

## Rights Issue Prospectus

### Anaam International Holding Group

Anaam International Holding Group (Anaam) is a Saudi public joint stock company established under Commercial Registration No. 4030035073 issued on 07/09/1402H (corresponding to 29/6/1982G).

## مجموعة أنعام الدولية القابضة Anaam International Holding Group



Trading period: starting on Monday 22/10/1443H (corresponding to 23/05/2022G) and ending on Monday 29/10/1443H (corresponding to 30/05/2022G)

Subscription period: starting on Monday 22/10/1443H (corresponding to 23/05/2022G) and ending on Thursday 03/11/1443H (corresponding to 02/06/2022G)

Offering twenty-one million (21,000,000) ordinary shares at an offer price of ten (10) Saudi riyals per share, by issuing rights shares with a total value of two hundred and ten million (210,000,000) Saudi riyals. The increase in the capital is represented by (200%) so that the company's capital will be (315,000,000) Saudi riyals.

Anaam International Holding Group (hereinafter referred to as the "Company", "Group" or "Anaam Group") is a Saudi public Joint Stock company registered with the Ministry of Commerce under Commercial Registration No. 4030035073 issued from the city of Jeddah on 07/09/1402H (corresponding to 29/06/1982G). The head office of the company is located in the city of Jeddah - Petromin District - Al Mahjar General Street, PO Box 6352, Jeddah 21442, Kingdom of Saudi Arabia, and the current capital of the company is one hundred and five million (105,000,000) Saudi Riyals, divided into ten million five hundred thousand (10,500,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, fully paid in value (referred to individually as the "current share" and collectively as the "existing shares" as at the date of this Prospectus, there are no major shareholders in the company (those who own 5% or more of the company's shares).

The company's board of directors, in its meeting held on (26/06/1442H) corresponding to 08/02/2021G, recommended increasing the company's capital by offering rights shares in the amount of two hundred and ten million (210,000,000) Saudi riyals. This is after obtaining the necessary statutory approvals and the approval of the extraordinary general assembly.

On the date of Tuesday 16/10/1443H corresponding to (17/05/2022G), the company's extraordinary general assembly approved the increase of the company's capital through the issue of rights shares. The subscription consists of an offering of twenty one million (21,000,000) shares (a new ordinary share) referred to as "rights issue shares" or "new shares" (at an offer price of (10) ten Saudi riyals per share) and referred to as "offering". And with a nominal value of (10) ten Saudi riyals, in order 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, and to increase the number of shares from ten million five hundred thousand (10,500,000) ordinary shares to thirty one million five hundred (31,500,000) ordinary shares, after obtaining all necessary regulatory approvals.

Rights will be issued as tradable securities (referred to collectively as "Rights" and individually as "Priority Right") to the shareholders owning the shares at the end of trading on the day of the Extraordinary General Assembly including the approval of the capital increase. (referred to as the "Eligibility Date") and those registered in the company's shareholders register at the Depository Center at the end of the second trading day following the day of the Extraordinary General Assembly including the approval of the capital increase on Tuesday 16/10/1443H corresponding to (17/05/2022G) (referred to collectively as "Restricted Shareholders" and individually as "Restricted Shareholder") provided that those rights shall be deposited in the registered shareholders' portfolios after convening the Extraordinary General Assembly, taking into account the non-settlement procedures of the number of (2) rights for each (1) of the company's shares, and each right gives the holder the right to subscribe to (2) new shares at the offering price.

The Registered Shareholders and other general investors (referred to as "New Investors") - who are permitted to trade in the Rights and subscribe to the New Shares - will be able to trade and subscribe in rights issue shares in the Saudi stock market (referred as the "Trading" or "Market"). The trading period and the subscription period start on Monday 22/10/1443H (corresponding to 23/05/2022G) (provided that the trading period ends Monday 29/10/1443H (corresponding to 30/05/2022G) (referred to as the

"Trading Period"), while the subscription period continues until Thursday 03/11/1443H (corresponding to 02/06/2022G) and referred to as the "Subscribing Period", it should be noted that the trading period and the subscription period will start on the same day while the trading period will continue 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. The registered shareholders will be able to trade the rights during the trading period, by selling the acquired rights or part of them, or buying additional rights through the market. They also have the right not to take any action regarding the rights they have. In addition, New Investors will be able to buy and sell the Rights during trading period through the Market.

