Obligations

The cost of defined benefit obligations for employees under unfunded defined benefit plans is determined using actuarial valuation. The actuarial valuation includes many assumptions that may differ from actual developments in the future. These assumptions include determining the discount rate, future salary increases, employee behavior, and employee turnover rates. Due to the complexity of the valuation and its long-term nature, the obligations for unfunded defined benefits are highly sensitive to changes in these assumptions. Therefore, all assumptions are reviewed once or more annually when necessary.

## Provision for Obsolete and Slow-Moving Inventory

The factors that affect the estimation of the provision are based on the group's past experience with the current condition of inventory and current and future sales expectations. Accordingly, the group examines these factors and takes them into account when calculating the provision for obsolete and slow-moving inventory, and the estimates of the provision may change materially from one year to the next. Any adjustments that may result from changes in these factors are reviewed periodically.

## Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (such as the present price, for example), whether that price is directly observable or estimated using another valuation technique.

Fair value measurement is based on the assumption that the asset's sale or the liability's transfer will take place either:

- Through the principal market for the asset or liability, or
- Through the most advantageous market for the asset or liability in the absence of a principal market.
- The principal or most advantageous market must be accessible by the group.

The fair value of an asset or liability is measured using assumptions commonly accepted among market participants when pricing the asset or liability, assuming that market participants act in their best economic interests.

Fair value measurement of a non-financial asset takes into account the ability of market participants to generate economic benefits by using the asset in its highest and best use or by selling it to another party for its highest and best use. The group uses valuation techniques that are appropriate under the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs to the greatest extent possible.

All assets and liabilities that are measured at fair value or for which fair value is disclosed in the consolidated financial statements are classified according to the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement in its entirety:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** Valuation techniques with observable inputs, whether those inputs are directly or indirectly observable, other than quoted prices included in Level 1.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Impairment of Non-Financial Assets

An impairment occurs when the carrying amount book value of an asset or a cash-generating unit exceeds its recoverable amount. To determine the recoverable amount, management estimates the expected future cash flows from each cash-generating unit and determines an appropriate interest rate to discount those future cash flows to their present value. In the process of measuring the expected future cash flows, management makes assumptions about future operating results, which are related to future events and circumstances. Actual results may differ and may cause significant adjustments to the group's assets during the next financial year.

## 6-6 Summary of Key Accounting Policies

### 6-6-1 Significant Changes in Accounting Policies

During the year, the group changed its accounting policy regarding the subsequent measurement of investment properties from the cost model to the fair value model. The group believes that subsequent measurement using the fair value model provides more relevant information about the financial performance of these assets and helps users to better understand the risks associated with these assets.

Refer to Note 34 for the impact of the change in the accounting policy for investment properties from the cost model to the fair value model.

Investment properties are land held by the group for the purpose of earning rental income or for capital appreciation, or for both purposes, and do not include land and buildings used in the production or supply of goods or services or for administrative purposes or for sale in the ordinary course of business.

Investment properties are initially measured at cost, including transaction costs. After initial recognition, investment properties are measured at fair value, reflecting market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are recognized in consolidated profit or loss in the period in which they arise. Fair values are determined based on annual valuations performed by independent external valuers who are certified and who apply valuation models recommended by the International Valuation Standards Committee.

Transfers from/to investment properties occur only when there is a change in use. For a transfer from investment properties to owner-occupied properties, the deemed cost for subsequent accounting is the fair value at the date of the change in use. If owner-occupied properties become investment properties, the group accounts for such properties in accordance with the policy set out for property, plant, and equipment up until the date of change in use. If inventory properties become investment properties, the difference between the fair value of the properties at the date of transfer and their previous carrying amount is recognized in profit or loss.

The carrying amount of an investment property is derecognized when it is disposed of (through sale or by entering into a finance lease) or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between (a) the net disposal proceeds of the investment property and (b) its book value carrying amount is recorded in the statement of profit or loss and other comprehensive income in the year in which the disposal or write-off occurs.

Below are the key accounting policies that the group has used in the preparation of the consolidated financial statements ("the statements").

### 6-6-2 Standards, Interpretations, and Amendments to Current Standards

#### a. New Standards, Interpretations, And Amendments Not Yet Effective

There are a number of standards, amendments to standards, and interpretations issued by the International Accounting Standards Board that are not yet effective for future accounting periods that the company has elected not to adopt early. The most significant of these include the following:

Table No. (29): A number of standards, amendments to standards, and interpretations issued by the International Accounting Standards Board

International Standard	Summary	Effective Date
IAS 1	Amendments - Disclosure of Accounting Policies	January 1, 2023AD
IAS 8	Amendments - Definition of Accounting Estimates	January 1, 2023AD
IAS 12	Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023AD
IFRS 16	Amendments - Lease Liabilities in Sale and Leaseback	January 1, 2024AD
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024AD
IAS 1	Amendments - Non-current Liabilities with Covenants	January 1, 2024AD

#### b. New Standards, Interpretations, and Amendments Effective for the Current Year

The Group has applied for the first-time certain standards and amendments which are effective for annual periods beginning on or after January 1, 2022, but they have not had a material effect on these consolidated financial statements.

##### IAS 37 (Amendment - Onerous Contracts - Cost of Fulfilling a Contract)

IAS 37 defines an onerous contract as a contract in which the unavoidable costs (the costs the Group is committed to incurring the contract) to fulfill the obligations under the contract exceed the economic benefits expected to be received under it.

##### IAS 16 Property, Plant and Equipment (Proceeds before Intended Use)

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant, and equipment any proceeds received from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (for example, proceeds from selling samples produced when testing a manufacturing facility after construction and before production has begun). Revenues from selling such samples, along with the production costs, are now recognized in profit or loss.

##### Conceptual Framework for Financial Reporting (Amendments to IFRS 3)

In May 2020, the International Accounting Standards Board issued amendments to IFRS 3 to update the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

## Annual Improvements to IFRS Standards: 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, and IAS 41)

- ▶ **IFRS 1 First-time Adoption of International Financial Reporting Standards:** First-time application.
- ▶ **IFRS 9 Financial Instruments:** Fees in the '10 per cent' test for derecognition of financial liabilities.
- ▶ **IAS 41 Agriculture:** Fair value measurement for taxation purposes.

## 6-6-3 Principles of Consolidation of Financial Statements

The consolidated financial statements include the financial statements of the company and its subsidiaries as of December 31, 2022.

### Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain resulting from a bargain purchase is recognized immediately in profit or loss. Transaction costs are recognized as expenses when incurred, except for those related to the issuance of debt or equity securities, if any.

The transferred consideration does not include amounts related to the settlement of pre-existing transactions. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the acquisition date. If the obligation to pay contingent consideration meets the definition of a financial instrument and is classified as equity, it is not remeasured and is accounted for within equity. Otherwise, any other contingent consideration is remeasured to fair value at each reporting date, and subsequent changes in the fair value of contingent consideration are recognized in profit or loss.

### Subsidiaries

Subsidiaries are entities controlled by the Group. Control arises when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its control of the investee. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

### Non-controlling Interests

Non-controlling interests are measured at their proportionate share of the identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are regarded as equity transactions.

### Loss of Control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any relevant non-controlling interests, and the other equity components. Any gain or loss that arises is recognized in profit or loss. Any retained interest in the former subsidiary is measured at fair value at the time control is lost.

### Transactions Consolidation Intercompany Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

## 6-6-4 Classification of Current and Non-Current Items

Assets and liabilities are presented in the consolidated statement of financial position and are classified as current and non-current. Assets are classified as current when:

- ▶ The Group expects to realize the asset or intends to sell or consume it in its normal operating cycle.
- ▶ The Group holds the asset primarily for the purpose of trading.
- ▶ The Group expects to realize the asset within twelve months after the end of the financial year.
- ▶ The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for more than twelve months after the end of the financial year.

All other assets are classified as non-current assets.

Liabilities are classified as current when:

- ▶ It is expected that the obligation will be settled in the Group's normal operating cycle.
  - ▶ The obligation is held primarily for the purpose of trading.
  - ▶ The obligation is due to be settled within twelve months after the end of the financial year.
  - ▶ The Group does not have an unconditional right to defer the settlement of the obligation for more than twelve months after the end of the financial year.
- All other liabilities are classified as non-current.

Below are the accounting policies applied in these consolidated financial statements. These policies have been consistently applied to all the years presented, except for changes in accounting policies mentioned in note 4-1.

## 6-6-5 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



## 6-6-6 Financial Assets

### A. Initial Recognition and Measurement

Financial assets are classified at initial recognition as debt instruments and are subsequently measured at amortized cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets as debt instruments at initial recognition depends on the contractual cash flow characteristics of the financial asset and the Group's business model for managing it. Except for trade receivables that do not contain a significant financing component and for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

To classify and measure a financial asset as a debt instrument at amortized cost or fair value through OCI, it must generate cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the "SPPI test" (Solely Payments of Principal and Interest) and is performed at the instrument level. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows are achieved by collecting contractual cash flows, selling financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective of holding financial assets in order to collect contractual cash flows, whereas financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both collecting contractual cash flows and selling the assets.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the marketplace (regular way trade) are recognized on the trade date, which is the date the Group commits to purchase or sell the assets.

### B. Subsequent Measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments),
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments),
- Financial assets classified at fair value through other comprehensive income without recycling of cumulative gains and losses upon derecognition (equity instruments),
- Financial assets at fair value through profit or loss

### C. Financial Assets at Amortized Cost (Debt Instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognized in the profit or loss statement and other comprehensive income when the asset is derecognized, modified, or impaired.

Financial assets at amortized cost held by the Group include trade receivables, other receivable balances, and due amounts.

### D. Financial Assets at Fair Value through Other Comprehensive Income (Debt Instruments)

For debt instruments measured at fair value through other comprehensive income, interest income, foreign exchange revaluation gains and losses, and impairment losses or reversals are recognized in the consolidated statement of profit or loss and other comprehensive income, and are calculated using the same method as for financial assets measured at amortized cost. Other fair value changes are recognized in other comprehensive income. Upon derecognition, the accumulated fair value change recognized in other comprehensive income is recycled to the consolidated statement of profit or loss and other comprehensive income.

### E. Financial Assets at Fair Value through Other Comprehensive Income (Equity Instruments)

At initial recognition, the Group can elect to classify its equity investments as equity instruments at fair value through other comprehensive income on an irrevocable basis when they meet the definition of equity under International Financial Reporting Standard (IFRS) 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses from these financial assets are never recycled to the consolidated statement of profit or loss and other comprehensive income. Dividends on such equity instruments are recognized as other income in the consolidated statement of profit or loss and other comprehensive income when the right to payment is established unless the Group benefits from these proceeds as a recovery of part of the cost of the financial asset, in which case these gains are recorded in other comprehensive income. Equity instruments at fair value through other comprehensive income are not subject to impairment assessments.

### F. Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are included in the consolidated statement of financial position at fair value, with net changes in fair value recognized in the consolidated statement of profit or loss and other comprehensive income.

This category includes derivative instruments and listed equity investments that the Group has not irrevocably elected to classify at fair value through other comprehensive income. Dividend distributions on listed equity investments are recognized as other income in the consolidated statement of profit or loss and other comprehensive income when the right to receive payment is established.

## G. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group transfers its rights to receive cash flows from an asset or enters into a pass-through arrangement, it evaluates the extent to which it has retained the risks and rewards of ownership. If the Group has neither transferred nor retained substantially all the risks and rewards of the asset and has not transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In such cases, the Group also continues to recognize the associated liabilities. The related liability and the transferred asset are measured on a basis that reflects the rights and obligations that the Group has retained.

The continuing involvement that takes the form of a guarantee over the transferred asset is measured at the original carrying amount of the asset, or at the maximum amount of the consideration that the Group could be required to repay, whichever is less.

## H. Impairment of Financial Assets

The Group recognizes a provision for expected credit losses for all debt instruments not held at fair value through profit or loss statement other comprehensive income. Expected credit losses are based on the difference between the contractual cash flows due according to the contract and all cash flows the group expects to receive, discounted at the original effective interest rate. The expected cash flows include cash flows from the sale of the collateral held or other credit enhancements that are an integral part of the contractual terms.

Expected credit losses are recognized in two stages: for credit exposures with no significant increase in credit risk since initial recognition, an allowance is recognized for credit losses resulting from default events that are possible within the next 12 months (12-month expected credit losses). For credit exposures with a significant increase in credit risk since initial recognition, a provision is required for the full lifetime of the expected losses irrespective of the timing of defaults (lifetime expected credit losses).

For trade receivables and other receivables, the group has applied a simplified approach to calculating expected credit losses. As a result, the group does not track changes in credit risk, but rather recognizes a provision based on the age of the expected credit losses at each reporting date. The group has established a provision matrix based on past credit loss experience, adjusted for forward-looking factors related to debtors and the economic environment.

The group considers a financial asset to be in default when the contractual payments are overdue by (360) days. However, in some cases, the group may also consider a financial asset to be in default when internal and external information indicates the unlikelihood of the group receiving the full outstanding contractual amounts before taking into account the credit enhancements retained by the group. The financial asset is written off in the event there is no reasonable expectation of recovering the contractual cash flows.

## 6-6-7 Financial Liabilities

### A. Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss—as loans and advances, payables, or designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are initially recognized at fair value, and in the case of loans, advances, and payables, this is net of directly attributable transaction costs. The group's financial liabilities include trade payables, amounts due, loans, Islamic Murabaha contracts, and derivative financial instruments.

### B. Subsequent measurement

The measurement of financial liabilities depends on their classification as explained below. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired with the intention of being repurchased in the near future. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in a hedging relationship as defined in International Financial Reporting Standard (IFRS) 9. Stand-alone embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit or loss and other comprehensive income. Financial liabilities classified at fair value through profit or loss are recognized at the fair value at the initial recognition date only if they meet the requirements of International Financial Reporting Standard (IFRS) 9.

### C. Loans

After initial recognition, loans and borrowings that incur subsequent interest are measured at amortized cost using the effective interest rate method. Gains and losses are included in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognized, as well as through the amortization process using the effective interest rate. Amortization cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. The amortization of the effective interest rate is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

### D. Derecognition

A financial liability is derecognized when it is extinguished—when the obligation specified in the contract is discharged, canceled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such a replacement or modification is treated as a derecognition of the original financial liability and the recognition of a new liability. The difference between the carrying amounts carrying amounts of the replaced liability is recognized in the consolidated statement of profit or loss and other comprehensive income.

## E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### 6-6-8 Impairment of Non-Financial Assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment test for an asset is required, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use. It is determined for an individual asset unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. If the carrying amount carrying amount of the asset, or the cash-generating unit, exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In measuring value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account when available, or an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These detailed budgets and forecast calculations usually cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to the projected future cash flows after the fifth year.

Impairment losses, including those affecting inventories, are recognized in the consolidated statement of income under expense categories that are consistent with the function of the impaired asset.

For assets other than goodwill, an assessment is made at each date of the consolidated statement of financial position to determine whether there is any indication that the impairment losses recognized in prior periods may no longer exist or may have decreased. If any such indication exists, the company reassesses the recoverable amount of the asset or the cash-generating unit. An impairment loss is only reversed if there has been a change in the assumptions used in estimating the asset's recoverable amount since the last impairment loss was recognized. The reversal of the impairment loss is limited so that the carrying amount of the asset does not exceed its recoverable amount, and it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years. The reversal of the impairment loss is recognized in the statement of profit or loss and other comprehensive income.

The impairment of goodwill is tested annually as of December 31 or when circumstances indicate that the carrying value may be impaired. The impairment of goodwill is determined by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognized. Impairment losses on goodwill cannot be reversed in subsequent periods.

### 6-6-9 Property, Plant, and Equipment

Property, plant, and equipment are carried at historical cost, less accumulated depreciation and any accumulated impairment losses (except for land, as it is not subject to depreciation). The expenses incurred to replace part of an asset are recognized separately with the recognition and capitalization of the cost, with the carrying amounts of the replaced parts derecognized. Any other expenses are capitalized only if they increase the future economic benefits related to the asset. The costs of routine repair and maintenance of property, plant, and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

The useful life of property, plant, and equipment is reviewed at the end of each year. If the expected useful life differs from previous estimates, the remaining carrying value is depreciated over the revised remaining useful life, starting from the year the useful life was reassessed.

In terms of current obligations for dismantling, removal, and restoration and similar liabilities, changes in the related liability are added to or deducted from the cost of the related asset in the current period, ensuring that the amount deducted does not exceed the carrying amount of the asset. If the obligation exceeds the recorded amount of the asset, then the increase should be recognized immediately in the consolidated statement of profit or loss and other comprehensive income. If the adjustment results in an addition to the cost of the asset, the group assesses whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If that is the case, the group tests the asset for impairment by estimating its recoverable amount and any impairment loss is treated in the consolidated statement of profit or loss and other comprehensive income.

Depreciation expense is recognized in the consolidated statement of profit or loss and other comprehensive income using the straight-line method over the estimated productive life of each item of property, plant, and equipment. Assets constructed on leased land (leasehold improvements) are depreciated over the term of the lease or the productive lives of the assets, whichever is shorter.

When the productive life of property, plant, and equipment items differs, they are accounted for as separate items.

Depreciation is calculated on all items of property, plant, and equipment to reduce their book value according to the estimated productive life as follows:

**Table No. (30): Estimated productive life on all items of property, plant, and equipment**

Type	Productive Lives / Years
Buildings	5 - 40
Agricultural machinery, wells, and irrigation equipment	4 - 10
Cars and trucks	5 - 10
Furniture, furnishings, office and computer equipment	4 - 5

The group reviews the productive lives and residual values of property, plant, and equipment at the end of each financial year to ensure they reflect the benefit obtained, and if there is a difference, it is treated as changes in accounting estimates (in the year of change and subsequent years). There are no expected adjustments to the group's and its subsidiaries' current depreciation policies.

## Subsequent Costs

The cost of a replaced part of an item of property, plant, and equipment is recorded within the book value of that item if it is probable that future economic benefits to the group associated with the part will flow to the entity, and the cost of the part can be measured reliably, with the recognition of the value of the replaced old part being derecognized. Routine costs and expenses incurred by the group for the maintenance and operation of property, plant, and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred. Improvements that significantly increase the value or useful life of the asset concerned are capitalized.

## Fruit-bearing plants

International Accounting Standard (IAS) 16 “Property, Plant and Equipment” defines fruit-bearing plants as:

- Used in the production or supply of agricultural products.
- Expected to bear fruit more than once over the period.
- There is a remote likelihood of being sold as agricultural products other than incidental scrap sales.

Fruit-bearing plants are initially recognized at cost after deducting accumulated depreciation and accumulated impairment losses, if any. The cost includes amounts incurred by the group to acquire the asset and includes costs of raw materials, labor, and all other direct costs associated with bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Any gains or losses arising from the disposal of fruit-bearing plants (calculated based on the difference between the net disposal proceeds and the carrying amount of the plants) are recognized in other income in the consolidated statement of profit or loss and other comprehensive income in the period in which the disposal occurs.

## 6-6-10 Intangible Assets and Goodwill

### A. Intangible Assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite useful lives are amortized over their economic life using the straight-line method, which is four years.

Subsequent expenditures are only capitalized when it is probable that future economic benefits associated with the expenditure will flow to the group, and the costs can be measured reliably.

The residual values, useful lives, and impairment indicators of intangible assets are reviewed at the end of each financial year and adjusted prospectively if necessary.

### B. Goodwill

Goodwill represents the excess of the cost of the business combination over the group's share in the fair value of the identifiable assets, liabilities, and contingent liabilities acquired.

The cost comprises the fair value of the assets transferred, liabilities assumed, and equity instruments issued, if any, plus the amount of any non-controlling interests in the acquired company, in addition to the fair value of the acquirer's previously held equity interest in the case of a business combination achieved in stages. The consideration transferred is included at its fair value at the acquisition date, and if the consideration transferred is classified as a financial liability, it is subsequently remeasured through profit or loss.

Goodwill is recognized as an intangible asset with any impairment in its carrying value charged to the consolidated statement of profit or loss and other comprehensive income. When the fair value of the identifiable assets, liabilities, and contingent liabilities exceeds the fair value of the consideration paid, the surplus is fully credited to the consolidated statement of profit or loss and other comprehensive income on the acquisition date.

## 6-6-11 Trade Receivables

Trade receivables are amounts due from customers for products sold in the ordinary course of business. Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for expected credit losses which is recognized in the consolidated statement of profit or loss and other comprehensive income.

## 6-6-12 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, with original maturities of three months or less.

## 6-6-13 Inventory

Inventory is carried at cost or net realizable value, whichever is lower, after making allowance for any slow-moving inventory. Cost is determined using the weighted average method. Cost includes the sum of the purchase cost, conversion costs, and other costs incurred in bringing the inventories to their present location and condition. The net realizable value represents the estimated selling price in the ordinary course of the group's business less the estimated costs of completion and the estimated costs necessary to make the sale.

## 6-6-14 Zakat Provision

The zakat provision is calculated annually in the consolidated financial statements in accordance with the instructions of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia. Any adjustments resulting from the final zakat assessment are recorded in the consolidated statement of profit or loss in the year in which the final assessment is received, at which time the provision is settled.

## 6-6-15 Value-Added Tax

The group is subject to the value-added tax system and the tax is calculated upon the issuance of the invoice or the delivery of goods or the receipt of the price or part thereof. The value-added tax return is submitted on a monthly basis for the holding company and on a quarterly basis for the subsidiaries.

## 6-6-16 Employee Benefit Provisions

The group contributes to the retirement and social insurance provision for its employees in accordance with the Saudi Labor System.

### A. Annual Vacations

An accrual is made for the estimated liabilities for employees' annual leave in accordance with the Saudi Labor System.

### B. Defined Benefit Employee Obligations

The obligations for defined benefit plans for employees are due in accordance with the terms and conditions of the labor system followed by the group, upon the termination of their service contracts.

## 6-6-17 Provisions

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, which can be measured reliably. When the group expects to receive compensation for some or all of this provision—for example, under an insurance contract—the compensation is recognized as a separate asset but only when the compensation is virtually certain. The expenses related to this provision are reported in the consolidated profit or loss statement, after deducting any compensation.

## 6-6-18 Foreign Currency Transactions

Transactions carried out by the group in currencies other than the functional currency of the primary economic environment in which it operates (its functional currency - the Saudi Riyal) are recorded using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities are re-measured using the exchange rates at the date when the consolidated financial statements are prepared, and the resulting foreign exchange gains and losses are recognized directly in the consolidated statement of profit or loss and other comprehensive income. Non-monetary assets and liabilities are recorded at historical cost using the exchange rate prevailing at the date of the transactions, whereas non-monetary items that are measured at fair value are translated using the exchange rates at the date when those assets are valued, and the gains and losses on measurement are recognized as part of that fair value.

## 6-6-19 Revenues

### A. Revenue from Contracts with Customers

Revenues from the sale of goods are measured at the fair value of the consideration received or receivable from the sale of goods in the ordinary course of the group's activities. The group recognizes revenue when control over the goods has been transferred, or when the goods are delivered to the customer, and the customer has full discretion in the use or sale of these goods, and there are no unfulfilled obligations that affect the customer's acceptance of the goods. Delivery occurs when the goods are shipped to the specified location and the risks of obsolescence and loss have been transferred to the customer, either the customer has accepted the goods in accordance with the sales contract, or the acceptance terms have expired, or the group has objective evidence that all acceptance criteria have been satisfied.

### B. Rental Revenue

Rental income arising from operating leases on investment properties is recognized, net of any deductions, according to the terms of the lease contracts over the lease period on a straight-line basis except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

## 6-6-20 Deferred Income from Government Grants

Government grants are transfers to an entity by a government entity in exchange for compliance with certain past or future conditions related to the operating activities of the entity. The definition of "government" refers to governments, government agencies, and similar bodies, whether local, national, or international.

A government grant is recognized at fair value, as deferred income, when there is reasonable assurance that the grant will be received and that the group will comply with the conditions associated with the grant.

Grants that compensate the group for expenses incurred are recognized as income on a systematic basis in the income statement in the year in which the expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the relevant asset.

A loan is initially recognized and subsequently measured according to the International Financial Reporting Standard (IFRS) 9. Loans with below-market interest rates are initially measured at their fair value, for example, the present value of expected future cash flows discounted at the market-related interest rate. The benefit representing the government grant is considered as the difference between the fair value of the loan at initial recognition and the amount received, which is accounted for according to the nature of the grant.

## 6-6-21 Statutory Reserve

In accordance with Article Forty of the company's bylaws, 10% of the net profits are appropriated to form the company's statutory reserve. The ordinary general assembly may decide to stop this appropriation once the mentioned reserve reaches 30% of the paid-up capital. The excess amount over this percentage may be distributed to the company's shareholders in the financial years in which the company does not realize net profits.



## 6-6-22 Earnings Per Share

Basic and diluted earnings per share (if any) for ordinary shares are presented. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year, adjusted for the number of ordinary shares repurchased or issued during the year. Diluted earnings per share are adjusted by modifying the profit or loss attributable to ordinary shareholders of the company and the weighted average number of shares outstanding during the year by the effect of all potential dilutive ordinary shares that could be issued during the year.

## 6-6-23 Operating Segments

An operating segment is a component of the group that:

- A. Engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same group).
- B. The operating results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and to assess its performance.
- C. For which discrete financial information is available.

The operating segment results reported to the operating decision-makers include items directly attributable to the segment and those that can be reasonably allocated to the segment. The group has operating segments as described in Note 32.

## 6-6-24 Expenses

Expenses include selling and marketing, general and administrative expenses, as well as direct and indirect expenses that are not considered part of the cost of sales. Selling and marketing expenses encompass everything related to sales activities and delivery vehicles for goods, in addition to other marketing-related expenses. All other expenses are classified under general and administrative expenses. Shared expenses are allocated between the cost of sales, selling and marketing expenses, and general and administrative expenses on a regular basis when necessary.

## 6-7 Significant Events During the Year

### 6-7-1 Acquisition Operations During the Year

#### A. ARW Manufacturing Company - Subsidiary

On April 26, 2022AD, the group acquired 55% of the shares of ARW Manufacturing Company, which was established in Jeddah, for a total of SAR 6.1 million. See note 8-2-1 for more details.

#### B. Investment Properties

During this period, the group acquired additional investment properties in Jeddah for SAR 325 million and SAR 24.2 million respectively. See note 7 for more details.

### 6-7-2 Purchase Price Allocation Process

#### A. Saudi Wasit Factory for Entertainment and Beauty Systems Industries – Subsidiary

Regarding the 51% interest in Saudi Wasit Factory for Entertainment and Beauty Systems Industries ("Saudi Wasit ") acquired on July 1, 2021, the group completed the high-level purchase price allocation process on June 30, 2022, with the assistance of an independent expert. The purchase price allocation resulted in a difference - between the fair value of the net assets amounting to SAR 8.67 million and the consideration paid amounting to SAR 20.4 million - of SAR 11.73 million, which is attributed solely to goodwill. See note 8-2-2 for more details.

#### B. ARW Manufacturing Company - Subsidiary

Regarding the 55% stake in ARW Manufacturing Company acquired on April 26, 2022AD, the group completed the high-level purchase price allocation process on December 31, 2022AD, with the assistance of an independent expert. The purchase price allocation resulted in a difference between the fair value of the net assets, which amounted to SAR 3.18 million, and the consideration paid, which amounted to SAR 6.1 million, totaling SAR 2.87 million, which is attributed solely to goodwill. The acquisition also involves a contingent liability of SAR 2.2 million dependent on achieving a revenue target, which management cannot reasonably estimate the likelihood of occurring. Therefore, the contingent considerations are treated as zero for the purpose of calculating goodwill. Refer to note 8-2-1 for more details.

## 6-8 Basis of Opinion and Conclusion and Doubt Related to Continuity in the Auditor's Report

### 6-8-1 Unmodified Opinion for the Fiscal Year Ended December 31, 2020AD.

#### Material Uncertainty Related to Going Concern for the Fiscal Year Ended December 31, 2020AD

As indicated in note (2-3) of the consolidated financial statements for the year ended December 31, which states that the group incurred a net loss of SAR (5.9) million during the year ended December 31, 2020 (2019: SAR (97.7) million), and that as of that date, the group's current liabilities exceeded its assets by SAR (29.2) million. As explained in note (1), there was no viable operational alternative by the end of the year 2020 for the cultivation of green fodder, which had been discontinued and represented about 80% of the group's revenue, to cover the group's current liabilities and expenses. These events or conditions, along with other matters referred to in note (2-3), indicate that there is a doubt regarding the group's ability to continue as a going concern. The auditors' opinion was not modified in respect to this matter.

### Emphasis of Matter

The auditor draws attention to note (12) regarding the consolidated financial statements which include land valued at SAR (47.1) million, which is not registered in the name of the group.

## 6-8-2 Unqualified Opinion for the Fiscal Year Ended December 31, 2021AD.

### Material Uncertainty Related to Going Concern for the Fiscal Year Ended December 31, 2021AD

As indicated in note (27) attached to the consolidated financial statements, which refers to the group having accumulated losses of SAR 10.1 million as of December 31, 2021AD (2020: SAR 16 million). As of that date, the group's current liabilities exceeded its current assets by SAR 23.7 million (2020: SAR 29.3 million). As explained in note (27), there was no practical and operational alternative for the cultivation of green fodder, which had been discontinued during the year 2018 and represented about 80% of the group's revenue, to cover the group's current liabilities and expenses by the end of the year 2021AD. These events or conditions, along with other matters referred to in note (27), indicate that there is a material uncertainty regarding the group's ability to continue as a going concern. Our opinion was not modified in respect to this matter.

### Emphasis of Matter

The auditor draws attention to the following:

- As indicated in note (5) to the consolidated financial statements, property, plant, and equipment include land and a building valued at SAR 20 million that are not registered in the name of the group.
- As indicated in note (6) to the consolidated financial statements, the investment properties include land valued at SAR 26 million that does not have a title deed and is not registered in the name of the group.

## 6-8-3 Unqualified Opinion for the Fiscal Year Ended December 31, 2022AD.

### Material Uncertainty Related to Going Concern for the Fiscal Year Ended December 31, 2022AD

The auditor draws attention to note (2-4) of these consolidated financial statements, which indicates that the company incurred a loss after Zakat of SAR 31.5 million during the year ended December 31, 2022AD. The group's current liabilities exceeded its current assets by SAR 242.27 million. These events or conditions indicate that there is a material uncertainty concerning the group's ability to continue as a going concern. Our opinion was not modified in respect to this matter.

### Emphasis of Matter

The auditor draws attention to the following:

- As indicated in note (6) to the consolidated financial statements, Property, Plant, And Equipment include land valued at SAR 14 million for which the registration procedures in the name of the group have not been completed.
- As indicated in note (7) to the consolidated financial statements, the investment properties include land valued at SAR 16.5 million for which the registration procedures in the name of the group have not been completed.

## 6-8-4 Conclusion for the Fiscal Period Ended March 31, 2022AD.

The auditors have examined the attached interim condensed consolidated financial statements of Anaam International Holding Group Company (a Saudi joint-stock company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as of March 31, 2022AD. This includes the interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month period ending on March 31, 2022AD, the interim condensed consolidated changes in equity, and the interim condensed consolidated cash flows for the three-month period ending on that date, along with a summary of significant accounting policies and other explanatory notes. The management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted in the Kingdom of Saudi Arabia, and our responsibility is to express a conclusion on these financial statements based on our review.

### Emphasis of Matter

The auditor draws attention to the following:

- As indicated in note (2-4) of the accompanying interim condensed consolidated financial statements, the group has accumulated losses of SAR 6.5 million as of March 31, 2022AD (2021: SAR 10.1 million). Since there is no practical and operational alternative for the cultivation of green fodder to cover the group's current obligations and expenses up to March 31, 2022AD, which the cultivation thereof was stopped during the year 2018AD, these events or conditions raise substantial doubt about the group's ability to continue as a going concern.
- As indicated in note (3) to the interim condensed consolidated financial statements, Property, Plant, And Equipment include lands and buildings valued at SAR 20 million that are not registered in the name of the group.
- As indicated in note (4) to the interim condensed consolidated financial statements, the investment properties include land valued at SAR 26 million that does not have a title deed and is not registered in the name of the group.

### Conclusion

Based on the auditor's review, nothing has come to their attention that causes them to believe that the attached interim condensed consolidated financial statements as of March 31, 2022AD, are not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted in the Kingdom of Saudi Arabia.

## 6-8-5 Conclusion for the Financial Period Ended March 31, 2023AD.

### Material Uncertainty Related to Going Concern for the Financial Period Ended March 31, 2023AD

The auditors have examined the attached interim condensed consolidated financial statements of Anaam International Holding Group Company (a Saudi joint stock company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as of March 31, 2023AD, and the related interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity, and cash flows for the three-month period ended on that date, along with a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Emphasis of Matter

The auditor draws attention to the following:

- As indicated in note (4) to the accompanying interim condensed consolidated financial statements, the Property, Plant, And Equipment line item includes land and a building valued at SAR 14 million for which registration procedures in the name of the group have not been completed.
- As indicated in note (5) the to the accompanying interim condensed consolidated financial statements, the investment properties line item includes land valued at SAR 16.5 million for which registration procedures in the name of the group have not been completed.

### Conclusion

Based on the auditor's review, nothing has come to their attention that causes them to believe that the attached interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 as adopted in the Kingdom of Saudi Arabia.

## 6-9 Impact of Change in Accounting Policies, Errors from Previous Years, and Reclassification

During the current year, the group began measuring investment properties at fair value in accordance with the requirements of International Accounting Standard 40 "Investment Property". Consequently, in accordance with the requirements of International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the impact of the changes is disclosed below:

Table No. (31): Impact Of the Change in Accounting Policies, Errors from Previous Years, And Reclassification as of December 31, 2021

	As of Dec 31, 2021 (Previously stated)	Impact Of Change in Accounting Policy	Impact Of Impairment Loss Due to Error	Prior Year Error	Reclassification	As of Dec 31, 2021 (Adjusted)
<b>Impact on the financial position statements:</b>						
<b>Impact on Current Liabilities</b>						
Current portion of Long-Term Loans	1,604,628	-	-	-	13,500,626	15,105,254
Accrued Expenses and Other Payables	11,746,054	-	-	(2,176,207)	-	9,569,847
<b>Impact On Non-Current Liabilities</b>						
Non-Current Portion of Long-Term Loans	13,500,626	-	-	-	(13,500,626)	-
<b>Impact On Accumulated Losses</b>						
Accumulated Losses	(10,117,086)	19,812,184	(6,739,289)	-	-	2,955,809
<b>Impact on Non-current Assets</b>						
Investment Properties	68,799,316	19,812,184	-	-	-	88,611,500
Impairment Loss on Non-Current Assets and Goodwill	11,730,000	-	(6,739,289)	-	-	4,990,711
Property, Plant, And Equipment	59,664,600	-	-	(2,176,207)	-	57,488,393

Table No. (32): This table summarizes the impact of changes in accounting policies, errors from previous years, and reclassification on the financial position as of December 31, 2021AD

As Of Jan 1, 2021 (Previously Stated)	Impact Of Change in Accounting Policy	Impact Of Impairment Loss Due to Error	Prior Year Error	Reclassification	As Of Jan 1, 2021 (Adjusted)
<b>Impact on the financial position statements: Impact on Current Liabilities</b>					
Accumulated Losses	(16,054,747)	14,530,484	-	-	(1,524,263)
<b>Impact On Non-Current Assets</b>					
Investment Properties	52,299,316	14,530,484	-	-	66,829,800
<b>Impact On the Statement of Profit or Loss and Other Comprehensive Income: Impact on Loss Before Zakat:</b>					
As Of Dec 31, 2021 (Previously Stated)	Impact Of Change in Accounting Policy	Impact Of Impairment Loss Due to Error	Prior Year Error	Reclassification	As Of Dec 31, 2021 (Adjusted)
Fair Value Gains on Investment Properties	5,281,700	-	-	-	5,281,700

## 6-10 Operations Results

### 6-10-1 Income Statement

The following table represents the income statement of Anaam International Holding Group for the years ended on December 31, 2020, 2021, 2022, and the three-month period ended in March 2022 and 2023AD.

Table No. (33): Income Statement for the fiscal years ended on December 31, 2020, 2021, 2022, and the three-month period ended on March 31, 2022, and 2023AD

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	
Net Sales	8,192,783	7,737,793	30,318,193	(5.6%)	291.8%	92.4%	3,218,376	12,085,527	275.5%
Cost of Sales	(6,958,556)	(5,129,717)	(17,424,815)	(26.3%)	239.7%	58.2%	(2,939,950)	(5,890,774)	100.4%
<b>Total Operating (Loss)/Profit</b>	<b>1,234,227</b>	<b>2,608,076</b>	<b>12,893,378</b>	<b>111.3%</b>	<b>394.4%</b>	<b>223.2%</b>	<b>278,426</b>	<b>6,194,753</b>	<b>2124.9%</b>
Selling and Marketing Expenses	(305,559)	(364,505)	(2,133,951)	19.3%	485.4%	164.3%	(395,897)	(983,879)	148.5%
General and Administrative Expenses	(9,643,542)	(19,294,553)	(27,730,598)	100.1%	43.7%	69.6%	(5,855,069)	(4,231,001)	(27.7%)
<b>Total Operating Expenses</b>	<b>(9,949,101)</b>	<b>(19,659,058)</b>	<b>(29,864,549)</b>	<b>97.6%</b>	<b>51.9%</b>	<b>73.3%</b>	<b>(6,250,966)</b>	<b>(5,214,880)</b>	<b>(16.6%)</b>
<b>Net Loss from Operating Activities</b>	<b>(8,714,874)</b>	<b>(17,050,982)</b>	<b>(16,971,171)</b>	<b>95.7%</b>	<b>(0.5%)</b>	<b>39.5%</b>	<b>(5,972,540)</b>	<b>979,873</b>	<b>(116.4%)</b>
Impairment of Goodwill	-	(6,739,289)	(7,862,196)	100%	16.7%	0.0%	-	-	0.0%
Profits from Exclusion of Investments at Fair Value Through Profit or Loss - Net	-	-	-	0.0%	0.0%	0.0%	-	1,034,473	0.0%
Unrealized Profits from Investments at Fair Value Through Profit or Loss - Net	-	-	(24,627,062)	0.0%	0.0%	0.0%	8,974,348	254,528	(97.2%)
Profits from Evaluation of Investment Properties at Fair Value	-	-	-	0.0%	0.0%	0.0%	510,500	2,892,224	466.5%
Dividends Distribution	-	-	-	0.0%	0.0%	0.0%	388,698	14,486	(96.3%)
Finance Costs	-	(316,835)	(5,862,022)	100%	1750.2%	0.0%	(166,788)	(2,975,701)	1684.1%
Other Income	9,300	5,925,840	27,676,031	63618.7%	367.0%	5355.2%	42,232	147,546	249.4%
<b>Net Loss for the Year/Period Before Zakat</b>	<b>(8,705,574)</b>	<b>(18,181,266)</b>	<b>(27,646,420)</b>	<b>108.8%</b>	<b>52.1%</b>	<b>78.2%</b>	<b>3,776,450</b>	<b>2,347,429</b>	<b>(37.8%)</b>
Zakat Provision	-	-	(3,819,075)	0.0%	100%	0.0%	-	-	0.0%

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	March 2023
<b>Net Loss for the Year/Period from Continuing Operations</b>	<b>(8,705,574)</b>	<b>(18,181,266)</b>	<b>(31,465,495)</b>	<b>108.8%</b>	<b>73.1%</b>	<b>90.1%</b>	<b>3,776,450</b>	<b>2,347,429</b>	<b>(37.8%)</b>
<b>Discontinued Operations</b>									
Profit from Discontinued Operations	2,715,571	20,932,558	-	670.8%	(100%)	(100%)	-	-	0.0%
<b>Net Loss for the Year/Period</b>	<b>(5,990,003)</b>	<b>2,751,292</b>	<b>(31,465,495)</b>	<b>(145.9%)</b>	<b>(1243.7%)</b>	<b>129.2%</b>	<b>3,776,450</b>	<b>2,347,429</b>	<b>(37.8%)</b>
<b>(Loss)/Other Comprehensive Income</b>									
<b>Items that will not be Reclassified Later within Profit or Loss:</b>									
(Losses)/Actuarial Profits from Remeasurement of Employee Benefits	(1,354,005)	742,361	(1,892,494)	(154.8%)	(354.9%)	18.2%	-	-	0.0%
Total (Loss)/Other Comprehensive Income for the Year	(7,344,008)	3,493,653	(33,357,989)	(147.6%)	(1054.8%)	113.1%	3,776,450	2,347,429	(37.8%)
Total (Loss)/Profit for the Year Attributable to:									
Owners of the Parent Company	(7,344,008)	3,737,711	(28,319,864)	(150.9%)	(857.7%)	96.4%	4,445,879	3,332,021	(25.1%)
Non-controlling Interests	-	(986,419)	(3,145,631)	100%	218.9%	0.0%	(669,429)	(984,592)	47.1%
	(7,344,008)	2,751,292	(31,465,495)	(137.5%)	(1243.7%)	107.0%	3,776,450	2,347,429	(37.8%)
<b>Total Comprehensive (Loss)/Income Attributable to:</b>									
Owners of the Parent Company	-	742,361	(1,888,985)	100%	(354.5%)	0.0%	-	-	0.0%
Non-controlling Interests	-	-	(3,509)	0.0%	100%	0.0%	-	-	0.0%
<b>Total Comprehensive Loss for the Year</b>	<b>-</b>	<b>742,361</b>	<b>(1,892,494)</b>	<b>100%</b>	<b>(354.9%)</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Comprehensive (Loss)/Income Attributable to:</b>									
Owners of the Parent Company	(7,344,008)	4,480,072	(30,208,849)	(161.0%)	(774.3%)	102.8%	4,445,879	3,332,021	(25.1%)
Non-controlling Interests	-	(986,419)	(3,149,140)	100%	219.2%	0.0%	(669,429)	(984,592)	47.1%
<b>Total Comprehensive Loss for the Year</b>	<b>(7,344,008)</b>	<b>3,493,653</b>	<b>(33,357,989)</b>	<b>(147.6%)</b>	<b>(1054.8%)</b>	<b>113.1%</b>	<b>3,776,450</b>	<b>2,347,429</b>	<b>(37.8%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 2020, 2021, 2022, and for the periods ended on 31 March 2022 and 31 March 2023AD.

Note: In the financial statements of 2020 the group reclassified other revenues countries to discontinued operations results account due to Al Jouf project stop decision.

Sales of 2021AD decreased in contrast to 2020AD with an amount of (0,5) million SAR representing (5.6%), and this decrease is mainly due to the decline in alfalfa sales due to the decision of stopping fodder cultivation at the end of 2018AD and the absence of feed production during 2020AD. The sales of 2022AD increased in contrast to 2021AD with an amount of 22,6 SAR representing 291.8% mainly due to the increase of rental revenues, entertainment and beauty sector revenues and healthcare and medical sector. Revenues of rental and warehouse mainly represented at the collected rental income of renting warehouses, refrigerators and vehicles by Saudi Cold Company and Anaam International Food Group Limited. Saudi Wasit Factory for Entertainment and Beauty Systems Industry represented entertainment and beauty sector revenues and ARW Manufacturing Company represented healthcare and medical sector revenues.

The decrease in cost of sales by 1.8 million SAR, representing (26.3%), during 2021 compared to 2020 is mainly due to stopping cultivation of fodder at the end of 2018 but the costs of Anaam International Holding Group activities continued during the fiscal year 2021. Despite the closure of Al-Jouf project, some employees continued to work until 2020AD in addition to some indirect costs which led to the rise of sales costs. In 2022AD the sales cost increased by 12,3 million SAR representing 239.7% compared to 2021AD. This increase is mainly due to the costs of operating medical and entertainment sectors and mainly resulting from depreciation of properties, equipment and machinery, in addition to the company's acquisition of 55% of ARW Manufacturing Company and 51% of Saudi Wasit Factory.

Total profit is mainly attributed to the revenues of Prince Sultan Street offices building with the decrease of the revenue of Prince Sultan building which was acquired by the group during fiscal year 2022AD. In 2022AD the total operating profit reached 12.9 million SAR, while in 2021AD the operating profit reached 2.6 million SAR and in 2020AD reached 1.2 million SAR.

Selling and marketing expenses are mainly attributed to ARW Manufacturing Company and Saudi Wasit Factory for Entertainment and Beauty, which represent indirect expenses related to the company's sales of food products.



General and administrative expenses are mainly attributed to the expenses of the main office and Saudi Wasit Factory for Entertainment and Beauty from salaries, depreciation of properties, machinery and equipment and some other allocations.

The net loss for 2020AD amounting to (7.3) million SAR is mainly attributed to the continuation of some employees to work at Al-Jouf project and some indirect costs for the project. The net loss for 2022AD amounting to (33.3) million SAR is mainly attributed to the loss impaired by the company from its short-term investments and also for the impairment of goodwill for the subsidiaries.

### 6-10-1-1 Key Performance Indicators

The following table shows key performance indicators for the fiscal statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, and 2022.

**Table No. (34): Key performance indicators for the fiscal statements for the fiscal years ended on December 31, 2020, 2021, and 2022**

Statement (SAR)	Fiscal Year Ended		
	2020 Audited	2021 Audited	2022 Audited
Sales (SAR)	8,192,783	7,737,793	30,318,193
Sales growth (%)	(2.6%)	(5.6%)	(291.8%)
Operating loss (SAR)	(8,714,874)	(17,050,982)	(16,971,171)
Operating loss margin (SAR)	(106.4%)	(220.4%)	(56.0%)
Weighted average of shares number	6,000,000	14,915,659	24,229,533
Loss per share (SAR)	(1.22)	0.25	(1.17)
<b>Total assets (SAR)</b>	<b>240,563,416</b>	<b>268,930,583</b>	<b>594,630,231</b>
Assets revenues (%)	(3.1%)	1.7%	(5.1%)
<b>Total equities (SAR)</b>	<b>103,475,737</b>	<b>115,299,390</b>	<b>281,459,504</b>
Equities revenues (%)	(7.1%)	3.9%	(10.7%)
Receivables percentage	0.57	0.57	0.53
Debit to equities percentage	1.32	1.33	1.11

Source: administration information

### 6-10-1-2 Group financing structure

Financing structure in the group depends on available finance sources for the company of total equity rights, current liabilities and non-current liabilities as shown in table below:

**Table No. (35): Group financing structure**

Statement (SAR)	Fiscal Year Ended		
	2020 Audited	2021 Audited	2022 Audited
Loans, trade payables, dues and other payable balances	132,230,474	149,569,047	306,239,844
Long term loans	-	-	618,579
<b>Total debit</b>	<b>132,230,474</b>	<b>149,569,047</b>	<b>306,858,423</b>
Cash and its equivalent	80,456,360	95,393,009	4,854,876
Capital	105,000,000	105,000,000	315,000,000
Accumulated losses (profits)	(16,054,747)	(10,117,086)	(40,335,540)
<b>Total shareholders' rights</b>	<b>103,475,737</b>	<b>115,299,390</b>	<b>281,459,504</b>
Capital (shareholders rights + total debit)	235,706,211	264,868,437	588,317,927
Loan average % = (total debit / capital)	56.1%	56.5%	52.2%

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

## 6-10-1-3 Sales

The following table shows the sales of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

Table No. (36): Sales of fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD

Statement (SAR)	Fiscal year ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Audited	2023 Audited	
Headquarter:									
Warehouses rental for other	808,323	764,171	14,968,029	(5.5%)	1858.7%	330.3%	683,716	6,261,523	815.8%
Total	808,323	764,171	14,968,029	(5.5%)	1858.7%	330.3%	683,716	6,261,523	815.8%
Food sector:									
Lease for other – warehouses	4,008,185	6,973,622	4,815,000	74.0%	(31.0%)	9.6%	1,090,350	1,370,751	25.7%
Lease for other – vehicles	2,126,855	-	-	(100%)	0.0%	(100%)	-	-	0.0%
Total	6,135,040	6,973,622	4,815,000	13.7%	(31.0%)	0.0%	1,090,350	1,370,751	25.7%
Agricultural sector:									
Alfalfa	1,249,420	-	-	(100%)	0.0%	(100%)	-	-	0.0%
Total	1,249,420	-	-	(100%)	0.0%	(100%)	-	-	0.0%
Health care and medical sector:									
Revenues from contracts with customers	-	-	2,207,285	0.0%	100%	0.0%	-	1,120,348	100%
Total	-	-	2,207,285	0.0%	100%	0.0%	-	1,120,348	100%
Entertainment and Beauty sector:									
Revenues from contracts with customers	-	-	8,327,879	0.0%	100%	0.0%	1,444,310	3,332,905	130.8%
Total	-	-	8,327,879	0.0%	100%	0.0%	1,444,310	3,332,905	130.8%
Total sales	8,192,783	7,737,793	30,318,193	(5.6%)	291.8%	92.4%	3,218,376	12,085,527	275.5%

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

Revenues from the headquarters represented 9.9%, 9.9%, and 49.4% of the total sales of (Anaam International Holding Group), while revenues from the (Saudi Cold Company) and (Anaam International Food Group Limited) represented 74.9%, 90.1%, and 15.9% of the total sales of Anaam International Holding Group in 2020AD, 2021AD, and 2022AD respectively. In contrast, the Al Jouf project constituted 15.3% of the company's total sales in 2020 and did not generate any revenue during the years 2021AD and 2022AD due to the cessation of activity. Also, revenues from (ARW Manufacturing Company) constituted 7.3% during the year 2022, and revenues from Saudi Wasit Factory for Entertainment and Beauty Systems Industry) represented 27.5% of the company's total sales in 2022AD.

In the year 2020AD, rental revenues represented 58.8% and car rentals 26.0%. The Board of Directors decided to permanently stop the cultivation of fodder, sell the agricultural machinery and irrigation equipment, and rehabilitate the wells by leasing them to others or entering into partnerships. On the other hand, rental revenues represented 100% of the group's revenues during the year 2021AD, while rental revenues accounted for 65.3%, and revenues from the healthcare and medical sector accounted for 7.3%, and revenues from the entertainment and beauty sector accounted for 27.5% of the total group revenues during the year 2022AD.

Total sales for the period ended on March 31, 2023AD, increased compared to the period ended on March 31, 2022AD, mainly due to the growth of sales in the rental sector by 815.8%, in addition to the start of achieving sales from the healthcare and medical sector and entertainment and beauty sector.

## 6-10-1-4 Cost of Sales

The following table shows the cost of sales of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, and 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

Table No. (37): Cost of Sales for the Fiscal Years Ended on December 31, 2020, 2021, and 2022, and for the Periods Ended on March 31, 2022, and March 31, 2023AD

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Audited	2023 Audited	
Holding:									
Depreciation	626,352	-	-	(100%)	0.0%	(100%)	-	949,885	100%
<b>Total</b>	<b>626,352</b>	<b>-</b>	<b>-</b>	<b>(100%)</b>	<b>0.0%</b>	<b>(100%)</b>	<b>-</b>	<b>949,885</b>	<b>100%</b>
Food Sector:									
Operating Costs	1,827,997	-	-	(100%)	0.0%	(100%)	-	-	0.0%
Salaries	1,989,921	-	1,700,078	(100%)	100%	(7.6%)	662,028	383,061	(42.1%)
Depreciation	824,323	-	546,829	(100%)	100%	(18.6%)	222,957	91,478	(59.0%)
Other Expenses	283,686	-	961,624	(100%)	100%	84.1%	237,283	251,565	6.0%
<b>Total</b>	<b>4,925,927</b>	<b>-</b>	<b>3,208,531</b>	<b>(100%)</b>	<b>100%</b>	<b>(19.3%)</b>	<b>1,122,268</b>	<b>726,104</b>	<b>(35.3%)</b>
Agricultural Sector:									
Cost of Raw Materials	39,437	-	-	(100%)	0.0%	(100%)	-	-	0.0%
Salaries	-	1,953,782	1,278,408	0.0%	(34.6%)	0.0%	-	-	0.0%
Depreciation	1,366,840	2,316,197	609,284	69.5%	(73.7%)	(33.2%)	-	-	0.0%
Other Expenses	-	859,738	2,950,893	0.0%	243.2%	0.0%	-	-	0.0%
<b>Total</b>	<b>1,406,277</b>	<b>5,129,717</b>	<b>4,838,585</b>	<b>264.8%</b>	<b>(5.7%)</b>	<b>85.5%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
Healthcare and Medical Sector:									
Cost of Raw Materials	-	-	1,612,216	0.0%	100%	0.0%	-	811,896	100%
Salaries	-	-	383,888	0.0%	100%	0.0%	-	322,104	100%
Other Expenses	-	-	527,930	0.0%	100%	0.0%	-	28,945	100%
Depreciation	-	-	-	0.0%	0.0%	0.0%	-	145,500	100%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,524,034</b>	<b>0.0%</b>	<b>100%</b>	<b>0.0%</b>	<b>-</b>	<b>1,308,445</b>	<b>100%</b>
Entertainment and Beauty Sector:									
Cost of Raw Materials	-	-	2,270,459	0.0%	0.0%	0.0%	408,429	1,429,877	250.1%
Salaries	-	-	1,294,556	0.0%	0.0%	0.0%	365,490	783,873	114.5%
Other Expenses	-	-	1,231,039	0.0%	0.0%	0.0%	534,354	210,540	(60.6%)
Depreciation	-	-	2,057,611	0.0%	0.0%	0.0%	509,409	482,050	(5.4%)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,853,665</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1,817,682</b>	<b>2,906,340</b>	<b>59.9%</b>
<b>Total Cost of Sales</b>	<b>6,958,556</b>	<b>5,129,717</b>	<b>17,424,815</b>	<b>(26.3%)</b>	<b>239.7%</b>	<b>58.2%</b>	<b>2,939,950</b>	<b>5,890,774</b>	<b>100.4%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

The total cost of sales in the food sector decreased from 4.9 million SAR to zero, a decrease of 100% in 2021AD compared to 2020. In comparison, in 2023AD, the food sector costs represented 3.2 million SAR. This decrease is mainly due to the sale of some assets used in agricultural activities due to the cessation of trade in foodstuffs. The costs were mainly composed of salaries and the depreciation of machinery and equipment, where the sector costs represented 18% of the total cost of sales for the group.

In 2021AD, the cost of sales in the agricultural sector increased by 3.7 million SAR, an increase of 264.8% compared to 2020, which was 1.4 million SAR. The costs then decreased in 2022AD by 0.3 million SAR, mainly due to reduced employee salaries and the depreciation of machinery and equipment. The cost of sales for the sector represented 28% of the total cost of sales for the group.

During the year 2022AD, the group recorded a cost of sales from the healthcare and medical sector amounting to 2.5 million SAR, which represented 14% of the total cost of sales for the group.

In the year 2022AD, the group recorded sales costs for the entertainment and beauty sector with a value of 6.9 million SAR, where the cost of sales for the sector represented 39% of the total cost of sales for the group.

The cost of sales increased during the period ended on March 31, 2023AD, compared to the period ended on March 31, 2022AD, by 3 million SAR, an increase of 100.4%. This increase was mainly due to the commencement of operating the healthcare and medical sector (represented by ARW Manufacturing Factory), where the cost of sales amounted to 1.3 million SAR, in addition to the increased cost of raw materials in the entertainment and beauty sector.

### 6-10-1-5 Selling and Marketing Expenses

The following table illustrates the selling and marketing expenses for Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (38): Selling and Marketing Expenses for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 – 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Audited	2023 Audited	March 2023
Salaries and Other Benefits	299,765	332,932	765,393	11.1%	129.9%	59.8%	133,528	478,736	258.5%
Depreciation of Properties and Equipment	928	-	49,775	(100%)	100%	632.4%	12,056	49,038	306.8%
Utilities Expenses	-	-	-	0.0%	0.0%	0.0%	250,313	456,105	82.2%
Other	4,866	31,573	1,318,783	548.8%	4076.9%	1546.3%	-	-	0.0%
<b>Total Selling and Marketing Expenses</b>	<b>305,559</b>	<b>364,505</b>	<b>2,133,951</b>	<b>19.3%</b>	<b>485.4%</b>	<b>164.3%</b>	<b>395,897</b>	<b>983,879</b>	<b>148.5%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

Selling and marketing expenses are largely represented by the expenses of the Saudi Cold Company and Anaam International Food Limited Company, and these expenses increased by 1.8 million SAR, a 485.4% increase for the fiscal year 2022AD compared to 2019AD, and by 0.1 million SAR, a 19.3% increase for the fiscal year 2021AD compared to 2020AD. These increases are mainly due to the rise in salaries and benefits of sales and marketing staff during 2022AD and 2021AD.

Selling and marketing expenses increased during the period ended on March 31, 2023AD, by 0.6 million SAR, an increase of 148.5% compared to the period ended on March 31, 2022AD. These increases are mainly due to the rise in salaries and benefits for employees of the sales and marketing departments within the group.

### 6-10-1-6 General and Administrative Expenses

The following table illustrates the general and administrative expenses of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (39): General and Administrative Expenses for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 – 2022 Audited	Period Ended 31 March		Increase/ Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Audited	2023 Audited	March 2023
Salaries and Benefits	6,572,544	6,431,925	20,104,422	(2.1%)	212.6%	74.9%	2,231,761	2,984,281	33.7%
Depreciation of Properties and Equipment	1,274,950	1,246,167	1,213,268	(2.3%)	(2.6%)	(2.4%)	284,256	141,916	(50.1%)
Amortization of Intangible Assets and Goodwill	21,823	200,271	503,760	817.7%	151.5%	380.5%	-	5,339	0.0%
Professional Fees and Consultations	577,213	3,325,299	1,532,928	476.1%	(53.9%)	63.0%	2,705,358	420,167	(84.5%)
Utilities Expenses	149,738	242,640	116,479	62.0%	(52.0%)	(11.8%)	13,648	39,399	188.7%
Board of Directors' Meeting Attendance Allowance	117,000	2,729,500	890,000	2232.9%	(67.4%)	175.8%	14,000	-	(100.0%)
Government Fees	380,950	611,549	174,396	60.5%	(71.5%)	(32.3%)	67,375	8,940	(86.7%)
Vehicle Expenses	30,153	12,520	188,671	(58.5%)	1407.0%	150.1%	3,224	30,820	856.0%
Provision for Employees' Defined Benefit Obligations	271,561	348,350	644,629	28.3%	85.1%	54.1%	125,978	145,301	15.3%
Expected Credit Losses	-	2,601,482	675,000	0.0%	(74.1%)	0.0%	-	-	0.0%
Travel Expenses	34,950	165,420	138,439	373.3%	(16.3%)	99.0%	21,583	58,463	170.9%
Other	212,660	1,379,430	1,548,606	548.7%	12.3%	169.9%	387,888	396,376	2.2%
<b>Total General and Administrative Expenses</b>	<b>9,643,542</b>	<b>19,294,553</b>	<b>27,730,598</b>	<b>100.1%</b>	<b>43.7%</b>	<b>(11.1%)</b>	<b>5,855,069</b>	<b>4,231,001</b>	<b>(27.7%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

The total general and administrative expenses for the year 2021AD increased by 9.7 million SAR, a 100% increase from the year 2020AD. They also increased by 8.4 million SAR, a 43.7% increase for the year 2022AD compared to 2021AD. The increase reasons are explained below:

Salaries and benefits mainly consisted of the compensation paid to employees working at the head office and subsidiaries, where the increase in 2022AD amounted to 13.7 million SAR, a 212.6% increase compared to year 2021AD, which did not represent significant differences during the year 2020AD.

Professional fees and consultations were represented by legal consultancy fees and audit fees, which increased during the year 2021 by 2.7 million SAR and by 476.1%, and decreased during the year 2022AD by (1.8) million SAR, a (53.9%) decrease compared to the year 2021AD.

Board of Directors' meeting attendance allowances were the amounts paid to board members for attending meetings, which increased during the year 2021 by 2.6 million SAR, an increase of 2232.9%, and decreased during the year 2022AD by (1.8) million SAR, a decrease of (67.4%) compared to the year 2021.

A provision for expected credit losses was created with an amount of 2.6 million SAR during the year 2021AD, and 0.7 million SAR during the year 2022AD.

General and administrative expenses decreased during the period ended on March 31, 2023AD, compared with the period ended on March 31, 2022AD, by (2.2) million SAR. This decrease was mainly due to a reduction in professional fees and consultations by (2.3) million SAR.

## 6-10-1-7 Financing Expenses

The following table illustrates the financing expenses of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (40): Financing Expenses for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	
Financing Expenses	-	(316,835)	(5,862,022)	100%	1750.2%	(100%)	(166,788)	(2,975,701)	(105.9%)

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

The financing expenses mainly consisted of the financial charges for a loan from Alinma Bank, and a loan from the Industrial Development Fund.

## 6-10-1-8 Other Revenues

The following table shows the other revenues of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (41): Table 30 - Other Revenues for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	
Fair value gains on investment properties	-	5,281,700	26,250,352	0.0%	397.0%	0.0%	-	118,866	0.0%
Commissions	9,300	-	-	(100%)	0.0%	(100%)	-	-	0.0%
Other revenues - net	-	644,140	1,425,679	100%	121.3%	0.0%	42,232	28,680	(32.1%)
<b>Total other revenues</b>	<b>9,300</b>	<b>5,925,840</b>	<b>27,676,031</b>	<b>63618.7%</b>	<b>367.0%</b>	<b>5355.2%</b>	<b>42,232</b>	<b>147,546</b>	<b>249%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

Note: In the 2020AD financial statements, the Group reclassified the other income item to discontinuing operations as a result of the decision to stop Al Jouf project.

The fair value gains on investment properties are represented at the fair value of the lands owned by the company in Al-Khumrah, Yanbu, and Jubail, as well as the buildings acquired by the group, including the Prince Sultan building and the building on Tahlia Street (Al-Angari building), and also the Hayat Fursan Hotel in Al Jouf.

Other revenues for the period ended on March 31, 2023, increased compared to the period ended in 2022, due to the group's investment in bank deposits during the first quarter of 2023AD.



## 6-10-1-9 Discontinuing Operations Results

The following table shows the results of discontinuing operations for Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

Table No. (42): Results of Discontinuing Operations for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	
Profit from sale of properties, plant, and equipment	2,430,958	25,186,568	-	936.1%	(100%)	0.0%	-	-	0.0%
Other revenues / (expenses) - net	284,613	(4,254,010)	-	(1594.7%)	(100%)	0.0%	-	-	0.0%
<b>Total results of discontinuing operations</b>	<b>2,715,571</b>	<b>20,932,558</b>	<b>-</b>	<b>670.8%</b>	<b>(100%)</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

The total results of discontinuing operations increased during 2021AD by 18.2 million SAR, an increase of 670.8%. This increase is due to profits from the sale of properties, plant, and equipment related to feed production for the Al Jouf project, following the board of directors' decision to permanently stop the activity, in order to provide liquidity to support the ongoing operations of the group.

There is no substantial change in the total results of discontinuing operations for both periods ended on March 31 for 2022 and 2023AD.

## 6-10-1-10 Zakat

The group has submitted its zakat declarations to the Zakat, Tax and Customs Authority for the years from 1995AD to 2018AD based on the consolidated financial statements.

The group has submitted its zakat declaration for the years ended in 2019AD, 2020AD, and 2021 to the Zakat, Tax and Customs Authority.

The group received a letter from the Zakat, Tax and Customs Authority dated February 25, 2018AD, which included a demand for the payment of zakat differences amounting to 106.93 million SAR for the years from 1995AD to 2011AD. A provision was recorded in these consolidated financial statements with an amount of 88.55 million SAR during 2019AD, in addition to the provision amount recorded in the consolidated financial statements for the year ended on December 31, 2018AD, which was 18.37 million SAR, making the total amount of the provision recorded in these consolidated financial statements 106.93 million SAR. On November 17, 2019, the group submitted an objection to the Authority regarding the final zakat assessment for the mentioned years, and the objection is still under review by the Authority. A final zakat assessment was issued with an amount of 7 million SAR for the years from 2012AD to 2018AD, and an objection to these zakat assessments was submitted to the General Secretariat of Tax Committees on October 15, 2020AD.

On June 23, 2021AD, the Tax Dispute Resolution Committee rejected the group's objection against the additional zakat claim of 106.93 million SAR. The group raise an objection and believes that there is still a potential opportunity to accept the objection.

## 6-10-1-11 Net Profit / (Loss) for the Year

The group achieved a net profit of 3.5 million SAR during 2021AD, compared to a loss of (7.3) million SAR in 2020. This is mainly due to the losses incurred by Anaam Agricultural Company in 2020 and the improved performance of Anaam Food Company in 2021AD. The group incurred a net loss of (33.3) million SAR during 2022AD, compared to a net profit of 3.5 million SAR in 2021. This loss is mainly due to short-term investment losses and the realized loss from the decrease in the goodwill value of subsidiary companies during 2022AD.

Net profit decreased during the period ended on March 31, 2023AD, compared to the period ended on March 31, 2022AD, by (1.4) million SAR, a decrease of (37.8%). This decrease is mainly due to the adjusted unrealized profit from the revaluation of investment properties in the first quarter of 2022AD.

Basic earnings represent the amount of profit that reflects the economic characteristics of the company's normal and recurring operations. Therefore, reported profits are adjusted to eliminate the effect of items not considered a reflection of the company's ongoing normal operations, in an attempt to estimate the company's true basic earnings. This includes adjustments of zakat expenses, provision for trade receivables, additional provision required against inventory due to the net realizable value test, the impact of impairment of property and equipment, and any provision required against ongoing legal cases, adjustment of zakat provision, and insurance on property and equipment. However, due to limited information, the impact of these adjustments has not been determined.

## 6-11 Statement of Financial Position

The following table shows the statement of financial position for Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, and 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

Table No. (43): Statement of Financial Position for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD

Statement (SAR)	Fiscal Year Ended			Increase/ Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	
Current assets	102,969,930	113,395,706	63,972,851	10.1%	(43.6%)	(21.2%)	117,833,155	69,521,254	(41.0%)
Non-current asset	137,593,486	155,534,877	530,657,380	13.0%	241.2%	96.4%	144,243,795	534,772,814	270.7%
<b>Total assets</b>	<b>240,563,416</b>	<b>268,930,583</b>	<b>594,630,231</b>	<b>11.8%</b>	<b>121.1%</b>	<b>57.2%</b>	<b>262,076,950</b>	<b>604,294,068</b>	<b>130.6%</b>
Current liabilities	132,230,474	149,569,047	306,239,844	13.1%	104.7%	52.2%	142,654,922	313,431,001	119.7%
Non-current liabilities	4,857,205	4,062,146	6,930,883	(16.4%)	70.6%	19.5%	14,342,083	7,056,134	(50.8%)
<b>Total liabilities</b>	<b>137,087,679</b>	<b>153,631,193</b>	<b>313,170,727</b>	<b>12.1%</b>	<b>103.8%</b>	<b>51.1%</b>	<b>156,997,005</b>	<b>320,487,135</b>	<b>104.1%</b>
Shareholders' equity	103,475,737	115,299,390	281,459,504	11.4%	144.1%	64.9%	105,079,945	283,806,933	170.1%
<b>Total liabilities and shareholders' equity</b>	<b>240,563,416</b>	<b>268,930,583</b>	<b>594,630,231</b>	<b>11.8%</b>	<b>121.1%</b>	<b>57.2%</b>	<b>262,076,950</b>	<b>604,294,068</b>	<b>130.6%</b>

Source: The audited financial statements of Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

Note: The comparative data for 2021 has been reclassified from the non-current portion of long-term loans to the current portion of long-term loans according to the approved financial statements for 2022.

The total assets for the fiscal year 2021AD increased by 28.4 million SAR, an increase of 11.8% compared to 2020AD. This increase is mainly due to the increase in the value of investment properties by 21.8 million SAR, due to the increase in the volume of real estate investments, in addition to the increase in goodwill of subsidiary companies and an increase in debtors. Total assets for the fiscal year 2022 increased by 325.7 million SAR, an increase of 121.1% compared to 2021AD. This increase is mainly due to the rise in the value of investment properties by 375.4 million SAR, due to the company's acquisition of the office building on Prince Sultan Street for 325 million SAR.

The total liabilities for the fiscal year 2021AD increased by 16.5 million SAR, an increase of 12.1% compared to 2020AD. This increase is mainly due to the group obtaining short-term loans of 15.1 million SAR, and an increase in the value of creditors. Total liabilities for the fiscal year 2022 increased by 159.5 million SAR, an increase of 103.8% compared to 2021AD. This increase is mainly due to the rise in the current portion of long-term loans by 153.2 million SAR.

### 6-11-1 Non-current Assets

The following table shows the non-current assets of Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

Table No. (44): Non-current Assets for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	
Property, plant, and equipment	70,096,392	57,488,393	62,628,796	(18.0%)	8.9%	(5.5%)	59,770,315	63,857,346	6.8%
Investment properties	66,829,800	88,611,500	464,011,852	32.6%	423.6%	163.5%	68,386,816	466,904,076	582.7%
Intangible assets and goodwill - net	667,294	5,483,734	65,482	721.8%	(98.8%)	(68.7%)	12,135,414	60,142	(99.5%)
Investments at fair value through profit or loss - long-term	-	3,951,250	3,951,250	0.0%	0.0%	0.0%	3,951,250	3,951,250	0.0%
<b>Total non-current assets</b>	<b>137,593,486</b>	<b>155,534,877</b>	<b>530,657,380</b>	<b>13.0%</b>	<b>241.2%</b>	<b>96.4%</b>	<b>144,243,795</b>	<b>534,772,814</b>	<b>270.7%</b>

Source: The audited financial statements of Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

Note: The comparative data for the year 2021AD has been reclassified from the non-current portion of long-term loans to the current portion of long-term loans according to the approved financial statements for 2022AD.

The total non-current assets for the fiscal year 2021 increased by 17.9 million SAR, an increase of 13% compared to 2020. This increase is mainly due to the rise in the value of investment properties by 21.8 million SAR. The total non-current assets for the fiscal year 2022AD increased by 375.1 million SAR, an increase of 241.2% compared to 2021AD. This increase is mainly due to the rise in the value of investment properties by 375.4 million SAR.

The total non-current assets for the period ended on March 31, 2023AD, increased by 290.5 million SAR, compared to the period ended in 2022AD, as a result of the increase in the value of investment properties by 398.5 million SAR.

### 6-11-1-1 Property, Plant, and Equipment

The following table shows the net book value of the property, plant, and equipment for Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (45): Net Book Value of Property, Plant, and Equipment for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022	2023	
							Unaudited	Unaudited	March 2023
Land	96,688,442	45,335,126	14,000,000	(53.1%)	(69.1%)	(61.9%)	14,000,000	14,000,000	0.0%
Buildings	43,129,368	45,120,847	48,445,931	4.6%	7.4%	6.0%	41,693,133	43,482,975	4.3%
Agricultural and irrigation equipment and machinery	148,350,642	51,612,289	20,166,023	(65.2%)	(60.9%)	(63.1%)	134,643	134,643	0.0%
Trucks and vehicles	16,356,589	12,188,595	3,663,905	(25.5%)	(69.9%)	(52.7%)	13,417,650	3,663,905	(72.7%)
Furniture	9,895,287	10,035,915	7,406,135	1.4%	(26.2%)	(13.5%)	3,666,699	4,021,646	9.7%
Software	-	-	-	0.0%	0.0%	0.0%	2,989,842	7,414,054	148.0%
Owned factories and machinery	-	-	-	0.0%	0.0%	0.0%	16,542,866	20,220,306	22.2%
Capital work in progress	-	65,000	1,647,859	0.0%	2435.2%	0.0%	396,808	3,035,910	665.1%
<b>Total</b>	<b>314,420,328</b>	<b>164,357,772</b>	<b>95,329,853</b>	<b>(47.7%)</b>	<b>(42.0%)</b>	<b>(44.9%)</b>	<b>92,841,641</b>	<b>95,973,439</b>	<b>3.4%</b>
Reclassification of investment properties	(51,353,316)	34,416,259	-	(167.0%)	(100%)	(100%)	-	-	0.0%
Reclassification for asset held for sale	(101,003,247)	(98,645,731)	-	(2.3%)	(100%)	(100%)	-	-	0.0%
Error effect	-	(5,505,531)	-	0.0%	(100%)	0.0%	-	-	0.0%
<b>Fixed assets - net</b>	<b>162,063,765</b>	<b>94,622,769</b>	<b>95,329,853</b>	<b>(41.6%)</b>	<b>0.7%</b>	<b>(23.3%)</b>	<b>92,841,641</b>	<b>95,973,439</b>	<b>3.4%</b>

Source: The audited financial statements of Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

### 6-11-1-2 Accumulated Depreciation of Property, Plant, and Equipment

The following table shows the accumulated depreciation for Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (46): Accumulated Depreciation for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Audited	2023 Audited	
									March 2023
Buildings	28,258,173	29,478,721	18,418,474	4.3%	(37.5%)	(19.3%)	11,516,849	13,769,407	19.6%
Agricultural and irrigation equipment and machinery	43,544,723	45,892,290	5,559,222	5.4%	(87.9%)	(64.3%)	134,978	134,643	(0.2%)
Trucks and vehicles	10,467,674	11,045,311	2,251,167	5.5%	(79.6%)	(53.6%)	11,380,277	2,356,654	(79.3%)
Furniture and furnishings	9,696,803	9,733,862	6,472,194	0.4%	(33.5%)	(18.3%)	3,338,264	3,500,849	4.9%

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Audited	2023 Audited	March 2023
Software	-	-	-	0.0%	0.0%	0.0%	2,917,578	6,348,233	117.6%
Owned factories and machinery	-	-	-	0.0%	0.0%	0.0%	3,783,380	6,006,307	58.8%
<b>Total</b>	<b>91,967,373</b>	<b>96,150,184</b>	<b>32,701,057</b>	<b>4.5%</b>	<b>(66.0%)</b>	<b>(40.4%)</b>	<b>33,071,326</b>	<b>32,116,093</b>	<b>(2.9%)</b>
Reclassification for asset held for sale	-	(57,127,203)	-	0.0%	(100%)	0.0%	-	-	0.0%
Impairment	-	1,440,719	-	0.0%	(100%)	0.0%	-	-	0.0%
Error effect	-	(3,329,324)	-	0.0%	(100%)	0.0%	-	-	0.0%
<b>Fixed assets - net</b>	<b>91,967,373</b>	<b>37,134,376</b>	<b>32,701,057</b>	<b>(59.6%)</b>	<b>(11.9%)</b>	<b>(40.4%)</b>	<b>33,071,326</b>	<b>32,116,093</b>	<b>(2.9%)</b>

Source: The audited financial statements of Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

Land holdings consist of the company's lands in Jeddah, the company's lands in Al-Jouf region, and the lands of the central refrigerators and warehouses in Jeddah. The total land decreased by 51.4 million Saudi Riyals, a decrease of 53.1% in 2021AD, as a result of the company acquiring warehouse lands in exchange of bad debts from previous years. The buildings are primarily attributed to the head office and the refrigeration warehouse in the city of Jeddah. In addition, the buildings also included offices, workshops, warehouses, and residential buildings for the Al-Jouf project. This also involved the reclassification of a group of lands from property, plant, and equipment to investment property accounts.

The agricultural and irrigation equipment and machinery are attributed to the agricultural production operations in Al-Jouf project. The net book value of agricultural equipment and machinery for 2018AD was 42 million Saudi Riyals. The book value of the agricultural and irrigation equipment and machinery decreased by 32.8 million Saudi Riyals, a decline of 78.1%, to become 9.2 million Saudi Riyals for 2019AD due to depreciation expenses for the year amounting to 8.7 million Saudi Riyals, in addition to disposals with a net amount of 2.2 million Saudi Riyals. The group also reclassified agricultural and irrigation equipment and machinery with a net amount of 21.2 million Saudi Riyals to non-current assets held for sale after deducting the impairment loss of 4.5 million Saudi Riyals resulting from the cessation of agricultural activity. The net book value of agricultural equipment and machinery for 2020AD decreased by 13.3% compared to 2019AD due to depreciation expenses of the fixed assets.

Trucks and vehicles are primarily represented by the trucks used in logistics and leasing operations at Anaam International Food Company Limited, in addition to their use in Al-Jouf project. The net book value decreased by 1.1 million Saudi Riyals, a percentage of 266% for 2019 compared to 2018. This decrease is attributed to depreciation expenses amounting to 0.9 million Saudi Riyals, in addition to disposals with a net book value of 2 million Saudi Riyals. The net book value of trucks and vehicles also decreased by 1.3 million Saudi Riyals, a percentage of 41.9% due to depreciation expenses amounting to 0.5 million Saudi Riyals and reclassification of a net book value of 8 million Saudi Riyals to non-current assets held for sale due to the group's lack of need for them.

The net book value of furniture and fixtures increased by 52.2% and 209.2% for the years 2021 and 2022, respectively, due to the group's acquisition of Saudi Wasit Factory for Entertainment and Beautification Systems during the fiscal year 2021, and ARW Factory Manufacturing Company in the fiscal year 2022.

The increase in net assets for the period ended on March 31, 2023, compared to 2022, by a total percentage of 6.8%, is attributed to the increase in factories, machinery, and equipment by 22.2% due to the company's acquisition of the ARW factory, in addition to the rise in capital works in progress by 665.1%.

The financial inspection report negating ignorance stated that, according to the clarification of property and equipment in the consolidated financial statements, the largest part of the total value of the properties, machinery, and equipment pertains to land. The group owns 84.8 million square meters of agricultural land in Bsaitaa region - Al Jouf, in addition to 7 plots of agricultural land in Al Jouf region with an area of 15.2 million square meters valued at 4.1 million Saudi Riyals, as well as land in Al-Khumrah district in Jeddah with an area of 197,555 square meters valued at 23 million Saudi Riyals, which does not have a title deed and is not registered in the name of the group. The property and equipment item also includes land and a building valued at 20 million Saudi Riyals as collateral according to the financing agreement with Kirnaf Investment and Installment Company, and the ownership is to be returned to the company once all instalments are paid. The company paid all remaining installments along with the interest amount during the fiscal year 2018, and the ownership has not been transferred to the company as of the date of the prospectus. It was also mentioned in the financial inspection report negating ignorance that according to the audited consolidated financial statements for the fiscal year 2020, the company had the agricultural project in Al Jouf evaluated by Remax appraisal company, a certified appraiser from the Saudi Authority for Accredited Valuers, based on the fair market value which can be verified in case of sale, and the value reached 67,217,500 Saudi Riyals. No impairment was recorded despite the book value being higher than the fair value, as the book value of Al Jouf farm assets in the company's financial statements as of December 2020AD was 69,425,587 Saudi Riyals. On September 29, 2021AD, the company announced the sale of Al Jouf project lands and other assets on the land for an amount of 85 million SAR.

The report also clarified that the company recorded a decrease of 45 million SAR in the audited consolidated financial statements in December 2020AD, without an impairment assessment for that value. Additionally, the company's warehouse was used to obtain rental income in the fiscal year 2019AD through the leasing of steel shed canopies. We believe that a portion of the asset being leased should be classified separately as an investment property, in accordance with International Accounting Standard No. 40 Investment Property. If the owner uses part of the property for their own use, and part to earn rental income, and if part of the property is sold or leased out separately, they should be accounted for separately. Therefore, the portion that has been leased out is an investment property. The company did not inventory any fixed assets during the years 2018, 2019, 2020, and the first quarter of 2021AD.

As of December 31, 2021AD, the company has land valued at 26,000,000 SAR which does not have a title deed and is not registered in the company's name. In addition, the company owns land and a building valued at 20,000,000 SAR that are not registered in the company's name. The total value of the land located in Al-Khumrah district is 26 million SAR, consisting of two parcels, one valued at 10 million SAR for which the company was able to issue an electronic title deed, while the remaining value of the land, with a book value of 16.5 million SAR, the company was unable to issue an electronic title deed for it, which was transferred to the company upon the merger of Al-Mawashi and Al-Mukairish companies.

Regarding the land and building valued at 20 million SAR, the company filed a lawsuit against Kirnaf Finance Company, from which the company had previously taken a loan using this property as collateral. Despite the company repaid the entire loan on time, Kirnaf Finance did not proceed to transfer the title deed back to the company's name. The court has issued a decision to reissue the title deed in the company's name. An agreement has been reached with Kirnaf Finance at the judge's presence in court to transfer the title deed to the company after updating it according to the regulations, and the process of updating the deed is currently underway through one of the engineering offices.

As of December 31, 2022AD, there is land valued at 14 million SAR that has not yet completed the registration process in the company's name. There is also land in the investment properties valued at 16.5 million SAR, which has not completed the registration process in the company's name. The total value of the land located in Al-Khumrah district is 26 million SAR, consisting of two parcels. One is valued at 10 million SAR, for which the company was able to issue an electronic title deed, while the company was unable to issue an electronic title deed for the remaining land, with a book value of 16.5 million SAR, which was acquired by the company upon the merger of Al-Mawashi and Al-Mukairish companies.

Regarding the land and building valued at 20 million SAR, the company filed a lawsuit against Kirnaf Finance Company, which previously provided a loan to the company secured by this property. Although the company repaid the full loan on time, Kirnaf Finance failed to reissue the title deed in the company's name. The court has ruled that the title deed shall be reissued in the company's name. An agreement was made with Kirnaf Finance before the judge in court to transfer the title deed to the company after updating it according to the system, and the process of updating the deed through one of the engineering offices is currently underway.

It's worth noting that for the financial year 2022AD, the value of the land has been separated from the offices and buildings, which are valued at 14 million SAR, while the value of the buildings is 6 million SAR.

### 6-11-1-3 Investment Properties

The following table shows the investment properties of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (47): Investment Properties for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Audited	2023 Audited	March 2023
Buildings	-	14,574,545	263,435,947	100%	1707.5%	0.0%	16,087,500	263,960,044	1540.8%
Land	66,829,800	74,036,955	200,575,905	10.8%	170.9%	73.2%	52,299,316	202,944,032	288.0%
<b>Total</b>	<b>66,829,800</b>	<b>88,611,500</b>	<b>464,011,852</b>	<b>32.6%</b>	<b>423.6%</b>	<b>163.5%</b>	<b>68,386,816</b>	<b>466,904,076</b>	<b>582.7%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

The total investment properties increased by 32.6%, 423.6% for the fiscal years 2021 and 2022 respectively. This increase is primarily attributed to the reclassification of a group of lands from property, plant, and equipment to investment property accounts, as well as the group's acquisition of the prince Sultan building and Tahlia Street building (Al-Angari building). This also led to an increase in the total investment properties by 398.5 million SAR, representing 582.7% increase compared to 2022AD.