Subscription to the new shares will be made in a single phase according to the following:

- 1- During this period, all registered shareholders and new investors will be able to subscribe to the new shares.
- 2- The registered shareholder will be able to directly subscribe to the number of his shares or less than the number of his shares during the subscription period, and in case he purchases new rights, he will be able to subscribe to them after the end of the settlement period (two working days).
- 3- New investors will be able to subscribe to the new shares directly after the settlement of the rights purchase (two working days).
- 4- Subscription will be made electronically through the investment portfolio in the trading platforms and applications through which buy and sell orders are entered, in addition to subscribing to the other channels and means available to the broker.

In the event that shares remain unsubscribed after the end of the subscription period (referred to as the "Rump Shares"), then those shares will be offered to a number of institutional investors (referred to as the "Investment Institutions") and referred to the offering process as "Rump Offering". These investment institutions will submit their offers to buy the rump shares, and these offers will be received starting at ten o'clock in the morning on Tuesday 08/11/1443H corresponding to (07/06/2022G) (until five o'clock in the evening of Wednesday 09/11/1443H corresponding to (08/06/2022G) (referred to as the "Rump Offering Period") and the rump shares will be allotted for investment institutions with a higher offer and then a lower offer (provided that it is not less than the offer price), provided that the shares are allotted proportionally to the investment institutions that offer the same offer. As for the fractional shares, they will be added to the rump shares and treated in the same way, and the total offering price collected from the company's rump offering process will be paid, and the rest of the proceeds of the offering will be distributed Without calculating any fees or deductions (in excess of the offering price) to those who are entitled to them, each according to what he is entitled to at a maximum date Sunday 11/12/1443H corresponding to (10/07/2022G).

In the event that the investment institutions do not subscribe to all the rump shares and the fractional shares, the rump shares will be allotted to the underwriter, who will purchase them at the offer price (kindly refer to section (14) "Subscription Terms, Conditions and Instructions". The final allotment will be announced no later than Monday 14/11/1443H corresponding to (13/06/2022G) (referred to as the "Allotment Date") (Please refer to Section (14) "Subscription Terms, Conditions and Instructions"). After the completion of the subscription process, the company's capital will become two hundred and ten million (210,000,000) Saudi riyals, divided into twenty-one million (21,000,000) ordinary shares. The net proceeds from the offering, after deducting the subscription expenses, will be used to finance working capital, investing in real estate assets,

and owning stakes in privately owned companies (please refer to Section 8) ("Use of Proceeds"). It does not give any share to its holder preferential rights. The new shares will be fully paid up and exactly equal to the existing shares. Each share gives its holder the right to one vote, and each shareholder in the company (referred to as (the shareholder) has the right to attend and vote at the meeting of the general assembly of shareholders (referred to as the "General Assembly") (whether the ordinary or extraordinary). The owners of the new shares will be entitled to any dividends declared by the company after the date of their issue (if any).

On (21/03/1403H) corresponding to 27/12/1982G The company was converted into a public shareholding in accordance with the Minister of Commerce Resolution No. 856, with a capital of 500 million Saudi riyals divided into 5 million ordinary shares, the value of each share being 100 Saudi riyals, and it was listed in the Saudi Exchange "Tadawul" in 1994G. On 26/10/1415H (corresponding to 27/03/1995G), the Extraordinary General Assembly approved increasing the company's capital from 500 million Saudi riyals to 1,200 million Saudi riyals by merging the Nasser Muhammed Al-Mukarish company in the company with a total number of 12 million shares and a par value of 100 riyals per share. On 06/09/1428H (corresponding to 18/09/2007G), the company's extraordinary general assembly decided to reduce the company's capital from 1,200 million Saudi riyals to 109 million Saudi riyals, with a 90.92% reduction in the company's capital. On 12/12/1433H (corresponding to 07/11/2012G), the company's extraordinary general assembly decided to approve the increase of the company's capital from 109 million Saudi riyals to 196 million Saudi riyals by issuing rights shares of 8,7 million ordinary shares with a nominal value of 10 Saudi riyals per share, bringing the total shares of the company to 19.6 million ordinary shares. On 05/05/1441H (corresponding to 31/12/2019G), the Extraordinary General Assembly approved reducing the company's capital from 196 million Saudi riyals to 15 million Saudi riyals, in order to offset the accumulated losses, with a decrease of 92.35% of the company's capital. On 10/03/1442H (corresponding to 27/10/2020G), the Extraordinary General Assembly agreed to increase the company's capital from 15 million Saudi riyals to 105 million Saudi riyals by issuing rights issue shares of 9 million shares with an increase in capital by 600%.