### 6-11-2 Current Assets

The following table shows the current assets of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (48): Current Assets for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Audited	2023 Unaudited	March 2023
Cash and Cash Equivalents	80,456,360	95,393,009	4,854,876	18.6%	(94.9%)	(75.4%)	41,028,717	2,720,721	(93.4%)
Accounts Receivable	1,957,837	1,317,006	9,119,312	(32.7%)	592.4%	115.8%	1,972,074	9,961,196	405.1%
Prepaid Expenses and Other Current Assets	2,065,163	16,176,428	2,563,346	683.3%	(84.2%)	11.4%	8,639,213	42,913,285	396.7%
Inventory	1,878,406	509,263	3,401,663	(72.9%)	568.0%	34.6%	1,250,243	3,204,133	156.3%



Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Audited	2023 Unaudited	
Short-term Investments	-	-	44,033,654	0.0%	0.0%	0.0%	64,942,908	10,721,919	(83.5%)
Non-current Assets Classified as Held for Sale	16,612,164	-	-	(100%)	0.0%	(100%)	-	-	0.0%
<b>Total</b>	<b>102,969,930</b>	<b>113,395,706</b>	<b>63,972,851</b>	<b>10.1%</b>	<b>(43.6%)</b>	<b>(21.2%)</b>	<b>117,833,155</b>	<b>69,521,254</b>	<b>(41.0%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

The total current assets increased by 10.4 million SAR, representing 10.1%, during the fiscal year 2021AD compared to 2020AD. This increase is primarily due to a rise in cash and cash equivalents by 14.9 million SAR resulting from the amounts collected from the sale of Al-Jouf farm project. Meanwhile, the total current assets decreased by (49.4) million SAR, representing (43.6%), in the fiscal year 2022ADA compared to 2021AD, mainly due to a decrease in cash and cash equivalents by (90.5) million SAR because of the investment in short-term investments.

### 6-11-2-1 Cash and Cash Equivalents

The following table shows the consolidated cash and cash equivalents of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

Table No. (49): Consolidated Cash and Cash Equivalents for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	
Cash on Hand	70,300	54,783	136,292	(22.1%)	148.8%	39.2%	114,743	116,371	1.4%
Cash at Banks	80,386,060	95,338,226	4,718,584	18.6%	(95.1%)	(75.8%)	40,913,974	2,604,350	(93.6%)
<b>Total</b>	<b>80,456,360</b>	<b>95,393,009</b>	<b>4,854,876</b>	<b>18.6%</b>	<b>(94.9%)</b>	<b>(75.4%)</b>	<b>41,028,717</b>	<b>2,720,721</b>	<b>(93.4%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

Cash balances and cash equivalents increased by 14.9 million SAR, representing 18.6%, in 2021 compared to 2020AD. This increase is mainly due to the collection of amounts from the sale of Al-Jouf project. Cash balances and cash equivalents decreased during the period ended on March 31, 2023, compared to the period ended in 2022AD, by (38.3) million SAR, representing (93.4%). This decrease is mainly due to investments made in the first quarter of 2022 in real estate investments and also short-term investments in securities.

### 6-11-2-2 Trade Accounts Receivable - Net

The following table shows the accounts receivable for Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

Table No. (50): Accounts Receivable for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Audited	2023 Audited	
Trade Receivables	1,982,922	3,918,403	9,677,436	97.6%	147.0%	120.9%	2,254,223	10,519,320	366.6%
Less - Write-offs	-	(2,321,444)	-	0.0%	(100%)	0.0%	(2,196)	-	(100%)
Less - Provision for Credit Losses	(25,085)	(279,953)	(558,124)	1016.0%	99.4%	371.7%	(279,953)	(558,124)	99.4%
<b>Net Trade Receivables</b>	<b>1,957,837</b>	<b>1,317,006</b>	<b>9,119,312</b>	<b>(32.7%)</b>	<b>592.4%</b>	<b>115.8%</b>	<b>1,972,074</b>	<b>9,961,196</b>	<b>405.1%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended December 31, 2020, 2021, 2022, and for the periods ended March 31, 2022, and 2023AD.

The net trade receivables decreased by (0.6) million SAR, representing (32.7%) for 2021 compared to 2020AD, mainly due to write-offs (bad debts) of (2.3) million SAR in addition to the settlement of the provision for credit losses against the balance of trade receivables. The net trade receivables for 2022AD increased compared to 2021AD, due to an increase in trade receivables by 5.8 million SAR, representing a 147% increase.

The balances of trade receivables for the period ended on March 31, 2023AD, increased by 8 million SAR, representing 405.1%, compared to the period ended on March 31, 2022AD, mainly due to the receivable balances of Wasit Factory Company and ARW Manufacturing Company.

### 6-11-2-3 Prepaid Expenses and Other Debit Balances - Net

The following table shows the prepaid expenses and other debit balances of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (51): Prepaid Expenses and Other Debit Balances for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease March 2023
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Audited	2023 Audited	
Prepaid Expenses	554,844	535,518	859,115	(3.5%)	60.4%	24.4%	747,397	1,735,758	132.2%
Advance Payments to Suppliers	-	1,105,371	625,082	0.0%	8.2%	0.0%	83,581	576,724	590.0%
Advances and Loans to Employees	318,957	577,445	175,180	0.0%	0.0%	(25.9%)	737,012	770,008	4.5%
Value-Added Tax	1,191,362	267,620	166,538	(77.5%)	(37.8%)	(62.6%)	440,393	310,276	(29.5%)
Other	-	13,690,474	737,431	0.0%	(94.6%)	0.0%	6,630,830	39,520,519	496.0%
<b>Total Prepaid Expenses and Other Debit Balances</b>	<b>2,065,163</b>	<b>16,176,428</b>	<b>2,563,346</b>	<b>683.3%</b>	<b>(84.2%)</b>	<b>11.4%</b>	<b>8,639,213</b>	<b>42,913,285</b>	<b>396.7%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

The total prepaid expenses and other debit balances increased by 14.1 million SAR, representing 683.3% for 2021AD compared to 2020AD, due to amounts receivable from the buyer of Al-Jouf project. Conversely, in 2022AD, the total prepaid expenses and other debit balances decreased by (13.6) million SAR compared to 2021AD, due to the collection of amounts due from the buyer.

The total prepaid expenses and other debit balances for the period ended on March 31, 2023AD, increased by 34.3 million SAR, representing 396.7%, compared to the period ended in 2022AD, mainly due to the group's sale of shares from its short-term investments through Al Nefae Company, and the amount was not transferred until the second quarter, due to the company's sale of its short-term investments.

### 6-11-2-4 Inventory - Net

The following table shows the inventory of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (52): Inventory for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020	2021	2022	December 2021	December 2022		2022	2023	
	Audited	Audited	Audited				Audited	Audited	March 2023
Raw Materials and Consumables	-	509,263	3,057,418	0.0%	500.4%	0.0%	1,250,243	2,542,537	103.4%
Spare Part	3,223,232	-	-	(100%)	0.0%	(100%)	-	250,816	0.0%
Finished Goods	446,555	-	344,245	(100%)	0.0%	(12.2%)	-	410,780	0.0%
<b>Total Inventory before Provision</b>	<b>3,669,787</b>	<b>509,263</b>	<b>3,401,663</b>	<b>(86.1%)</b>	<b>568.0%</b>	<b>(3.7%)</b>	<b>1,250,243</b>	<b>3,204,133</b>	<b>156.3%</b>
Less: Slow-moving Inventory	(1,791,381)	-	-	(100%)	0.0%	(100%)	-	-	0.0%
<b>Total Inventory</b>	<b>1,878,406</b>	<b>509,263</b>	<b>3,401,663</b>	<b>(72.9%)</b>	<b>568.0%</b>	<b>34.6%</b>	<b>1,250,243</b>	<b>3,204,133</b>	<b>156.3%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020AD, 2021AD, 2022AD, and for the periods ended on March 31, 2022AD, and 2023AD.

The inventory decreased by 72.9% for 2021 compared to 2020AD, mainly due to the group's sale of Al-Jouf project and thus liquidating the project's specific inventory.

The inventory also increased by 568.0% for 2022AD compared to 2021AD due to the addition of inventory from Saudi Wasit Factory for Entertainment and Beauty Systems Manufacturing, as well as ARW Manufacturing Company. The inventory increased by 156.3% during the period ended on March 31, 2023AD, compared to the period ended on March 31, 2022AD, due to the group's acquisition of inventory from Saudi Wasit Factory for Entertainment

and Beauty Systems Manufacturing during the second quarter of 2022AD, and the completion of the production lines and operation of the factory after the first quarter of 2022AD.

There was obsolete inventory related to spare parts that was not sellable or usable, and the group included it in the sale deal of Al-Jouf project and collected the full value of the project. The book value of the spare parts inventory was 1.8 million SAR.

### 6-11-2-5 Short-term Investments

The following table shows the short-term investments of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (53): Short-term Investments for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2022 Audited	2021 Audited	2022 Audited	December 2022	December 2023		2022 Unaudited	2023 Unaudited	
Tourism Projects Company	-	-	31,854,873	0.0%	0.0%	0.0%	44,040,880	-	(100%)
RAOOM Trading Company	-	-	7,430,654	0.0%	0.0%	0.0%	8,617,026	7,759,444	(10.0%)
Al-Waha REIT Fund	-	-	4,318,366	0.0%	0.0%	0.0%	-	2,537,982	0.0%
Al-Rajhi REIT Fund	-	-	429,761	0.0%	0.0%	0.0%	3,857,000	424,493	(89.0%)
Saudi Arabian Oil Company	-	-	-	0.0%	0.0%	0.0%	4,116,002	-	(100%)
Al-Riyadh REIT Fund	-	-	-	0.0%	0.0%	0.0%	4,312,000	-	(100%)
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>44,033,654</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>64,942,908</b>	<b>10,721,919</b>	<b>(83.5%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

During the fiscal year 2022AD, the group purchased shares listed on the market for an amount of 80.51 million SAR. Shares were sold with a market value of 10.93 million SAR during the year, resulting in a realized loss of 0.54 million SAR. As of December 31, 2022, the fair market value of the Rump Shares was 44.03 million SAR, with an unrealized loss of 25.01 million SAR. Below is the fair market value of the investments.

Short-term investments decreased by 83.5% during the period ended on March 31, 2023AD, mainly due to the group's sale of its shares in the Tourism Projects Company, the Saudi Arabian Oil Company, and the Al Riyadh REIT Fund.

### 6-11-3 Current Liabilities

The following table shows the current liabilities of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (54): Current Liabilities for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2022	December 2023		2022 Unaudited	2023 Unaudited	
Long-term loans - current portion	-	15,105,254	168,354,906	0.0%	1014.5%	0.0%	3,122,345	168,503,994	5296.7%
Zakat provision	106,927,278	106,927,278	102,501,673	0.0%	(4.1%)	(2.1%)	106,927,278	102,501,673	(4.1%)
Distributions and shareholders' dues	12,996,473	12,979,359	13,848,165	(0.1%)	6.7%	3.2%	12,979,008	13,845,889	6.7%
Accrued expenses and other creditor balances	3,792,757	9,569,847	9,662,234	152.3%	1.0%	59.6%	12,969,507	15,445,594	19.1%
Amount due to related parties	-	3,528,354	8,633,341	0.0%	144.7%	0.0%	3,528,354	8,633,341	144.7%
Trade Receivables	8,513,966	1,298,833	3,079,403	(84.7%)	137.1%	(39.9%)	3,128,430	4,340,388	38.7%
Government grants - current portion	-	160,122	160,122	0.0%	0.0%	0.0%	-	160,122	0.0%
<b>Total Short-Term Liabilities</b>	<b>132,230,474</b>	<b>149,569,047</b>	<b>306,239,844</b>	<b>13.1%</b>	<b>104.7%</b>	<b>52.2%</b>	<b>142,654,922</b>	<b>313,431,001</b>	<b>119.7%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

Total current liabilities increased by 17.3 million SAR, representing 13.1%, for 2021AD compared to 2020AD. This increase was mainly due to the group obtaining financing loans amounting to 15.1 million SAR. Accrued expenses also increased by 5.8 million SAR, and the amount due to related parties increased by 3.5 million SAR, while trade receivables were settled and paid and decreased by 7.2 million SAR. Total current liabilities increased by 156.7 million SAR representing 104.7% for 2022AD compared to 2021AD. This increase was mainly due to the increase of financing loans amounting to 153.2 million SAR and the increase of the amount due to related parties by 5.1 million SAR.

Total current liabilities increased by 170.8 million SAR representing 119.7% during the period ended on March 31, 2023AD, compared to the period ended on March 31, 2022AD. This increase was primarily due to the increase of the financing loans by 165.4 million SAR and the increase of the amount due to related parties by 5.1 million SAR.

### 6-11-3-1 Accrued expenses and other credit balances

The following table shows the accrued expenses and other credit balances of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (55): Accrued expenses and other credit balances for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020	2021	2022	December 2021	December 2022		2022	2023	March 2023
	Audited	Audited	Audited				Unaudited	Unaudited	
Customer advance payments	186,928	107,352	4,743,144	(42.6%)	4318.3%	403.7%	26,834	7,519,095	27920.8%
Fines due	2,930,333	2,560,000	2,560,000	(12.6%)	0.0%	(6.5%)	2,560,000	2,560,000	0.0%
Employee benefits and incentives due	-	1,657,501	1,824,008	0.0%	10.0%	0.0%	141,800	21,026	(85.2%)
Accrued expenses	675,496	884,822	535,082	31.0%	(39.5%)	(11.0%)	4,045,037	5,070,631	25.4%
Due value added tax	-	4,217,766	-	0.0%	(100%)	0.0%	216,518	(865,878)	(499.9%)
Others	-	142,406	-	0.0%	(100%)	0.0%	5,979,318	1,140,720	(80.9%)
Total accrued expenses and other credit balances	3,792,757	9,569,847	9,662,234	152.3%	1.0%	59.6%	12,969,507	15,445,594	19.1%

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

The accrued expenses primarily consisted of salaries payable, accrued leave, social insurance, payable service fees, and payable audit fees, and board of directors' meeting attendance costs. The accrued expenses increased by 152.3% and 1.0% for the years 2021 and 2022, respectively. This increase was mainly due to the advance payments collected from clients of office building on Prince Sultan Street during 2021AD and 2022AD.

### 6-11-3-2 Distributions and Shareholders' Dues

The following table shows the distributions and dues to shareholders of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (56): Distributions and dues to shareholders for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	March 2023
Surplus from share reduction	2,127,617	2,127,617	2,127,617	0.0%	0.0%	0.0%	2,122,398	2,122,398	0.0%
Final dividend distributions on ordinary shares	940,027	939,307	939,007	(0.1%)	(0.0%)	(0.1%)	939,247	939,007	(0.0%)
Shares sold at auction	5,137,418	5,125,200	5,122,440	(0.2%)	(0.1%)	(0.1%)	5,124,924	5,121,819	(0.1%)
Unclaimed dividend distributions on ordinary shares	374,187	374,187	1,252,369	0.0%	234.7%	82.9%	374,187	374,186	(0.0%)
Refund of surplus from capital increase	2,913,079	2,910,743	2,910,743	(0.1%)	0.0%	(0.0%)	2,910,743	2,910,743	0.0%
Refund of surplus from 2020 subscription	1,091,845	1,090,244	1,084,085	(0.1%)	(0.6%)	(0.4%)	1,090,229	1,082,463	(0.7%)

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	
Refund of surplus from 2019 subscription	179,177	178,937	178,782	(0.1%)	(0.1%)	(0.1%)	178,937	178,748	(0.1%)
Interim dividend distributions on ordinary shares	233,123	233,124	233,122	0.0%	(0.0%)	(0.0%)	233,124	233,124	0.0%
Fractions resulting from the capital increase of 2012	-	-	-	0.0%	0.0%	0.0%	5,219	5,219	0.0%
Surplus rights for 2022. (Refundable)	-	-	-	0.0%	0.0%	0.0%	-	878,182	0.0%
<b>Total distributions and dues to shareholders</b>	<b>12,996,473</b>	<b>12,979,359</b>	<b>13,848,165</b>	<b>(0.1%)</b>	<b>6.7%</b>	<b>3.2%</b>	<b>12,979,008</b>	<b>13,845,889</b>	<b>6.7%</b>

Source: The audited financial statements of Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, 2023AD.

The surplus allocation of shares has been suspended since the year 1982AD, which was the time when Anaam International Holding Group was offered for public subscription. This surplus resulted from the shareholders subscribing to a larger number of shares than what was actually allocated at the time of the public offering. Consequently, Anaam International Holding Group has maintained a surplus cash balance for these investors, and the company has repeatedly announced to the shareholders on the website of the Saudi Stock Exchange "Tadawul," which belongs to the Capital Market Authority, and in the local newspapers, the necessity of reviewing the company to disburse these amounts. The company disburses annual amounts to shareholders who review the company for this purpose. The undistributed dividends primarily relate to the dividends that were not paid, representing those approved by the General Assembly of Shareholders for the years 1986AD and 1987AD. The shares sold are those auctioned in the public offering of Anaam International Holding Group in 1997AD, as the principal shareholders at that time did not fulfill their commitment to contribute the remaining 50% after the initial deposit. Consequently, Anaam International Holding Group sold those shares at auction, but the shareholders who contributed the first installment did not submit any related claims to the company to recover these funds, which have remained payable to the shareholders. The company has announced several times for shareholders to review the company to disburse these amounts, where the company disburses annual amounts to shareholders who review the company for this purpose, and the company does not have any clear plan to return these amounts to their rightful owners other than announcing periodically for this purpose through the Saudi Stock Exchange "Tadawul." The unpaid shareholders' checks refer to those checks issued by the company in favor of some shareholders to pay the amounts due to them.

The capital surplus related to 2012AD, which has not been claimed, pertains to the cash contributed by some shareholders at the time of the rights issue, despite it not being necessary, and is payable to them. The return of the subscription surplus for the years 2019AD and 2020AD amounted to 0.18 million SAR and 1.1 million SAR, respectively, resulting from the capital increase by (9) million shares at (90) million SAR, thereby increasing the number of issued shares from (105) million shares to (10.5) million shares. The differences resulting from the capital reduction are mainly due to the capital reduction in the year 2007AD, where (10) shares were canceled for every (11) share owned by the shareholders. However, the management explained that some shareholders hold shares that are not divisible by the number 11, for instance, (10) shares; in this case, the cash amount should have been returned to the shareholders, but some of them did not collect the cash. The distributions and entitlements of shareholders increased by (1) million SAR and by 91% during the period ended on March 31, 2021AD, compared to the period ended in 2020AD, due to the surplus resulting from the shareholders' subscription process during the fiscal year 2020AD.

### 6-11-3-3 Zakat

The group has submitted its Zakat declarations to the Zakat, Tax, and Customs Authority for the years from 1995AD to 2018AD based on the consolidated financial statements.

The group has submitted its Zakat declarations for the years ended in 2019, 2020, and 2021 to the Zakat, Tax, and Customs Authority.

The group received a letter from the Zakat, Tax, and Customs Authority dated February 25, 2018, which included a claim for the payment of Zakat differences amounting to 106.93 million SAR for the years from 1995AD to 2011AD. A provision of 88.55 million SAR was made in these consolidated financial statements during the year 2019, in addition to the provision amount recorded in the consolidated financial statements for the year ended on December 31, 2018, amounting to 18.37 million SAR, making the total provision amount recorded in these consolidated financial statements 106.93 million SAR. On November 17, 2019AD, the group submitted an objection to the Authority against the final Zakat assessment for the mentioned years, and this objection is still under review by the Authority. A final Zakat assessment of 7 million SAR was issued for the years from 2012AD to 2018AD, and an objection to these Zakat assessments was submitted to the General Secretariat of Tax Committees on October 15, 2020AD.

On June 23, 2021, the Tax Dispute Resolution Committee rejected the group's objection to the additional Zakat claim of 106.93 million SAR. The group submitted its objection and believes that there is still a potential opportunity for the acceptance of this objection.

### 6-11-4 Non-current liabilities

The following table shows the non-current liabilities of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.



Table No. (57): Non-current liabilities for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	March 2023
Long-Term Loans - Non-Current Portion	-	-	618,579	0.0%	0.0%	0.0%	12,149,697	581,370	(95.2%)
Government Grants - Non-Current Portion	-	1,761,337	1,607,907	0.0%	(8.7%)	0.0%	-	1,567,877	0.0%
Defined Benefit Obligations for Employees	4,857,205	2,300,809	4,704,397	(52.6%)	104.5%	(1.6%)	2,192,386	4,906,887	123.8%
<b>Total Non-Current Liabilities</b>	<b>4,857,205</b>	<b>4,062,146</b>	<b>6,930,883</b>	<b>(16.4%)</b>	<b>70.6%</b>	<b>19.5%</b>	<b>14,342,083</b>	<b>7,056,134</b>	<b>(50.8%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

Total non-current liabilities decreased by (16.4%) during 2021 due to the decrease of Defined Benefit Obligations for Employees as the company excluded the employees of transportation sector.

## Defined Benefit Obligations for Employees

End of service gratuity is the right of every employee according to the terms and rights of work provisions upon the end of their contracts. The group obligations related to defined benefit plans is calculated by estimating the value of the future benefits due to employees now or in future and the value is discounted to reach the current value. The group sets the assumptions used on determining the main items of costs to meet these future obligations. These assumptions are set after consulting the Actuary and include the assumptions used for determining the cost of regular service and financing items related to requirements. The qualified Actuary calculates the defined benefits obligations by using planned credit unit method. Revaluation of defined benefit obligations which consist of actuarial profits and losses are directly set in the statement of other comprehensive income. The group defines the net interest expenses upon the defined benefits obligations for the year by applying discount rate used in measuring the defined benefits obligations at the beginning of the year and net defined obligations after bearing in mind any change that may occur on net defined obligations during the year and payments for obligations. Net interest expenses and other expenses related to defined benefits planes are recognized in unified loss or profit statement.

## 6-11-5 Shareholders Rights

The following table shows the shareholders' rights of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

Table No. (58): Shareholders rights for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	March 2023
Capital	105,000,000	105,000,000	315,000,000	0.0%	200.0%	73.2%	105,000,000	315,000,000	200.0%
Accrued losses (remaining profits)	(1,524,263)	2,955,809	(40,335,540)	(293.9%)	(1464.6%)	414.4%	(6,594,209)	(37,003,519)	461.2%
<b>Shareholders' total property rights in the parent company</b>	<b>103,475,737</b>	<b>107,955,809</b>	<b>274,664,460</b>	<b>4.3%</b>	<b>154.4%</b>	<b>62.9%</b>	<b>98,405,791</b>	<b>277,996,481</b>	<b>182.5%</b>
Non-controlling interest	-	7,343,581	6,795,044	0.0%	(7.5%)	0.0%	6,674,154	5,810,452	(12.9%)
<b>Shareholders' total rights</b>	<b>103,475,737</b>	<b>115,299,390</b>	<b>281,459,504</b>	<b>11.4%</b>	<b>144.1%</b>	<b>64.9%</b>	<b>105,079,945</b>	<b>283,806,933</b>	<b>170.1%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

## 6-11-5-1 Capital

As of December 31, 2018AD, the company's capital amounted to 196 million SAR, comprising 19.6 million fully paid share with a value of 10 SAR per share.

During December 2019AD, based on the extraordinary general meeting held on December 31, 2019, the shareholders decided to write off the accumulated losses as of November 25, 2019, amounting to 181 million SAR, and to reduce the capital by that amount to become 15 million SAR instead of 196 million SAR, a reduction percentage of 92.35%. Consequently, the number of shares after the reduction became 1.5 million shares valued at 10 SAR per share, instead of 19.6 million shares. The company's main system and commercial register were amended accordingly.

On September 2, 2020AD, the company's board of directors recommended increasing the company's capital by 90 million SAR through the issuance of 9 million ordinary Preemptive Rights with a nominal value of 10 SAR per share. On 05/02/1442 H (corresponding to September 22, 2020AD), the Capital Market Authority approved the request, and the extraordinary general assembly of shareholders on October 27, 2020AD, approved the increase of the company's capital to 105 million SAR instead of 15 million SAR and the increase of the number of shares to 10.5 million shares. The company amended its main system and commercial register accordingly.

On February 8, 2021AD, the company's board of directors recommended an increase in the company's capital by 210 million SAR through the issuance of Preemptive Rights by offering 21 million ordinary shares with a nominal value of 10 SAR for each share. On July 14, 2021AD, the group announced that it had submitted a file requesting approval to increase the group's capital by 210 million SAR through an offering of Preemptive Rights to the Capital Market Authority, conditional upon obtaining the approval of the relevant official authorities and the extraordinary general assembly.

On May 17, 2022, the shareholders approved in the extraordinary general meeting to increase the capital by 210 million SAR through the issuance of Preemptive Rights, in order to finance working capital, invest in real estate, and invest in shares of other privately-owned entities. The issuance process was completed during the period ended on June 30, 2022, and the total proceeds from the issuance were received on June 26, 2022AD. In the offering for the new rights issue, shareholders were entitled to two new shares for every one share they owned. However, shareholders exercised their rights beyond their entitlements and deposited 252.3 million SAR into the company's bank account. As a result, the subscription exceeded the correct amount of 210 million SAR by 42.3 million SAR. According to the announcement, we were able to refund the excess payments to the shareholders, and as of December 31, 2022AD, only 0.88 million SAR remained due to the shareholders and had not been paid to the entitled shareholders as of the date of the prospectus.

The company met all the regulatory requirements related to the above capital increase during the current period ended on December 31, 2022.

As of December 31, 2022, the company's capital reached 315 million SAR, divided into 31.5 million shares with a value of 10 SAR per share. (As of December 31, 2021AD: The capital was 105 million SAR, divided into 10.5 million shares with a value of 10 SAR per share).

Regarding the subsidiaries of the group, these companies have not made any changes to their capital during the three years immediately preceding the date of the submission of the registration application and the offering of the securities subject to this prospectus.

During the extraordinary general assembly meeting held on Thursday, July 6, 2023AD, approval was given for the subdivision (split) of the company's shares as follows:

- ▶ The nominal value of the share before the amendment was 10 SAR.
- ▶ The nominal value of the share after the amendment is 50 Halalas (0.50 SAR).
- ▶ The number of shares before the amendment was 31,500,000 shares.
- ▶ The number of shares after the amendment is 630,000,000 shares.
- ▶ There is no change in the company's capital before and after the share split process.

## Statutory Reserve

According to Article 40 of the company's articles of association, 10% of the net profits are to be set aside to form the statutory reserve of the company. The ordinary general assembly may decide to discontinue this allotment once the mentioned reserve reaches 30% of the paid-up capital. Also, it may decide to distribute any amount exceeding this percentage to the shareholders of the company in financial years in which the company does not achieve net profits.

## 6-11-5-2 Retained Earnings / (Accumulated Losses)

During the fiscal year 2020AD, the accumulated losses increased due to the losses realized during the year, which are mainly represented by capital increase expenses amounting to 9.5 million SAR. Whereas, during the year 2021, the retained earnings increased by 3 million SAR after accounting for the effect of the change in accounting policy, which led to an increase in profits by 14.5 million SAR. During the fiscal year 2022AD, the accumulated losses increased due to the losses realized from the sale of short-term investment shares and also from the realized losses due to the decrease in the goodwill value of the subsidiaries.

## 6-12 Cash Flow Statement

The table below shows the cash flow statement of Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

Table No. (59): Cash Flow Statement for the Fiscal Years Ended on December 31, 2020, 2021, 2022, and for the Periods Ended on March 31, 2022, and 2023AD

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	March 2023
Net cash from operating activities	(15,583,698)	(30,164,565)	(15,567,376)	93.6%	(48.4%)	(0.1%)	2,651,401	(34,472,901)	(1400.2%)
Net cash from investing activities	3,678,473	45,118,328	(423,978,419)	1126.6%	(1039.7%)	0.0%	(57,015,342)	32,356,962	(156.8%)
Net cash from financing activities	91,268,773	(17,114)	349,007,662	(100%)	(2039410.9%)	95.5%	(351)	(18,216)	5089.7%
<b>Net cash flow</b>	<b>79,363,548</b>	<b>14,936,649</b>	<b>(90,538,133)</b>	<b>(81.2%)</b>	<b>(706.1%)</b>	<b>0.0%</b>	<b>(54,364,292)</b>	<b>(2,134,155)</b>	<b>(96.1%)</b>
Opening cash and cash equivalents	1,092,812	80,456,360	95,393,009	7262.3%	18.6%	834.3%	95,393,009	4,854,876	(94.9%)
<b>Closing cash and cash equivalents</b>	<b>80,456,360</b>	<b>95,393,009</b>	<b>4,854,876</b>	<b>18.6%</b>	<b>(94.9%)</b>	<b>(75.4%)</b>	<b>41,028,717</b>	<b>2,720,721</b>	<b>(93.4%)</b>

Source: The audited financial statements of Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

As of the end of the year 2020AD, the cash and cash equivalents available to the company amounted to 80.5 million SAR, mainly generated from financing activities amounting to 91.3 million SAR. This increase is attributed to the capital increase operation through the issuance of Preemptive Rights amounting to 90 million SAR, and the cash generated from investing activities amounting to 3.7 million SAR, after decreasing the net cash used in operating activities by 15.6 million SAR.

As of the end of 2021AD, the cash and cash equivalents available to the company reached 95.4 million SAR, mainly resulting from the opening cash and cash equivalents and the cash generated from investing activities during the year amounting to 45.1 million SAR, after reducing it by the net cash used in operating activities totaling 30.1 million SAR.

As of the end of 2022AD, the cash and cash equivalents available to the company reached 4.9 million SAR, primarily resulting from the opening cash and cash equivalents and the cash generated from financing activities during the year amounting to 349 million SAR, after reducing it by the net cash used in investing and financing activities totaling 424 million SAR and 15.6 million SAR, respectively.

As of the end of the period ended on March 31, 2023AD, the cash and cash equivalents available to the company reached 2.7 million SAR, and the main results from the opening cash and cash equivalents and the cash generated from investing activities during the year reached 32.4 million SAR. As of the end of the period ended on March 31, 2022AD, the cash and cash equivalents available to the company reached 41 million SAR, mainly resulting from the opening cash and cash equivalents for the fiscal year 2021AD.

## 6-12-1 Cash Flow from Operating Activities

The following table shows the cash flow statement of operating activities for Anaam International Holding Group Company for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

**Table No. (60): Cash Flow Statement of Operating Activities for the Fiscal Years Ended on December 31, 2020, 2021, 2022, and for the Periods Ended on March 31, 2022, and 2023AD**

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2021 Unaudited	2022 Unaudited	
Profit / Loss for the Year	(8,705,574)	2,751,292	(27,646,420)	(131.6%)	(1104.9%)	78.2%	3,776,450	2,347,429	(37.8%)
Profit for the year from discontinued operations	2,715,571	(20,932,558)	-	(870.8%)	(100%)	(100%)	-	-	0.0%
<b>Profit / (Loss) for the year before Zakat</b>	<b>(5,990,003)</b>	<b>(18,181,266)</b>	<b>(27,646,420)</b>	<b>203.5%</b>	<b>52.1%</b>	<b>114.8%</b>	<b>3,776,450</b>	<b>2,347,429</b>	<b>(37.8%)</b>
Depreciation of properties, plant, and equipment	4,093,399	4,193,226	3,983,744	2.4%	(5.0%)	(1.3%)	941,067	1,015,224	7.9%
Amortization of intangible assets	195,370	200,271	503,760	2.5%	151.5%	60.6%	87,609	5,339	(93.9%)
Fair value gains from revaluation of investment properties	-	(5,281,700)	(26,250,352)	0.0%	397.0%	0.0%	(510,500)	(2,892,224)	466.5%
Provision for expected credit losses and write-offs	-	2,601,397	278,171	0.0%	(89.3%)	0.0%	-	-	0.0%
Gains of exclusion of investments at fair value through profit or loss	-	-	-	0.0%	0.0%	0.0%	-	(1,034,473)	0.0%
Profits from the sale of properties, plant, and equipment	(2,714,450)	-	(1,110,160)	(100%)	0.0%	(36.0%)	-	-	0.0%
Impairment of goodwill	-	6,739,289	7,862,196	0.0%	16.7%	0.0%	-	-	0.0%
Realized dividend distribution revenues	-	-	-	0.0%	0.0%	0.0%	(388,698)	(14,486)	(96.3%)
Unrealized gains from revaluation of investments at fair value	-	-	-	0.0%	0.0%	0.0%	(8,974,348)	(254,528)	(97.2%)
Unrealized fair value loss on investments through profit or loss	-	-	25,010,196	0.0%	0.0%	0.0%	-	-	0.0%
Realized fair value loss on investments through profit or loss	-	-	541,155	0.0%	0.0%	0.0%	-	-	0.0%
Amortization of government grants	-	-	-	0.0%	0.0%	0.0%	-	(40,030)	0.0%
Financing costs	-	316,835	5,862,022	0.0%	1750.2%	0.0%	166,788	2,975,701	1684.1%
Defined benefit obligation for employee benefits	470,309	309,825	846,414	(34.1%)	173.2%	34.2%	165,061	248,007	50.3%

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2021 Unaudited	2022 Unaudited	December 2021
Expenses of capital increase	(9,500,000)	-	-	(100%)	0.0%	(100%)	-	-	0.0%
Dividend distributions	-	-	(924,289)	0.0%	0.0%	0.0%	-	-	0.0%
Inventory	767,110	(509,263)	(1,615,668)	(166.4%)	217.3%	0.0%	(740,980)	197,530	(126.7%)
Trade receivables	(221,216)	385,963	(6,663,744)	(274.5%)	(1826.5%)	448.8%	(655,068)	(841,884)	28.5%
Prepaid expenses and other debt balances	(1,396,944)	(19,757,794)	14,076,516	1314.4%	(171.2%)	0.0%	7,537,215	(40,371,208)	(635.6%)
Accrued expenses and other credit balances	(905,793)	5,456,117	(2,035,024)	(702.4%)	(137.3%)	49.9%	(698,006)	2,978,017	(526.6%)
Due to related parties	-	-	5,104,987	0.0%	0.0%	0.0%	-	-	0.0%
Trade payables	(350,480)	(4,196,906)	1,546,928	1097.5%	(136.9%)	0.0%	1,829,597	1,260,985	(31.1%)
End-of-service benefit obligations paid to employees	(31,000)	(2,123,724)	(831,106)	6750.7%	(60.9%)	417.8%	(273,484)	(45,517)	(83.4%)
Paid financing expenses	-	(316,835)	(5,862,022)	0.0%	1750.2%	0.0%	-	(21,269)	0.0%
Paid Zakat	-	-	(8,244,680)	0.0%	0.0%	0.0%	-	-	0.0%
Dividend payouts	-	-	-	0.0%	0.0%	0.0%	388,698	14,486	(96.3%)
<b>Net cash from operating activities</b>	<b>(15,583,698)</b>	<b>(30,164,565)</b>	<b>(15,567,376)</b>	<b>93.6%</b>	<b>(48.4%)</b>	<b>(0.1%)</b>	<b>2,651,401</b>	<b>(34,472,901)</b>	<b>(1400.2%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

The company achieved a negative net cash flow from operating activities during the years 2020AD, 2021AD, and 2022 amounting to (15.6) million SAR, (30.2) million SAR, and (15.6) million SAR, respectively, due to a general decrease in revenues for the mentioned years. Specifically, this was due to the financing expenses during the year 2022AD, as well as the amount paid to the Zakat, Tax, and Customs Authority amounting to 8 million SAR, and the increase in trade receivables during the same year. The reason in 2020AD was the increased cost of capital increase.

The company achieved a positive net cash flow from operating activities during the period ended on March 31, 2022AD, amounting to 2.7 million SAR, which was due to the net profit realized during the period in addition to the collection of 7.5 million SAR from trade receivables. However, the company achieved a negative net cash flow from operating activities during the period ended on March 31, 2023AD, amounting to (34.5) million SAR, due to outstanding amounts resulting from the sale of short-term investments and an increase in other receivables by an amount of 40 million as a result of the sale of the company's short-term investment shares and their non-collection during the first quarter.

## 6-12-2 Cash Flow from Investment Activities

The following table shows the cash flow statement for investment activities of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

Table No. (61): Cash Flow Statement for Invest Investment Activities for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	March 2023
Purchase of property, plant, and equipment	(111,168)	(2,304,422)	(3,708,464)	1972.9%	60.9%	477.6%	(1,046,782)	(2,243,774)	114.3%
Additions to intangible assets and goodwill	-	(26,000)	(76,219)	0.0%	193.2%	0.0%	-	-	0.0%
Purchase of investments at fair value through profit or loss	-	(3,951,250)	(80,511,767)	0.0%	1937.6%	0.0%	(55,968,560)	-	(100%)
Proceeds from sale of investments at fair value through profit or loss	-	-	10,926,762	0.0%	0.0%	0.0%	-	34,600,736	0.0%
Purchase of investment property	-	-	(349,150,000)	0.0%	0.0%	0.0%	-	-	0.0%

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	2023 Unaudited	
Net movement in non-current assets held for sale	835,088	-	-	(100%)	0.0%	(100%)	-	-	0.0%
Acquisition of a subsidiary - net cash generated from the acquisition	-	(20,400,000)	(4,385,736)	0.0%	(78.5%)	0.0%	-	-	0.0%
Proceeds from sale of property, plant, and equipment	2,954,553	71,800,000	2,927,005	2330.1%	(95.9%)	(0.5%)	-	-	0.0%
<b>Net cash from investment activities</b>	<b>3,678,473</b>	<b>45,118,328</b>	<b>(423,978,419)</b>	<b>1126.6%</b>	<b>(1039.7%)</b>	<b>0.0%</b>	<b>(57,015,342)</b>	<b>32,356,962</b>	<b>(156.8%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

The company achieved a positive net cash flow from investment activities during the years 2020AD and 2021AD, amounting to 3.7 million SAR and 45.1 million SAR, respectively. This was due to the Group's sale of the entire Al-Jouf project and the collection of amounts from the sale.

However, the company achieved a negative net cash flow from investment activities during 2022AD, amounting to (424) million SAR, which was due to the company's purchase of the Prince Sultan Street building and the Tahlia Street building for an amount of 325 million SAR.

The company achieved a negative net cash flow from investment activities for the period ended on March 31, 2022, amounting to (57) million SAR. This was due to the Group's purchase of shares for short-term investment amounting to 56 million SAR. Meanwhile, the company achieved a positive net cash flow from investment activities for the period ended on March 31, 2023AD, amounting to 32.4 million SAR. This was due to the Group's sale of a significant part of the shares owned by the company under short-term investments, approximately 34 million SAR.

## 6-12-3 Cash Flow from Financing Activities

The following table shows the cash flow statement from financing activities of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and March 31, 2023AD.

Table No. (62): Cash Flow Statement from Financing Activities for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD

Statement (SAR)	Fiscal Year Ended			Increase / Decrease		Compound Annual Growth Rate (CAGR) 2020 - 2022 Audited	Period Ended 31 March		Increase / Decrease
	2020 Audited	2021 Audited	2022 Audited	December 2021	December 2022		2022 Unaudited	3202 Unaudited	
Issuance of net shares after subscription fees	-	-	196,917,500	0.0%	0.0%	0.0%	-	-	0.0%
Proceeds from long-term loans	-	-	153,791,356	0.0%	0.0%	0.0%	-	-	0.0%
Repayment of long-term loans	-	-	(2,570,000)	0.0%	0.0%	0.0%	-	(15,940)	0.0%
Capital increase	90,000,000	-	-	(100%)	0.0%	(100%)	-	-	0.0%
Distributions and dues for shareholders	1,268,773	(17,114)	868,806	(101.3%)	(5176.6%)	(17.2%)	(351)	(2,276)	548.4%
<b>Net cash from financing activities</b>	<b>91,268,773</b>	<b>(17,114)</b>	<b>349,007,662</b>	<b>(100%)</b>	<b>(2039410.9%)</b>	<b>95.5%</b>	<b>(351)</b>	<b>(18,216)</b>	<b>5089.7%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ended on December 31, 2020, 2021, 2022, and for the periods ended on March 31, 2022, and 2023AD.

The company achieved a positive net cash flow from financing activities during the years 2020 and 2022, amounting to 91.3 million SAR and 349 million SAR, respectively. This is due to that in 2020AD the company increased its capital by 90 million SAR and in 2022 increased it by 196 million SAR and obtained a loan of 153 million SAR from Alinma Bank.

Whereas the company achieved a negative net cash flow from financing activities during the year 2021AD, amounting to (0.02) million SAR. This was due that the company didn't engage in any financing activities during the year 2021AD, except for the payment of some distributions to shareholders.



## 7- Use of Offering Proceeds and Future Projects

The total proceeds from the Preemptive Rights offering are estimated to be two hundred thirty-six million two hundred fifty thousand (236,250,000) Saudi Riyals. Approximately fifteen million (15,000,000) Saudi Riyals will be used to cover the offering costs, which include the fees of the financial advisor, the underwriter, the legal counsel, the legal accountants, and the coverage underwriter, as well as marketing, printing, distribution, and advertising costs related to the offering, among other subscription-related expenses.

The net proceeds of the offering will be two hundred and twenty-one million, two hundred and fifty thousand (221,250,000) Saudi Riyals. The net proceeds of the offering will be used to finance working capital, reduce borrowing rates, and support the company's future activities by investing in privately owned companies and projects in sectors such as packaging materials, auto parts, and food products, as well as investing in the warehousing and storage sector.

The company makes the investment decision by enacting governance and its standards. When making acquisition and investment decisions, the company follows its investment policy, which includes conducting preliminary negotiations with development and investment management and executive management for opportunities available in the targeted sector. In the event of a preliminary agreement, specialized offices conduct an evaluation of the opportunities. Following a preliminary agreement on the target value, a non-binding memorandum of understanding is signed to conduct the necessary financial and legal due diligence studies. After completing these studies and reaching a final agreement, a final sale and purchase agreement is signed after being approved by the company's board of directors. Throughout this process, the company follows the steps and procedures for trading disclosure and announcements until the transactions are completed.

The company has prepared the necessary feasibility studies to assess the financial impact and future prospects of the targeted sectors, as well as the viability of investing in them, as well as their impact on the company's financial position and profitability.

The company will publicly disclose on the website of the Saudi Stock Exchange (Tadawul) prior to the opening of the trading session if there is a difference of 5% or more between the actual use of the offering proceeds compared to what was disclosed in this prospectus, as soon as it becomes aware of such a difference, in accordance with paragraph (w) of Article (72) of the Securities Offering and Continuing Obligations Rules. These rules state that "the issuer must disclose to the public when there is a difference of 5% or more between the actual use of the proceeds from the issuance of Preemptive Rights or the issuance of shares with suspension of pre-emption rights compared to what was disclosed in the related prospectus immediately upon becoming aware of it."

### 7-1 Net Proceeds of the Offering

The net proceeds from the offering will be two hundred and twenty-one million, two hundred and fifty thousand (221,250,000) Saudi Riyals. The company intends to use the net proceeds from the offering for the purpose of financing working capital, reducing borrowing rates, and supporting the company's future activities.

### 7-2 Use of the Offering Proceeds

The net proceeds of the offering will be used to finance working capital, reduce borrowing rates, and support the company's future activities as follows:

#### ► Investing in privately held companies and projects in the packaging materials, automotive spare parts, and food products sectors.

The company's strategy lies in activating its entity as a holding company, investing in promising sectors, and entering into partnerships with companies that achieve rewarding returns, which will reflect on the performance of the parent company in achieving sustainable growth in revenues and income, improving liquidity, and consequently distributing annual profits to shareholders.

The company intends to invest one hundred million (100,000,000) Saudi Riyals from the offering proceeds in privately held companies in the following industries: packaging materials, automotive spare parts, and food products. The company conducted a market study to measure the economic indicators of the targeted sectors, and the details of those sectors are provided below. The investment and acquisition process are expected to be completed in the second and third quarters of 2024AD.

#### ► Packaging Materials Sector.

The sector plays a fundamental role in all industries without exception, and its importance lies in the fact that it represents a link between the producer and the consumer and is an integral part of some food, pharmaceutical, chemical, and other vital industries. The company seeks to seize its opportunity in this sector through the acquisition of ownership stakes in one or more companies that operate in the field of manufacturing materials used in the printing of cartons and packaging materials, such as ink and other products. The company targets to allocate an amount of thirty-five million (35,000,000) Saudi Riyals from the offering proceeds for investment in privately owned companies in the packaging materials sector and expects the investment process to be completed during the second quarter of 2024AD.

#### ► Automotive Spare Parts Sector.

The Kingdom of Saudi Arabia is the largest market for new and used car sales and automotive spare parts in the Middle East. The number of cars in the Kingdom in 2022 is estimated at about 26.7 million vehicles, with an expected continuation of growth at an annual rate of 6%.

The automotive spare parts market in Saudi Arabia was valued at approximately 17,796 million Saudi Riyals in 2021, and it is expected to grow at a 6.24% annual rate. The local production of metallic automotive spare parts amounts to approximately 223,015 units, and it is expected to continue growing at a rate of 1.1% of automotive spare parts per unit. The average volume of the Kingdom's imports of small automotive spare parts reached 61,156 tons until 2021AD, with an 11.6% annual decrease expected due to an increase in local factories.<sup>7</sup>

Therefore, the company's strategy is summarized in acquiring ownership stakes in the wholesale and retail sales sector of automotive spare parts and investing in the local manufacturing of these parts in collaboration with global manufacturers. The company plans to invest forty million (40,000,000) Saudi Riyals from the offering proceeds in the automotive spare parts sector, with the investment process expected to be completed in the third quarter of 2024AD.

<sup>7</sup> International trade center (I T C) trade map

## ► Food Products Sector.

The investment volume in the food products industry exceeded 87 billion Saudi Riyals, accounting for 8% of total industrial sector investments.<sup>8</sup> Food factories accounted for 11% of the total number of factories in the Kingdom. It's worth noting that the average net profit margin in the food products industry sector is estimated to be around 41.8%. The company is looking for suitable and profitable opportunities in this sector and intends to acquire ownership stakes in companies that produce and sell various types of food products, such as various beverages, fast-food companies, meat production, and everything else related to this sector. The company intends to invest twenty-five million (25,000,000) Saudi Riyals from the offering proceeds in the food products sector, with the process expected to be completed in the third quarter of 2024AD.

## ► Investment in the Warehousing and Storage Sector.

According to market studies, the logistics sector is one of the most important modern sectors, particularly given the Kingdom's unique strategic geographic location. Transportation and storage services account for roughly 70% of the Kingdom's total logistics market value. Between 2014AD and 2022AD, the average net profit margin in storage and transportation support activities was 45%. The warehouse market in Saudi Arabia grew at a 2.8% annual rate between 2015AD and 2020AD<sup>9</sup>, and it is expected to grow at least until 2025, driven by growth in the e-commerce sector, retail, manufacturing activities, and international trade. The Kingdom's storage and logistics space covers 72 million square meters in logistics centers in Riyadh, King Abdullah Economic City (Jeddah), and Al Khobar (Dammam), with Jeddah accounting for the majority of warehouse revenues.

Therefore, the company will continue to invest in this sector, especially with the growth in demand and the company's desire to exploit opportunities. The targeted investment involves building and developing refrigerated storage on company-owned land in the Al-Khumrah area of Jeddah, achieving high operational efficiency, reducing costs, and providing better service to the company's storage customers.

The company will allocate twenty million (20,000,000) Saudi Riyals from the net proceeds of the offering for expansion and investment in this sector, with the investment process expected to be completed in the second quarter of 2024AD.

## ► Renovation of Commercial Properties.

The company has acquired a four-story commercial property on Tahlia Street in Jeddah, which is one of the city's main commercial streets. The property is made up of two buildings: one is a commercial building directly on Tahlia Street, and the other is a residential building on the back side with 16 residential units ranging from two to three bedrooms and their accessories. The company intends to completely renovate the commercial and residential buildings, refurbish them to match the area's urban development, and then lease them out. The company has allocated ten million (10,000,000) Saudi Riyals for this purpose, and the renovation work is expected to begin in the second quarter of 2024AD and be completed by the end of the third quarter of 2024AD.

## ► Reduction of Financing Costs.

As of March 31, 2023AD, the company had credit facilities amounting to one hundred and sixty-nine million, eighty-five thousand, three hundred and sixty-four (169,085,364) Saudi Riyals. The financing costs amounted to (316,835) Saudi Riyals, (5,862,022) Saudi Riyals, and (2,975,701) Saudi Riyals during the fiscal years 2021, 2022AD, and the three-month period ending on March 31, 2023AD, respectively. The company will allocate an amount of (75,250,000) Saudi Riyals from the proceeds of the offering to reduce the financing costs incurred by repaying part of the loan due to the company to Allinma Bank. The repayment is expected to occur during the second quarter of the year 2024AD.

## ► Working Capital Financing.

As previously stated, the company seeks to diversify its investments and enter new markets. Diversifying and expanding the company's operations and activities necessitates the provision of working capital to support the company's liquidity levels in addition to achieving the company's strategy. Entering into new investments will necessitate providing the necessary liquidity to meet the company's needs in carrying out its daily operations over the medium and long term. The company will use the allocated amount to increase the number of employees and improve internal work systems. The company has allocated an amount of sixteen million (16,000,000) Saudi Riyals at a rate of four million Saudi Riyals for each quarter, starting in the second quarter of 2024.

Table No. (63): Use of the Net Proceeds of the Offering

Description	2024			2025	Total	Percentage
	2Q	3Q	4Q	Q1		
Investment in privately held businesses and projects in the packaging materials, vehicle spare parts, and food goods industries	35,000,000	65,000,000	-	-	100,000,000	42.33%
Investment in warehousing and storage sector	20,000,000	-	-	-	20,000,000	8.47%
Renovation of commercial properties	5,000,000	5,000,000	-	-	10,000,000	4.23%
Reduction of financing costs	75,250,000	-	-	-	75,250,000	31.85%
Financing of working capital	4,000,000	4,000,000	4,000,000	4,000,000	16,000,000	6.77%
Costs of the offering	15,000,000	-	-	-	15,000,000	6.35%
<b>Total</b>	<b>154,250,000</b>	<b>74,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>236,250,000</b>	<b>100%</b>

Source: The Company

<sup>8</sup> Ministry of Industry and Mineral Resources

<sup>9</sup> The Logistics Capacity Assessment (LCA)

## 8- Experts' affidavits

Each of the financial advisor, legal advisor, coverage underwriter, and company's Lead Manager, whose names appear on **pages (G)**, has given written permission for the publication of their names, logos, and statements in the manner contained in this prospectus. Written approval has also been obtained from the company's legal accountants for the inclusion of their names, logos, and statements in the form presented in this prospectus. These approvals had not been withdrawn as of the date of this prospectus, and none of the aforementioned individuals or any of their relatives own any shares or have any interest in the company or any of its subsidiaries whatsoever.

## 9- Declarations

The members of the Board of Directors acknowledge the following as of the date of this prospectus:

1. The company and its subsidiaries have not experienced any significant disruptions in their operations that could have had a major effect on their financial state in the last twelve months.
2. In the three years preceding the date of the registration request and the offering of securities, no commissions, discounts, brokerage fees, or any other form of non-cash compensation were granted directly by the issuer or any of its subsidiaries in relation to the issuance or offering of any securities.
3. Aside from what is stated in **Subparagraph (2-1-2, “Risk of the company’s accumulated losses exceeding 20% or more of its capital”)**, there has been no significant negative change in the financial or business position of the issuer or any of its subsidiaries during the three years immediately preceding the date of the registration request and the offering of the securities subject to this prospectus, in addition to the period covered by the legal accountant’s report until the date of this prospectus.
4. Other than what is stated on **page “E”** of this prospectus, no member of the Board of Directors or any of their relatives owns any shares or has any kind of interest in the issuer or any of its subsidiaries.
5. The company has not retained any treasury shares, nor has the extraordinary general assembly of the company approved a share buy-back operation.

## 10- Legal Information

### 10-1 Company Establishment

- ▶ Anaam International Holding Group Company is a Saudi public joint-stock company established under the Commercial Registration Certificate No. (4030035073) dated 07/09/1402H (corresponding to 29/06/1982 AD) issued in Jeddah, which expires on 30/05/1448H (corresponding to 10/11/2026 AD).
- ▶ The company was founded in the year 1401H (1980 AD) under the trade name (The Saudi Livestock Transport and Trading Company) and was registered in the commercial registry in Riyadh under number (35168) and dated 07/09/1401H (corresponding to 07/12/1980 AD) with a capital of SAR (100,000,000) one hundred million Saudi Riyals.
- ▶ The corporation was turned into a joint-stock company by Ministerial Decree No. (856) dated 12/03/1403H (corresponding to 27/12/1982 AD) after raising its capital from SAR (100,000,000) one hundred million Saudi Riyals to SAR (500,000,000) five hundred million Saudi Riyals.
- ▶ The founders subscribed to two million shares with a nominal value of SAR 200 million, of which (1,184,533) shares were in-kind with a nominal value of (118,453,300) SAR representing the net assets and liabilities of the Saudi Company for Transport and Trade of Livestock (a limited liability company) as of 11/10/1402H (corresponding to 31/07/1982 AD), and (815,467) cash shares with a nominal value of SAR (81,546,700). Before the founding assembly, the shareholders paid 50% of their nominal worth. The remaining capital shares, equal to (3) million shares, were offered for public subscription, and the total number of shares subscribed by the public amounted to (2,999,926) shares, with subscribers paying 50% of the value of the shares subscribed, which is (299,992,600) SAR.
- ▶ The company's shares were listed on the Saudi Stock Exchange ("Tadawul") in January 1994 AD.
- ▶ On the date of 26/10/1415H (corresponding to 27/03/1995AD), the General Assembly (Extraordinary) approved the merger of the company (Nasser Al-Mohammed Al-Mukairish) into the company. Consequently, the company's capital was increased to SAR (1,200,000,000) one billion and two hundred million Saudi Riyals. The company's headquarters were moved from Riyadh to Jeddah, and the company's name was changed from (The Saudi Livestock Transport and Trading Company) to (United Al Mawashi Al Mukairish Company). The Ministry of Commerce's approval for the merger and proposed amendments was issued pursuant to the ministerial decision dated 02/12/1415H (corresponding to 02/05/1995AD). Accordingly, the company was registered in the commercial registry in Jeddah with the new number (4030035073), retaining the same date as the old record of 07/09/1402H (corresponding to 29/06/1982AD).
- ▶ On the date of 21/11/1442H (corresponding to 01/07/2021AD), a purchase agreement was signed between Anaam International Holding Group Company and Mr. Mohammed Ibrahim Mohammed Al-Haidari, owner of Saudi Wasit Factory for Entertainment & Beauty, to acquire 51% of the factory's shares for SAR (24,480,000) twenty-four million and four hundred and eighty thousand Saudi Riyals, representing only 51% of the factory's total value. **Please see subsection (10-19-4) "Sale and Purchase Agreement with Saudi Wasit Factory for Entertainment & Beauty Systems" in this section for additional information.**
- ▶ On 25/09/1443H (corresponding to 26/04/2022AD), a sale and purchase agreement were concluded for 55% of the shares of ARW Company at a value of SAR (15,000,000) fifteen million Saudi Riyals, which represents only 55% of the entire shares of ARW Company.
- ▶ The company has made several amendments to its articles of association following the approval of the shareholders in the General Assemblies (Extraordinary). The most major modifications are as follows:

### 10-2 Change of Company Name

1. On 27/03/1995AD, the Extraordinary General Assembly of shareholders approved the change of the company's name from (The Saudi Livestock Transport and Trading Company) to (United Al Mawashi Al Mukairish Company).
2. On the date of 17/12/2006AD, the Extraordinary General Assembly of shareholders approved the change of the company's name from (United Al Mawashi Al Mukairish Company) to (Anaam International Holding Group Company).

### 10-3 Capital Amendment

Article (7) of the company's Articles of Association, which deals with capital, has been altered many times as follows:

1. Changes to the nominal value of the share were made twice as follows:
  - ▶ The General Assembly (Extraordinary), held on 12/10/1418H (corresponding to 09/02/1998AD), approved the division of the share to make the nominal value SAR 50 per share. Consequently, the total number of authorized shares became (24,000,000) twenty-four million shares with a capital of SAR (1,200,000,000) one billion and two hundred million Saudi Riyals.
  - ▶ The General Assembly (Extraordinary), held on 26/11/1427H (corresponding to 17/12/2006AD), approved the change in the nominal value of the share to SAR 10 per share, increasing the total number of shares in the company to 120 million, with a capital of SAR (1,200,000,000) one billion and two hundred million Saudi Riyals.
2. On the date of 06/09/1428H (corresponding to 18/09/2007AD), the General Assembly (Extraordinary) of shareholders approved a capital reduction to extinguish the accumulated losses from SAR (1,200,000,000) one billion and two hundred million Riyals to SAR (109,000,000) one hundred and nine million Riyals, with a change percentage of (90.83%). Consequently, the total number of company shares was reduced from (120,000,000) one hundred and twenty million shares to (10,900,000) ten million nine hundred thousand shares, with a reduction ratio equal to one share for every (11) shares.



3. On 22/12/1433H (corresponding to 07/11/2012AD) The Extraordinary General Assembly of shareholders authorized an increase in capital from SAR (109,000,000) one hundred and nine million Riyals to SAR (196,000,000) one hundred and ninety-six million Riyals. As a result, the number of business shares grew from (10,900,000) ten million nine hundred thousand to (19,600,000) nineteen million six hundred thousand. This was accomplished by the issuing of rights-issued shares of SAR (87,000,000) at an offering price of (10) SAR per share. The relevant Articles of Association were amended appropriately (Article 7 pertaining to capital increases and Article 8 relating to share subscription).
4. On 05/05/1441H (corresponding to 31/12/2019AD), the Extraordinary General Assembly of shareholders approved the Board of Directors' resolution to reduce the capital from SAR (196,000,000) ninety-six million Riyals to SAR (15,000,000) fifteen million Riyals. This includes canceling (18,100,000) eighteen million one hundred thousand shares at a rate of (92.35) shares for every 100 shares, reducing the total number of business shares from (19,600,000) to (1,500,000). The reduction was intended to wipe out the company's cumulative losses of SAR (181) million one hundred and eighty-one million Riyals incurred as a result of applying International Accounting Standards to agricultural activities, developing a Zakat provision for previous years, and other losses; the adoption of IAS for bearer plants in 2017 resulted in additional losses of SAR 25 million twenty-five million Riyals, the application of international standards on the valuation of agricultural product inventories at fair value in 2017 resulted in additional losses of SAR 1.9 million one million nine hundred thousand Riyals, and the formation of an additional Zakat provision of SAR 88 million eighty-eight million Riyals in 2019 as per the assessment received from the Zakat, Tax and Customs Authority. Articles 7 and 8 of the Articles of Association were voted on and altered appropriately.
5. On 10/03/1442H (corresponding to 27/10/2020AD), the General Assembly (Extraordinary) of shareholders approved an increase in capital from SAR 15,000,000, divided into 1,500,000 ordinary shares, to SAR 105,000,000, divided into 10,500,000 ordinary shares, representing a change of 600%. This was to be accomplished through the offering and listing of rights issue shares totaling 9,000,000 ordinary shares.
6. On 06/10/1443H (corresponding to 17/05/2022AD), the General Assembly (Extraordinary) of shareholders approved an increase in capital from SAR 105,000,000, divided into 10,500,000 shares, to SAR 315,000,000, divided into 31,500,000 ordinary shares, representing a change of 200%. This was to be accomplished through the offering and listing of rights issue shares totaling 21,000,000 ordinary shares.

## 10-4 Updating the Articles of Association

1. The General Assembly (Extraordinary), held on 02/07/1431H (corresponding to 14/06/2010AD), approved the amendment of the following articles of the Articles of Association:
  - a. Article (3) concerning the company's objectives.
  - b. Addition of a new Article numbered (4) concerning partnerships and mergers.
  - c. Article (4) concerning the duration of the company and amending its number to become (6).
  - d. Addition of a new Article numbered (9) concerning preferred shares.
  - e. Amendment of Article (18) concerning the powers of the Board of Directors to become numbered (19).
  - f. Amendment of Article (20) concerning the authority of the Chairman of the Board and the CEO, and the cancellation of Article (21) concerning the appointment of the Board secretary, merging it with Article (20).
  - g. Amendment of Article (22) concerning Board meetings.
  - h. Amendment of Article (23) concerning the quorum for Board meetings, to become after amendment numbered (25).
  - i. Addition of a new Article numbered (46) concerning the profits of the preferred shares
  - j. Addition of a new Article numbered (47) concerning the dissolution and liquidation of the company.
  - k. Addition of a section to the Articles named Committees, with the numbers (50), (51), (52).
  - l. Approval of the renumbering of the Articles of Association of the company according to the above amendments.
2. The General Assembly (Extraordinary), held on 09/02/1438H (corresponding to 09/11/2016AD), approved the update of the Articles of Association in accordance with the provisions of the Companies Law.
3. The General Assembly (Extraordinary), held on 05/05/1441H (corresponding to 31/12/2019AD), approved the amendment of Articles 7-8 (as outlined in item 4 above of subparagraph 10-3) and 18 (by deleting the underlined phrase "If the position of one of the Board members becomes vacant, the Board may appoint a temporary member in the vacant position according to the order of votes obtained in the Assembly that elected the Board") and instead, the assembly added ("provided that they possess the necessary experience and competence") to the Articles of Association.
4. The Extraordinary General Assembly, held on 10/03/1442H (corresponding to 27/10/2020AD), approved the update of certain provisions of the Articles of Association to comply with the new Companies Law. It was audited and certified by the Ministry of Commerce (Corporate Governance Department) on the date of 18/04/1442H (corresponding to 03/12/2020AD). The following articles of the Articles of Association have been amended:
  - a. Amendment of Article (7) of the company's basic system, related to (Capital).
  - b. Amendment of Article (8) of the company's basic system, related to (Subscription in Shares).
  - c. Approval of the amendment of Article (4) of the company's basic system concerning (Participation and ownership in companies).
  - d. Approval of the addition of a new article to the company's basic system as Article (14), concerning (the company's purchase, sale, and mortgaging of its shares).
  - e. Approval of the amendment of Article (30) of the company's basic system concerning (Calling of Assemblies).
  - f. Approval of the amendment of Article (41) of the company's basic system concerning (Committee Reports).
  - g. Approval of the amendment of Article (45) of the company's basic system concerning (Financial Documents).

- h. Approval of the amendment of Article (46) of the company's basic system concerning (Profit Distribution).
  - i. Approval of the amendment of Article (50) of the company's basic system concerning (Liability Claims).
  - j. Approval of the amendment of Article (52) of the company's basic system concerning (Final Provisions).
  - k. Approval of the reordering and renumbering of the Articles of the basic system to align with the proposed amendments in the items above.
5. On 16/10/1443H (corresponding to 17/05/2022AD), the Extraordinary General Assembly authorized the updating of certain Articles of Association provisions to conform to the new Companies Law. On 16/11/1442H (corresponding to 22/06/2022AD), the Ministry of Commerce's Shared Services Department audited and certified it. The articles of association that are listed below have been modified:
- a. Amendment of Article (7) of the company's basic system concerning (Capital).
  - b. Amendment of Article (8) of the company's basic system concerning (Subscription of Shares).
  - c. Amendment of Article (26) of the company's basic system concerning (Attendance at Assemblies).
- The company has complied with the requirements of the Saudi Capital Market Authority and the Saudi Stock Exchange (Tadawul) standards by posting a copy of the Articles of Association on the Tadawul website on the company's page.

## 10-5 Company Name

- The company's name was changed twice, as follows:
  - On 27/03/1995AD, the Extraordinary General Assembly of shareholders approved the name change of the company from (The Saudi Livestock Transport and Trading Company) to (United Al Mawashi Al Mukairish Company).
  - On 17/12/2006AD, the Extraordinary General Assembly of shareholders approved the company's name change from (United Al Mawashi Al Mukairish Company) to (Anaam International Holding Group company), which registered in the commercial registration of the joint-stock company in Jeddah.
- The commercial register certificate and the Articles of Association refer to the current trade name.

## 10-6 Company Objectives

- According to the commercial registration certificate and Article (3) of the Articles of Association, the company may participate in the following activities:
  - Managing its subsidiaries or engaging in the management of enterprises in which it invests, as well as providing required support.
  - Investing its cash in stocks and other securities.
  - Owning real estate and mobile property required for carrying out its business.
  - Providing loans, guarantees, and finance to its subsidiaries.
  - Having industrial property rights such as patents, industrial trademarks, franchise rights, and other moral rights, exploiting them, and leasing them to subsidiaries or others.
- The company operates in line with existing legislation and after acquiring the required permits from the appropriate authorities.

## 10-7 Company Duration

- Article (6) of the Articles of Association stipulates that the business will exist for (99) ninety-nine Gregorian years, beginning with the date of its registration in the commercial register. The company's length may be extended by a decision given by the Extraordinary General Assembly at least one year before its term expires.
- The commercial register data indicates that the company's duration will end on 12/02/1503H (corresponding to 06/12/2079AD).

## 10-8 Capital

- As of the date of publication of this prospectus, the capital amounts to SAR (315,000,000), divided into (630,000,000) shares of equal value, each share valued at 50 Halalas, all of which are ordinary shares.
- On 18/09/1444H (corresponding to 09/04/2023AD), the Board of Directors recommended to the Extraordinary General Assembly of the company to split the nominal value of the share from SAR 10 per share to 50 Halalas per share. Consequently, the total number of company shares will become (630,000,000) ordinary shares instead of (31,500,000) ordinary shares. On 18/12/1444H (corresponding to 06/07/2023AD), the Extraordinary General Assembly of the company approved the split of the nominal value of the share from SAR 10 per share to 50 Halalas per share; hence, the number of company shares will become (630,000,000) ordinary shares instead of (31,500,000) ordinary shares.
- On 28/10/1444H (corresponding to 18/05/2023AD), the Board of Directors recommended raising the company's capital by issuing rights issue shares to raise SAR (236,250,000). After the increase, the capital will be SAR (551,250,000), divided into (1,102,500,000) shares of equal value. This is contingent upon the company obtaining approvals from the relevant authorities (Capital Market Authority "CMA", Saudi Stock Exchange "Tadawul", and Ministry of Commerce) and the shareholders in the Extraordinary General Assembly. The approval from the Extraordinary General Assembly must be obtained within six (6) months from the date of CMA approval. If the company is unable to obtain the Extraordinary General Assembly's approval during this period, the CMA's approval will be considered canceled.

## 10-9 Board Composition

- On 26/11/1427H (corresponding to 17/12/2006AD) The Extraordinary General Assembly of shareholders approved the change of Article (15) of the Articles of Association and the reduction of the number of board members to five (5), appointed by the Ordinary General Assembly for a term of three years.

Table No. (64): Board of Directors elected by the Ordinary General Assembly of shareholders dated 22/11/2018AD

Name	Position	Nationality	Age	Membership Type**	Membership Date	Representation /Name of Representative	Owned Shares			
							Direct	Indirect	Total	Percentage
Nawaf bin Abdullah bin Turki Al Saud	Chairman	Saudi	56	Non-Executive/ Non-Independent	28/11/2018AD	--	76	--	76	0.005%
Eng. Hassan Saad Farhan Al-Yamani *	Vice Chairman – Managing Director	Saudi	62	Executive/ non-independent	28/11/2018AD	--	76	--	76	0.005%
Dr. Walid Jamil Mohammed Ali Qattan*	Member	Saudi	63	Non-Executive/ Independent	28/11/2018AD	--	229	--	229	0.015%
Raied Mohammed Abdullah Katy	Member	Saudi	46	Non-Executive/ Independent	28/11/2018AD	--	76	--	76	0.005%
Mohammed Abdul Rahman Saleh Attar	Member	Saudi	67	Non-Executive/ Independent	28/11/2018AD	--	76	--	76	0.005%
<b>Total</b>							<b>533</b>		<b>533</b>	<b>0.035%</b>

Source: The company

- \* The position of board member has been filled since November 28, 2012AD.
- \*\* According to corporate regulations, a board member becomes an “executive member” when they are a member of the firm’s executive management, participate in day-to-day management, or get a salary from the company for doing so.
- A “non-executive member” is a board member who is not dedicated full-time to company management or does not receive any remuneration from the company other than board and committee membership fees.
- According to corporate governance regulations, a “Independent Member” is a non-executive board member who has total independence in their position and decisions and does not have any of the independence disqualifications listed below:
  - Being an owner or having an interest equating to five percent or more of the company’s shares or the shares of another company within its group, or being related by blood to someone who owns such a percentage.
  - Acting as a representative for a legal entity that owns five percent or more of the company’s shares or the shares of another company within its group.
  - Being one of the senior executives during the past two years in the company or in another company from its group.
  - Having a blood relationship with any of the board members in the company or in another company from its group.
  - Having a blood relationship with any of the senior executives in the company or in another company from its group.
  - Having a blood relationship with any of the company’s advisors.
  - Being a board member of another company within the company’s group, the individual is nominated for board membership.
  - Working or having worked as an employee for the company or any party interacting with it or another company in its group, such as legal accountants and important suppliers, in the previous two years, or possessing controlling interests in any of those parties in the last two years.
  - Having a direct or indirect interest in the business and contracts conducted on behalf of the company.
  - Receiving financial amounts from the company in addition to the board membership fee or any of its committees that exceed (200,000) Saudi Riyals or 50% of his compensation in the previous year obtained for board membership or any of its committees, whichever is less.
  - Having served more than nine years in total or intermittently as a member of the company’s board of directors (this became mandatory starting from the board cycle of the listed joint stock company after the date of 01/01/2019AD).
  - Participating in work that competes with the company or trading in one of the branches of activity that the company practices.
- On 20/03/1440H (corresponding to 28/11/2018AD), the Board of Directors held meeting number (261) and decided to appoint His Royal Highness Prince Nawaf bin Abdullah bin Turki Al Saud as Chairman of the Board and Engineer Hassan Saad Al-Yamani, the CEO, as Vice Chairman.

Table No. (65): Board of Directors members as of 06/01/2019AD

Name	Position	Nationality	Age	Membership Type**	Membership Date	Representation / Name of Representative	Owned Shares			
							Direct	Indirect	Total	Percentage
Mohammed Abdul Rahman Saleh Attar	Chairman	Saudi	68	Non-Executive/Independent	06/01/2019AD	--	20	--	20	0.000102%
Engineer Hassan Saad Farhan Al-Yamani	Vice Chairman - Managing Director	Saudi	63	Executive/non-independent	28/11/2018AD	--	1,000	--	1,000	0.005102%
Dr. Walid Jamil Qattan	Member	Saudi	64	Non-Executive/Independent	28/11/2018AD	--	6,366	--	6,366	0.032479%
Raied Mohammed Abdullah Katy	Member	Saudi	47	Non-Executive/Independent	28/11/2018AD	--	1,000	--	1,000	0.005102%
Nawaf bin Abdullah bin Turki Al Saud*	Member	Saudi	57	Non-Executive/Non-Independent	28/11/2018AD	--	1,000	--	1,000	0.005102%
<b>Total</b>							<b>9,386</b>	<b>--</b>	<b>9,386</b>	<b>0.047888%</b>

Source: The Company

- \* Regarding the board member, His Royal Highness Prince Nawaf bin Abdullah bin Turki Al Saud, his brother, His Royal Highness Prince Mishaal bin Abdullah bin Turki bin Abdulaziz Al Saud, holds the position of General Manager in two subsidiaries within the group, "The Saudi Cold Company" and "Anaam International Agricultural Company," which could negate their status as independent members.
- \* On the date of 29/04/1440H (corresponding to 06/01/2019AD), the company's board of directors decided to accept the resignation of the chairman, Prince Nawaf bin Abdullah bin Turki Al Saud, from his position as chairman for the previous session beginning on 28 November 2018 and ending on 27 November 2021, while he retains his membership on the board of directors, noting that he had submitted his resignation from the chairman position on 23/04/1440H (corresponding to 31/12/2018AD) due to personal circumstances. Furthermore, Mr. Mohammed Abdul Rahman Saleh Attar (an independent member) was appointed as chairman of the board of directors effective from 29/04/1440H (corresponding to 06/01/2019AD) for the previous session.
- ▶ On 31/08/2021, the company announced the opening of nominations for board of directors' membership for a new session, which will begin on November 28, 2021, for a three-year term.
- ▶ The company is committed to the corporate system and the governance requirements, which provide that the number of board members must be at least (3) three and no more than (11) eleven.
- ▶ According to Article (16) of the governance regulations, the majority of the board members should be non-executive, and the number of independent members should not be less than two or less than one-third of the board members (whichever is greater). With the exception of the managing director (Engineer Hassan Al-Yamani), all members of the company's board of directors are non-executive; and three members are considered by the company to be independent: Dr. Walid Jamil Qattan, Mr. Mohammed Abdul Rahman Saleh Attar, and Mr. Raied Mohammed Abdullah Katy. As for His Royal Highness Prince Nawaf bin Abdullah bin Turki Al Saud, since his brother, His Royal Highness Prince Mishaal bin Abdullah bin Turki bin Abdulaziz Al Saud, holds the position of General Manager in two subsidiaries within the group, he will therefore be considered a non-independent member.
- ▶ On 17/04/1443H (corresponding to 22/11/2021AD), the Ordinary General Assembly of Shareholders elected the members of the board of directors for a new session that begins on 28/11/2021AD for three years and ends on 27/11/2024AD. The board of directors for the current session consists of the following gentlemen:

Table No. (66): Current Board of Directors Members

Name	Position	Nationality	Age	Membership Type	Membership Date	Representation / Name of Representative	Owned Shares As: 31/10/2023			
							Direct	Indirect	Total	Percentage
Mohammed Abdul Rahman Saleh Attar	Chairman	Saudi	70	Non-Executive/Independent	28/11/2021AD	--	405,540	--	405,540	0.0643714%
Engineer Hassan Saad Farhan Al-Yamani**	Vice Chairman – Managing Director	Saudi	65	Executive/non-independent	28/11/2021AD	--	21,520	--	21,520	0.0034159%
Dr. Walid Jamil Qattan**	Member	Saudi	67	Non-Executive/Non-Independent	28/11/2021AD	--	96,180	--	96,180	0.0152667%
Raied Mohammed Abdullah Katy	Member	Saudi	50	Non-Executive/Independent	28/11/2021AD	--	2,000	--	2,000	0.0003175%
Khalid bin Wahib Muhammed Muqalled	Member	Saudi	60	Non-Executive/Independent	28/11/2021AD	--	260	--	260	0.0000413%
<b>Total</b>							<b>525,500</b>	<b>--</b>	<b>525,500</b>	<b>0.0834128%</b>

Source: The Company

\*\* The position of board member is held as of 28/11/2012 AD.

## 10-10 Chairman, Vice Chairman, and Secretary

- Under Article (22) of the company's Articles of Association, the Board of Directors shall designate a chairman and a vice chairman from among its members, as well as a managing director. Combining the position of Chairman of the Board with any other executive position inside the corporation is prohibited, and the Board shall appoint a Secretary to the Board.
- The company is committed to the Articles of Association and the Governance Regulations regulating mandatory appointments to these positions. The following appointments to these posts have been approved by the Board of Directors:

Table No. (67): Date of Appointment Decisions (Chairman, Vice Chairman, Secretary)

Position	Appointment date by the board or assembly	Appointed Person's Name
Chairman of the Board	Board meeting minutes (No. 280) dated 23/04/1443H (corresponding to 28/11/2021AD)	Mohammed Abdul Rahman Saleh Attar
Vice Chairman	Board meeting minutes (No. 280) dated 23/04/1443H (corresponding to 28/11/2021AD)	Eng. Hassan Saad Farhan Al-Yamani
Secretary	Board meeting minutes (No. 280) dated 23/04/1443H (corresponding to 28/11/2021AD)	Salah Omar Mohammed Al Khair

Source: The administrative decisions were reviewed by the legal advisor.

- \* The CEO's position was cemented by Board of Directors Resolution No. (196) 16/01/1431 H (corresponding to 23/12/2009 AD), and the Board of Directors approved it at its meeting No. (270) on 25/06/1441 H (corresponding to 19/02/2020 AD) and based on the recommendation of the Nominations and Remuneration Committee, to renew the CEO's contract for a period of five years starting from 06/05/1441 H (corresponding to 01/01/2020 AD) with agreement that the contract includes the period of his management of the company for the year 2019 AD.
- Article (20) twenty of the Articles of Association details the authority of the Board of Directors, whereas Article (22) twenty-two of the Articles of Association details the powers of the Chairman, Vice Chairman, Managing Director, and Secretary. The Board of Directors delegated duties and powers to the Secretary of the Board.

## 10-11 Board Remuneration

- Board member remuneration follows the company's Articles of Association. Details of all payments, including salaries, profit shares, attendance fees, expenses, and benefits, are available in the 2018AD Board report which was approved by the General Assembly (ordinary) on 22/10/1440H (corresponding to 25/06/2019AD). This report also clarifies any additional income Board members received as employees, directors, or for professional services. Additionally, it specifies the number of Board meetings and individual attendance since the previous General Assembly.



- ▶ Article (21) of the Articles of Association stipulates that the remuneration of the Board of Directors shall consist of the percentage stipulated in Clause Five of Article (46) of the Company's Articles of Association, within the limits of what is stipulated in the Companies Law and its regulations, so that, if the company achieves profits, it is permissible to allocate A percentage not exceeding (10%) for the remuneration of the Board of Directors, provided that the total amount received by a member of the Board of Directors of financial or in-kind rewards and benefits does not exceed the amount of (500,000 Riyals) five hundred thousand Riyals, and that the entitlement to this reward is proportional to the number of sessions that the member attends. Any estimate contrary to this will be invalid.
- ▶ The expenses of board members for the fiscal year ended 31/12/2018AD were (114,000) one hundred fourteen thousand Riyals and (153,000) one hundred fifty-three thousand Riyals for the fiscal year ended 31/12/2019AD. And (72,000) seventy-two thousand Riyals for the fiscal year that ended on December 31, 2020AD.
- ▶ The expenses of the Board members for the fiscal year ended 31/12/2021AD were (78,000) seventy-eight thousand Riyals and (90,000) ninety thousand Riyals for the fiscal year ended 31/12/ 2022AD.

## 10-12 Board Meetings

- ▶ The Board of Directors shall meet at least (4) four times a year at the invitation of its Chairman, under Article (23) twenty-three of the Articles of Association. The invitation must be in written and presented in person or transmitted via mail, fax, or email at least one week before the meeting date. When two members request it, the Chairman of the Board must hold a meeting.
- ▶ According to the Board of Directors' report for the fiscal year ended on 31/12/2018AD, the Board met (6) times during the year, which was the bare minimum. In 2019AD, the board met (7) times, and in 2020AD, the board met (5) times. In the year 2021AD, the board met (7) times, while in the year 2022AD, it met (5) times.

## 10-13 Board Committees

The Board of Directors has two committees that assist it in carrying out its duties:

## 10-14 Audit Committee

- ▶ The Audit Committee is made up of (3) three members. The members of the Audit Committee were appointed by the General Assembly (ordinary) on 17/04/1443H (corresponding to 22/11/2021AD) for a term of (3) three years, beginning on 23/04/1443H (corresponding to 28/11/2021AD) and ending on 25/11/1446H (corresponding to 27/11/2024AD). The committee is made up of the following members:
  1. Mr. Ahmad Tariq Abdul Rahman Morad (chairperson of the Committee)
  2. Mr. Raied Mohammed Abdullah Katy (Member)
  3. Dr. Khaled Wahib Mohammed Muqalled (Member)
- ▶ The Ordinary General Assembly adopted the operating regulations of the Audit Committee at its meeting on 14/03/1440H (corresponding to 22/11/2018AD).
- ▶ The committee meets on a regular basis at the invitation of its chairman, with no fewer than (4) meetings held during the company's fiscal year. The committee held (5) meetings in 2018AD, (5) meetings in 2019AD, (5) meetings in 2020AD, (5) meetings in 2021AD, and (5) meetings in 2022.

## 10-15 Nomination and Remuneration Committee

- ▶ The Nomination and Remuneration Committee has three (3) members. The members of the Nominations and Compensation Committee were appointed by the Board of Directors in a resolution issued on 23/04/1443H (corresponding to 28/11/2021AD), and the committee's sessions begin with the beginning of the board's sessions on 23/04/1443H (corresponding to 28/11/2021AD) and end on 25/05/1446H (corresponding to 27/11/2024AD). The following members are on the committee:
  1. Dr. Khaled bin Wahib Mohammed Muqalled (Chairman)
  2. Mr. Mohammed Abdul Rahman Saleh Attar (Member)
  3. Mr. Walid Jamil Mohammed Ali Qattan (Member)
- ▶ The Ordinary General Assembly adopted the operating regulations of the Nomination and Remuneration Committee on 01/04/1439H (corresponding to 19/12/2017AD).
- ▶ The Nominations and Remuneration Committee meets periodically at least every (6) months, that is, an average of two meetings during the company's fiscal year. The committee held two (2) meetings during the year 2018 AD, two (2) meetings during the year 2019 AD, and (2) two meetings during the year 2020 AD, One (1) meeting during the year 2021 AD, and two (2) meetings during the year 2022 AD..