The company's existing shares are currently being traded on the Saudi Exchange ("Tadawul" or "the Market"). The company has submitted an application to the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") to register and offer the new shares. All the required documents have been submitted, all the requirements of the relevant authorities have been met, and this prospectus has been approved. It is expected that the new shares will start trading in the market soon after the process of allocating the new shares and returning the surplus (please refer to page No. (xvii) "Key Dates and Subscription Procedures"). The citizens of Saudi Arabia and residents will be allowed for Gulf Cooperation Council, companies, banks, Saudi investment funds, companies and Gulf institutions and foreign investors outside the Kingdom) through swap agreements or as qualified investors (trading in new shares after they are included and beginning in the market. The qualified foreign investor and the approved client will be able to trade in the company's shares according to the rules regulating the investment of qualified foreign financial institutions in the listed shares. The company submitted an application to register and offer the new shares to the CMA and submitted an application to the Saudi Exchange "Tadawul" to accept the listing of the new shares, and all the requirements were fulfilled.

You should read this prospectus in its entirety and study the "IMPORTANT NOTICE" sections on page (d) and section (2) "Risk Factors" contained in this Prospectus before making an investment decision regarding their new rights or shares.

#### Financial Advisor



#### Lead Manager



#### Underwriter



The offering of priority rights shares under this prospectus is contingent on the shareholders' approval to increase the capital in accordance with the recommendation of the Board of Directors and the company obtaining statutory approvals. An invitation to the extraordinary general assembly of the company to approve the issuance of rights shares has been published on Monday 24/09/1443H (corresponding to 25/04/2022G), and the shareholders should note that if the shareholders' approval is not obtained for the offering of rights issue shares, the issue of rights issue shares will stop automatically, and at that time this prospectus will be considered Void and shareholders will be notified accordingly.

This Prospectus includes information provided in the application for listing and offering of securities in accordance with Rules on the Offer of Securities and Continuing Obligations issued by Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority" or "CMA"), and the application for listing of securities in compliance with the listing rules of Tadawul. The members of the Board of Directors whose names appear on page (iv) jointly and individually bear full responsibility for the accuracy of the information contained in this prospectus, and they confirm to the best of their knowledge and belief, after conducting all possible studies and to the extent Reasonably, that there are no other facts whose failure to include in the prospectus would make any statement contained therein misleading. The Authority and Tadawul do not take any responsibility for the contents of this Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

"This unofficial English language translation of the official Arabic language Prospectus is provided for information purposes only. The Arabic language Prospectus published on the CMA's website (www.cma.org.sa) remains the only official, legally binding version and shall prevail in the event of any conflict between the two texts".

This prospectus was issued on 14/08/1443H (corresponding to 17/03/2022G).

مجموعة أنعام الدولية القابضة  
Anaam International Holding Group





## IMPORTANT NOTICE

This prospectus (the “**Prospectus**”) contains full details of the Company and of the rights issue shares offered for subscription. When applying for new shares, investors will be treated on the basis that their applications are based on the information contained in this prospectus, a copy of which can be obtained from the company’s head office and from the Lead Manager or by visiting the websites of each of the company ([www.anaamgroup.com](http://www.anaamgroup.com)), the financial advisor ([www.wasatah.com.sa](http://www.wasatah.com.sa)) and the website of the Capital Market Authority ([www.cma.org.sa](http://www.cma.org.sa)).

The prospectus will be published and made available to the public within a period of no less than (14) days before the date of the extraordinary general assembly for the capital increase. In case that the Extraordinary General Assembly does not approve within six months from the date of the Authority’s approval of the registration and offering of rights, the Authority’s approval shall be considered null. The Company has appointed Al Wasatah Al Maliah (“**Wasatah Capital**”) as the financial advisor (the “**Financial Adviser**”) and Al Nefae Group Company as the Lead Manager (“**The Lead Manager**”). The company has also appointed Al Wasatah Al Maliah (“**Wasatah Capital**”) to act as the underwriter in connection with the offering of rights issue shares to increase the company’s capital under this prospectus.

This Prospectus includes information given in compliance with the Rules on the Offer of Securities and Continuing Obligations issued by CMA. The members of the Board of Directors whose names appear on page (iv) collectively and individually bear full responsibility for the accuracy of the information contained in this prospectus, and they confirm, to the best of their knowledge and belief, after conducting possible studies and to a reasonable extent, that there are no other facts whose failure to include them in the this prospectus makes any statement therein misleading. The Capital Market Authority and Tadawul assume no responsibility for the contents of this prospectus, do not give any assurances regarding its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss resulting from what is contained in this prospectus or from reliance on any part of it.

Although the company has carried out all reasonable studies to investigate the validity of the information contained in this prospectus on the date of its issuance, part of the information contained in this prospectus was obtained from external sources, although neither the company nor any of its directors or members have its Board of Directors or the financial advisor or any of the company’s advisors whose names appear on page (vi) (the “**Advisors**”) have any reason to believe that this information is inaccurate in substance, except that this information has not been independently verified, and therefore no obligation can be made or a statement regarding the accuracy or completeness of such information.