## 10-16 Government Approvals and Licenses Obtained by the Company

- ▶ The company has obtained several regulatory and operational licenses and certificates from the relevant authorities, and these licenses and certificates are renewed periodically.
- ▶ The following tables detail the current licenses and approvals obtained by the company:

Table No. (68): Company approvals and licenses

Type of License	Purpose	License Holder	License Number	Issue/renewal date	Expiry date	Issuing Authority
Commercial Registration	Registering the company in the commercial companies register.	Anaam International Holding Group Company	4030035073	07/09/1402H (corresponding to 29/06/1982AD).	30/05/1448H (corresponding to 10/11/2026AD).	Ministry of Commerce - Commercial Registration Office in Jeddah
Certificate of Chamber of Commerce and Industry Membership	The company has obtained a membership certificate in accordance with the provisions of the commercial registration system.	Anaam International Holding Group Company	7011475063	21/10/1402H (corresponding to 10/08/1982AD).	30/05/1448H (corresponding to 10/11/2026AD).	Chamber of Commerce and Industry in Jeddah
Zakat and Income Certificate	To enable the company to review all government agencies and complete its transactions with them.	Anaam International Holding Group Company	1110439981	28/02/1445H (corresponding to 13/09/2023AD).	21/10/1445H (corresponding to 30/04/2024AD).	Zakat, Tax and Customs Authority
Declarations Submission Certificate	To give proof of submitting declarations for the period ending on 07/06/1444H.	Anaam International Holding Group Company	1110436981	28/02/1445H (corresponding to 14/09/2023AD).	21/10/1445H (corresponding to 30/04/2024AD).	Zakat, Tax and Customs Authority
VAT Registration Certificate	To ensure that the company has a VAT registration.	Anaam International Holding Group Company	300101566100003	03/12/1438H (corresponding to 25/08/2017AD).	Issued only once.	Zakat, Tax and Customs Authority
Saudization Certificate (Localization)	To declare that the company is meeting the required localization rate according to the Nitaqat program	Anaam International Holding Group Company	11292033-940055	21/05/1445H (corresponding to 04/12/2023AD).	28/08/1445H (corresponding to 09/03/2024AD).	The Ministry of Human Resources and Social Development
Social Insurance Certificate	The company's commitment to the General Organization for Social Insurance (GOSI) systems	Anaam International Holding Group Company	59428405	26/05/1445H (corresponding to 10/12/2023AD).	26/06/1445H (corresponding to 08/01/2024AD) *	General Organization for Social Insurance
Wage Protection System Compliance Certificate	Registering the company's trademark for legal protection.	Anaam International Holding Group Company	96976700-169151	21/05/1445H (corresponding to 04/12/2023AD).	22/06/1445H (corresponding to 04/01/2024AD).	The Ministry of Human Resources and Social Development
Trademark Registration Certificate	Registering the company's trademark for legal protection	Anaam International Holding Group Company	1443018596	17/08/1443H (corresponding to 20/03/2023AD).	28/05/1453H (corresponding to 16/09/2031AD).	Saudi Authority for Intellectual Property
Completion and Business Conformity Certificate	The company's compliance with the requirements of the General Directorate of Civil Defense.	Anaam International Holding Group Company	ZBF23006	28/07/1444H (corresponding to 19/02/2023AD).	-	Zawaya Al Bina Engineering Consultancy
<b>The company's branches:</b>						
Commercial Registration	Registering the company in the commercial companies register.	Anaam International Holding Group Company	4030220290	01/02/1433H (corresponding to 26/12/2011AD).	01/02/1443H (corresponding to 08/09/2021AD)**	Ministry of Commerce - Commercial Registration Office in Jeddah

Source: The certifications, licenses, and approvals reviewed by the legal consultant

\* It should be mentioned that the General Organization for Social Insurance issues registered establishments compliance certificates with a maximum validity of one month, which are renewed for an equivalent duration.

\*\* It should be noted that the company has canceled the commercial registry for the branch registered under commercial registry number (4030220290) issued on 01/02/1433H (corresponding to 26/12/2011AD), which expires on 01/02/1443H (corresponding to 08/09/2021AD).

## 10-17 Main subsidiary companies

The company has (5) five subsidiary companies established within the Kingdom of Saudi Arabia (referred to collectively as the Group), and the following are details about these companies:

Table No. (69): Subsidiary Companies

Subsidiary Company	Capital	Anaam International Holding Group	The Saudi Cold Company Limited	Anaam International Food Company	Anaam International Investment Company	Saudi Wasit Factory for Entertainment & Beauty Systems	ARW Manufacturing Company
		Ownership Percentage	Ownership Percentage	Ownership Percentage	Ownership Percentage	Ownership Percentage	Ownership Percentage
Operating Companies							
Anaam International Food Company Limited	500,000 Saudi Riyals	50%	-	-	50%	-	-
ARW Manufacturing Company	1.2 million Saudi Riyals	55%	-	-	-	-	-
Saudi Wasit Factory for Entertainment & Beauty Systems	17 million Saudi Riyals	51%	-	-	-	-	-
Companies that have ceased to carry out any operational activity							
The Saudi Cold Company Limited	19.5 million Saudi Riyals	100%	-	-	-	-	-
Anaam International Investment Company	1 million Saudi Riyals	100%	-	-	-	-	-

Source: The Company

### 10-17-1 Anaam International Food Company, LTD

#### Company Overview

- ▶ The company was founded in 2007 as a limited liability company under the trade name “Anaam International Food Company Limited,” and according to the commercial registry certificate, the company conducts the following activities (retail sale of slaughtered poultry, retail sale of frozen meat and poultry, refrigerated foodstuff warehouses, frozen foodstuff warehouses, general warehouses containing a diverse assortment of goods, and management and leasing of private-storage warehouses).
- ▶ The company existed for (99) ninety-nine Gregorian years, beginning with its registration in the commercial registry and ending on 24/01/1527H (corresponding to 03/03/2103AD).
- ▶ The company’s headquarters are in Jeddah, and the partners have the authority to build branches within or beyond the Kingdom whenever the company’s interests necessitate it and that is by a decision of the partners.
- ▶ The company’s capital is (500,000) five hundred thousand Saudi Riyals divided into (500) five hundred equal-value shares, each worth (1,000) one thousand Saudi Riyals, with Anaam International Holding Company owning 50% and Anaam International Investment Company owning 50%. The company is governed by a board of directors comprised of three directors (Hassan Al-Yamani, Mohannad Al Harbi, and Ibrahim Al Asiri), who were appointed by the partners in accordance with the resolution issued on 20/01/2019AD, and they have all of the rights specified in the articles of incorporation.
- ▶ It should be noted that Anaam International Holding Group directly owns (50%) of Anaam International Food Company, Limited, and indirectly owns (50%) through the previously known Anaam International Financial Company.
- ▶ It should be noted that the board of directors issued a resolution on 18/01/1444H (corresponding to 16/08/2022AD) to initiate the liquidation procedures of Anaam International Financial Company, noting that Anaam International Investment Company has acquired a (50%) stake in Anaam International Food Company.

## Anaam International Food Company Limited licenses, approvals, and certificates

The licenses, approvals, and certificates obtained by the subsidiary (Anaam International Food Company Limited) are listed in the table below:

Table No. (70): Licenses, Certificates, and Approvals Obtained by the Subsidiary (Anaam International Food Company Limited)

License Type	Purpose	License Holder	License Number	Issue/Renewal Date	Expiry Date	Issuing Authority
Commercial Registry	Registration of the company in the commercial companies register	Anaam International Food Company LTD	4030166809	24/01/1428H (corresponding to 12/02/2007AD)	24/01/1448H (corresponding to 09/07/2026AD)	Ministry of Commerce - Commercial Register Office in Jeddah
Chamber of Commerce and Industry Membership Certificate	The company obtained a membership certificate in accordance with the Commercial Registration regulations.	Anaam International Food Company LTD	7001559926	26/01/1428H (corresponding to 14/02/2007AD)	24/01/1448H (corresponding to 09/07/2026AD)	Chamber of Commerce and Industry in Jeddah
Zakat and Income Certificate	To enable the company to review all governmental entities and conduct its dealings with them.	Anaam International Food Company LTD	1110914845	04/08/1441H (corresponding to 28/03/2020AD)	18/09/1442H (corresponding to 30/04/2021AD) *	Zakat, Tax and Customs Authority
Certificate of Registration for VAT	To declare that the company has registered for VAT.	Anaam International Food Company LTD	300099485200003	03/12/1438H (corresponding to 25/08/2017AD)	Issued once	Zakat, Tax and Customs Authority
Saudization Certificate "Nitaqat"	To certify that the company has met the required Saudization percentage under the Nitaqat program.	Anaam International Food Company LTD	20116233-911160	27/05/1445H (corresponding to 10/12/2023AD)	28/08/1445H (corresponding to 09/03/2024AD)	Ministry of Human Resources and Social Development
Social Insurance Certificate	The company's commitment to the General Organization for Social Insurance regulations	Anaam International Food Company LTD	59428491	26/05/1445H (corresponding to 10/12/2023AD)	26/06/1445H (corresponding to 08/01/2024AD) **	General Organization for Social Insurance
Wage Protection System Compliance Certificate	To state that the company is compliant with the regulations of the Wage Protection System and achieving the required compliance percentage	Anaam International Food Company LTD	19608020-198510	27/05/1445H (corresponding to 10/12/2023AD)	28/06/1445H (corresponding to 10/01/2024AD)	Ministry of Human Resources and Social Development
Trademark Registration Certificate	Registration of the company's trademark to ensure legal protection for it	Anaam International Food Company	143107357	15/01/1433H (corresponding to 10/12/2011AD)	28/07/1451H (corresponding to 05/12/2029AD)	Saudi Authority for Intellectual Property

Source: Certificates, Licenses, and Approvals Reviewed by the Legal Advisor

\* The company was unable to obtain a new Zakat certificate due to the delay in submitting its separate zakat declaration on the website of the Zakat, Tax and Customs Authority, and the company expects to complete it during the first quarter of 2024 AD. It's worth noting that filing a separate zakat declaration does not result in any financial claims. **For more details, please refer to Paragraph (10-18-4 "Ongoing Obligations as per the Requirements of the Zakat, Tax, and Customs Authority") of this section.**

\*\* It should be noted that the General Organization for Social Insurance grants compliance certificates to its registered establishments, which are valid for a maximum period of one month and are renewable for a similar period.

## Loans

According to the company's management statement, and through the documents that have been reviewed and provided to us by the company's administration, there are no loans or banking facilities, and no finance lease agreements have been made with any of the Saudi or non-Saudi banks.

## Zakat and Tax

Anaam Food Company is committed to the system of the Zakat, Tax and Customs Authority and is registered as a taxpayer under the unique tax number (3000994852). The company obtained a Zakat certificate until the year 2019AD with number (1110914845) dated 04/08/1441H (corresponding to 28/03/2020AD) and valid until 18/09/1442H (corresponding to 30/04/2021AD). The company has been unable to extract a new certificate due to the liabilities owed by it. **For more details on the demand for payment of the Zakat differences, please refer to paragraph (10-18-4 "Ongoing Obligations as per the Requirements of the Zakat, Tax, and Customs Authority") of this section.**

Moreover, the company is committed to the Value Added Tax system and its executive regulations, and it is registered with the Zakat, Tax, and Customs Authority under the tax number (300099485200003) as per a certificate issued on 03/12/1438H (corresponding to 25/08/2017AD).

## Employees and Saudization

The table below show the number of employees working for the company according to the data from the various government entities mentioned above:

Table No. (71): Number of Saudi and Non-Saudi Employees at Anaam International Food Company Ltd

Authority	Ref	Number of Saudi Employees	Number of Non-Saudi Employees	Total
Social Insurance	Insurance Certificate	8	19	27

Source: Certificates, licenses, and approvals reviewed by the legal counsel.

- According to Ministerial Resolution No. 739 of 2016 regarding wage protection, all establishments registered with the Ministry of Human Resources and Social Development are required to pay their employees' salaries on the due date through the Wage Protection System. The employee salary is due from the day following the expiration of the period on which the salary determined in the contract. Anaam International Food Company Limited is committed to depositing its employees' salaries through local banks and regularly updating the wage file. The company has been granted a certificate from the Ministry of Human Resources and Social Development based on the company's records over the last three months in the Wage Protection Program under number (19608020-198510) dated 27/05/1445H (corresponding to 10/12/2023AD), valid until 28/06/1445H (corresponding to 10/01/2024AD).

## 10-17-2 Anaam International Investment Company

### About The Company

- On 29/11/1427H (corresponding to 20/12/2006AD), the company was established in 2007 as a limited liability company under the trading name "Anaam International Investment Company". According to the company's commercial registration certificate, the company engaged in activities (buying, selling and subdividing lands and real estate, and off-plan sales activities). The company was established for a duration of (99) ninety-nine Gregorian years, starting from the date of its registration in the commercial registry and shall end on 29/11/1526H (corresponding to 09/01/2103AD).
- The company headquarter is located in Jeddah, it has the right to open branches inside or outside the Kingdom as deemed necessary for the company's interest, by the partners decision.
- The company's capital is (SAR 1,000,000) one million Saudi Riyals, divided into (1000) one thousand equal shares, each share valued at (SAR 1000) one thousand Riyals, these shares are owned by Anaam International Holding Group at a rate of (100%). The company is managed by a board of directors consisting of three directors: (Hassan Al-Yamani, Ibrahim Al-Asiri, and Mohannad Al-Harbi). They have all the powers stipulated in the articles of association.
- It's worth noting that Anaam International Investment Company was previously owned by Anaam International Financial Company at a rate of (1%) and owned by Anaam International Holding Group at a rate of (99%). The partners in Anaam International Financial Company have waived all their shares in Anaam International Investment Company, amounting to (10) shares valued at (1000) Saudi Riyals each, to Anaam International Holding Group. Additionally, it's worth mentioning that a board resolution issued on 18/01/1444H (corresponding to 16/08/2022AD) to initiate the liquidation procedures for Anaam International Financial Company.

### Licenses, Approvals, and Certificates for Anaam International Investment Company

The table below shows the licenses, approvals, and certificates obtained by the subsidiary company:

**Table No. (72): Licenses, Certificates, and Approvals obtained by the Subsidiary Company (Anaam International Investment Company)**

License Type	Purpose	License Holder	License No	Issue/Renewal Date	Expiry Date	Issuer
Commercial Registry	Company's registration in the Register of Commercial Companies	Anaam International Investment Company	4030165735	29/11/1427H (corresponding to 20/12/2006AD)	29/11/1447H (corresponding to 15/05/2026AD)	Ministry of Commerce - Jeddah Commercial Registry office
Chamber of Commerce and Industry Membership Certificate	The company's commitment to the provisions of the Commercial Registry System, the Company has obtained a membership certificate	Anaam International Investment Company	7011344723	01/01/1428H (corresponding to 19/01/2007AD)	29/11/1447H (corresponding to 16/05/2026AD)	Jeddah Chamber of Commerce and Industry
Zakat and Income Certificate	To enable the company to review all government agencies and terminate its transactions with them	Anaam International Investment Company	1020828724	17/11/1442H (corresponding to 26/06/2021AD)	29/09/1443H (corresponding to 30/04/2022AD) *	Zakat, Tax and Customs Authority
VAT Registration Certificate	To confirm the company registration with VAT	Anaam International Investment Company	300100859800003	24/03/1439H (corresponding to 12/12/2017AD)	Issued on a one-time basis	Zakat, Tax and Customs Authority

Source: Certificates, licenses, and approvals reviewed by the legal counsel.

- \* The company has been unable to obtain a new zakat certificate due to its dues. **For more details regarding the claim for settling zakat differentials, please refer to paragraph "10-18-4, Ongoing Obligations according to the Requirements of the Zakat, Tax and Customs Authority:" of this section.**

### Loans

According to the company management's statement and based on the documents reviewed, which were provided to us by the company management, there are no loans or facilities, and no financial leasing agreements have been concluded with any of the Saudi or non-Saudi banks.

### Zakat and Tax

- Anaam International Investment Company is committed to the regulations of the Zakat, Tax and Customs Authority and is registered as a taxpayer under the distinctive tax No. (3001008598). The company has obtained a zakat certificate with the number (1020828724) dated 17/11/1442H (corresponding to 27/06/2021AD) which is valid until 29/09/1443H (corresponding to 30/04/2022AD). The company has been unable to obtain a new certificate due to outstanding obligations. **For more details regarding the claim for settling zakat differentials, please refer to paragraph "10-18-4, Ongoing Obligations according to the Requirements of the Zakat, Tax and Customs Authority" in this section.**



- Furthermore, the company is also committed to the Value Added Tax (VAT) system and its executive regulations. The company is registered with the Zakat, Tax and Customs Authority under the tax number (300100859800003) according to a certificate issued on 24/03/1439 H (corresponding to 12/12/2017 AD).

#### Employees and Saudization

No file has been opened in the Ministry of Human Resources and Social Development (Labor Office) for the company, as no employees have been hired.

### 10-17-3 The Saudi Cold Company

#### About The Company

- The company was established in 1973 as a joint venture company and was converted in 1985 to a limited liability company under the trading name "The Saudi Cold Company". According to the company's commercial registration certificate, the company engaged in activities (wholesale trade in food: dairy, cheeses, dairy products, meat, fish, poultry, oils, margarine, candy, sweets, vegetables, and fruits; It also owns, manages, rents, and invests in central warehouses of various types including frozen, refrigerated, and dry storage). The company was established for a period of (99) ninety-nine Gregorian years starting from its registration date in the commercial registry, ending on 08/11/1492H (corresponding to 21/12/2069AD).
- The company's headquarters is located in Jeddah, it has the right to open branches inside or outside the Kingdom as deemed necessary for the company's interest, by decision of the partners
- The company's capital is (SAR 19,500,000) nineteen million and five hundred thousand Saudi Riyals, divided into (19500) equal shares, each share valued at (SAR 1000) one thousand Riyals, these shares are owned by Anaam International Holding Group at a rate of (100%). The company is managed by a board of directors consisting of three directors: (Hassan Al-Yamani, Ibrahim Al-Asiri, and Mohannad Al-Harbi). They have all the powers stipulated in the articles of association.
- It's worth mentioning that Anaam International Holding Group directly owns 90% of Anaam International Food Co. Ltd and indirectly owns 10% through the formerly Anaam International Agricultural Company.
- It is noteworthy that mentioning that a board resolution issued on 18/01/1444H (corresponding to 16/08/2022AD) to initiate the liquidation procedures for Anaam International Agricultural Company.
- It's worth mentioning that Anaam International Holding Group has become the direct owner of 100% of Anaam International Food Company Ltd.

#### Licenses, Approvals, and Certificates for The Saudi Cold Company

The table below shows the licenses, approvals, and certificates obtained by the subsidiary company:

Table No. (73): Licenses, Certificates, and Approvals Obtained by the Subsidiary Company (The Saudi Cold Company)

License Type	Purpose	License Holder	License No.	Issue/Renewal Date	Expiry Date	Issuer
Commercial Registry	Company's registration in the Register of Commercial Companies	The Saudi Cold Company	4030007971	08/11/1393H (corresponding to 03/12/1973AD)	29/05/1447H (corresponding to 20/11/2025AD)	Ministry of Commerce - Jeddah Commercial Registry Office
Chamber of Commerce and Industry Membership Certificate	The company's commitment to the provisions of the Commercial Registry System, the Company has obtained a membership certificate	The Saudi Cold Company	7000114285	25/01/1401H (corresponding to 02/12/1980AD)	29/05/1447H (corresponding to 20/11/2025AD)	Jeddah Chamber of Commerce and Industry
Zakat and Income Certificate	To enable the company to review all government agencies and terminate its transactions with them	The Saudi Cold Company	1110802481	03/08/1441H (corresponding to 27/03/2020AD)	18/09/1442H (corresponding to 30/04/2021AD) *	Zakat, Tax and Customs Authority
VAT Registration Certificate	To confirm the company registration with VAT	The Saudi Cold Company	300291415100003	25/03/1439H (corresponding to 13/12/2017AD)	Issued on a one-time basis	Zakat, Tax and Customs Authority

Source: Certificates, licenses, and approvals reviewed by the legal counsel.

- \* The company was unable to obtain a new Zakat certificate due to the delay in submitting its separate zakat declaration on the website of the Zakat, Tax and Customs Authority, and the company expects to complete it during the first quarter of 2024 AD. It's worth noting that filing a separate zakat declaration does not result in any financial claims. **For more details, please refer to Paragraph (10-18-4 "Ongoing Obligations as per the Requirements of the Zakat, Tax, and Customs Authority") of this section.**

#### Loans

According to the company management's statement and based on the documents reviewed, which were provided to us by the company management, there are no loans or facilities, and no financial leasing agreements have been concluded with any of the Saudi or non-Saudi banks.

## Zakat and Tax

- The Saudi Cold Company is committed to the regulations of the Zakat, Tax and Customs Authority and is registered as a taxpayer under the distinctive tax No. (3002914151). The company has obtained a zakat certificate till 2019 with the number (1110802481) dated 03/08/1441 H (corresponding to 27/03/2020 AD) which is valid until 18/09/1442 H (corresponding to 30/04/2021 AD). The company has been unable to obtain a new certificate due to outstanding obligations. **For more details regarding the claim for settling zakat differentials, please refer to paragraph (10-18-4), "Ongoing Obligations in according to the Requirements of the Zakat, Tax and Customs Authority" in this section.**
- Furthermore, the company is also committed to the Value Added Tax (VAT) system and its executive regulations. The company is registered with the Zakat, Tax and Customs Authority under the tax number (300291415100003) according to a certificate issued on 25/03/1439H (corresponding to 13/12/2017 AD).

## Employees and Saudization

No file has been opened in the Ministry of Human Resources and Social Development (Labor Office) for the company, as no employees have been hired.

## 10-17-4 ARW Manufacturing Company

### About The Company

- ARW Manufacturing Company was established according to the Commercial Registration Certificate No. (4030288106) dated 26/05/1437 H (corresponding to 06/03/2016 AD). It is a closed joint-stock Saudi company. According to the company's Commercial Register Certificate, the company activities include (manufacturing of napkins and toilet paper, cleansing wipes, towels, table napkins, disinfectants and sterilizers for medical devices and products, disinfectants and sterilizers for non-medical use, industrial cleaners, washing and cleaning materials and preparations, pharmaceutical for human use, surgical bandages and fracture dressings, medical cotton, single-use medical products and consumables, sterilization devices and equipment, and gas masks). The company was established for a period of (99) ninety-nine Gregorian years starting from 01/05/1443 H (corresponding to 05/12/2021 AD) and ending on 15/05/1545 H (corresponding to 09/04/2077 AD).
- The company's headquarters is located in Jeddah, Saudi Arabia.
- The company's capital is (SAR 1,200,000) one million two hundred thousand Riyals, divided into (120) equal shares, each share valued at (SAR 10,000) ten thousand Riyals. These shares are owned by Anaam International Holding Group Company at a rate of (55%) and Mr. Anas Rashid Wahas Al Harbi at a rate of (45%). The company is managed by a board of directors consisting of three directors: (Hassan Al-Yamani, Anas Al Harbi, and Raied Katy), who have all the powers stipulated in the articles of association.

### Licenses, Approvals, and Certificates for ARW Manufacturing Company

The table below shows the licenses, approvals, and certificates obtained by the subsidiary company:

**Table No. (74): Licenses, Certificates, and Approvals Obtained by the Subsidiary Company (ARW Manufacturing Company)**

License Type	Purpose	License Holder	License No.	Issue/Renewal Date	Expiry Date	Issuer
Commercial Registry	Company's registration in the Register of Commercial Companies	ARW Manufacturing Company	4030288106	26/05/1437 H (corresponding to 06/03/2016 AD)	01/05/1448 H (corresponding to 12/10/2026 AD)	Ministry of Commerce - Jeddah Commercial Registry Office
Chamber of Commerce and Industry Membership Certificate	The company's Commitment to the provisions of the Commercial Registry System, the Company has obtained a membership certificate	ARW Manufacturing Company	7012746504	26/05/1437 H (corresponding to 06/03/2016 AD)	09/11/1446 H (corresponding to 07/05/2025 AD)	Jeddah Chamber of Commerce and Industry
Social Insurance Certificate	The company's commitment to the regulations of the General Organization for Social Insurance	ARW Manufacturing Company	56592083	23/01/1445 H (corresponding to 10/08/2023 AD)	23/02/1445 H (corresponding to 08/09/2023 AD) *	General Organization for Social Insurance
Trademark Registration Certificate	Registration of the company's trademark for legal protection	ARW Manufacturing Company	1437018058	25/01/1438 H (corresponding to 26/10/2016 AD)	08/08/1447 H (corresponding to 27/01/2026 AD)	Saudi Authority for Intellectual Property
Nationalization Certificate "Saudization"	The company's commitment to the legal percentage of Saudization required it in accordance with Nitaqat program	ARW Manufacturing Company	98524385-167755	30/11/1444 H (corresponding to 18/05/2023 AD)**	29/04/1445 H (corresponding to 12/11/2023 AD)	Ministry of Human Resources and Social Development
Industrial Establishment License	The company's commitment to the regulations of the Ministry of Industry and Mineral Resources	ARW Manufacturing Company	441102119934	03/01/1444 H (corresponding to 31/07/2022 AD)	04/01/1447 H (corresponding to 29/06/2025 AD)	Ministry of Industry and Mineral Resources
Wage Protection System Compliance Certificate	Company's commitment to wage protection program controls	ARW Manufacturing Company	72823767-156341	12/06/1445 H (corresponding to 25/12/2023 AD)	14/07/1445 H (corresponding to 25/01/2024 AD)	Ministry of Human Resources and Social Development

License Type	Purpose	License Holder	License No.	Issue/Renewal Date	Expiry Date	Issuer
Factory License/ Medical Devices and Supplies License	ARW Company's commitment to the regulations and requirements of the Food and Drug Authority	ARW Manufacturing Company	ML-2022-MD-0343	03/07/1444H (corresponding to 25/01/2023 AD)	21/09/1448 H (corresponding to 28/02/2027 AD)	Saudi Food and Drug Authority
MODON License	ARW Company's commitment to MODON regulations	ARW Manufacturing Company	5851444610030146	12/06/1445 H (corresponding to 15/12/2023 AD)	23/06/1446 H (corresponding to 25/12/2024 AD)	Saudi Authority for Industrial Cities and Technology Zones
SME Certificate	Company's commitment to the regulations	ARW Manufacturing Company	23406120815	28/05/1445 H (corresponding to 11/12/2023 AD)	09/06/1446 H (corresponding to 11/12/2024 AD)	General Authority for Small and Medium Enterprises
VAT Registration Certificate	To confirm the company registration with VAT	ARW Manufacturing Company	31117056090003	28/07/1443 H (corresponding to 01/03/2022 AD)	Issued on a one- time basis	Zakat, Tax and Customs Authority
Trademark Registration Certificate	Registration of the company's trademark for legal protection	ARW Manufacturing Company	1444033466	14/09/1444 H (corresponding to 05/04/2023 AD)	13/09/1454 H (corresponding to 16/12/2032 AD)	Saudi Authority of Intellectual Property
Zakat and Income Certificate	Company's commitment to the regulations of the Zakat, Tax and Customs Authority	ARW Manufacturing Company	1110004589	01/11/1444 H (corresponding to 21/05/2023 AD)	21/10/1445 H (corresponding to 30/04/2024 AD)	Zakat, Tax and Customs Authority

Source: Certificates, licenses, and approvals reviewed by the legal counsel.

\* It's worth mentioning that the company has not renewed the social insurance certificate and will renew it as soon as possible, ARW Manufacturing Company has not been subjected to any infractions or fines due to non-renewal.

\*\* It's worth mentioning that the company has not renewed the Nationalization (Saudization) certificate and will renew it as soon as possible, ARW Manufacturing Company has not been subjected to any infractions or fines due to non-renewal.

## Loans

On 28/05/1439 H (corresponding to 14/02/2018 AD), the Saudi Industrial Development Fund entered into a loan contract numbered 3087 with Mr. Anas bin Rashid bin Wahas Al-Harbi, granting a loan totaling (2,000,000) Saudi Riyals. The purpose of the loan is to finance Anas Rashid Wahas Al-Harbi Paper Products Factory, located in the Third Industrial City in Jeddah, in exchange of the following guarantees and commitments, unless otherwise approved by the Fund:

Mr. Anas bin Rashid bin Wahas Al Harbi, in his capacity as the borrower, has made the following commitments:

1. The current assets to current liabilities ratio shall not be less than 1:1 throughout the loan term.
2. The ratio of total liabilities to net tangible assets shall not exceed 1:3 throughout the loan term.
3. Annual capital expenditures shall not exceed two million Saudi Riyals (SAR 2,000,000).
4. Annual rent expenses shall not exceed one hundred thousand Saudi Riyals (SAR 100,000).
5. Profits allocated for distribution/withdrawals shall not exceed 25% of the paid-up capital or the total due loan installments during the distribution year.
6. Submission of audited financial statements and interim financial statements.
7. Insurance on the project assets shall be in favor of the Saudi Industrial Development Fund as the beneficiary of the compensations.
8. Submitting the balance sheet along with the profit and loss account within (90) days of the fiscal year end, along with providing interim financial statements every (3) months that include the uses of the loan, in addition to any other financial statements requested by the Fund. Additionally, the Fund may access ledgers, contracts, records, and any other documents as required.
9. Complying with all laws and regulations, settle any zakat, taxes, and fees related to the project, maintain its commercial register and industrial license of the project, and refrain from engaging in any activity conflicting with the project.
10. Reporting to the Fund of any disputes, claims, legal or administrative proceedings.
11. Merging with any person or entity, or selling, leasing, or disposing of all or a substantial part of the project or its assets.
12. Making any substantial change to the project and/or any change in the borrower legal description.

## Loan Documents

1. Promissory note.
2. Registered mortgage on all fixed assets of the project.
3. A personal guarantee from Mr. Anas bin Rashid bin Wahas Al Harbi covering (100%) of the loan amount.

It's worth mentioning that Mr. Anas bin Rashid bin Wahas Al Harbi is the owner of (100%) of ARW Manufacturing Company capital before the company acquired (55%) of the capital of ARW Manufacturing Company. Currently, that Mr. Anas bin Rashid bin Wahas Al Harbi's ownership stake in ARW Manufacturing Company is (45%).

#### Zakat and Tax

- ARW Manufacturing Company is committed to Zakat, Tax and Customs Authority system and is registered as a taxpayer under a distinctive tax number (3111705609). The company has obtained a zakat certificate until the year 2014, with the number (1110004589) dated 01/11/1444 H (corresponding to 20/05/2023 AD), valid until 21/10/1445 H (corresponding to 30/04/2024 AD).
- Furthermore, the company is also committed to the Value Added Tax (VAT) system and its executive regulations and is registered with Zakat, Tax and Customs Authority under the tax number (31117056090003) based on a certificate issued on 28/07/1443 H (corresponding to 01/03/2022 AD).

#### Employees and Saudization

The table below shows the number of employees working in the company according to the data from the various government entities mentioned above:

**Table No. (75): Number of Employees Working for the Company**

Non-Saudi	Saudi	Total Number of Employees	Category	Size
35	13	48	Medium Green	Small (Category B)

### 10-17-5 Saudi Wasit Corp for Entertainment, Beauty Systems, and Industry

#### About The Company

- Saudi Wasit Crop for Entertainment, Beauty Systems and Industry was established under Commercial Registration Certificate No. (1126002218) on 04/06/1436 H, (corresponding to 24/03/2015 AD). It is a closed Saudi joint-stock company. According to the company's commercial registration certificate, the company engages in activities including (manufacturing of athletic equipment, dolls and doll clothing, acoustic and musical instrument toys and their accessories, wheel-based ride-on toys made of plastic, table tennis tables, billiard tables, amusement miniature models, puzzle toys of all kinds, playing cards, board games and the like, and umbrellas). The company is established for a period of (99) ninety-nine Gregorian years starting from 10/01/1443 H (corresponding to 18/08/2021 AD) and shall end on 14/01/1545 H (corresponding to 11/12/2076 AD).
- Its headquarters is located in Al-Majma'ah governorate (Sudair City for Industry and Businesses) in the Kingdom of Saudi Arabia.
- The company's capital IS (SAR 17,000,000) seventeen million Riyals, divided into (1,700,000) equal shares, with each share valued at (SAR 10) ten Riyals. The ownership is distributed among the following entities: Anaam International Holding Group Company owns (51%), Mr. Tariq Al-Haidari owns (14%), and Mr. Mohammed Al-Haidari owns (35%). The company is managed by a board of directors consisting of three directors (Hassan Al-Yamani, Tariq Al-Haidari, and Raied Katy) who have all the powers stipulated in the articles of incorporation.

#### Licenses, Approvals, and Certificates for Saudi Wasit Crop for Entertainment, Beauty Systems and Industry

The table below shows the licenses, approvals, and certificates that the subsidiary company has obtained:

**Table No. (76): Licenses, Certificates, and Approvals Obtained by the Subsidiary Company (Saudi Wasit Crop for Entertainment, Beauty Systems and Industry)**

License Type	Purpose	License Owner	License No.	Issue/Renewal Date	Expiry Date	Issuer
Commercial Registration	Company's registration in the Register of Commercial Companies	Saudi Wasit Crop for Entertainment, Beauty Systems and Industry	1126002218	04/06/1436 H (corresponding to 24/03/2015 AD)	10/01/1446 H (corresponding to 16/07/2024 AD)	Ministry of Commerce - Jeddah Commercial Registry Office
Chamber of Commerce and Industry Membership Certificate	The company's Commitment to the provisions of the Commercial Registry System, the Company has obtained a membership certificate	Saudi Wasit Crop for Entertainment, Beauty Systems and Industry	-	12/06/1445 H (corresponding to 25/12/2023 AD)	19/06/1446 H (corresponding to 20/12/2024 AD)	Majma'ah Chamber of Commerce and Industry
Social Insurance Certificate	The company's commitment to the regulations of the General Organization for Social Insurance	Saudi Wasit Crop for Entertainment, Beauty Systems and Industry	59509217	29/05/1445 H (corresponding to 13/12/2023AD)	29/06/1445 H (corresponding to 11/01/202 AD) *	General Organization for Social Insurance
Trademark Registration Certificate	Registration of the company's trademark for legal protection	Saudi Wasit Crop for Entertainment, Beauty Systems and Industry	1443006664	01/05/1443H (corresponding to 06/12/2021AD)	18/02/1453H (corresponding to 09/06/2031AD)	Saudi Authority for Intellectual Property

License Type	Purpose	License Owner	License No.	Issue/Renewal Date	Expiry Date	Issuer
Nationalization Certificate "Saudization"	The company's commitment to the legal percentage of Saudization required it in accordance with Nitaqat program	Saudi Wasit Crop for Entertainment, Beauty Systems and Industry	69158408-188951	22/07/1444H (corresponding to 13/02/2023AD)	29/08/1445H (corresponding to 10/03/2024AD)	Ministry of Human Resources and Social Development
Wage Protection System Compliance Certificate	Company's commitment to wage protection program controls	Saudi Wasit Crop for Entertainment, Beauty Systems and Industry	47836598607006	28/05/1445H (corresponding to 12/12/2023AD)	29/06/1445H (corresponding to 11/01/2024AD)	Ministry of Human Resources and Social Development
Industrial Establishment License	The company's commitment to the regulations of the Ministry of Industry and Mineral Resources	Saudi Wasit Crop for Entertainment, Beauty Systems and Industry	441110126002	09/09/1444H (corresponding to 30/03/2023AD)	21/09/1445H (corresponding to 30/03/2024AD)	Ministry of Industry and Mineral Resources
VAT Registration Certificate	To confirm that the company is registered for VAT	Saudi Wasit Crop for Entertainment, Beauty Systems and Industry	311067535300003	24/01/1443H (corresponding to 01/09/2021AD)	Issued on a one-time basis	Zakat, Tax, and Customs Authority
Zakat, Tax, and Customs Authority Registration Certificate	Company's commitment to the regulations of the Zakat, Tax, and Customs Authority	Saudi Wasit Crop for Entertainment, Beauty Systems and Industry	102210003475760	10/01/1444H (corresponding to 07/08/2022AD)	16/05/1445H (corresponding to 30/11/2023AD)**	Zakat, Tax, and Customs Authority

Source: Certificates, licenses, and approvals reviewed by the legal counsel.

\* It's worth mentioning that the General Organization for Social Insurance grants registered establishments certificates for compliance, valid for one month (maximum) and renewable for an equivalent period.

\*\* The company was unable to obtain a new Zakat certificate Because of the dues on the company for more details, please refer to Paragraph (10-18-4 "Ongoing Obligations as per the Requirements of the Zakat, Tax, and Customs Authority") of this section.

## Loans

On 29/01/1440 H (corresponding to 09/10/2018 AD), the Saudi Industrial Development Fund ("The Fund") entered into loan contract number (2821) with Mr. Mohammed bin Ibrahim bin Mohammed Al-Haidari (Saudi Wasit Crop for Entertainment, Beauty Systems and Industry), whereby the Saudi Industrial Development Fund grants Saudi Wasit Crop for Entertainment, Beauty Systems and Industry ("The Project") a loan of up to (16,870,000) Saudi Riyals. This is subject to the following guarantees and commitments unless otherwise approved by the Fund."

- Ensuring the project as deemed satisfactory by the Fund in terms of value, risks, restrictions, and reservations, provided that the Fund is the ultimate beneficiary upon the maturity of the compensation amount.
- Providing additional mortgages on the properties covered by the mortgage deed upon the Fund's request.
- The ratio of current assets to current liabilities shall not fall below 1:1 throughout the loan term.
- The ratio of total liabilities to tangible net worth shall not exceed 1:3 throughout the loan term.
- The profits allocated for distribution/withdrawals shall not exceed 25% of the paid-up capital or the total due loan installments in the distribution year, whichever is less.
- The annual capital expenditures shall not exceed (400,000) Saudi Riyals.
- The annual rents shall not exceed (200,000) Saudi Riyals.
- Submitting the balance sheet along with the profit and loss account within (90) days of the fiscal year-end, along with providing interim financial statements every (3) months that include the uses of the loan. Also, providing any other financial statements requested by the Fund. Additionally, the Fund may have access to the borrower's ledgers, contracts, records, and any other documents.
- Complying with all laws and regulations, settling any zakat, taxes, and fees related to the project, maintaining its commercial register and the industrial license for the project, and refraining from engaging in any activities conflicting with the project.
- Reporting the Fund of any disputes, claims, legal or administrative proceedings.
- Merging with any individual or entity, or selling, leasing, or disposing of all or a substantial part of the project or its assets.
- Making any substantial changes to the project and/or any changes to the borrower legal description.



## Loan Documents

1. A financial guarantee covering 100% of the granted loan.
2. A mortgage bond for all buildings erected or to be erected on the project land (leased from Saudi Authority for Industrial Cities and Technology Zones), along with all the properties, equipment, machines, accessories, and appurtenances related to the project.
3. Issuing a promissory note.

Mr. Mohammed bin Ibrahim bin Mohammed Haidari owned (100%) of Saudi Wasit Crop for Entertainment, Beauty Systems and Industry before the company acquired (51%) of the company shares. After the acquisition, Mr. Mohammed bin Ibrahim bin Mohammed Al-Haidari's ownership is (49%) of Saudi Wasit Crop for Entertainment, Beauty Systems and Industry.

According to a statement from the company's management and based on documents reviewed and provided to us by the company's management, on 15/06/1443 H (corresponding to 09/01/2022 AD), the Saudi Industrial Development Fund approved the transfer of loan obligations from Mr. Mohammed Ibrahim Al-Haidari to Saudi Wasit Crop for Entertainment, Beauty Systems and Industry. This approval was granted upon the request of the CEO of Saudi Wasit Company for Entertainment and Beauty Systems and Industry, following the company's acquisition of (51%) of Saudi Wasit Company for Entertainment and Beauty Systems and Industry shares. This transfer is subject to the following guarantees and commitments.

1. Providing a corporate guarantee from the group that covers (51%) of the outstanding loan amount as it owns (51%) of the capital of Saudi Wasit Company for Entertainment and Beauty Systems and Industry.
2. Providing an insurance policy to the Saudi Industrial Development Fund.
3. Settling any arrears reported in the SIMH credit report.

## Approval Letter from the Saudi Industrial Development Fund for the Transfer of Loan Obligations No. (2821)

On 15/06/1443 H (corresponding to 09/01/2022 AD), the Saudi Industrial Development Fund approved the transfer of loan obligations from Mr. Mohammed Ibrahim Al-Haidari to Saudi Wasit Crop for Entertainment, Beauty Systems, and Industry. This approval was granted upon the request of the CEO of Saudi Wasit Crop, following the company's acquisition of (51%) of Saudi Wasit Crop shares. This transfer is subject to the following guarantees and commitments.

1. Providing a corporate guarantee from the group that covers (51%) of the outstanding loan amount as it owns (51%) of the capital of the Saudi Wasit Crop for Entertainment and Beauty Systems and Industry.
  2. Providing an insurance policy to the Saudi Industrial Development Fund.
  3. Settling any arrears reported in the SIMH credit report.
- ▶ The loan agreement number (2821) mentioned above shall not include any provisions indicating the necessity to notify or obtain the consent of the contracting parties in the event of a change in the financial situation of the company. Therefore, the capital increase process shall not have an impact on its validity.

## Zakat and Tax

- ▶ Saudi Wasit Crop for Entertainment and Beauty Systems and Industry is compliant with the Zakat, Tax and Customs Authority system and is registered as a taxpayer under the VAT registration number (3110675353). It has obtained a zakat certificate valid until the year 2023 with the number (102210003475760) and date 10/01/1444 H (corresponding to 07/08/2022 AD), valid until 16/05/1445 H (corresponding to 30/11/2023 AD).
- ▶ The company is also compliant with the VAT system and its executive regulations and is registered with the Zakat, Tax and Customs Authority under the tax number (311067535300003), based on a certificate issued on 24/01/1443 H (corresponding to 01/09/2021 AD).

## Employees and Saudization

The table below shows the number of employees working in the company according to the data from the various government entities mentioned above:

Table No. (77): Number of employees working at the company

Non-Saudi	Saudi	Total Number of Employees	Category	Size
74	31	105	High Green	Medium (Category A)

## 10-17-6 Anaam International Financial Company

### About The company

- ▶ According to the company's management statement and the documents reviewed, which were provided to us by the company's management, a board resolution was issued on 18/01/1444 H (corresponding to 16/08/2022 AD) to initiate the liquidation procedures for some of its subsidiaries. One of the subsidiaries undergoing liquidation is Anaam International Financial Company, as it is deemed unnecessary due to its inactivity since its establishment. It's worth noting that the company has completed the liquidation procedures, and its commercial registration has been canceled.

## 10-17-7 Anaam International Agricultural Company

### About The company

- ▶ According to the company's management statement and the documents reviewed, which were provided to us by the company's management, a board resolution was issued on 18/01/1444 H (corresponding to 16/08/2022 AD) to initiate the liquidation procedures for some of its subsidiaries, and among the subsidiaries is Anaam International Agricultural Company. Anaam International Holding has sold the agricultural project overseen by Anaam International Agricultural Company with the aim of exiting the agricultural sector and therefore its purpose was eliminated. It is anticipated that there shall be no financial impact resulting from the liquidation of Anaam International Agricultural Company, as indicated in the announcement by Anaam International Holding Group.

## 10-18 Ongoing Obligations Imposed by Governmental Authorities on the Company and Its Subsidiaries as the “License Holder”

The regulatory authorities below require the company and its subsidiaries to adhere to certain essential requirements as follows:

### 10-18-1 Ongoing Obligations as per the Requirements of the Ministry of Commerce

- ▶ The company is committed to the Commercial Registry system for registration with the Commercial Registry Department in Jeddah, where the headquarters is located under Certificate No. (4030035073) dated 07/09/1402 H (corresponding to 29/06/1982 AD), valid until 30/05/1448 H (corresponding to 10/11/2026 AD). The company's branch was also registered with the Commercial Registry Department in the city of Jeddah under Certificate No. (4030220290) dated 01/02/1433 H (corresponding to 02/05/2012 AD), which expires on 01/02/1448 H (corresponding to 15/07/2026 AD).
- ▶ The company is committed to the provisions of the Companies Law related to the operation of holding companies in the Kingdom. It owns more than half of the subsidiary companies capital, whether directly or indirectly (whether they are joint-stock companies or limited liability companies). Additionally, it exercises control over the management of these companies, which are governed by a board of directors consisting of the Chairman of the Board, the CEO, and another board member, excluding two subsidiaries, namely, ARW Manufacturing Company and Saudi Wasit Crop for Entertainment and Beauty Systems and Industry. These two subsidiaries are managed by a board consisting of the Chairman and two other board members.
- ▶ On 09/11/2016 AD, the articles of association were updated in line with the new Companies Law. The current version of the articles of association was approved by the Shared Services Administration (Ministry of Commerce) on 18/04/1442 H (corresponding to 03/12/2020 AD) and has been published on the market website (Tadawul). This followed the prior approval of the draft Articles of Association by the Ministry of Commerce and the consent of the shareholders in the Extraordinary General Assembly meeting held on 10/03/1442 H (corresponding to 27/10/2020 AD).
- ▶ The company has a trademark registered with the Saudi Authority for Intellectual Property under number (143107338) in category (29), which is one of the trademark categories that includes products (meat and poultry). As for the subsidiary companies, Anaam International Food Com Ltd has a trademark registered in the Saudi Authority for Intellectual Property under number (143107357) in category (29), which is one of the trademark categories that includes products (meat and poultry). This shall enable the company and its subsidiary to display its name and logo on the external interface of the building or offices occupied by the company, as it has registered the trademark and granted it the necessary legal protection in accordance with the trademark system. As for the other subsidiaries, no brand, trademark, or trade name has been registered as a trademark as of the date of this prospectus publication.
- ▶ The company is also committed to the Commercial Registry system regarding obtaining a membership certificate in the Chamber of Commerce and Industry for the main headquarters under certificate number (2354095) dated 08/05/1443 H (corresponding to 12/12/2021 AD) valid until 30/05/1448 H (corresponding to 10/11/2026 AD), including its branches.
- ▶ The company is committed to implementing activities in accordance with the Economic Activities List approved by the Ministry of Commerce (ISIC).
- ▶ The company is committed to Article (15) of the Companies Law, which requires that the company's capital be displayed on its official paper and all documents used with third parties, including any amendments to the capital.
- ▶ The company is committed to the provisions of the Companies Law regarding the cancellation of the Commercial Registry for the company branch registered under the Commercial Registry number (4030220292) issued on 01/02/1433 H (corresponding to 26/12/2011 AD), valid until 01/02/1443 H (corresponding to 08/09/2021 AD).
- ▶ The company adheres to the provisions of the Companies Law, and none of the subsidiary companies own shares in the company.
- ▶ The company is committed to the provisions of the Companies Law related to the election of board members and the term of board membership. The Ordinary General Assembly No. (41) held on 17/04/1443 H, corresponding to 16/02/2022 AD, approved the election of the board of directors' members for the next term for a period of (3) years.
- ▶ The company is committed to the provisions of the Companies Law regarding board meetings. The members of the company board of directors have convened at least (4) times in accordance with the Companies Law and the company's bylaws.
- ▶ The company is committed to the provisions of the Companies Law related to the general assembly invitation, as the company board of directors invited shareholders to participate and vote in the Ordinary General Assembly Meeting No. (42) held on 23/11/1443 H, (corresponding to 22/06/2022 AD)
- ▶ The accumulated losses of the company and some of its subsidiaries - excluding Anaam International Agricultural Company (liquidation decision issued), ARW Manufacturing Company, and Saudi Wasit Crop for Entertainment, Beauty Systems and Industry (recently acquired) - have exceeded (50%) of its capital according to the audited financial statements for the fiscal year ended on 31 December 2017 and for the fiscal year ended on 31 December 2018. As a result, the company followed the regulatory procedures stipulated in the Companies Law, which shall be applied whenever the accumulated losses reach (50%) of the capital. Therefore, the company reduced its capital on 31/12/2019AD to write off the company's accumulated losses in accordance with the resolution on the Extraordinary General Assembly. The company also submitted the support and continuity decision issued by the partners and submitted a copy of it to the Ministry of Commerce. The company and its subsidiaries shall not be subject to the provisions of Article (182) of the Companies Law as of the date of this prospectus.

### Subsidiary Companies

- ▶ The subsidiaries have complied with the Commercial Register regulations regarding the registration of the company with the Commercial Register Department and the registration with the Chamber of Commerce and Industry, as follows:
1. **Anaam International Food Company Ltd:** Registered in the Commercial Registry in Jeddah under certificate number (4030166809) dated 24/01/1428 H (corresponding to 12/02/2007 AD), valid until 24/01/1448 H (corresponding to 09/07/2026AD). The company is also committed to the Commercial Registry system regarding obtaining a Chamber of Commerce and Industry membership certificate under the certificate number (7001559926) dated 26/01/1428 H (corresponding to 14/02/2007AD), valid until 24/01/1448 H (corresponding to 09/07/2026 AD).
  2. **Anaam International Investment Company:** Registered in the Commercial Registry in Jeddah under certificate number (4030165735) dated 29/11/1427 H (corresponding to 20/12/2006 AD), valid until 29/11/1447 H (corresponding to 15/05/2026 AD). The company is also committed

to the Commercial Registry system regarding obtaining a Chamber of Commerce and Industry membership certificate under the certificate number (7011344723) dated 01/01/1428 H (corresponding to 20/01/2007AD), valid until 29/11/1447 H (corresponding to 16/05/2026AD).

3. **The Saudi Cold Company:** Registered in the Commercial Registry in Jeddah under certificate number (4030007971) dated 08/11/1393 H (corresponding to 03/12/1973 AD), valid until 29/05/1447 H (corresponding to 19/11/2025 AD). The company is also committed to the Commercial Registry system regarding obtaining a Chamber of Commerce membership certificate under the certificate number (700114285) dated 25/01/1401 H (corresponding to 03/12/1980 AD), valid until 29/05/1447 H (corresponding to 19/11/2025 AD).
4. **ARW Manufacturing Company:** Registered in the Commercial Registry in Jeddah under certificate number (4030288106) dated 26/05/1437 H (corresponding to 06/03/2016 AD), valid until 01/05/1448 H (corresponding to 12/10/2026AD). The company is also committed to the Commercial Registry system regarding obtaining a Chamber of Commerce membership certificate under the certificate number (7012746504) dated 26/05/1437 H (corresponding to 06/03/2016 AD), valid until 09/11/1446 H (corresponding to 07/05/2025 AD).
5. **Saudi Wasit Crop for Entertainment, Beauty Systems and Industry:** Registered in the Commercial Registry in Al Majma'ah Governorate - Sudair City - under certificate number (1126002218) dated 04/06/1436 H (corresponding to 25/03/2015 AD), valid until 10/01/1446 H (corresponding to 16/07/2024 AD). The company is also committed to the Commercial Registry system regarding obtaining a Chamber of Commerce membership certificate under the certificate number (102000117266) dated 12/06/1444H (corresponding to 05/01/2023 AD), valid until 18/06/1445 H (corresponding to 31/12/2023 AD).

The accumulated losses of Anaam International Food Company, Anaam International Investment Company, and The Saudi Cold Company have exceeded 50% of their capital and were subject to the provisions of Article 181 of the Companies Law, which requires exceptional measures to be taken when a subsidiary's accumulated losses exceed 50%. As of the date of this prospectus, there are no subsidiaries subject to the provisions of Article 181 of the Companies Law.

The following table shows the subsidiary companies' compliance with the Companies System as follows:

**Table No. (78): Overview of the subsidiary companies that have accumulated losses exceeding 50% of their capital and the measures taken by them**

Subsidiary	Accumulated Losses	Measures Taken by the Company
Anaam International Foods company, Ltd	As of 31/12/2019, the accumulated losses were written off at the expense of the holding company and there are currently no accumulated losses.	The holding company reduced its capital on 31/12/2019 to write off the accumulated losses for the holding company and its subsidiaries according to the decision of the extraordinary general assembly. The company also submitted the decision of support and continuity issued by the partners and a copy of it was submitted to the Ministry of Commerce.
Anaam International Investment	As of 31/12/2019, the accumulated losses were written off at the expense of the holding company and there are currently no accumulated losses.	The holding company reduced its capital on 31/12/2019 to write off the accumulated losses for the holding company and its subsidiaries according to the decision of the extraordinary general assembly. The company also submitted the decision of support and continuity issued by the partners and a copy of it was submitted to the Ministry of Commerce.
The Saudi Cold Company	As of 31/12/2019, the accumulated losses were written off at the expense of the holding company and there are currently no accumulated losses.	The holding company reduced its capital on 31/12/2019 to write off the accumulated losses for the holding company and its subsidiaries according to the decision of the extraordinary general assembly. The company also submitted the decision of support and continuity issued by the partners and a copy of it was submitted to the Ministry of Commerce.

Source: The Company

- ▶ On 25/11/2019 AD, the partners in the subsidiaries were informed by the auditors that the accumulated losses had exceeded 50%.
- ▶ Regarding the previous financial periods during 2017AD-2018AD, as the accumulated losses of the subsidiaries exceeded 50% of the capital, the company followed the regulatory procedures stipulated in the Companies Law, which shall be applied once the accumulated losses reach 50% of the company's capital. The company also submitted the support and continuity decision issued by the partners to the Ministry of Commerce.
- ▶ The group updated its articles of association in accordance with the Companies Law in the Kingdom of Saudi Arabia, issued by Royal Decree No. (M/3) dated 28/01/1437 H (corresponding to 10/11/2015AD), which came into effect on 25/07/1437 H (corresponding to 02/05/2016AD), and amended by Royal Decree No. (M/79) dated 25/07/1439 H (corresponding to 11/04/2018AD).
- ▶ It's worth mentioning that the company updated the draft of the bylaws in accordance with the new Companies Law and executive regulations issued under Royal Decree (M/132) dated 01/12/1443 H, (corresponding to 30/06/2022AD). Notably, the company on 18/12/1444H (corresponding to 06/07/2033AD) held an extraordinary general meeting to approve the bylaws.

Except as mentioned in the **'Risk Factors' section**, the company and its subsidiaries are committed to the regulations and instructions of the Ministry of Commerce as of the date of this prospectus publishing.

## 10-18-2 Ongoing Obligations as per the Requirements of the Saudi Food and Drug Authority (SFDA)

- ▶ Some subsidiary companies' operations (Anaam International Food Co. Ltd. – The Saudi Cold Company) are subject to the food system issued by Royal Decree No. (M/1) dated 06/01/1436 H (corresponding to 30/10/2014 AD). This includes all stages of food from the initial production until it reaches the consumer, including import, export, manufacturing, preparation, processing, packaging, labeling, preparation, storage, transportation, possession, distribution, offering for sale, and selling, etc.... Any food establishment shall not be allowed to trade food without obtaining a technical license from the Saudi Food and Drug Authority. The Saudi Cold Company has not obtained the necessary licenses as it has ceased any operational activities.
- ▶ As of the date of this prospectus publication, Anaam Food Co. Ltd. has obtained a food establishment license from Saudi Food and Drug Authority with license number (WL-2021-FO-0826) dated 05/09/2021AD, valid until 04/09/2024AD.

### 10-18-3 Ongoing Obligations as per the Ministry of Transport

According to the company management's statement, Anaam International Food Co. has ceased the activity of transporting goods by land (frozen and refrigerated). Therefore, Anaam International Food Co. is not bound by the regulations of the Public Transport Authority.

### 10-18-4 Ongoing Obligations as per the Requirements of the Zakat, Tax, and Customs Authority

- ▶ The company, like other registered establishments and companies operating in the Kingdom, shall be submit its zakat and tax returns within 120 days of the end of the fiscal year for the purpose of renewing the certificate issued by the Zakat, Tax, and Customs Authority. The company is registered as a taxpayer under the distinctive tax number (3001015661) and has obtained a zakat certificate with number (1110571750) dated 02/08/1441 H (corresponding to 26/06/2020 AD) valid until 18/09/1442 H (corresponding to 30/04/2021 AD). The company was unable to issue a new zakat certificate due to its dues. According to the audit report for the fiscal year ended in December 2019AD, the company submitted its zakat declarations for the years from 1995AD to 2017AD based on the consolidated financial statements and obtained a valid registration certificate. It also submitted its declaration for the year 2018AD and obtained a registration certificate valid until 30/04/2021AD, which was not renewed due to an existing objection as detailed below:
  - a. On 25/02/2018, the company received a letter demanding the payment of zakat differences amounting to SAR 106,927,278 for the years 1995AD-2011AD. A provision was made by the company amounting to SAR 88,552,906 during the year 2019, in addition to the amount previously allocated and stated in the financial statements for the year 2018 amounting to SAR 18,374,372, making the total allocated according to the consolidated financial statements for the fiscal year ended in 2019, SAR 106,927,278. The company filed an objection to the final zakat assessment for the previous years on 09/01/2020AD.
  - b. On 23/06/2021AD, a decision by the Committee for Settlement of Tax Violations and Disputes was issued to accept some of the company's objection items and reject others, with the possibility of appealing the decision within 30 days. The company shall appeal the decision on the items that were not accepted by the committee.
  - c. A final zakat assessment for the years 2012AD to 2018AD was issued, resulting in an additional zakat difference claim of (7) seven million Saudi Riyals. An objection on the zakat assessments was submitted to the General Secretariat of the Tax Disputes Committees on 15/10/2020, and the objection is still under review by the Zakat, Tax, and Customs Authority. Furthermore, the company has appealed to the Appeals Committee against the decision of the Tax Dispute Committees' General Secretariat. The First Circuit for Income Tax Violations in Jeddah accepted the lawsuit for the years 2012AD and 2013AD, and rejected it for the years 2014AD to 2018AD., and the company did not appeal against the decisions issued by them. It's worth mentioning that the Zakat, Tax, and Customs Authority has appealed to the Appeals Committee for Tax Violations and Disputes against the decisions made for the years 2012AD and 2013AD.
  - d. It's worth noting that the zakat assessments for previous years do not prevent the issuance of the Zakat, Tax and Customs Authority certificate, as long as it is still under review.
- ▶ The company is compliant with the Value Added Tax (VAT) system and it's executive regulations and is registered with the Zakat, Tax, and Customs Authority under the tax number (300101566100003) according to a certificate issued on 03/12/1438 H (corresponding to 25/08/2017AD)

### The Subsidiaries

- ▶ The subsidiary (**Anaam International Food Co. Ltd**) is committed to Zakat, Tax and Customs Authority system and is registered as a taxpayer under the VAT registration number (3000994852). The company obtained a zakat certificate until the year 2019 with the number (1110914845) on 04/08/1441 H (corresponding to 28/03/2020 AD) valid until 18/09/1442 H (corresponding to 30/04/2021 AD). And the company has been unable to issue a new Zakat certificate due to the delay in Anaam International Food Company Limited in submitting its individual zakat declaration on the website of the Zakat, Tax and Customs Authority, Anaam International Food Company Limited expects to complete it during the first quarter of 2024 AD. It's worth noting that filing a separate zakat declaration does not result in any financial claims. The due zakat amounts are paid by submitting the unified zakat declaration for Anaam International Holding Group and its 100% owned subsidiaries. The company is also committed to the Value-Added Tax (VAT) system and its executive regulations and is registered with the Zakat, Tax and Customs Authority under the tax number (300099485200003), according to a certificate issued on 03/12/1438 H (corresponding to 25/08/2017 AD).
- ▶ The subsidiary (**Anaam International Investment Company**) is committed to Zakat, Tax and Customs Authority system and it's registered as a taxpayer under the VAT registration number (30010085983). The company obtained a zakat certificate with the number (1110567747) on 02/08/1441 H (corresponding to 26/03/2020 AD), valid until 18/09/1442 H (corresponding to 30/04/2022 AD). The company has been unable to issue a new certificate Due to the delay in Anaam International Investment Company in submitting its separate zakat declaration on the website of the Zakat, Tax and Customs Authority, Anaam International Investment Company expects to complete it during the first quarter of 2024 AD. It's worth noting that filing a separate zakat declaration does not result in any financial claims. The due zakat amounts are paid by submitting the unified zakat declaration for Anaam International Holding Group and its 100% owned subsidiaries. The company is also committed to the Value-Added Tax (VAT) system and its executive regulations and is registered with the Zakat, Tax and Customs Authority under the tax number (300100859800003), according to a certificate issued on 24/03/1439 H (corresponding to 12/12/2017 AD).
- ▶ The subsidiary (**The Saudi Cold Company**) is committed to Zakat, Tax and Customs Authority system and is registered as a taxpayer under the VAT registration number (3002914151). The company obtained a zakat certificate until the year 2019 with the number (1110802481) on 03/08/1441 H (corresponding to 27/03/2020 AD), valid until 18/09/1442 H (corresponding to 30/04/2021 AD). The company has been unable to issue a new zakat certificate Due to the delay in The Saudi Cold Company in submitting its separate zakat declaration on the website of the Zakat, Tax and Customs Authority, The Saudi Cold Company expects to complete it during the first quarter of 2024 AD. It's worth noting that filing a separate zakat declaration does not result in any financial claims. The due zakat amounts are paid by submitting the unified zakat declaration for Anaam International Holding Group and its 100% owned subsidiaries. The company also committed to the Value-Added Tax (VAT) system and its executive regulations and is registered with the Zakat, Tax and Customs Authority under the tax number (300291415100003), according to a certificate issued on 25/03/1439 H (corresponding to 13/12/2017 AD).
- ▶ The subsidiary company (**ARW Manufacturing Company**) is committed to Zakat, Tax and Customs Authority system and is registered as a taxpayer with the VAT registration number (3111705609). The company has obtained a zakat certificate until 2014 with the number (1110004589) on 01/11/1444 H (corresponding to 20/05/2023 AD), valid until 21/10/1445 H (corresponding to 30/04/2024 AD). The company is also committed to the Value-Added Tax (VAT) system and its executive regulations and is registered with the Zakat, Tax and Customs Authority under the tax number (311170560900003), according to a certificate issued on 28/07/1443 H (corresponding to 01/03/2022 AD).



- ▶ The subsidiary company (**Saudi Wasit Crop for Entertainment, Beauty Systems and Industry**) is committed to Zakat, Tax and Customs Authority system and is registered as a taxpayer with the unique tax number (3110675353). The company has obtained a zakat certificate until 2023 with the number (102210003475760) on 10/01/1444 H (corresponding to 07/08/2022 AD), valid until 16/05/1445 H (corresponding to 30/11/2023 AD). The company was unable to obtain a new certificate due to the outstanding debts it owes. The company is also committed to the Value-Added Tax (VAT) system and its executive regulations and is registered with the Zakat, Tax and Customs Authority under the tax number (311067535300003), according to a certificate issued on 24/01/1443 H (corresponding to 01/09/2021 AD).

Except as mentioned in the “**Risk Factors**” section of this prospectus, as of the date of publication of this prospectus, the company and its subsidiaries are committed to the tax, income systems, executive regulations, and instructions issued by the Zakat, Tax, and Customs Authority.

## 10-18-5 Ongoing commitments as per the requirements of the Ministry of Human Resources and Social Development

- ▶ A file has been opened in the ministry (Labor Office) under the unified number (13329-9) according to the Saudization certificate number (11292033-940055) issued by the Labor Office on 21/05/1445 H (corresponding to 04/12/2023 AD), valid until 28/08/1445 H (corresponding to 09/03/2024 AD). This certificate indicates that the company is committed to the required Saudization rate as per the Nitaqat program, and classified within the medium green range for the services (Insurance and Business Services), and has a small Saudization percentage of (45%), category (B). The table below shows the number of employees in the company as of the date of this prospectus.

**Table No. (79): Number of Saudi and non-Saudi employees**

Authority	Ref	Number of Saudi Employees	Number of Non-Saudi Employees	Total
Social Insurance	Social Insurance Certificate	15	19	34

Source: Certificates reviewed by the legal consultant

- \* The company is committed to relevant regulations related to its employees and workers, especially the Labor Law and the Social Insurance System. The number of registered employees in the labor office corresponds, with a minor difference (one employee), to the numbers of non-Saudi employees registered in the passport and labor office and those registered in The Social Insurance. The reason for this is that the employee is the child of a citizen and is under the sponsorship of his mother, meeting the required conditions.
- ▶ The Nitaqat program (an initiative by the Ministry of Human Resources and Social Development to assess establishments operating in the Saudi market based on the number of Saudi citizens employed) is designed so that establishments with the highest Saudization rates fall into the “Platinum Range,” while those with the lowest rates fall into the “Red” range” with the rest of the establishments shall be distributed in the respective ranges according to their Saudization rates. The company falls within the “Green-Medium” range, where the average number of Saudi employees after applying special case rules is 10, and the average number of expatriates after applying special case rules is 14. The Saudization rate is 45%.
- ▶ The company has an internal work organization Regulation (HR Manual) approved by the Labor Office with issuance number (98715) dated 25/03/1443 H (corresponding to 31/10/2021 AD).
- ▶ According to Ministerial Decision No. 739 of 2016 concerning wage protection, all establishments registered with the Ministry of Human Resources and Social Development shall pay their workers' wages on the due date through the Wage Protection System, and the worker's wage shall become due starting from the day following the expiration of the period on which the salary is based in the contract. The company is committed to depositing its workers' wages through local banks and regularly submitting the wage file. It has been granted a certificate issued by the Ministry of Human Resources based on the company's records for the last three months in the Wage Protection Program with number (96976700-169151) dated 21/05/1445 H (corresponding to 04/12/2023AD), valid until 22/06/1445H (corresponding to 04/01/2024AD).

## The Subsidiaries

- ▶ **Anaam International Food Co. Ltd.:** A file has been opened in the Ministry of Human Resources and Social Development (Labor Office) according to the Saudization certificate “Saudization” extracted from the Labor Office. As of the date of this publication, the company benefits from the electronic services of the Ministry of Human Resources and Social Development, and the Saudization certificate has been issued with number 20116233- 911160 on 27/05/1445 H (corresponding to 10/12/2023 AD), valid until 28/08/1445 H (corresponding to 09/03/2024 AD). This certificate indicates that the company is committed to the required Saudization rate as per the Nitaqat program, which is (39%). The company is classified within the wholesale and retail trade services (materials - food - furniture and agricultural goods) and falls within the low green range - small category (B). The table below shows the number of employees in the company and its branch as of 15/05/2023 AD:

**Table No. (80): Number of Saudi and Non-Saudi Employees at Anaam International Food Co. Ltd**

Authority	Ref	Number of Saudi Employees	Number of Non-Saudi Employees	Total
Social Insurance	Certificate Social Insurance	10	18	28

Source: Certificates reviewed by the legal consultant

- ▶ Anaam International Food Co. Ltd has an internal work organization Regulation (HR Manual) approved by the Labor Office with issuance number (445397) dated 22/05/1444 H (corresponding to 16/12/2022 AD).
- ▶ According to Ministerial Decision No. 739 of 2016 concerning wage protection, all establishments registered with the Ministry of Human Resources and Social Development shall pay their workers' wages on the due date through the Wage Protection System, and the worker's wage shall become due starting from the day following the expiration of the period on which the salary is based in the contract. The company is committed to depositing its workers' wages through local banks and regularly submitting the wage file. It has been granted a certificate issued by the Ministry of Human Resources based on the company's records for the last three months in the Wage Protection Program with number (19608020-198510) dated 27/05/1445 H (corresponding to 10/12/2023AD), valid until 28/06/1445H (corresponding to 10/01/2024AD).



- ▶ **ARW Manufacturing Company.** As of the date of this publication, the company benefits from the electronic services of the Ministry of Human Resources and Social Development, the Saudization certificate has been issued with number 167755-98524385 on 30/11/1444 H (corresponding to 18/05/2023 AD), valid until 29/04/1445 H (corresponding to 12/11/2023 AD). This certificate indicates that the company is committed to the required Saudization rate according to the Nitaqat program, which is 34%. It falls within the average green category - small class (B). The table below shows the number of employees in the company and its branch as of 30/01/1445 H (corresponding to 16/08/2023 AD):

**Table No. (81): The number of Saudi and Non-Saudi Employees at ARW Manufacturing Company**

Authority	Ref	Number of Saudi Employees	Number of Non-Saudi Employees	Total
Social Insurance	Certificate Social Insurance	13	35	48

Source: Certificates reviewed by the legal advisor

- ▶ ARW Manufacturing Company Limited; has an internal work organization Regulation (HR Manual) approved by the Labor Office with issuance number (98750) dated 02/02/1444 H (corresponding to 29/08/2022 AD).
- ▶ According to Ministerial Decision No. 739 of 2016 concerning wage protection, all establishments registered with the Ministry of Human Resources and Social Development shall pay their workers' wages on the due date through the Wage Protection System, and the worker's wage shall become due starting from the day following the expiration of the period on which the salary is based in the contract. ARW Manufacturing Company is committed to depositing its workers' wages through local banks and regularly submitting the wage file. It has been granted a certificate issued by the Ministry of Human Resources based on the company's records for the last three months in the Wage Protection Program with number (20092308004815) dated 26/01/1445H (corresponding to 13/08/2023AD), valid until 29/03/1445H (corresponding to 13/10/2023 AD)..
- ▶ **Saudi Wasit Crop for Entertainment, Beauty Systems and Industry:** As of the date of this publication, the company benefits from the electronic services of the Ministry of Human Resources and Social Development. This certificate indicates that the company is committed to the required Saudization rate according to the Nitaqat program, which is 35%. It falls within the high green category - Class (A). The table below shows the number of employees in the company according to the social insurance certificate:

**Table No. (82): Number of Saudi and Non-Saudi Employees at Saudi Wasit Crop for Entertainment, Beauty Systems and Industry**

Authority	Ref	Number of Saudi Employees	Number of Non-Saudi Employees	Total
Social Insurance	Certificate Social Insurance	31	74	105

- ▶ **Saudi Wasit Crop for Entertainment, Beauty Systems and Industry** has an internal work organization Regulation (HR Manual) approved by the Labor Office with issuance number (122767) dated 27/03/1443 H (corresponding to 02/11/2021 AD).
- ▶ According to Ministerial Decision No. 739 of 2016 concerning wage protection, all establishments registered with the Ministry of Human Resources and Social Development shall pay their workers' wages on the due date through the Wage Protection System, and the worker's wage shall become due starting from the day following the expiration of the period on which the salary is based in the contract. The company is committed to depositing its workers' wages through local banks and regularly submitting the wage file. It has been granted a certificate issued by the Ministry of Human Resources based on the company's records for the last three months in the Wage Protection Program with number (47836598607006) dated 28/05/1445 H (corresponding to 11/12/2023AD), valid until 29/06/1445 H (corresponding to 11/01/2024 AD).
- ▶ No file has been opened with the Ministry of Human Resources and Social Development (Labor Office) for both Anaam International Investment Company and The Saudi Cold Company. No employees have been hired in both companies.

Except as mentioned in the **"Risk Factors"** section of this prospectus, the company and its subsidiaries shall be committed, as of the date of this prospectus, to the labor laws, executive regulations, instructions, and decisions issued by the Ministry of Human Resources and Social Development

## 10-18-6 Ongoing obligations according to the requirements of the General Organization for Social Insurance

- ▶ Files were opened for the company and its subsidiaries in the General Organization for Social Insurance as follows:
1. **The Holding Company - The main headquarter in Jeddah:** Based on the social insurance certificate number (59428405) dated 26/05/1445 H (corresponding to 10/12/2023 AD), the company is enrolled in both the pension and occupational hazards branches regarding Saudi participants. Additionally, the company is enrolled to the occupational hazards branch concerning non-Saudi participants under number (100006146) as per the requirements of the General Organization for Social Insurance.
  2. **Anaam International Food Co. Ltd:** Based on the social insurance certificate number (59428491) dated 26/05/1445 H (corresponding to 10/12/2023 AD) the company is enrolled in both the pension and occupational hazards branches regarding Saudi participants. Additionally, the company is enrolled to the occupational hazards branch concerning non-Saudi participants under number (502994255) as per the requirements of the General Organization for Social Insurance.
  3. **Saudi Wasit Crop for Entertainment, Beauty Systems and Industry:** Based on the social insurance certificate number (595092179) dated on 29/05/1445 H (corresponding to 13/12/2023 AD), the company is enrolled in both the pension and occupational hazards branches regarding Saudi participants. Additionally, the company is enrolled to the occupational hazards branch concerning non-Saudi participants under number (622612232) as per the requirements of the General Organization for Social Insurance
  4. **ARW Manufacturing Company:** Based on the social insurance certificate number (56677235) dated 27/01/1445 H (corresponding to 14/08/2023 AD), the company is enrolled in both the pension and occupational hazards branches regarding Saudi participants. Additionally, the company is enrolled to the occupational hazards branch concerning non-Saudi participants under number (525057933) as per the requirements of the General Organization for Social Insurance.

- ▶ The subsidiaries (Anaam International Investment Company and the Saudi Cold Company) have not been registered in the General Organization for Social Insurance, as no workers have been employed in these subsidiaries.
- ▶ The General Organization for Social Insurance grants registered establishments certificates of commitment that are valid for a maximum of one month and are renewable for an equivalent period.

The subscription fees paid to the General Organization for Social Insurance for the year 2020 by Anaam International Holding amounted to (SAR 110,581) one hundred and ten thousand, five hundred and eighty-one Saudi Riyals. Meanwhile, the subscription fees paid during the year 2020 by Anaam International Food Company and its subsidiaries amounted to (SAR 127,952). hundred and twenty-seven thousand, nine hundred and fifty-two Saudi Riyals. These ongoing commitments comply with the requirements of the Ministry of Municipal and Rural Affairs and Housing.

- ▶ The company owns offices and properties through which it conducts its activities as detailed in **subsection (10-19-3) of this section**. A municipal license shall be obtained for administrative offices and commercial establishments so that the company can operate them, taking into account that the municipality requires the following documents: a copy of the commercial registry, a copy of the articles of association (statute), a copy of the lease contract or the property deed, a copy of the building permit for the building or commercial shop and the warehouse, a copy of the real estate office license, a photo of the building from different angles (including a copy of the signboard and the registration of the company's trademark for use on the facade), and the civil defense license.
- ▶ The company and its subsidiaries have not obtained a municipal license and the necessary safety permits to open their offices, food facilities, warehouses, and refrigerators. As of the date of this prospectus publication, the company is not compliant with the requirements of the Ministry of Municipal and Rural Affairs and the Civil Defense. According to information from Jeddah Municipality to the company management, the company is located in slums subject to potential removal in Jeddah. Consequently, the company has been unable to obtain a Civil Defense license, as the company was requested a delay until completion of preparing road maps for the area in which the company is located and to inform the company. It's worth noting that the company obtained a certificate of completion and compliance with number ZBF23006 dated 28/07/1444 H (corresponding to 19/02/2023 AD) in accordance with the requirements of the General Directorate of Civil Defense. **For more details, please refer to subsection "2-1-3" - Risks of not obtaining or renewing licenses and certificates- under section "2" titled "Risk Factors".**

Except as mentioned in the "Risk Factors", there are no violations against the company and its subsidiaries in the municipality or civil defense."

## 10-18-7 Ongoing obligations as per the requirements of the Capital Market Authority

- ▶ The Authority obliged the listed companies to comply with the rules of offering securities, ongoing obligations, the special instructions issued by the Authority, as well as the listing rules, especially the obligation to periodically disclose material and financial developments and the board of directors' report. Companies must adhere to the announcement templates included in the special instructions for companies' financial results announcements. Additionally, the company is required to provide a statement detailing all reasons and factors affecting changes in the financial results for the current fiscal year compared to the comparative period, including all items in the financial results announcement.
- ▶ The Authority also obliged the listed companies in the financial market to disclose the stages of their transition to International Accounting Standards. On 25/11/1437 H (corresponding to 28/08/2016 AD), the company announced its commitment to this on Tadawul website.
- ▶ With reference to the offering rules and Article (27) (A) of the listing rules issued by the Board of the Authority, which states that if the issuer shall modify its capital or the total value of the fund's assets, or take any action that may lead to the modification of the price of its listed securities, it shall disclose to the public the details of the action and its impact on the price of its listed securities. On 08/03/1444 H (corresponding to 04/10/2022AD), the company announced on the Tadawul website a recommendation from the Board of Directors to increase the company's capital by offering rights shares to obtain (157,500,000) Saudi Riyals, with the aim of financing working capital, reducing borrowing rates, and supporting the company's future activities. Subsequently, on 28/10/1444 H (corresponding to 18/05/2023AD), the company announced a recommendation to increase the total amount sought from (SAR 157,500,000) to (SAR 236,250,000).
- ▶ With reference to the offering rules and the "Procedures for Suspending the Trading of Listed Securities" in accordance with the listing rules, the company is committed to disclosing financial information, including the annual financial statements and the preliminary financial statements for the first, second, and third quarters of the fiscal year. The company announced on the Tadawul website on 27/01/1444 H (corresponding to 25/08/2022 AD), that it shall not be able to publish the preliminary financial statements for the six-month period ending on 30 June 2022 within the stipulated deadline (for the first and second quarters of the fiscal year) due to not completing the provision of the external reports required by the auditors. The company also clarified in its announcement mentioned above that the "Procedures for Suspending the Trading of Listed Securities" according to the listing rules would apply to it. Following this, the company announced on 30/02/1444 H (corresponding to 26/09/2022 AD), the preliminary financial results for the six-month period ending on 30 June 2022 within the stipulated deadline (for the first and second quarters of the fiscal year).
- ▶ With reference to the listing rules, and Article (80) of the offering rules which states that the issuer shall disclose immediately and without delay when a decision is made by the issuer or its subsidiaries to dissolve the company or liquidate it, or when an event occurs or a period of time ends that requires putting the issuer under liquidation or replacement. The company announced on the Tadawul website on 19/01/1444 H (corresponding to 17/08/2022 AD), about the issuance of a decision by its board of directors dated 18/01/1444 H (corresponding to 16/08/2022 AD), approving the commencement of liquidation procedures for the following: 1/ Anaam International Financial Company (a limited liability company owned by the group by 100%), and 2/ Anaam International Agricultural Company (a limited liability company owned by the group by 100%). The aim is to focus and enter into alternative investments that achieve sustainable returns for the company and diversify its various activities.
- ▶ With reference to the listing rules and Article (80) of the offering rules, which state that the issuer shall immediately and without delay disclose any transaction involving the purchase, sale, mortgage, or lease of an asset at a price equal to or exceeding 10% of the issuer's net assets according to the latest reviewed initial financial statements or audited annual financial statements, whichever is more recent. The company announced on the Tadawul website on 02/11/1443 H (corresponding to 01/06/2022 AD), that it had signed a binding sale and purchase agreement in relation to the acquisition of 55% ARW Manufacturing Company on 25/09/1443 H (corresponding to 26/04/2022 AD), for a total amount of (15,000,000) Saudi Riyals. The company also announced on 13/04/1444 H (corresponding to 07/11/2022 AD), about the issuance of an electronic title deed for the full ownership of its land located in Al-Khumrah area south of Jeddah in favor of the company. The land area is 151,465.98 one hundred and fifty-one thousand, four hundred and sixty-five square meters and ninety-eight centimeters. It's

worth mentioning that the company announced on 26/01/1444 H (corresponding to 24/08/2022 AD), that it had completed the purchase and transfer procedures for of a real estate asset (a residential and administrative building) on Prince Mohammed bin Abdulaziz Street in Jeddah to the company's name for a total value of 23,000,000 Saudi Riyals as of 26/01/1444 H (corresponding to 24/08/2022 AD). Additionally, the company announced on 22/11/1443 H (corresponding to 21/06/2022 AD), the purchase of a property with its building, private offices, all its facilities, parts, services, and assets, located in Jeddah, Al Khalidiyah district, Prince Sultan Street, at an approximate total value of 312,000,000 Saudi Riyals excluding real estate transaction tax. The company also announced on 21/11/1442 H (corresponding to 01/07/2021 AD), the signing of a sale and purchase agreement related to the acquisition of 51% of Saudi Wasit Crop for Entertainment, Beauty Systems and Industry shares for a total amount of 24,480,000 Saudi Riyals.

- ▶ It's also worth noting that with regard to the solvency of public joint stock companies, on 23/01/1438H (corresponding to 24/10/2016 AD), the Capital Market Authority issued Decision No. 1-130-2016 amending the procedures and instructions for companies listed on the market whose accumulated losses have reached 50% or more of their capital under the Companies Law. The procedures were renamed to "Procedures and Instructions for Listed Companies with Accumulated Losses of 20% or More of their Capital," and were put into effect starting from 25/07/1438H (corresponding to 22/04/2017AD). Which states that, if a company's accumulated losses reach 20% or more of its capital, the company must immediately announce this event.
- ▶ Article (5) specifies the procedures and instructions for listed companies that have incurred accumulated losses of 50% or more of the capital as follows:
  1. Immediately and without delay, public disclosure through a separate announcement when the company's accumulated losses reach 50% or more of the capital. The disclosure shall include the amount and percentage of accumulated losses relative to the capital, along with the main reasons that led to these losses. The announcement shall indicate that these procedures and instructions shall be applied to the company. If the disclosure required according to this paragraph coincides with the announcement of the preliminary or annual financial results, the company is exempted from making a separate disclosure if it included in the financial results announcement.
  2. Upon the issuance of the announcement referred to in paragraph (1) above, the market shall add a symbol next to the company's name on the electronic market site to indicate that the company's accumulated losses have reached 50% of its capital.
  3. In consideration of the provisions of Article 150 of the Companies Law, the company must, after announcing the accumulation of losses reaching 50% or more of its capital, declare the following:
    - ▶ The last date on which the Board of Directors can call a General Assembly (Extraordinary) meeting, and the last date for the (Extraordinary) General Assembly meeting to address the accumulated losses.
    - ▶ The Board of Directors' recommendation to the (Extraordinary) General Assembly, upon the announcement of accumulated losses, either an increase or decrease in the company's capital or the dissolution of the company before the specified deadline in its articles of association.
    - ▶ The last date for completing the subscription process for the capital increase to address the accumulated losses - where applicable.
- ▶ On 25/01/1441 H (corresponding to 25/09/2019 AD) the company announced that its accumulated losses reached 92.3% of the capital.
- ▶ On 04/05/1441H (corresponding to 31/12/2019AD), the General Assembly (Extraordinary) of shareholders approved the Board of Directors' recommendation to reduce the company's capital to extinguish the accumulated losses.
- ▶ On 01/07/1441 H (corresponding to 25/02/2020AD), the company announced that its accumulated losses had decreased to 0% of the capital.
- ▶ The Authority shall oblige the listed companies in the financial market that have previously offered Preemptive Rights to disclose to the public any difference of 5% or more between the actual use of the proceeds from the issuance of Preemptive Rights and what was disclosed in the relevant issuance prospectus, as soon as it becomes known. The company received the subscription proceeds from the issuance conducted in 2022 and utilized it fully for the projects mentioned in the prospectus issued on 14/08/1443 H (corresponding to 17/03/2022 AD), including: (1) Investment in income-generating real estate assets by 32.99%; (2) Investment in companies and projects privately owned in the healthcare sector by 22.84%; (3) Investment in companies and projects privately owned in the warehouses and storage sectors by 38.07%; and (4) working capital by (6.09%) of the net proceeds from the issuance of Preemptive Rights. The actual use of the net proceeds from the Preemptive Rights issuance deviated from what was disclosed in the last prospectus for the issuance of Preemptive Rights dated 14/08/1443 H (corresponding to 17/03/2022 AD). For more details about data and information on the proceeds from any previous Preemptive Rights issuance and the utilization of those proceeds compared to what was disclosed in a previous issuance prospectus, **please see Subparagraph "(2-1-37) Risks Related to the Previous issuance of Preemptive Rights" in Section No. (2) "Risk Factors"**. As for the Corporate Governance Regulations, the table below summarizes the key provisions of the Corporate Governance Regulations that the company has or has not complied with.