The information included in this prospectus as on the date of its issuance is subject to change, especially that the financial position of the company and the value of the subscription shares may be negatively affected as a result of future developments such as inflation factors, interest rates, taxes or other economic and political factors or other factors outside the control of the company (Please see section (2) “**Risk Factors**”). Neither the presentation of this prospectus nor any oral or written information relating to the Offer Shares shall be construed, interpreted, or relied upon , in any way, as a promise, confirmation or acknowledgment of the realization of any future revenues, results or events.

This Prospectus should not be regarded as a recommendation by the Company or any of its directors or its Advisers, to participate in the subscription process to the Right issue shares. The information in this prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial position or special investment needs. Prior to making an investment decision, each recipient of this Prospectus shall obtain independent professional advice from a financial adviser licensed by CMA in relation to subscribing for the New Shares in order to assess the appropriateness of investment opportunity and information herein, with regard to the recipient’s respective objectives, financial positions, and needs.

Registered Shareholders and other common investors (“**New Investors**”) who may trade in Rights and subscribe to New Shares will be able to trade and subscribe to rights issue shares in Tadawul. The trading period and the subscription period start on Monday 22/10/1443H (Corresponding to 23/05/2022G), provided that the trading period ends on 29/10/1443H (Corresponding to 30/05/2022G) (the “**trading period**”), while the subscription period continues until the end of the day Thursday 03/11/1443H (Corresponding to 02/06/2022G) (“**Subscription Period**”). It is important to note that the Trading Period and the Subscription Period will start on the same day while the Trading Period continues until the end of the sixth day of the period, and the Subscription Period continues until the end of the ninth day of the same period.

Registered shareholders will be able to trade the rights during the trading period by selling the acquired rights or part of them or buying additional rights through the market, and new investors during the trading period will be able to buy rights through the market and sell the rights that are purchased during the trading period. Subscription to the new shares will be available in one phase, according to the following:

1. During this period, all Registered Shareholders and New Investors will be allowed to subscribe to the New Shares.
2. The Registered Shareholder will be entitled to subscribe directly to the number of his / her shares or less than the number of his / her shares during the Subscription Period. In the event that he purchases new rights, he will be able to subscribe to them after the end of the settlement period (two working days).



3. New investors will be able to subscribe to the new shares immediately after settling the purchase of rights (two working days).
4. Subscription will be made available electronically through the investment portfolio in the trading platforms and applications through which buy and sell orders are entered, in addition to subscribing to the channels and other means available to the broker.

If any shares remain unsubscribed after the end of the Subscription Period (“**Rump Shares**”), they will be offered to a number of institutional investors (“**Institutional Investors**”) (referred to as “**Rump Offering**”). These investment institutions submit their offers to purchase the rump shares, and those offers will be received starting from ten in the morning on Tuesday 08/11/1443H (Corresponding to 07/06/2022G) until five in the evening From the following day Wednesday 09/11/1443H (Corresponding to 08/06/2022G) (the “**Rump Offering Period**”). The Rump Shares shall be allocated to Institutional Investors in order of the offered price starting with the highest offer until all of the Rump Shares have been allocated (provided that the price shall not be less than the Offer Price). The Rump Shares shall be allocated on a pro-rata basis among Institutional Investors that provided offers at the same price. As for the fractional shares, they will be added to the rump shares and treated reciprocally, and the total offering price collected from the rump offering process will be paid to the company and the rest of the proceeds from the offering process (if any) (in excess of the offering price) will be distributed to the beneficiaries, each according to what he is entitled to, at a maximum date Sunday 11/12/1443H (Corresponding to 10/07/2022G). Note that the investor who did not subscribe or sell his rights, and the owners of fractional shares, may not receive any consideration if the sale takes place during the rump offering period at the offering price.

In the event that investment institutions do not subscribe to all the rump shares and fractions of shares, the rump shares will be allocated to the underwriter, who will purchase them at the offering price (please refer to section (14) “**Subscription Terms, Conditions and Instructions**”). The final allocation process will be announced no later than Monday 14/11/1443H (Corresponding to 13/06/2022G) (“**Allocation Date**”) (please refer to Section 14) “**Subscription Terms, Conditions and Instructions**”).

The offering of priority shares under this prospectus is subject to the approval of the shareholders, and the invitation to convene an extraordinary general meeting of the company to approve the issuance of rights issue shares will be published on Monday 24/09/1443H (Corresponding to 25/04/2022G) Investors should note that if the shareholders’ approval at that meeting is not obtained for the rights issue shares, the issue of rights issue shares will stop, and this prospectus will be immediately void, and the shareholders will be notified of that.



## Financial Information

The company's audited consolidated financial statements for the fiscal year ending on December 31, 2018G, December 31, 2019G, December 31, 2020G and the first quarter of 2021G and the notes attached thereto have been prepared in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and the standards and other issuances approved by The Saudi Organization The Saudi Organization for Certified Public Accountants (SOCPA). The company's financial statements for the financial year ended on December 31, 2018G were reviewed and audited by Dr. Mohamed Al-Omari Company - Chartered Accountants, Consultants and Partners, and the financial years ended on December 31, 2019G and December 31, 2020G and the first quarter of 2021G by Dr. Abdel Qader Company United Accountants. The company issued its financial statements in Saudi riyals.

## Forecasts and Forward-looking Statements

The forecasts included in this Prospectus have been prepared on the basis of specific and stated assumptions, and future operating conditions may differ from those assumptions, and therefore, there is no guarantee or representation as to the accuracy or completeness of any such forecast. The company confirms that the statements contained in this prospectus were made based on the necessary professional care. Some of the expectations contained in this prospectus are "**forward statements.**" These future statements are inferred by the use of words such as "plan", "estimate", "believe", "expect", "may", "will", or "should". or "to be expected", "will be", "estimated", or negations of these and other terms that are similar or similar in meaning. These statements reflect the Company's current view of future events but are not a guarantee of future performance.

Also, there are many factors that may affect the actual performance, achievements or results achieved by the company and lead to their difference significantly from what was explicitly or implicitly expected in the mentioned future statements. Some risks or factors that could lead to such an effect have been reviewed in more detail in Section No. (2) "**Risk Factors**" of this Prospectus. In the event that one or more of these risks or uncertainties are realized, or any of the assumptions that were relied on are proven to be incorrect or inaccurate, the actual results may differ materially from those described in this prospectus.

Taking into account the requirements of the rules for offering securities and continuing obligations, the company is obligated to submit a supplementary prospectus to the Capital Market Authority if it becomes aware at any time after the date of publication of the prospectus and before the completion of the offering of any of the following: 1- There is a significant change in material matters contained in the prospectus; or any document required under the Rules on the Offer of Securities and Continuing Obligations, or 2- the emergence of any important issues that should have been included in the prospectus. With the exception of the two cases mentioned, the company does not intend to update or amend any information about the sector or market or statements of future expectations contained in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the events and circumstances of the future expectations contained in this Prospectus may not occur as expected by the Company, or may not occur at all. Accordingly, Eligible Persons must study all future expectations in the light of these clarifications, and not rely primarily on these statements.



## Company's Directory

### Board Members

Board Members										
Name	Position	Nationality	Age	Membership status	Membership date <sup>***</sup>	Representation/ Name of repre- sentative	Owned Shares <sup>*</sup>			
							Direct <sup>**</sup>	Indirect	Total	Percentage
Mohamed Abdel Rahman Saleh Attar	Chairman	Saudi	68	Non-executive / independent	28/11/2021G	--	6,759	--	6,759	0.06%
Mr. Hassan Saad Farhan Al Yamani	Vice Chairman - Managing director	Saudi	63	Executive / non-independent	28/11/2021G	--	29,837	--	29,837	0.28%
Dr. Walid Jamil Kattan	Member	Saudi	64	Non-executive / non-independent	28/11/2021G	--	1,603	--	1,603	0.015%
Raied Mohammed Abdullah Katy	Member	Saudi	47	Non-executive / non-independent	28/11/2021G	--	132	--	132	0.001%
Khalid bin Waheeb Muhammad Mglad	Member	Saudi	59	Non-executive / independent	28/11/2021G	--	25	--	25	0.0002%
<b>Total</b>							<b>38,331</b>	<b>--</b>	<b>38,331</b>	<b>0.3562%</b>

Source: The Company

\* Owned shares by board members, directly or indirectly, through their ownership in companies owning shares in the company or shares owned by relatives of members

The Board of Directors, either directly or through their ownership in companies that own shares in the company

\*\* Board members have no indirect ownership in the company.

\*\*\* The Company's Ordinary General Assembly, in its meeting held on 17/04/1443H (Corresponding to 28/11/2021G), agreed to elect the members of the Board of Directors whose names were mentioned above for membership of the Board of Directors starting from the date of 28/11/2021G and for a period of three Gregorian years until Date of 27/11/2024G.