**Table No. (83): Summary of the most important provisions of the Corporate Governance Regulations that the company has or has not complied with**

Article from the Corporate Governance Regulations	Details	Responsible Entity	Comment
9/b	The Board of Directors must establish a clear policy regarding the distribution of dividend profits that achieves the interests of the shareholders and the company according to the company's bylaws.	Board of Directors	Complied - Approved by the Board of Directors on 31/12/2017.
8/a	Providing a copy of the information about the candidates for the Board of Directors on the company's website.	Board of Directors	Complied - On (31/08/2021AD), the company announced the opening of the nomination for the board membership for a new term starting from (28/11/2021AD), and the CVs of the candidates were uploaded to the website.
12/5 and 54	Formation of the Audit Committee.	General Assembly of Shareholders	Complied - The Ordinary General Assembly No. (41) appointed the members of the Audit Committee on 16/04/1443 H (corresponding to 22/11/2021AD).

Article from the Corporate Governance Regulations	Details	Responsible Entity	Comment
54/c	The General Assembly of the company shall issue – based on a recommendation from the Board of Directors – a work regulation for the Audit Committee that includes the committee's controls, procedures, tasks, rules for choosing its members, how they are nominated, the duration of their membership, their remuneration, and the mechanism for temporarily appointing members in case a seat is vacated.	General Assembly of Shareholders	Complied - The Ordinary General Assembly No. (37) approved The Audit Committee regulation on 14/03/1440 H (corresponding to 22/11/2018AD).
12/6	Approval of the financial statements for 2021AD.	General Assembly of Shareholders	Complied - The Ordinary General Assembly No. (42) approved the financial statements in its meeting held on 23/11/1443 H (corresponding to 13/06/2022AD).
12/7	Approval of the annual report of the Board of Directors for 2020AD.	General Assembly of Shareholders	Complied - The Ordinary General Assembly approved the financial statements in its meeting held on 22/10/1442 H (corresponding to 24/05/2021AD).
12/9 and 81	Appointment of the company's auditors, determining their remuneration, reappointing them, changing them, and approving their reports.	General Assembly of Shareholders	Complied - The appointment was made by the Ordinary General Assembly No. (38) on the financial statements in its meeting held on 22/10/1440 H (corresponding to 25/06/2019AD).
13/d	Publishing an announcement about the date, location, and agenda of the General Assembly at least twenty-one days in advance on the company's website.	Board of Directors	Complied
14/c	Making available to shareholders through the company's website – when publishing the invitation to the General Assembly – the information related to the General Assembly's agenda items, especially the report of the Board of Directors, the auditor, the financial statements, and the Audit Committee report.	Board of Directors	Complied
22/2	Establish systems and controls for internal auditing and general oversight, including creation of a written policy to address actual and potential "conflicts of interest" among board members, executive management, and shareholders. This includes misuse of company assets and facilities and misconduct resulting from related-party transactions. Ensure the integrity of financial and accounting systems, including those related to financial reporting. Implement appropriate control systems to measure and manage risks by developing a general understanding of the risks the company may face, establishing a risk management culture throughout the company, transparently presenting it to stakeholders and related parties, and annually reviewing the effectiveness of the company's internal control procedures.	Board of Directors	Complied - Policy adopted by the Board on 13/04/1439H (corresponding to 31/12/2017AD).
22/3	Develop clear and specific policies, standards, and procedures for board membership, and implement them after approval by the General Assembly.	General Assembly of Shareholders	Complied - The General Assembly (Ordinary) No. (35) approved the Board of Directors' work regulations in its meeting held on 01/04/1439H (corresponding to 19/12/2017AD). The company did not comply with the principle of separating positions with regard to combining the positions of Vice Chairman and Managing Director.
22/4	Establish a written policy that regulates the relationship with stakeholders according to the governance regulations, which should specifically cover mechanisms for compensating stakeholders in case their rights are violated by regulations and protected by contracts. Mechanisms for settling complaints or disputes that may arise between the company and stakeholders, and appropriate mechanisms for establishing good relationships with clients and suppliers, and maintaining the confidentiality of their related information.	Board of Directors	Complied - Approved by the Board on 13/04/1439H (corresponding to 31/12/2017AD).
22/5	Develop policies and procedures to ensure the company adheres to regulations and laws and is committed to disclosing material information to shareholders and stakeholders, and verify executive management's compliance with them.	Board of Directors	Complied - Approved by the Board on 13/04/1439H (corresponding to 31/12/2017AD).
22/13, 50, 60, 60A, 64	Form specialized committees with decisions that define the committee's duration, powers, responsibilities, and how the board oversees them. The formation decision should include naming the members and defining their tasks, rights, and duties, along with evaluating the performance and work of these committees and their members.	Board of Directors	Complied - (The Audit Committee and the Nominations and Remuneration Committee were appointed in the Board meeting No. (261) dated 28/11/2018, and the committees were restructured in the Board meeting No. (262) dated 30/04/1440H (corresponding to 06/01/2019AD).



Article from the Corporate Governance Regulations	Details	Responsible Entity	Comment
51	It is not permissible to combine the position of the Chairman of the Board and membership of the Audit Committee. However, the Chairman of the Board may participate in other committees without being allowed to chair them.	-	Complied
23/1	Adopting and developing internal policies related to the company's operations, including defining the tasks, competencies, and responsibilities assigned to different organizational levels.	Board of Directors	Complied - Approved by the Board of Directors on 21/05/1439H (corresponding to 07/02/2018AD).
23/2	Adopting a written and detailed policy specifying the powers delegated to the executive management and a schedule illustrating these powers, the method of execution, and the duration of the delegation. The Board of Directors may request periodic reports from the executive management regarding its exercise of the delegated powers.	Board of Directors	Complied - Approved by the Board of Directors on 21/05/1439H (corresponding to 07/02/2018AD).
25	Appointment of the CEO.	Board of Directors	Complied - Appointed by the Board of Directors on 16/01/1431H (corresponding to 23/12/2009AD).
26/5	Establishing organizational and functional structures of the company and submitting them to the Board of Directors for consideration and approval.	Board of Directors	Complied - The organizational structure for (2020AD) was approved by the decision of the Board of Directors on 26/10/1441H.
26/10	Proposing a policy and types of rewards granted to employees, such as fixed bonuses, performance-related bonuses, and stock-based bonuses.	Board of Directors	Complied - Approved by the Board of Directors in its meeting No. (56) on 21/05/1439H (corresponding to 07/02/2018AD).
43	A clear and written policy for dealing with actual or potential conflicts of interest that could affect the performance of board members, executive management, or other employees when dealing with the company or other stakeholders.	Board of Directors	Complied - Approved by the Board of Directors in its meeting No. (255) on 13/04/1439H (corresponding to 31/12/2017AD).
55/b/4 and 74	Appointment of the head of the internal audit unit or department or the internal auditor, and proposing their remuneration.	Board of Directors	Complied - The employment contract of the internal auditor approved by the CEO. This is based on the administrative decision issued by the CEO No. (32 R T /2016) dated 23/02/1438H (corresponding to 23/11/2016AD).
60/b and 64/b	The company's General Assembly, upon a proposal from the Board of Directors, shall issue a work regulation for the Remuneration and Nomination Committee. This regulation shall include controls, procedures, a work plan for the committee, its duties, rules for selecting its members, how they are nominated, the duration of their membership, their remuneration, and the mechanism for temporarily appointing members in the event of a vacancy in the committee.	General Assembly of Shareholders	Complied - The work regulation for the Nomination and Remuneration Committee was approved by the Ordinary General Assembly at its meeting No. (35) held on 01/04/1439H (corresponding to 19/12/2017AD).
61/1	The Remuneration and Nomination Committee is responsible for preparing a clear policy for the remuneration of Board of Directors members, committee members, and executive management, and presenting it to the Board for consideration in preparation for adoption by the General Assembly. The policy shall ensure performance-based standards are followed, disclosed, and their implementation verified.	General Assembly of Shareholders	Complied - Approved by the Ordinary General Assembly at its meeting No. (35) held on 01/04/1439 H (corresponding to 19/12/2017AD)
65/3	Preparing a description of the capabilities and qualifications required for Board membership and executive management positions.	Remuneration and Nomination Committee	Complied - Approved by the General Assembly on 01/04/1439 H (corresponding to 19/12/2017AD)



Article from the Corporate Governance Regulations	Details	Responsible Entity	Comment
68	Publishing the Board of Directors nomination announcement on the company's website.	Board of Directors	Complied - Announcement made on 12/02/2018AD.
84	Procedures for stakeholders to submit complaints or report non-compliant practices.	Board of Directors	Complied
86	A policy for professional conduct and ethical values.	Board of Directors	Complied - Approved by the Board of Directors at its meeting No. (256) on 07/02/2018AD.
89	Written policies for disclosure and its supervisory procedures and systems in accordance with the disclosure requirements set out in the Companies Law and the Capital Market Law.	Board of Directors	Complied - Approved by the Board of Directors at its meeting No. (256) on 07/02/2018AD.
91/b	Publishing the Audit Committee's report on the company's website.	Board of Directors	Complied
70	Forming a committee called the Risk Management Committee, chaired by and mostly composed of non-executive Board members. The members must have an adequate level of knowledge in risk management and financial affairs.	Board of Directors	Not Complied - The company explained that it intends to apply this article when increasing the number of board members, due to the current small number of board members.
41	Setting necessary mechanisms to annually evaluate the performance of the Board, its members, committees, and the executive management, through appropriate performance indicators linked to the achievement of the company's strategic goals, risk management quality, adequacy of internal control systems, etc., with strengths and weaknesses identified and addressed in the company's interest.	Board of Directors	Not Complied - The company clarified that it is currently working on implementing the article as stated, noting that the evaluation of the Board's performance and its committees is subject to the company's internal control systems.
78	Establishing a policy that ensures a balance between its goals and those desired by society, in order to develop the social and economic conditions of the community.	Ordinary General Assembly	Not Complied - The company explained that it is working on implementing this article in accordance with the governance regulations.
94	Company-specific governance rules that do not conflict with mandatory provisions.	Board of Directors	Complied - Approved by the Board of Directors at its meeting No. (256) on 21/05/1439 H (corresponding to 07/02/2018AD).

Source: Board of Directors' decisions and the minutes of the General Assembly of Shareholders, policies, and regulations reviewed by the legal advisor.

Except for what has been mentioned in the **"Risk Factors"** section of this brochure, there are no violations on the company and its subsidiaries.

## 10-19 Material Contracts

### 10-19-1 Related Party Transactions and Agreements

Except for the annual bonuses for the board members and the salaries of senior employees, the company does not have any contracts and transactions with related parties which include board members, senior executives, or their relatives. It should be noted that the company has interest-free financing transactions with related parties with no other obligations as explained in **risk factor number 2-1-40, Related Party Transaction Risks, in section "2" "Risk Factors"**. Transactions with the relevant parties did not involve commercial transactions, as they are additional interest-free financing from partners for both Saudi Wasit Crop and ARW Manufacturing Company. No other obligations arise from these transactions. The amounts due to relevant parties concerned have no specific due date. The following table shows the amounts due to the relevant parties concerned as of 30 September 2023AD.

**Table No. (84): The amounts due to the relevant parties concerned as of 30 September 2023AD**

Relevant Parties	Due balance as of 30 September 2023 (SAR)
Anas Al-Harbi	5,104,987
Muhammed Ibrahim Haidari	2,572,451
Tariq Muhammed Ibrahim Haidari	955,903
<b>Total</b>	<b>8,633,341</b>

### 10-19-2 Contracts and Transactions Related to Real Estate Assets

Real estate owned by the company:

- The company owns 55 agricultural projects in Basyata, Al Jouf region. On 29/09/2021AD, Anaam International Holding Group signed an agreement to sell the land of Al Jouf project, which spans 100 million square meters and consists of 55 plots of land, including the sale of all equipment, machinery, buildings, and vehicles located in the project, for a value of 85,000,000 SAR. In addition to, the buyer bearing the real estate disposition tax and procedures to finalize the title deed transfers are underway.
- The company owns a property consists of a refrigerating unit, warehouses, and offices in Jeddah, which were mortgaged to Kirnaf Financial Company against a loan that has been fully repaid, and efforts are currently underway to clear the title deed in the company's name after updating the deed information with the Jeddah Municipality for the issuance of an electronic deed.
- The company owns (2) plots of land in Al-Khumrah area in Jeddah. The first is under an official deed registered in the company's name issued by the notary public, and the second with ownership documents in the company's name since the merger of Al Mawashi Company and Al Mukairish Company in 1995. Both lands are in the company's possession and are used for workshops, warehouses, maintenance offices, and employee housing. An electronic deed for ownership was issued under deed number (260662000251) dated 12/04/1444H, (corresponding to 06/11/2022AD).
- The company owns land plots numbered (2272), (2273), (2274), and (2275) from the plan number (A/478/3) located in Al Khalidiyah district in Jeddah city. The total area of these plots is four thousand four hundred and eleven square meters and two centimeters (4411.02 m<sup>2</sup>), according to the title deed number (399135000433) dated 25/12/1443H which confirms the transfer of ownership to Anaam International Holding Group for an amount of three hundred twelve million, seven hundred six thousand, four hundred thirty-four (312,706,434) Saudi Riyals. It should be noted that the property is mortgaged in favor of Alinma Bank according to the mortgage letter number (M/131/22) dated 04/12/1443H against a financing amount of one hundred sixty million (160,000,000) Saudi Riyals.
- The company owns a real estate asset that is a (residential administrative building) on Prince Mohammed bin Abdul-Aziz Street in Jeddah city. It consists of four (4) floors with offices and residential apartments and has a total value of approximately twenty-four million (24,000,000) Saudi Riyals, according to the official title deed issued by the notary public in the Kingdom number (323203000385) dated 26/01/1444H.
- The company and its subsidiaries own a number of properties and constructions under official title deeds issued by the notary public in the Kingdom. For more details regarding the ownership of these properties, please refer to the table below:

**Table No. (85): Details of the properties owned by the company**

No.	Type of Property	Location	Deed/ Contract Number	Owner	Area - m <sup>2</sup>	Notes
1	Land	Land located in Yanbu, numbered 367 S.A from the approved plan number T/1/25/4 in 5/1389H, situated in scheme A/13 in Al Rabwa district	241705006824	Anaam International Holding Group	644.76 square meters	
2	Land	Land located in Jeddah, Betarmeen	400	Anaam International Financial Limited	9,987 square meters	This is the same land that was mortgaged to Kirnaf Company and is currently in the process of ownership transfer to Anaam International Holding Group
3	Land	Jeddah-Al Wadi	320218010217	Anaam International Holding Group	2,993 square meters	

No.	Type of Property	Location	Deed/ Contract Number	Owner	Area - m <sup>2</sup>	Notes
4	Land	Jeddah - Al Wadi	320228003149	Anaam International Holding Group	3,966.92 square meters	
5	Land	Land number 64 located west of the farms in Jubail	332402004957	Anaam International Holding Group	400 square meters	
6	Land	Land number 63 located west of the farms in Jubail	232402004958	Anaam International Holding Group	400 square meters	
7	Land	Land number 65 located west of the farms in Jubail	332402004959	Anaam International Holding Group	400 square meters	
8	Hotel	Hayat Fursan Hotel located in the city of Qurayyat, erected on land plot number (2272), land plot number (2273), land plot number (2274), and land plot number (2275) from the plan number (3/478/A)	341907001249	Anaam International Holding Group		
9	Building	Located in Jeddah, Al Khalidiyah district, Prince Sultan Street, erected on land plot number (2272), land plot number (2273), land plot number (2274), and land plot number (2275)	399135000433	Anaam International Holding Group	4,411.02 square meters	This is the same land that was mortgaged in favor of Alinma Bank
10	Land	Located in Al-Khumrah area south of Jeddah city	260662000251	Anaam International Holding Group	151,465.98 square meters	

Source: The title deeds reviewed by the legal advisor.

- Except as previously mentioned, there are no rights associated with the company's properties, whether a mortgage or an endowment. According to the consolidated financial statements for the year ended on December 31, 2022, the book value of the lands amounted to 14,000,000 SAR.

### 10-19-3 Property Lease Contracts

- The company or its subsidiaries do not have any lease contracts as the "lessee," except for both ARW Manufacturing Company and Saudi Wasit Corp for Entertainment and Beauty Systems Industry, which have lease contracts as a "lessee."

Table No. (86): Lease contracts

No.	Lessee Name	Lessor	Value (Saudi Riyal)
1.	ARW Manufacturing Company	Lessor (1)	10,143 SAR annually
2.	Saudi Wasit Corp for Entertainment and Beauty Systems	Lessor (2)	51,998 SAR for the first year. 12,999 SAR Monthly allotment fees until the start of production.

Anaam International Food Company has several lease contracts as a "lessor," where it owns and manages properties and equipped refrigerators for storing frozen food items in Jeddah. The following table shows the company's largest clients during the years 2020, 2021, and 2022:

Table No. (87): Largest Leasing Clients of Frozen Food Storage Refrigerators for the Year 2020 (Amounts in Saudi Riyals)

#	Client Name	Amount (SAR)
1	Client (1)	1,923,000.00
2	Client (2)	666,710.00
3	Client (3)	314,700.00
4	Client (4)	232,000.00
5	Client (5)	161,640.00
6	Client (6)	143,800.00
7	Client (7)	137,840.00

#	Client Name	Amount (SAR)
8	Client (8)	111,720.00
9	Client (9)	73,200.00
10	Client (10)	50,160.00
11	Client (11)	43,700.00
12	Client (12)	36,110.00
13	Client (13)	30,120.00
14	Client (14)	14,400.00
15	Client (15)	14,200.00
16	Client (16)	10,000.00
17	Client (17)	9,480.00
18	Client (18)	9,120.00
19	Client (19)	8,900.00
20	Client (20)	8,520.00
21	Client (21)	4,680.00
22	Client (22)	3,840.00
23	Client (23)	345.00
24	Client (24)	Storage rent at 10,000 SAR and handling fees of 400 SAR for unloading the truck or refrigerator.
25	Client (25)	Storage rent at 100 SAR and handling fees of 400 SAR for unloading the truck or refrigerator.
26	Client (26)	Storage rent at 120 SAR and handling fees of 400 SAR for unloading the truck or refrigerator.
27	Client (27)	Storage rent at 115 SAR and handling fees of 400 SAR for unloading the truck or refrigerator.
28	Client (28)	Storage rent at 115 SAR and handling fees of 400 SAR for unloading the truck or refrigerator.
29	Client (29)	Storage rent at 1,500 SAR per month and handling fees of 400 SAR for unloading the truck or refrigerator.
30	Client (30)	Storage rent at 2,000 SAR per month and handling fees of 400 SAR for unloading the truck or refrigerator.
31	Client (31)	Storage rent at 120 SAR per month and handling fees of 400 SAR for unloading the truck or refrigerator.
32	Client (32)	Storage rent at 120 SAR per month and handling fees of 400 SAR for unloading the truck or refrigerator.
33	Client (33)	Storage rent at 120 SAR per month and handling fees of 400 SAR for unloading the truck or refrigerator.
34	Client (34)	Storage rent at 120 SAR per month and handling fees of 400 SAR for unloading the truck or refrigerator.
35	Client (35)	Storage rent at 5,000 SAR per month and handling fees of 400 SAR for unloading the truck or refrigerator.

Table No. (88): Largest Leasing Clients for the Year 2020 (Amounts in Saudi Riyals)

#	Client Name	Amount (SAR)
1	Client (1)	20,000 SAR annually
2	Client (2)	280,000 SAR annually
3	Client (3)	30,000 SAR annually

Table No. (89): Largest Leasing Clients of Frozen Nutritional Substance Storage Refrigerators for the Year 2021 (Amounts in Saudi Riyals)

#	Client Name	Amount (SAR)
1	Client (1)	1,923,000
2	Client (2)	666,710.00
3	Client (3)	314,700.00
4	Client (4)	232,000.00
5	Client (5)	161,640.00
6	Client (6)	143,800.00
7	Client (7)	137,840.00
8	Client (8)	111,720.00
9	Client (9)	73,200.00
10	Client (10)	50,160.00
11	Client (11)	43,700.00
12	Client (12)	36,110.00
13	Client (13)	30,120.00
14	Client (14)	14,400.00
15	Client (15)	14,200.00
16	Client (16)	10,000.00
17	Client (17)	9,480.00
18	Client (18)	9,120.00
19	Client (19)	8,900.00
20	Client (20)	8,520.00
21	Client (21)	4,680.00
22	Client (22)	3,840.00
23	Client (23)	345.00
<b>Total</b>		<b>283,665</b>

Table No. (90): Largest Leasing Clients for the Year 2021 (SAR)

#	Client Name	Amount (SAR)
1	Client (1)	1,606,800 SAR annually
2	Client (2)	21,000 SAR annually
3	Client (3)	12,500 SAR annually
4	Client (4)	50,600 SAR annually

Table No. (91): Largest Leasing Clients for the Year 2022 (SAR)

#	Client Name	Amount (SAR)
1	Client (1)	414,000 SAR annually
2	Client (2)	126,500 SAR annually
3	Client (3)	103,500 SAR annually
4	Client (4)	55,200 SAR annually



#	Client Name	Amount (SAR)
5	Client (5)	50,002 SAR annually
6	Client (6)	46,000 SAR annually
7	Client (7)	34,500 SAR annually
8	Client (8)	30,000 SAR annually
9	Client (9)	30,000 SAR annually
10	Client (10)	28,750 SAR annually
11	Client (11)	28,750 SAR annually
12	Client (12)	48,300 SAR annually
13	Client (13)	69,000 SAR annually
14	Client (14)	32,775 SAR annually
15	Client (15)	128,800 SAR annually
16	Client (16)	46,000 SAR annually
17	Client (17)	55,200 SAR annually
18	Client (18)	147,200 SAR annually
19	Client (19)	78,200 SAR annually
20	Client (20)	69,000 SAR annually
21	Client (21)	837,636 SAR
22	Client (22)	88,624 SAR
23	Client (23)	1,675,272 SAR annually
24	Client (24)	147,709 SAR annually
25	Client (25)	140,243 SAR annually
26	Client (26)	122,648 SAR
27	Client (27)	224,710 SAR
28	Client (28)	97,310 SAR
29	Client (29)	1,098,440 SAR
30	Client (30)	1,175,357 SAR
31	Client (31)	96,445 SAR
32	Client (32)	145,245 SAR
33	Client (33)	61,188 SAR
34	Client (34)	105,080 SAR
35	Client (35)	95,775 SAR
36	Client (36)	3,757 SAR
37	Client (37)	79,178.00 SAR annually
38	Client (38)	14,866,502.20 SAR annually
39	Client (39)	8,587,784.15 SAR annually
40	Client (40)	3,833.00 SAR
41	Client (41)	9,967.00 SAR
42	Client (42)	1,175,357.80 SAR

Source: Company Management

Table No. (92): Largest Leasing Clients for the Year 2023 (Amounts in Saudi Riyals)

#	Client Name	Amount (SAR)
1	Client (1)	38,155.00 SAR annually
2	Client (2)	185,156.00 SAR annually
3	Client (3)	6,688,527.00 SAR annually
4	Client (4)	240,000.00 SAR annually
5	Client (5)	14,866,502.20 SAR annually
6	Client (6)	6,818.00 SAR annually
7	Client (7)	14,950.00 SAR annually
8	Client (8)	1,557,928.00 SAR
9	Client (9)	1,912,198.00 SAR annually
10	Client (10)	1,098,440.00 SAR annually
11	Client (11)	97,310.00 SAR annually
12	Client (12)	23,965.00 SAR annually
13	Client (13)	153,485.00 SAR annually
14	Client (14)	1,675,272.00 SAR annually
15	Client (15)	1,912,198.00 SAR annually
16	Client (16)	345,173.00 SAR annually
17	Client (17)	213,417.00 SAR annually
18	Client (18)	1,622,682.00 SAR annually
19	Client (19)	643,464.00 SAR annually
20	Client (20)	23,965.00 SAR annually

- It should be noted that the Cabinet's decision No. (292) dated 16/05/1438 H stipulates that a lease contract not registered in the electronic network is not considered valid and does not produce its administrative and judicial effects. The electronic network for rental services was launched in cooperation between the Ministry of Justice and the Ministry of Municipal and Rural Affairs and Housing (formerly the Ministry of Housing) on 17/05/1439 H. The Ministry of Justice issued a circular mandating the application of this to all contracts concluded after 04/05/1440 H (corresponding to 10/01/2019 AD).
- Licensed real estate brokers are required to register all residential and commercial lease contracts electronically through the electronic network approved by the Cabinet's decision No. (131) dated 03/04/1435H. Any violation of this will result in penalties as stated in the regulation of real estate offices, issued by the Cabinet's decision No. (334) dated 07/03/1398 H.
- The landlord is obligated to appoint a real estate broker for the registration of lease contracts with the "Ejar" platform, which is affiliated with the Ministry of Municipal and Rural Affairs and Housing.
- The company has concluded several lease contracts for renting warehouses and refrigerators it owns after the date of 04/05/1440H (corresponding to 10/01/2019 AD). The company did not comply with the requirement to document these contracts electronically. **The company must update and register the lease contracts according to the electronic model on the (Ejar) platform and must be registered in the electronic network, in order to protect its rights and the rights of the tenant.**

With the exception of what is mentioned in section (Risk Factors) "2-1-26" "Risks of Contracts with Third Parties" of this prospectus, there are no violations on the company and its subsidiaries.

#### 10-19-4 Sale and Purchase Agreement with (Saudi Wasit Factory for Entertainment and Beautification Systems)

- On 21/11/1442H (corresponding to 01/07/2021AD), a purchase agreement was concluded between Anaam International Holding Group (the First Party) and Mr. Mohammed Ibrahim Mohammed Haidari, the owner of Saudi Wasit Factory for Entertainment and Beautification Systems (the Second Party).
- The parties had previously entered into a non-binding contractual relationship through a memorandum of understanding dated 22/08/1442H (corresponding to 04/04/2021AD), regarding the first party purchasing a (51%) stake of the total shares of the second party, which was facilitated by the brokerage firm Wasatah Capital.
- Under the terms and conditions of the agreement, the second party (the factory) acknowledges that it has sold and transferred (51%) of the net equity rights, including all legitimate and legal rights of the factory, and the first party (Anaam Company) has accepted this sale.

- ▶ The second party will directly convert the factory into a closed joint stock company with the same number and date of the factory's commercial registration.
- ▶ Financial Matters:
  - The total value of the sale and transfer is an amount of (20,400,000) twenty million and four hundred thousand Saudi Riyals, in addition to Anaam Company assuming the equivalent of this percentage of the real estate fund loan: (This includes long-term loans from the Industrial Development Fund totaling (16,870,000) Riyals, where each party bears its share of the loans according to the sales contract, 51%, 49% for the first and second parties, respectively).
  - A new account is opened in the name of the new company with both parties depositing a total amount of (8) million Riyals, each according to their ownership percentage, the first party an amount of (4,989,000) four million nine hundred eighty-nine thousand Saudi Riyals, and the second party (3,920,000) three million nine hundred twenty thousand Saudi Riyals, allocated for completing the construction immediately upon its registration as a closed joint stock company.
  - The parties agreed that the first party shall finance the working capital of the new company with an amount of five million Riyals as a benevolent loan according to the sole discretion of the first party, provided that the disbursement of the support amount totaling eight million Saudi Riyals is completed, and the amount shall be recovered according to the decision of the board of directors.
- ▶ Details of the factory:
  - The factory is located in Sudair City for Industry and Business in the Kingdom of Saudi Arabia and has an area of (25,999) square meters. The property on which the factory is situated is owned by the Saudi Authority for Industrial Cities and Technology Zones "MODON".
- ▶ Management:
  - The company's board of directors consists of three members, comprising two members from the first party and one member from the second party.
  - The presidency of the board of directors is held by the Chief Executive Officer of the first party or any person from their side who is one of the members of the first party.
- ▶ The company is committed to the competition system issued by Royal Decree No. M/25 dated 04/05/1425 H and the Council of Ministers' decision No. 138 dated 26/04/1425 H. This system aims to protect and encourage fair competition and combat monopolistic practices that affect legitimate competition.
- ▶ The factory has been converted into (a closed joint-stock company), and its required documents (commercial registration - articles of association) have been issued. The company has committed to the regulations of the Ministry of Commerce, where the founding contract of the factory was amended to include a new partner, Anaam International Holding Group, which owns a 51% stake.

## 10-19-5 Loans and Credit Facilities

- ▶ The company entered into a credit facility agreement on 26/08/1443 H (corresponding to 29/03/2022AD), with Alinma Bank, to obtain non-revolving financing through deferred sale (flexible Murabaha), with a total limit of SAR (160,000,000), for a period of (10) years starting from 25/08/1443 H (corresponding to 29/03/2022AD), and ending on 19/12/1453H (corresponding to 31/03/2032 AD), for the purpose of financing up to a maximum of 49.23% of the value of purchasing a commercial building located in the city of Jeddah with a total area of (4,411.02) square meters, against the guarantees, commitments, and documents provided in favor of Alinma Bank.
- ▶ The company provided the following guarantees in exchange for the financing:
  1. Mortgage the financed property in favor of Alinma Bank or its nominee, on the condition that it covers (100%) of the financing amount.
  2. Assignment of rental income of no less than SAR (23,000,000) in favor of Alinma Bank.
  3. Assignment of insurance compensation during the financing period of SAR 160,000,000 in favor of Alinma Bank.
  4. Promissory note for the total financing limit.
  5. Additional promissory note of SAR (30,000,000) in favor of Alinma Bank.

In exchange for the granted financing, the company has committed to:

1. Use the financing for the purpose for which it was granted.
  2. Repay the due obligations on their due dates.
  3. Sign any documents requested by the bank.
  4. Notify Alinma Bank of any potential changes to its legal form or ownership percentages.
  5. Not to create any disposition from mortgage, contract, privilege, right, or otherwise on the fixed and movable assets that were previously provided as security for the bank.
  6. Not to enter into any other commitments that affect its obligations under the financing agreement.
  7. Pay all litigation fees and expenses including attorney fees incurred in case of default in repaying its obligations under the financing.
- ▶ The credit facility agreement mentioned above does not contain any clauses that require notification or approval by the contracting parties in case of a change in the company's financial situation. Therefore, the capital increase process will not affect its validity.
  - ▶ The company had previously obtained financing in the amount of SAR (27) million from Kirnaf Investment and Installment Company. The company owns a property consisting of a refrigerator, warehouses, and offices in Jeddah, which was mortgaged to Kirnaf Financial Company in exchange for the loan. The loan has been fully repaid, as the final installment paid in March 2018AD, and a final settlement was issued between the parties under letter (contract number COM/RST/L/000012) dated 18/07/2018AD. Work is underway to transfer the title deed in the name of Anaam

International Holding Group. The property includes an area of 9,987 square meters registered in the title deed number 979 dated 24/10/1977AD, consisting of 3 floors of (administrative offices, a refrigerator for cooling and freezing food items, a two-floor loading and unloading dock, staff accommodation, and a maintenance workshop). The company also has other transactions with Kirnaf concerning the sale of cars on installment under contract number (COM/VEH/M/000099) in the amount of about SAR 7.4 million for the purchase of 21 vehicles, the last installment of which is due in January 2018AD.

- ▶ The company affirms that it has not provided any cash loans of any kind to its board members and has not provided any guarantees for any loans for board members or employees with others, nor has it opened any letters of credit.
- ▶ The company has not granted loans to any of the employees except for advance payments on salary, which are calculated from the housing and/or transportation allowance according to the employment contract.

## 10-19-6 Contracts and Transactions Related to Suppliers

- ▶ According to the company's management statements, the company or any of its subsidiaries does not have any contracts or agreements concerning the provision of services with any of the suppliers.

## 10-20 Machinery and Equipment

After reviewing the financial statements and the independent auditor's report for the year ended December 31, 2021AD, it has been determined that the company owns agricultural tools and equipment, wells, irrigation equipment, vehicles, trucks, furniture, office equipment, and computer devices valued at (23,080,082) Saudi Riyals.

## 10-21 Litigation





- ▶ The company's board of directors confirms that the company (and its subsidiaries) - as of the date of the publication of this prospectus - is not a party to any lawsuit, claim, arbitration, or administrative proceedings, whether collective or individual, existing or likely to be initiated, that could materially affect the company's business or financial position, except for:
  - The two cases filed against the company by Jeddah Governorate's Secretariat and the plaintiff (Tariq Abdul Rahman Al-Fada) which was ruled in favor of the company.
  - The lawsuit filed by the company as a plaintiff against (Ahmed Ali Ahmed Al-Ghamdi) in which a judgment was issued obliging the defendant to pay a total amount of (25,500,000) Riyals, and the judgment has not been executed. An order from the execution judge has been issued to sell the entire factory and its contents in a public auction and to settle the creditors' share along with the presentation of the factory's creditors.
  - The case filed by the company as a plaintiff against (Kirnaf Finance Company) on 30/09/2022AD, number (421454693), currently pending before the General Court in Riyadh, related to a claim for the transfer of property ownership of the real estate located in Jeddah with an area of approximately 10,000 square meters, which was mortgaged to Kirnaf Finance Company in exchange for a loan, noting that the entire loan has been repaid.

## 10-22 Trademarks

- ▶ The company has a trademark that has been registered with the Saudi Authority for Intellectual Property in class (29), which is one of the trademark classes specializing in (meat and poultry).
- ▶ The subsidiary company (Anaam International Food Limited) also has a trademark registered with the Saudi Authority for Intellectual Property in class (29), which is one of the trademark classes specializing in (meat and poultry).
- ▶ The subsidiary company (ARW Manufacturing Company) has a trademark registered with the Saudi Authority for Intellectual Property with the number (1437018058) under class (5), which is one of the trademark classes that cover products (healthcare preparations and pesticides).
- ▶ The subsidiary company (ARW Manufacturing Company) has a trademark registered with the Saudi Authority for Intellectual Property with the number (1444033466) under class (5), which is one of the trademark classes that cover products (healthcare preparations and pesticides).
- ▶ The subsidiary company (Wasit) has a trademark registered with the Saudi Authority for Intellectual Property with the number (1443006664).
- ▶ Registering the trademark will enable the company and its subsidiary to place its name and logo on the exterior facade of the building or offices occupied by the company as it has registered the trademark and granted it the necessary legal protection according to the trademark law.
- ▶ It should be noted that the company does not have any intangible assets other than its trademarks as of the date of publication of this prospectus.

The following table details the company's trademark:

Table No. (93): The Company's Trademarks

Trademark Form	Certificate Number	Owning Company	Registration Date	Protection Start	Protection End
	143107338	Anaam International Holding Group Company	15/01/1433H (corresponding to 10/12/2011AD)	29/07/1441H (corresponding to 24/03/2020AD)	28/07/1451H (corresponding to 06/12/2029AD)
	143107357	Anaam International Foodstuff Company Ltd.	15/01/1433H (corresponding to 10/12/2011AD)	29/07/1441H (corresponding to 24/03/2020AD)	28/07/1451H (corresponding to 06/12/2029AD)
	1437018058	ARW Manufacturing Company	25/01/1438H (corresponding to 29/10/2016AD)	08/08/1437H (corresponding to 16/05/2016AD)	08/08/1447H (corresponding to 27/01/2026AD)
	1444033466	ARW Manufacturing Company	22/11/1444H (corresponding to 11/06/2023AD)	14/09/1444H (corresponding to 05/04/2023AD)	13/09/1454H (corresponding to 16/12/2032AD)
	1443006664	Saudi Wasit Factory for Industry	01/05/1443H (corresponding to 06/12/2021AD)	19/02/1443H (corresponding to 26/09/2021AD)	18/02/1453H (corresponding to 09/06/2031AD)

Source: Company

## 10-23 Insurance

- Anaam International Holding Group and its subsidiaries have a medical insurance policy under document No. (49548100) with Bupa Arabia for Cooperative Insurance Company, a licensed company operating in the Kingdom. The insurance policy shall be valid for one year starting from 13/12/1444 H (corresponding to 01/07/2023 AD) and shall expire on 24/12/1445 H (corresponding to 30/06/2024 AD). This policy shall cover health care through a network of service providers designated by the company, provided that the condition is covered by the insurance coverage.
- Saudi Wasit Corp for Entertainment, Beauty Systems, and Industry, has a property damage insurance policy under document No. (P/300/3402/23/000030) with Gulf Union Al Ahlia Cooperative Insurance Company, a licensed company operating in the Kingdom. The insurance policy shall be valid from 03/08/1444 H (corresponding to 23/02/2023 AD) for a period of one year and shall expire on 13/08/1445 H (corresponding to 22/02/2024 AD). If the insured property or any part of it suffers accidental material loss, destruction, or damage, the insurance company shall pay the insured for the value of the property at the time of the occurrence of such loss.
- ARW Manufacturing Company holds an all-risk property insurance policy under document No. (P-01-2023-2-205-023321) with Al Wataniya Insurance Company, a licensed company operating in the Kingdom. The policy shall be valid from 28/07/1444 H (corresponding to 19/02/2023 AD) for a period of one year and shall expire on 08/08/1445 H (corresponding to 18/02/2024 AD). If the insured property or any part thereof suffers accidental material loss, destruction, or damage, the insurance company shall compensate the insured for the value of the property at the time of the occurrence of such loss.
- The company did not provide an insurance policy against risks (except a property damage insurance policy for Saudi Wasit Corp for Entertainment, Beauty Systems, and Industry, and all-risk property insurance policy for ARW Company) that its offices, facilities, and warehouses may be exposed to, it did not ensure better protection for it and its contents against risks or damages that may result from fire, theft, natural disasters, or those resulting from the explosion of water tanks, equipment, or pipes.

## 10-24 The essential information that has changed since the authority's approval of the last share prospectus

Below is a summary of the most prominent information that has changed since the authority's approval of the last share prospectus issued on 14/08/1443 H (corresponding to 17/03/2022 AD).

- Use of the fair value model or Revaluation model to assess the Properties and the investment Properties on 28/08/1443 H (corresponding to 31/03/2022 AD). The fair value model or revaluation model was used to assess the Properties and the investment Properties. The expected financial impact on net assets is (33,000,000) thirty-three million Saudi Riyals as an increase. The expected financial impact shall commence from 02/12/1443H (corresponding to 01/07/2022 AD).