#### Address of Company

Anaam International Holding Group  
P.O. Box 6352, Jeddah 21442  
Jeddah, Petromin District, Al Mahjar General Street  
Kingdom of Saudi Arabia  
Tel: +966 (12) 635 7007  
Fax: +966 (12) 635 7006  
Website: www.anaamgroup.com  
Email: info@anaamgroup.com

مجموعة أنعام الدولية القابضة  
Anaam International Holding Group



#### First Authorized Company Representative

Hassan Saad Farhan Al Yamani  
Board Member and CEO  
Petromin District, Al Mahjar General Street  
P.O. Box 6352, Jeddah 21442  
Kingdom of Saudi Arabia  
Tel: +966 (12) 635 7007 Ext.: 400  
Fax: +966 (12) 635 7006  
Email: hyamani@anaamgroup.com

#### Second Authorized Company Representative

Raied Mohammed Abdullah Katy  
Board member  
Industrial Area  
P.O. Box 122469, Jeddah 21332  
Kingdom of Saudi Arabia  
Tel: +966 (12) 669 9713 Ext.: 450  
Fax: +966 (12) 635 7006  
Email: kraied@anaamgroup.com

#### Stock market

Saudi Exchange Company (Tadawul)  
King Fahad Road, Al Ulaya 6897  
Unit no.: 15  
Riyadh 12211-3388  
Kingdom of Saudi Arabia  
Tel: +966 920 001 919  
Fax: +996 (11) 218 9133  
Email: csc@saudiexchange.sa  
Website: www.saudiexchange.sa





## Advisors

### Financial advisor and underwriter

Al Wasatah Al Maliah (Wasatah Capital)  
Riyadh - Olaya Main Street  
P.O. Box 50315, Riyadh 11523  
Kingdom Saudi Arabia  
Tel: +966 (11) 494 4067  
Fax: +966 (11) 494 4205  
Website: www.wasatah.com.sa  
Email: info@wasatah.com.sa



### Lead Manager

Al Nefae Investment Group Company  
Jeddah - Tahlia Street - Hamran Center  
P.O. Box 17381 Riyadh 21484  
Kingdom Saudi Arabia  
Tel: +966 (12) 665 5071  
Fax: +966 (12) 665 5723  
Website: www.nefae.com  
Email: info@nefaie.com



### Legal advisor

AlSaleh & AlSahli Law Firm  
King Abdullah Road, Al Wurud District  
P.O. Box 90549 Riyadh 11623  
Kingdom Saudi Arabia  
Tel: +966 (11) 205 4555  
Fax: +966 (11) 205 4222  
Website: www.ssfirm.com.sa  
Email: corporate@ssfirm.com.sa



Disclaimer: All the above-mentioned parties have given their written consent to refer to their names, logos and statements in the context mentioned in this prospectus, and that consent has not been withdrawn as on the date of this prospectus.





Company's auditor for the financial year ending on December 31, 2018G.

Dr. Muhammad Al-Omari & Partners Company - Chartered Accountants and Consultants

Al Aziziyah District - Al Madinah Road - opposite the Emirate of Makkah  
Al Mukarramah Region

P.O. Box 784, Jeddah 21421

Jeddah-Saudi Arabia

Tel: +966 (12) 283 0112

Fax: +966 (12) 661 2788

Website: www.alamri.com

Email: info@alamri.com



الدكتور محمد العمري وشركاه

Dr. Mohamed Al-Amri & Co.

Company's auditor for the financial years ending on December 31, 2019G, 2020G and the first quarter of 2021G.

Dr. Abdelkader Mohamed Banga & Partners Company - Allied Accountants - Chartered Accountants and Auditors

Jeddah - Hail Street

P.O. Box 6659 Riyadh 21452

Kingdom of Saudi Arabia

Tel: +966 (12) 653 4021

Fax: +966 (12) 657 8957

Website: www.rsmksa.com

Email: info@rsmksa.com



Disclaimer: The above-mentioned auditors of the company have provided their written consent to refer to their names, logos and statements in the context mentioned in this prospectus, and those approvals have not been withdrawn as on the date of this prospectus.



## Summary of the Offer

Investors wishing to subscribe to the offered shares should carefully read this entire Prospectus before making their decision whether to subscribe to the rights or not, as the summary of the offer is insufficient for making an investment decision. Below is the summary of the Offering:

<b>The issue's name, description and information about its establishment</b>	<p>Anaam International Holding Group, a Saudi joint stock company, was established under Commercial Registration No. 4030035073 issued by the city of Jeddah on 7/9/1402H (Corresponding to 29/6/1982G). The company's head office is located in Jeddah - Petromin District - Al Mahjar General Street, P.O. Box 6352, Jeddah 21442, Kingdom of Saudi Arabia.</p> <p>The company was established in the year 1401H (1980G) under the trade name (The Saudi Livestock Transport and Trading Company), and on 26/10/1415 AH (Corresponding to 27/03/1995 AD) the (Extraordinary) General Assembly approved the merging of (Nasser Al-Mohammed Al-Mukarish) Company in the company. Accordingly, the name of the company was changed from (The Saudi Company for Livestock Transport and Trade) to become (United Al Mawashi Al Mukarish Company).</p> <p>On 26/11/1427H (Corresponding to 12/17/2006G), the (Extraordinary) General Assembly of the shareholders approved the amendment of the company's name from (Al Mawashi Al Mukarish United Company) to (Anaam International Holding Group).</p>
<b>Issuer activity</b>	<p>The company's activities, as in the commercial registry, are represented in managing other companies in which it contributes, providing the necessary support for them, investing their money in shares and other securities, owning real estate and movables necessary to carry out its activities, and providing loans, guarantees and financing for its subsidiaries.</p> <p>The company owns stakes directly and indirectly in a number of companies inside the Kingdom of Saudi Arabia. The details of the activities of these companies are as follows:</p> <ul style="list-style-type: none"><li>• <b>Anaam International Food Company:</b> The company's activity is represented in the retail sale of slaughtered poultry, the retail sale of frozen meat and poultry, refrigerated food stores, and frozen food stores.</li><li>• <b>Anaam International Investment Company:</b> The company's activity is represented in the purchase and sale of land and real estate, its division and off-plan sales activities.</li><li>• <b>Saudi Refrigeration Company:</b> The company's activity is represented in wholesale trade in foodstuffs: dairy, dairy, dairy products, meat, fish, birds, oils, industrial margarine, sweets, candy, vegetables and fruits.</li><li>• <b>Anaam International Financial Company:</b> The company's activity is represented in the wholesale sale of chemical and laboratory equipment and supplies, retail trade in personal goods in large markets, the purchase and sale of land and real estate and its division and off-plan sales activities.</li><li>• <b>Anaam International Agricultural Company:</b> The company's activity is represented in wholesale trade in agricultural crops "wheat - grains - rice, corn, millet - sugar dates - vegetables and fruits".</li></ul>
<b>Substantial Shareholders</b>	Those who hold more than 5% of the company's shares. There is no shareholder of more than 5% of the company's shares until the date of publication of this prospectus.
<b>Nature of the Offering</b>	Increasing the Company's capital by issuing Rights Shares.
<b>Purpose of the Offering</b>	The company aims to increase the capital by issuing rights issue shares in order to finance working capital and investment in the health care sector, in addition to expanding the activity of warehouses and storing to serve the company's plan to grow and diversify its investments (for more information, please see section (8) "Use of Proceeds" from this prospectus).
<b>Total number of company shares outstanding and issued before offering</b>	Ten million five hundred thousand (10,500,000) ordinary shares.
<b>Nominal Value Per Share</b>	Ten (10) Saudi riyals per share.
<b>Company's Capital Prior to the Offering</b>	One hundred and five million (105,000,000) Saudi riyals.
<b>The total number of new shares offered for subscription</b>	Twenty one million (21,000,000) ordinary shares.
<b>Offering price</b>	Ten (10) Saudi riyals per share.
<b>Total value offering</b>	Two hundred and ten million (210,000,000) Saudi riyals.
<b>Adjusted price</b>	The company's share price in the financial market has been adjusted to (32.60) Saudi riyals per share, prior to the trading day following the day of the extraordinary general assembly meeting for the capital increase, and this represents a decrease in the share price by (45.2) Saudi riyals per share.
<b>Registered Shareholders</b>	Shareholders who own shares at the end of trading on the day of the extraordinary general assembly meeting for the capital increase and who are registered in the company's shareholders register at the Depository Center at the end of the second trading day following the extraordinary general assembly on Wednesday 17/10/1443H (Corresponding to 18/05/2022G)
<b>New Investors</b>	General individual and institutional investors - other than the registered shareholders - who purchased the rights during the trading period.