- ▶ Obtaining Sharia-compliant banking facilities from Alinma Bank: On 16/09/1443 H (corresponding to 17/04/2022 AD). Sharia-compliant banking facilities were obtained from Alinma Bank. The financing value is (160,000,000) one hundred and sixty million Saudi Riyals for 10 years. Knowing that the provided guarantees are a mortgage for a commercial building located in Jeddah on Prince Sultan Street.
- ▶ Signing a memorandum of understanding (non-binding) with Abu Zeid Restaurants Ltd, Co (a sole proprietorship): On 23/09/1443 H (corresponding to 24/04/2022 AD), a non-binding memorandum of understanding was signed with Abu Zeid Restaurants Ltd, co regarding the potential acquisition of 55% of Abu Zeid Restaurants Ltd, co shares, located in Jeddah- Al-Safa District, which works in preparing and serving popular cuisines with approximately 34 branches across the Kingdom and annual sales exceeding one hundred million Saudi Riyals. This is subject to reaching a final agreement between the parties. It was agreed that the total acquisition value shall be (SAR 75,000,000) seventy-five million Saudi Riyals, with a purchase price of (SAR 41,250,000) Forty-One Million Two Hundred and Fifty Thousand Saudi Riyals. Accordingly, Anaam Group issued a supplementary announcement on 23/09/1443 H (corresponding to 24/04/2022 AD) regarding the termination of the memorandum of understanding on 25/12/1443 H (corresponding to 24/07/2022 AD) and the failure to reach an agreement.
- ▶ Signing a sale and purchase agreement for the acquisition of 55% of ARW Manufacturing Company shares (a Limited Liability Company – Sole Proprietorship): On 25/09/1443 H (corresponding to 26/04/2022 AD) a binding sale and purchase agreement was signed for the acquisition of 55% of ARW manufacturing company shares. The total value of this transaction is (SAR 15,000,000) fifteen million Saudi Riyals, the payment shall be made in cash from the company internal resources to finance the expansion of production lines and support sales.
- ▶ Articles of Association: updated in accordance with the amendments introduced to the new Companies Law by the General Assembly (Extraordinary) held on 10/03/1442 H (corresponding to 27/10/2020AD). It has been reviewed and approved by the Ministry of Commerce (Corporate Governance Department) on 18/04/1442 H (corresponding to 03/12/2020AD), a copy of the articles of association has been uploaded to Tadawul website on the company page.
- ▶ The results of the Extraordinary General Assembly, which included approval for a capital increase: On 16/10/1443 H (corresponding to 17/05/2022AD), the (Extraordinary) General Assembly has agreed for the shareholders to increase the capital from (105,000,000) Saudi riyals, divided into (10,500,000) ordinary shares to (315,000,000) Saudi Riyals divided into (31,500,000) ordinary shares. The total amount of the increase is SAR (210,000,000), the change in capital is 200%, the number of shares before the increase was (10,500,000) and after the increase, it is: (31,500,000), with an increase ratio of 2 shares for every existing share. The company aims to finance the working capital, invest in real estate assets and own shares in privately- owned companies. The capital increase shall be achieved through the offering and listing of preferential rights shares, totaling (21,000,000) ordinary shares. If the company shareholders approve the capital increase in the Extraordinary General Assembly, the rights shall be granted to all shareholders registered in the company records at the Securities Depository Center (Edaa Center) by the end of the second trading day following the extraordinary General Assembly meeting in which it decides to increase the capital. The offering price for each share and its nominal value is SAR 10 and the number of shares offered is SAR (21,000,000) ordinary shares. The results of the Extraordinary General Assembly also included the amendment of Article (7) of the company's bylaws related to the capital, the amendment of Article (8) of the company's bylaws related to subscription of shares, approval of the amendment of Article (26) of the company's bylaws related to the attendance of assemblies, and approving the update of the Audit Committee's working regulations.
- ▶ Completion of the procedures for the Acquisition of 55% of ARW Manufacturing Company shares (Limited Liability Company – Sole Proprietorship): On 25/09/1443 H (corresponding 26/04/2022 AD) the binding Sale and Purchase Agreement was signed regarding the acquisition of 55% of ARW Manufacturing Company shares. The total value of this transaction is SAR (15,000,000) Fifteen Million Saudi Riyals, and the payment shall be made in cash from the company internal resources to finance the expansion of production lines and support sales.
- ▶ Signing a (binding) Sale and Purchase Agreement for the acquisition of 100% of the private office building: on 22/11/1443 H (corresponding to 21/06/2022 AD), a (binding) Sale and Purchase agreement was signed for the acquisition of 100% of the private office building located in Al Rawdah district, Prince Sultan Street, Jeddah. The deal value is SAR (312,000,000) Three Hundred Twelve Million Saudi Riyals, excluding real estate transaction tax. The value shall be paid as follows: a bank cheque in the amount of SAR 44,156,158 on behalf of Saudi National Bank from the buyer to the seller issued by Alinma Bank, serving as payment for the remaining amount of the financing contract provided by the Saudi National Bank to the seller for the mortgage release, and a bank cheque for the remaining purchase price, totaling SAR 268,550,275, shall be delivered to the seller on the date of transferring property ownership to the buyer at the competent authentication authority. The transaction shall be financed through self-financing by Anaam Group for SAR (159,480,281) in addition to credit facilities granted to the group by Alinma Bank amounting to SAR (153,226,153).
- ▶ Purchase of a real estate asset: On 23/11/1443 H (corresponding to 22/06/2022 AD), income-generating assets were acquired. A real estate asset (administrative residential building) on Prince Mohammed bin Abdulaziz Street in Jeddah was purchased via public auction, with a value of SAR (23,000,000) Twenty-Three Million Saudi Riyals, excluding real estate transaction tax.
- ▶ Completion of procedures for the purchase and transfer of ownership of private offices building to the completed: on 25/12/1443 H (corresponding to 24/07/2022 AD), the procedures related to the transfer of property ownership were completed. This includes the sale and purchase agreement for acquiring (100%) of the private offices building located in Al-Rawda - Prince Sultan Street - Jeddah City.
- ▶ The Board of Directors decision to commence liquidation procedures for some of its subsidiaries: on 18/01/1444 H (corresponding to 16/08/2022 AD) the approval was granted to commence the liquidation procedures for each of: Anaam International Holding Group (a Limited Liability Company 100% owned by the group): This decision was made due to its unnecessary existence, as it has not been engaged in actual business activities since its establishment, and Anaam International Agricultural Company (a Limited Liability Company 100% owned by the group): The group sold the agricultural project overseen by this company, aiming to exit the agricultural sector, thus its purpose is no longer required.
- ▶ Completion of Procedures for the Acquisition of a Real Estate Asset: On 26/01/1444 H (corresponding to 24/08/2022 AD), the procedures for the purchase and transfer of a real estate asset were concluded. The property comprises an administrative and residential building located on Prince Mohammed bin Abdulaziz Street (Tahlia Street, one of the most vital locations in Jeddah). The building, consisting of 4 floors with offices and residential apartments, was acquired for a total value of 23 million Saudi Riyals.
- ▶ Financial Results Publication: On 27/01/1444 H (corresponding to 25/08/2022 AD), it was announced that the company was unable to publish the financial statements for the six-month period ending on June 30, 2022, within the specified deadline. This delay is attributed to the incomplete submission of required external reports to the auditors, which is expected to be completed within three weeks. Additionally, the company wishes to clarify that it shall be subject to "trading suspension procedures for listed securities" in accordance with the listing rules approved by the Capital Market Authority Board Resolution No. (1-10-2019) dated 24/05/1440 H (corresponding to 30/01/2019 AD) and announced on the (Tadawul) website on March 25, 2019AD.

- ▶ Issuance of an Electronic Title Deed for the Ownership of Khumrah Land, South of Jeddah in the Name of the Company: On 13/04/1444H (corresponding to 07/11/2022 AD), an electronic title deed was issued for the ownership of the entire land located in Khumrah area, south of Jeddah in favor of the company. The land area is 151,465.98 one hundred and fifty-one thousand, four hundred and sixty-five square meters and ninety-eight centimeters.
- ▶ Latest Offering of Preferred shares: In 2022AD, the company offered preferred shares to increase its capital with the aim of optimizing the working capital, reducing borrowing rates, and supporting future company activities. Through the offering, the company received (SAR 210,000,000) from shareholders by offering (21,000,000) of preferred shares at an offering price of (SAR 10) per share, representing the nominal value. As indicated on page “V” of this prospectus, the company deviated in the disbursements of the proceeds from the preferred shares equity issuance compared to what was disclosed in the latest prospectus for the preferred shares issued on 14/08/1443H (corresponding to 17/03/2022 AD). The company disclosed that it shall utilize the net proceeds from the preferred shares issuance in: (1) Investing in income-generating real estate assets at a rate of (32.99%); (2) Investing in privately-owned companies and projects in the healthcare sector at a rate of (22.84%); (3) Investing in privately-owned companies and projects in the warehouse and storage sectors at a rate of (38.07%); and (4) Working capital at a rate of (6.09%). It is noteworthy that the company deviated in investing in income-generating real estate assets by (59.85%) higher than the disclosed proportion, with a total amount of (SAR 38,900,000). Additionally, the company deviated in investing in privately-owned companies and projects in the healthcare sector by (86.44%), lower than the disclosed proportion, with a total amount of (SAR 38,900,000).
- ▶ Signing a Memorandum of Understanding (Non-Binding): On 09/06/1444 H (corresponding to 02/01/2022 AD), a non-binding Memorandum of Understanding was signed with Al Murjan Group Holding for a duration of 120 days from the date of signing, subject to extension. The memorandum pertains to the acquisition of 100% of Al Murjan Holding Group Limited's shares in the United Ink Production Company Ltd, which is 69.33% of United Ink Production Company Ltd shares.
- ▶ The company was unable to publish its annual financial statements for the year ending on 31/12/2022AD within the specified timeframe. This is due to the auditors not being able to complete the audit, as they believe they need additional time to finalize their work according to their letter dated 30/03/2023 AD. Anaam International Holding Group clarified that “Suspension of trading procedures for listed securities” will apply to it in accordance with the listing rules approved by the Capital Market Authority under resolution No (1-10-2019) dated 24/05/1440 H (corresponding to 30/01/2019 AD) and which published on Tadawul website on March 25, 2019AD.
- ▶ The Board of Directors recommendation to The Extraordinary General Assembly of the company, issued pursuant to the Board's decision dated 18/09/1444 H (corresponding to 09/04/2023AD), is to divide the nominal value of the share from (10) Riyals per share to 50 Halalas (0.50) Riyals per share. Consequently, the company's total number of shares shall be 630,000,000 instead of 31,500,000. With the company obligation to complete the necessary related procedures.
- ▶ With reference to the announcement by Anaam International Holding Group regarding the Board of Directors recommendation to increase the company capital through the issuance of preferred shares on October 4, 2022AD, aiming to obtain of SAR 157,500,000 to fund the working capital, reduce lending rates, and support the company future activities. Anaam International Holding Group declared that, based on studies conducted, the Board of Directors has decided on 18/05/2023AD, to recommend increasing the total amount sought from SAR 157.5 million to SAR 236.25 million Saudi Riyals.
- ▶ Inviting the valued contributors to participate and vote in The Extraordinary General Assembly meeting (the first meeting) via modern technological means, God willing, at 6:30 p.m. on Tuesday, 24/11/1444 H (corresponding to 13/06/2023 AD) to discuss and vote on the agenda of the assembly.
- ▶ With reference to the announcement of Anaam International Holding Group on Tadawul website dated 09/06/1444 (corresponding to 02/01/2023 AD), regarding the signing of a non-binding Memorandum of Understanding for the acquisition of 69.33% of United Ink Production Company Ltd shares, which is 100% of Murjan Holding Group shares in United Ink Production Company Ltd. Further to Anaam International Holding Group announcement of the latest developments on the same matter published on Tadawul on 11/10/1444 H (corresponding to 01/05/2023 AD), Anaam International Holding Group (Anaam Holding) shall announce that on 11/11/1444 H (corresponding to 31/05/2023 AD), a Sale and Purchase Agreement (SPA) was signed for the acquisition of 69.33% of United Ink Production Company Ltd shares, which is 100% of Murjan Holding Group shares in United Ink Production Company Ltd. The transaction was for a cash consideration for the entire transaction value, as the value of the United Ink Production Company Ltd is fifty-six million Saudi Riyals (SAR 56,000,000), and the transaction value is thirty-eight million, eight hundred twenty-five thousand, six hundred seventeen Saudi Riyals and ninety-seven halalas (SAR 38,825,617.97).
- ▶ With reference to the announcement of Anaam International Holding Group on Tadawul website dated 21/12/1444 H (corresponding to 09/07/2023 AD) regarding the results of the Extraordinary General Assembly meeting (the third meeting). Approval was granted for dividing the nominal value of the share from (10) Riyals per share to 50 Halalas (0.50) Riyals per share. The number of shares prior to the adjustment was 31,500,000 and after the adjustment shall be 630,000,000. Additionally, approval was given for amending the company's articles of association to align with the new Companies Law, reorganizing and numbering the articles to correspond with the proposed amendments.
- ▶ With reference to the announcement of Anaam International Holding Group on Tadawul website dated 12/11/1444 H (corresponding to 01/06/2023 AD) regarding the signing of the Sale and Purchase Agreement (SPA) to acquire a 69.33% of United Ink Production Company Ltd shares, which is 100% of Marjan Holding Group shares in United Ink Production Company Ltd. Anaam International Holding Group announced on 07/05/1445 H (corresponding to 21/11/2023 AD) the cancellation of the agreement due to non-fulfillment of several regulatory and commercial conditions that must be met in accordance with the terms of the agreement.

## 10-25 Declarations of Board Members Regarding Legal Information

In addition to the other declarations referred to in this prospectus, the members of the Board of Directors acknowledge the following:

- a. The issuance shall not violate the relevant laws and regulations in the Kingdom of Saudi Arabia.
- b. The issuance shall not breach any contracts or agreements to which the company or its subsidiaries is a party.
- c. All essential legal information related to the company and its subsidiaries has been disclosed in the prospectus.
- d. The company and its subsidiaries shall not be subject to any lawsuits or legal proceedings that shall significantly affect, individually or collectively, the operations or financial position of the company or its subsidiaries
- e. Members of the Company Board of Directors shall not be subject to any lawsuits or legal proceedings that shall significantly affect, individually or collectively, the operations or financial position of the company or its subsidiaries

## 11- The Underwriter

The company has entered into an underwriting agreement with Al-Wasatah Al-Maliah Company (Wasatah Capital), the underwriter, to underwrite four hundred and seventy-two million and five hundred thousand (472,500,000) ordinary shares at a price of fifty (50) halalas per share, which represent 100% of the offered Preemptive Rights (underwriting agreement)

### 11-1 The Underwriter

Al Wasatah Al Maliah Company (Wasatah Capital)  
Riyadh - Al Olaya Main Street, Al Muruj District, Building No. 7459  
Sub-number 2207, Postal Code 12283  
Kingdom of Saudi Arabia  
Phone: +966 11 4944067  
Fax: +966 11 4944205  
Email: [info@wasatah.com.sa](mailto:info@wasatah.com.sa)  
Website: [www.wasatah.com.sa](http://www.wasatah.com.sa)

wasatah capital  
وساطة كابيتال



### 11-2 Summary of The Undertaking Agreement

In accordance with the terms and conditions of the underwriting agreement, the following provisions shall apply:

1. The company undertakes to the underwriter that on the allocation date, it shall issue and allocate to the underwriter all the Preemptive Rights covered by its underwriting commitment in this subscription that have not been subscribed by eligible shareholders as additional shares, at the subscription price.
2. The underwriter commits to the company that on the allocation date, it shall purchase the shares covered by its underwriting commitment in this subscription, which have not been subscribed by eligible shareholders as additional shares, at the subscription price.
3. The underwriter is entitled to receive money for its underwriting commitment, which shall be paid from the subscription proceeds.

## 12- Exemptions

The company has not obtained any exemptions from the authority regarding the offering.

## 13- Information related to shares and the terms and conditions of the offering.

The company has submitted a request to the Capital Market for the registration and offering of new shares, and to the Saudi Stock Exchange Company (Tadawul) for the listing of the new shares. All requirements have been fulfilled in accordance with the rules of securities offerings, ongoing obligations, and listing rules.

All eligible shareholders, holders of acquired rights and bidders shall carefully read the subscription terms and conditions before participating in the e-subscription or submitting a subscription request through the broker or filling out the Rump Offering form. Submitting a subscription request or signing and delivering the Rump Offering form shall constitute approval and acceptance of the specified terms and conditions.

### 13-1 The offering

The offering shall increase the company capital by issuing Preemptive Rights, totaling four hundred and seventy-two million five hundred thousand (472,500,000) new ordinary shares, at an offering price of fifty (50) halalas per share and a nominal value of fifty (50) halalas. The total offering value is two hundred and thirty-six million two hundred and fifty thousand (236,250,000) Saudi Riyals. This aims to increase the company capital from three hundred and fifteen million (315,000,000) Saudi Riyals to five hundred and fifty-one million two hundred and fifty thousand (551,250,000) Saudi Riyals.

### 13-2 How to apply for Preemptive Rights subscription (The new shares)

Registered shareholders wishing to subscribe to Preemptive Rights shall be required to submit a subscription request during the Subscription Period by the investment on trading platforms used for entering buy and sell orders. Subscriptions can also be made through any other means provided by the intermediary and the stock custodian in the Kingdom during the Subscription Period. This requires the eligible individual to have an investment account with one of the intermediaries offering these services, or the personal data of the eligible individual shall be up-to-date, and no changes made to the data or information of the eligible individual (such as deletion or addition of family members) since its last subscription unless these changes have been communicated and approved by intermediaries. If the offering period not terminated, applications for any Rump Shares subscription may also be made by the Institutional Investors only.

By participating in the subscription, the subscriber acknowledges the following:

- Agreement on subscribing to the company for the number of shares specified in the subscription request.
- Confirmation of reviewing the prospectus, understanding its contents, and studying its terms.
- Accepting the company articles of association and the conditions outlined in the prospectus.
- Never subscribing to the same shares in this offering before through an intermediary, the company shall have the right to reject all applications in case of repeating the subscription requests.
- Acceptance of the shares allocated under the subscription request, the terms and conditions contained in the subscription request and the prospectus.
- Not to cancel or modify the subscription request after submitting it to the intermediary.

Registered shareholders shall be able to trade the Preemptive Rights deposited in their portfolios via Tadawul. These rights are acquired for all shareholders registered in the company shareholder registry at the depositary center at the end of the second trading day following the extraordinary general assembly meeting for the capital increase (Eligibility Date). Each right holder shall be entitled to subscribe to one new share, at the offering price. The Preemptive Rights shall be deposited after the meeting of extraordinary general assembly meeting for the capital increase, at most within two business days. The registered shareholders can see their rights in the portfolios under a new Preemptive Rights code, at that point, shareholders shall be notified of the deposited rights in their portfolios.

### 13-3 Subscription Request

The eligible individual who wishes to exercise its full right in subscribing to all Preemptive Rights to which he is entitled to subscribe shall subscribe through the investment portfolio on the trading platforms where buy and sell orders are placed or through any other means provided by the intermediary and the shares custodian.

The number of shares in which the eligible individual is entitled to subscribe to is calculated according to the number of Preemptive Rights it holds. The subscription amount to be paid by the subscriber is calculated by multiplying the number of the held Preemptive Rights by fifty (50) halalas before the close of the subscription period.

### 13-4 Trading, Subscription, and The Rump Offering Periods

Eligible shareholders who wish to subscribe to Preemptive Rights shall submit a subscription request during the Subscription Period, which begins three (3) business days after the extraordinary general assembly approval which include approving the capital increase. The submission process shall begin on the day \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD) and ends on \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD), from 10:00 am. to 2:00 pm.

Eligible shareholders who wish to trade in the Preemptive Rights shall submit a trading request during the Trading Period, which begins on the day \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD) from 10:00 a.m. to 3:00 p.m. and ends on \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD). The extraordinary general assembly held \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD) approved the Board of Directors recommendation to increase the company capital by issuing Preemptive Rights. According to this prospectus, four hundred and seventy-two million and five hundred



thousand (472,500,000) ordinary shares shall be offered for subscription in Preemptive Rights, which are about (75%) of the company capital before the subscription at an offering price of fifty (50) halalas per share including a nominal value of fifty (50) halalas with a total offering value of two hundred and thirty-six million and fifty-two thousand (236,250,000) Saudi Riyals. The new shares shall be issued as one share per Preemptive Rights. Subscription to Preemptive Rights offered to the registered shareholders in the company's shareholder registry will take place at the end of the second trading day following the extraordinary General Assembly meeting on \*\*\* dated on \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD), and to eligible individuals who have purchased the Preemptive Rights Trading Period, including registered shareholders who have purchased additional Preemptive Rights alongside their original holdings.

If the eligible individuals shall not exercise their Preemptive Rights by the end of the Subscription Period, the Rump Shares resulting from the non-exercise or sale of those rights by the eligible individuals shall be offered to the institutional investors during the Rump Offering Period.

Registered shareholders shall be able to trade the Preemptive Rights deposited in the portfolios via the Saudi Stock Exchange "Tadawul." These rights are considered acquired for all registered shareholders in the company records at the end of the second trading day following the extraordinary general assembly meeting for the capital increase. Each right holder is entitled to subscribe to one new share at the offering price. The Preemptive Rights shall be deposited after the Assembly meeting under a new code specific to the Preemptive Rights, and the shareholders shall then be notified of the deposited rights in their portfolios.

The timetable for the sequence and details of the Preemptive Rights offering process is as follows:

4. **Eligibility Date:** At the end of the trading day of the extraordinary general assembly meeting held on \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD).
5. **Trading and subscription:** The trading and subscription stage commences three business days after the extraordinary general assembly approval which includes approving the capital increase on \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD), the Trading Period ends on \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD), and the Subscription Period continues until the end of \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD). The Preemptive Rights trading starts from 10:00 am to 3:00 pm, while Preemptive Rights subscription starts from 10:00 am to 2:00 pm.
6. **The Rump Offering Period:** shall start on \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD) from 10:00 am to 5:00 pm on the following day, \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD). During this period, the Rump Shares shall be offered to a number of institutional investors (referred to as "investment institutions"), these investment institutions shall submit purchase offers for Rump Shares. The Rump Shares shall be allocated to the investment institutions with the highest price offer then the next highest, etc.... (provided it is not less than the offer price). The shares shall be allocated proportionately to the investment institutions that offer the same price. The fractional shares, shall be added to the Rump Shares and treated accordingly. The subscription price for new shares not subscribed during this period shall be at least as the offering price. If the price of Rump Shares is higher than the offering price, the difference (if any) shall be distributed as compensation to the Preemptive Rights holders who did not subscribe and to the owners of fractional shares based on their percentage.
7. **Final allocation of shares:** Shares shall be allocated to each investor based on the number of rights exercised correctly and in full. As for those entitled to the fractional share, the fractional shares shall be aggregated and offered to the Institutional Investors during the Rump Offering Period. The total offering price for the Rump Shares shall be paid to the company, and the proceeds from the sale of the Rump Shares and fractional shares shall be distributed without any fees or deductions (exceeding the offering price) to those entitled to, each according to their entitlement, by no later than \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD).
8. **New shares trading in the market:** The trading of the shares offered for subscription on (Tadawul) shall begin upon the completion of all the offered shares registration and allocation procedures, provided that the time span between the end of the Preemptive Rights Subscription Period and depositing the shares in the portfolios is 9 business days.

The company has submitted a request to the Capital Market Authority for the new shares registration and offering, and a request to the Saudi Stock Market "Tadawul" for accepting its listing.

## 13-5 Eligible Individuals Not Participating in the New Shares Subscription

The registered shareholders who fully or partially not participating in the new shares are subject to losses and a decrease in their ownership percentage in the company, and in the value of the shares they currently own, whereas the registered shareholders who have not subscribed shall retain the same shares number they owned before the capital increase.

Individuals eligible but not participating in the new shares' subscription shall not receive any advantages or benefits in exchange for their entitled Preemptive Rights, they may receive financial compensation from the shares sale proceeds in the Rump Offering, each according to their entitlement. It's worth mentioning here that if the investment institutions have submitted a purchase offer for the Rump Shares at the offer price only, or if these investment institutions do not subscribe to the Rump Offering and the underwriter purchases the Rump Shares at the offer price, eligible individuals not participating in the subscription shall not receive any compensation for their unexercised Preemptive Rights in the new shares. If the Rump Shares are sold to the investment institutions at a price higher than the offer price, the compensation amount for eligible individuals who did not fully or partially participate in the new shares' subscription shall be determined according to the following equation.

**The compensation amount for each unsubscribed share (total proceeds from the Rump Offering – total of the Rump Offering price)/number of Rump Shares**

## 13-6 Allocation and Refunds

The company and the underwriter shall open a bank account to deposit the subscription proceeds.

Preemptive Rights shall be allocated to the eligible individuals based on the number of the rights they have exercised correctly and in full. As for the fractional shares' owners, the fractional shares shall be aggregated and offered to the investment institutions during the Rump Offering Period. If some shares remain unsubscribed thereafter, the underwriter shall purchase them and be allocated to him at the offer price of fifty (50) Halle per share. The total offering price for the Rump Shares shall be paid to the company, the total proceeds from the Rump Shares sale and the fractional shares shall be distributed (exceeding the offering price) to those entitled to, each according to their entitlement, by no later than \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD).

The final number of the allocated shares for each eligible individual without any commissions or deductions from the underwriter is expected to be announced by recording them in the subscriber's accounts. Eligible individuals contact the intermediary they submitted the subscription application through for any additional information. The results of the allocation shall be announced no later than \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD).

Any surplus (from the offering proceeds exceeding the offering price) (if any) and the compensation amount (if any) shall be refunded by Anaam International Holding Group Company to the eligible individuals have not fully or partially exercise their subscription rights in the new shares and for the fractional share holders without any deductions by no later than \*\*\* \*\*/\*\*/1445 H (corresponding to \*\*/\*\*/2024AD).

## 13-7 The Supplementary Prospectus

The Company shall submit to the authority a supplementary Prospectus, in accordance with the requirements of Article (49) of the Rules on the Offer of Securities and Continuing Obligations. If the Company is informed at any time after the Prospectus publication date and prior to completion of the offering, of any of the following:

A significant change in material matters contained in this Prospectus.

The emergence of any significant issues that should have been included in this prospectus.

An investor who has subscribed to the new shares prior to the publication of the supplementary prospectus may cancel or modify its subscription to the shares prior to the end of the offering period.

## 13-8 The offer Suspension or cancellation

The Financial Market Authority may, at any time, decide to suspend the offer if it deems that it may breach the financial market system, its executive regulations, or the market rules. If the extraordinary general assembly does not approve any of the offer details, the offer shall be canceled.

## 13-9 Frequently asked questions about the enhanced mechanism for the tradable Preemptive Rights

### What are the Preemptive Rights?

Preemptive rights are tradable securities that give the holder the right to subscribe to newly issued shares when the capital is increased. It is an acquired right for all shareholders on the day of the Extraordinary General Assembly meeting regarding the capital increase, and they are registered in the company's shareholder registry at the end of the second trading day following the date of the Extraordinary General Assembly meeting. Each right entitles the holder to subscribe to one share at the offering price.

### Who is granted Preemptive Rights?

Preemptive rights are granted to all registered shareholders in the company's shareholder registry at the end of the second trading day following the Extraordinary General Assembly meeting.

### When are Preemptive Rights deposited?

After the Extraordinary General Assembly meeting approves the capital increase through the offering of Preemptive Rights. The preemptive rights are deposited as securities in the shareholders' portfolios in the company's shareholder registry at the end of the second trading day following the Extraordinary General Assembly meeting. The shares will appear in their portfolios under a new symbol specific to the preemptive rights. These rights or subscriptions are not allowed to be traded or subscribed to except at the beginning the two Trading and Subscription Periods.

### How is the investor notified of the deposit of the preemptive rights in their portfolio?

Notification is made through announcements on the trading platform, as well as through the (Tadawulaty) service provided by the Securities Depository Center and SMS messages sent by brokerage firms.

### How many preemptive Rights shall a registered shareholder receive?

The number depends on the proportion of the shareholder's ownership in the capital according to the company's shareholder registry at the end of the second trading day following the Extraordinary General Assembly meeting.

### What is the entitlement factor?

The factor that allows the registered shareholders to determine the number of the Preemptive Rights they are eligible for based on the shares they own at the end of the second trading day following the extraordinary general assembly meeting. This factor is calculated by dividing the number of new shares by the current number of company shares; therefore, the eligibility factor is approximately (0.75) right per every 1 share owned by the shareholder registered on the entitlement date. Accordingly, if a registered shareholder owns (1,000) shares on the entitlement date, they will be allocated seven hundred and fifty (750) rights in exchange for the shares he owns.

### Will the name and trading symbol of these rights be different from the name and trading symbol of the company's shares?

Yes, the acquired right will be added to investors' portfolios under the original share's name, with the addition of the term "Preemptive Rights" and a new symbol specific to these rights.

### What is the value of the right at the beginning of its trading?

The opening price of the right will be the difference between the closing price of the company's share on the day prior to the rights' listing and the offering price (right's indicative value). For example, if the closing price of the company's share on the previous day was (1) Saudi Riyal and the offering price is (50) halalas, then the opening price of the right will be (50) halalas.

#### Who is a registered shareholder?

A registered shareholder is any shareholder listed in the company's shareholder registry at the end of the second trading day following the Extraordinary General Assembly meeting.

#### Can registered shareholder subscribe for additional shares?

Yes, registered shareholders are allowed to subscribe to additional shares by buying new rights through the market during the Trading Period.

#### Is it possible to shareholder to lose their entitlement to obtain Preemptive Rights even if they are entitled to attend the Extraordinary General Assembly and vote on the capital increase by offering Preemptive Rights shares?

Yes, a shareholder may lose the subscription rights if it sells its shares on the day of the extraordinary general assembly meeting or the preceding business day.

#### What is the procedure for subscription?

The subscription process is carried out by submitting subscription requests through the investment portfolio on trading platforms where buy and sell orders are entered. Additionally, subscription can be done through any other means provided by the intermediary for investors and the share custodian.

#### Can the eligible person subscribe for new in excess of the Preemptive Rights owned by them?

No, the eligible individual cannot subscribe to more shares than the rights owned.

#### If the company shares are owned through multiple investment portfolios, which portfolio will the Preemptive Rights be deposited?

Preemptive Rights will be deposited in the same portfolio in which the corresponding shares of the company are deposited. For example, if a shareholder owns one thousand (1,000) shares in the company as follows: Eight hundred (800) shares in Portfolio (A) and two hundred (200) shares in Portfolio (B), the total Preemptive Rights will be deposited will be seven hundred and fifty (750) Rights, in consideration each share has (0.75) right. Accordingly, six hundred (600) rights will be deposited in Portfolio (A), and one hundred and fifty (150) Rights will be deposited in Portfolio (B).

#### Are holders of share certificates entitled to subscribe and trade?

Yes, the holders of share certificates are eligible to subscribe, however, they can only trade after depositing the certificates in electronic portfolios through the recipient companies or Securities Depository Center Company (Edaa) and provision of the necessary documents during the remaining Subscription Period.

#### Can an investor who purchased additional Preemptive Rights trade them again?

Yes, they have the right to sell them and purchase other Preemptive Rights during the Trading Period only.

#### Is it possible to sell a portion of the Preemptive Rights?

Yes, investors may sell a portion of the Preemptive Rights and use the remaining portion for subscription.

#### When can a shareholder exercise to the Preemptive Rights they purchased during the Trading Period?

After the settlement of the Preemptive Rights purchase (two business days), provided that subscription to the new shares take place during the Subscription Period.

#### Can Preemptive Rights holder sell or waive such Rights after expiry of the Trading Period?

No, it is not possible, after expiry of the Trading Period, the Preemptive Rights holder will only be able to exercise their right to subscribe for the new shares (or choose not to exercise such right). If Preemptive Rights are not exercised, investors may face the risk of incurring loss or witness a decrease in the value of their investment portfolio.

#### What happens to the unsold or unsubscribed to Preemptive Rights during the Trading and Subscription Period?

In the event that all of the new shares are not subscribed during the Subscription Period, the remaining new shares will be offered for subscription in a manner determined by the Lead Manager, and the compensation value (if any) for the right holders will be calculated after deducting the subscription price. It should be noted that the investor may not receive any compensation if the sale is made during the Rump Offering Period at the offering price.

#### Who has the right to attend the Extraordinary General Assembly meeting and vote on the company's capital increase through the offering of Preemptive Rights?

The registered shareholder in the company's shareholder registry at the end of the trading day following the Extraordinary General Assembly meeting has the right to attend the Extraordinary General Assembly meeting and vote on the company's capital increase through the offering of Preemptive Rights.

#### When will the share price be amended as a result of the company's capital increase by offering the Rights Issues?

The share price will be amended by the Exchange before the start of trading on the day following the Extraordinary General Assembly which approved the capital increase.

#### If an investor purchases securities on the day of the General Assembly meeting, are they entitled to the preemptive rights resulting from the capital increase?

Yes, as the investor shall be registered in the company's shareholder registry after two business days from the date of the share purchase (i.e., by the end of the second trading day following the Extraordinary General Assembly meeting). Knowing that preemptive rights shall be granted to all shareholders registered in the company's shareholder register at the end of trading on the second trading day following the Extraordinary General Assembly meeting. However, they will not have the right to attend or vote at the Extraordinary General Assembly meeting regarding the capital increase.

#### **If an investor has multiple portfolios with different brokerage firms, how will the rights be calculated for them?**

The investor's share will be distributed among the portfolios they own, based on the ownership percentage in each portfolio. If there are fractional shares, those fractions will be aggregated. If they reach a whole number or more, the whole number will be added to the portfolio where the investor holds the largest quantity of rights.

#### **What are the Trading and Subscription Periods?**

The Trading and Subscription of rights commence simultaneously after three business days following the approval of the Extraordinary General Assembly meeting, which includes the approval of the capital increase. Trading ends on the sixth day, while the Subscription Period continues until the ninth day, as stated in this prospectus and the company's announcements.

#### **Can subscriptions be made during the weekend?**

No, that is not possible.

#### **Can general investors who are not registered shareholders subscribe to Preemptive Rights?**

Yes, they can do so after purchasing the Preemptive Rights during the Trading Period.

#### **Will there be any additional fees for trading Preemptive Rights?**

The same commissions shall be applied to buying and selling transactions as they are for shares, without a minimum commission amount, provided that the maximum commission does not exceed fifteen and a half basis points (0.155%) of the total transaction value.

#### **If someone subscribes to the new shares and then sells the rights, what happens in this case?**

If a registered shareholder subscribes and then subsequently sells the preemptive rights, and the number of preemptive rights that are equivalent to the number of rights he subscribed for is not purchased before the end of the Trading Period, their subscription application shall be completely rejected if all or part of the rights are sold, and which are equivalent to the rights sold, The registered shareholder shall be notified, and the rejected subscription amount will be refunded through the shareholder's broker.

#### **Additional Assistance:**

If you have any further inquiries, please contact the company via email at: [skhair@anaamgroup.com](mailto:skhair@anaamgroup.com). For legal reasons, the company will only be able to provide the information contained in this prospectus and will not be able to provide advice regarding the underlying rationale for the rights issue or provide financial, tax, legal, or investment advice.

## **13-10 Decisions and approvals under which shares shall be offered**

The company board of directors recommended in its decision dated 28/10/1444H (corresponding to 18/05/2023 AD) to increase the company's capital through the issuance of Preemptive Rights with a value of two hundred and thirty-six million, two hundred and fifty thousand (236,250,000) Saudi Riyals. The purpose of this increase is to finance working capital, reduce borrowing rates, and support the company's future activities.

On \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD), the extraordinary general assembly of the company approved an increase in the company's capital through the issuance of Preemptive Rights ("Subscription"). The Subscription entails offering four hundred and seventy-two million, five hundred thousand (472,500,000) new ordinary shares at a subscription price of fifty (50) Halalas per share, with a nominal value of fifty (50) Halalas each. This aims to increase the company's capital from three hundred and fifteen million (315,000,000) Saudi Riyals to five hundred and fifty-one million, two hundred and fifty thousand (551,250,000) Saudi Riyals.

The Saudi Stock Exchange (Tadawul) approved the listing request for the new shares on Thursday 23/01/1445H (corresponding to 10/08/2023AD).

The publication of this prospectus and all supporting documents requested by the Authority was also approved on Monday 24/07/1445H (corresponding to 05/02/2024AD), as announced on the authority website.

## **13-11 Miscellaneous Terms**

The subscription request, along with all related conditions, terms, and undertakings, shall be binding and for the benefit of the parties, their successors, assigns, executors, trustees, and heirs. It is stipulated that, except as expressly specified in this prospectus, the subscription or any rights, interests, or obligations arising therefrom, shall not be waived; or delegated to any of the Parties referred to in this prospectus without the other Party's prior written consent.

These instructions and provisions, along with any receipts for subscription application forms or related contracts, shall be subject to and construed in accordance with the Kingdom Regulations. This prospectus shall be in both Arabic and English, in the event of any inconsistency between the Arabic and English texts, the Arabic text shall prevail.

## **13-12 Statement on Lock-up Arrangements Restricting the Disposal of Particular Shares**

There are no existing arrangements to restrict dealing in any shares.

## **13-13 Trading Restrictions on Preemptive Rights.**

No trading restrictions on Preemptive Rights.

## 14- Change in share price due to the capital increase

The company's share closing price on the extraordinary general assembly day for the capital increase is (\*\*) Saudi Riyal, and is expected to reach (\*\*) Saudi Riyal at the opening of the following day, the change represents a decrease of (\*\*%). If none of the registered shareholders in the company's shareholder registry at the Depository Center shall subscribe to the new shares by the end of the second day following the date of the Extraordinary General Assembly for the capital increase, it shall result in a decrease in their ownership percentage in the company.

Calculating the share price after the increase in capital is as follows:

### **First: Calculating the market value of the company at the close on the day of the Extraordinary General Assembly for the capital increase**

Number of shares at the end of the Extraordinary General Assembly for the capital increase x company share closing price on the day of the Extraordinary General Assembly for the capital increase = Market value of the company at the close on the day of the Extraordinary General Assembly for the capital increase.

### **Second: Calculating the share price at the opening of the day following the Extraordinary General Assembly meeting for the capital increase**

(The company's market value at the closing of the Extraordinary General Assembly Day for the capital increase + value of the offered shares) / (the shares number at the end of the Extraordinary General Assembly Day for the capital increase + number of shares offered for subscription) = the expected share price at the opening day following the extraordinary General Assembly Day for the capital increase.



## 15- Subscription Commitments

### 15-1 Brief on the Subscription Request and Commitments

Subscription can be done using trading platforms or through any other means provided by the broker for investors. The new shares shall be subscribed in one stage as follows:

1. During this period, all registered shareholders and new investors shall have the opportunity to subscribe to the new shares.
2. Registered shareholder shall subscribe directly to the number of its shares or less during the Subscription Period. In the event of acquiring new rights, it shall subscribe to them after the settlement period (two business days) has ended.
3. New investors will be able to subscribe to the new shares immediately after settling the rights purchase process (two business days).
4. The subscription shall be made electronically through the investment portfolio on the trading and applications platforms through which the purchase and sale orders shall be entered in addition to subscription through other channels and methods provided by the broker. Approval for subscription will only be granted for the number of new shares eligible under the existing Preemptive Rights in the investment portfolio.

Each of the Preemptive Rights shall grant the holder the right to subscribe to one new share, at the offering price. The new shares subscriber hereby acknowledges:

- ▶ Acceptance of all the subscription terms and conditions contained in this prospectus.
- ▶ Carefully reading, studying and understanding the prospectus and its content.
- ▶ Acceptance of the company bylaws.
- ▶ Undertaking not to cancel or modify the subscription request after its execution.

### 15-2 Allocation Processes

Preemptive Rights will be allocated to the eligible individual based on the number of rights exercised correctly and in full. As for those entitled to the fractional share, these shares will be aggregated and offered to the Institutional Investors during the Rump Offering Period. The total price of the Rump Shares will be paid to the company and the proceeds from the sale of the Rump Shares and fractional shares (exceeding the offer price) shall be distributed to those entitled to, each according to their entitlement, by no later than \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD). In case there are Rump Shares not subscribed to after that date, the underwriter shall purchase those Rump new shares and they shall be allocated to it.

Eligible individual shall contact the intermediary through whom they subscribed to obtain any additional information. The allocation results will be announced no later than \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*AD).

### 15-3 Saudi Stock Exchange (Tadawul)

Tadawul system was established in 2001 as an alternative system to the Electronic Securities Information System, and the electronic stock trading began in the Kingdom in 1990. The trading process is carried out through an integrated electronic system starting from the execution of the transaction and ending with its settlement. Trading takes place every working day of the week from Sunday to Thursday during a single period from 10:00 a.m. to 3:00 p.m., during which orders are executed. Outside these hours, orders may be entered, modified or cancelled from 9:30 am to 10:00 a.m.

Trades are executed through an automated order-matching system, and the priority of orders is determined and matched based on the price. Generally, market orders are executed first, representing orders with the best prices, followed by the fixed-price orders. In the case of multiple orders entered at the same price, they are executed based on the order entry time.

Tadawul system distributes a comprehensive range of information through various channels, the prominent one is Tadawul website. Market data is instantly provided to well-known information providers such as (Reuters). Trades are automatically settled within two business days (T+2).

The company shall be required to disclose all important decisions and information for investors through "Tadawul". Tadawul is responsible for monitoring the market to ensure fair trading and market efficiency.

### 15-4 Trading the company shares in the Saudi stock market.

A request has been submitted to the authority for the registration and offering of Preemptive Rights in the Saudi stock market. Additionally, a request has been made to the Saudi Stock Exchange "Tadawul" for their listing. This prospectus has been approved and all requirements have been fulfilled.

Registration is expected to be approved and trading in Preemptive Rights in the Saudi stock market shall commence after the completion of the Preemptive Rights final allocation, which will be announced in a timely manner on Tadawul website. The dates mentioned in this prospectus are preliminary and may be changed with the approval of the Capital Market Authority.

Despite the fact that the existing shares are listed on the Saudi stock market and the company shares are traded on the Saudi stock exchange "Tadawul", trading in the new shares is only allowed after the final shares allocation is approved and deposited into the portfolios of subscribers. Trading in new shares is strictly prohibited before the allocation process is approved.

The subscribers and offerors in the Rump Offering, who engage in these prohibited trading activities bear full responsibility for such actions, the company shall not assume any legal liability in this regard.

## 16- Documents for review

The following documents shall be available for review at the company headquarters in Jeddah during the official working hours (8:00 am to 5:00 pm) 14 days prior to the extraordinary General Assembly meeting for the capital increase and shall remain available for review until the end of the offering:

### Incorporation and company regulations related Documents

- › The company Commercial Registration Certificate.
- › The company statutes.
- › The company Article of Association.

### Approvals related to the increased capital shares

- › Board of Directors' resolution recommending the increase in capital.
- › Board of Directors' resolution to amending the recommendation to the capital increase.
- › Conditional approval from the Saudi Stock Exchange (Tadawul) for listing of the Preemptive Rights.
- › Capital Market Authority approval for the offering of the Preemptive Rights.
- › Resolution of the Extraordinary General Assembly regarding the capital increase issued on \*\*/\*\*/1445 H (corresponding to \*\*/\*\*/2024 AD).

### Reports, correspondences, and documents

- › Underwriting Agreement and Subscription Management Agreement.
- › Written approvals by the financial adviser, Lead Manager, and underwriter, as well as the legal advisor, for the use of their names, logos, and statements in the offering prospectus.
- › Written approvals by chartered accountants for the use of their name and logo in the offering prospectus.
- › Feasibility studies for packaging, auto parts, food products, and warehouse sectors, which shall be funded from subtraction proceeds