<b>Target Investors</b>	Restricted shareholders and new investors.																		
<b>Rights</b>	They are tradable securities that give their holder the right to subscribe to new shares after approving the capital increase, and it is an acquired right for all registered shareholders. The Rights may be traded during the Trading period. Each right entitles its holder to subscribe for one share of the new shares at the offer price. Rights will be deposited in registered shareholders' portfolio after the Extraordinary General Assembly for the capital increase has convened. These rights will appear in the Registered Shareholders' portfolios under a new priority right-related symbol.																		
<b>New Shares</b>	Twenty one million (21,000,000) ordinary shares, which will be issued as a result of the capital increase.																		
<b>Eligibility factor</b>	Each registered shareholder is granted (2) a right for approximately every (1) one share he owns, and this coefficient is the result of dividing the number of new shares by the number of existing shares of the company.																		
<b>Number of Rights Issued</b>	Twenty one million (21,000,000) right.																		
<b>Number of new shares pledged to cover</b>	Twenty one million (21,000,000) ordinary shares.																		
<b>The total value of the new shares pledged to cover</b>	Two hundred and ten million (210,000,000) Saudi riyals.																		
<b>Number of shares issued after capital increase</b>	Thirty one million five hundred thousand (31,500,000) ordinary shares.																		
<b>The company's capital after the capital increase</b>	Three hundred and fifteen million (315,000,000) Saudi riyals.																		
<b>The percentage of offered shares of the company's capital</b>	(200%) approximately.																		
<b>Total expected proceeds, analysis and description of the proposed use thereof</b>	<p>It is expected that the total proceeds from the subscription of the rights issue will amount to two hundred and ten million (210,000,000) Saudi riyals.</p> <p>The net proceeds of the subscription will be used mainly after deducting all offering costs in financing working capital, purchasing income-generating real estate assets, as the company aims to acquire a four-star hotel in a main city in the Kingdom of Saudi Arabia, including Riyadh, Jeddah and Dammam. The company also aims to acquire a hotel built on a building area of (12,000) square meters and consisting of (152) rooms and suites, with an average occupancy rate of (57%).</p> <p>In addition to owning stakes in privately owned companies and projects in health care sectors by acquiring an ownership stake in a public hospital in the Kingdom. It was assumed that the project would be built on a land area of 5,000 square meters, in addition to 3,000 square meters as parking lots and green spaces, while it was assumed to allocate 20 thousand square meters as building areas, according to the size of the hospital.</p> <p>The company also aims to invest in privately owned companies and projects in warehousing and storage sector by acquiring a building consisting of seven closed (non-refrigerated) warehouses with a height of 14 square meters, built on a land area of 16 thousand square meters.</p> <p>The table below sets out the suggested usage of proceeds:</p> <table border="1"> <thead> <tr> <th>In Saudi Riyals</th> <th>The amount</th> <th>Proportions</th> </tr> </thead> <tbody> <tr> <td>Investing in income-generating real estate assets</td> <td>65,000,000</td> <td>32.99%</td> </tr> <tr> <td>Investing in privately owned companies and projects in the health care sectors</td> <td>45,000,000</td> <td>22.84%</td> </tr> <tr> <td>Investing in privately owned companies and projects in the warehouses and storage sectors</td> <td>75,000,000</td> <td>38.07%</td> </tr> <tr> <td>Working capital</td> <td>12,000,000</td> <td>6.09%</td> </tr> <tr> <td><b>Total</b></td> <td><b>197,000,000</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	In Saudi Riyals	The amount	Proportions	Investing in income-generating real estate assets	65,000,000	32.99%	Investing in privately owned companies and projects in the health care sectors	45,000,000	22.84%	Investing in privately owned companies and projects in the warehouses and storage sectors	75,000,000	38.07%	Working capital	12,000,000	6.09%	<b>Total</b>	<b>197,000,000</b>	<b>100%</b>
In Saudi Riyals	The amount	Proportions																	
Investing in income-generating real estate assets	65,000,000	32.99%																	
Investing in privately owned companies and projects in the health care sectors	45,000,000	22.84%																	
Investing in privately owned companies and projects in the warehouses and storage sectors	75,000,000	38.07%																	
Working capital	12,000,000	6.09%																	
<b>Total</b>	<b>197,000,000</b>	<b>100%</b>																	
<b>Offering Costs</b>	The value of the offering costs is about (13,000,000) Saudi riyals, knowing that this amount is an estimate (please see section (8) "Use of Proceeds").																		
<b>The Net offering proceeds after deducting the costs of the offering</b>	It is expected that the net proceeds from the offering will amount to about one hundred and ninety-seven million (197,000,000) Saudi riyals, after deducting all the costs of the offering thirteen million (13,000,000) Saudi riyals, knowing that this amount is an estimate (please see section (8) "Use of Proceeds").																		
<b>Use the proceeds of offering</b>	The company will use the net proceeds from the offering to finance working capital, invest in income-generating real estate assets, and own stakes in privately owned companies.																		



The total proceeds obtained by the company in the last process of issuing the subscription shares after the approval of the Extraordinary General Assembly on 10/03/1442H (Corresponding to 27/10/2020G) amounted to 90,000,000 Saudi riyals.

Where the company increased its capital from 15,000,000 Saudi riyals to 105,000,000 Saudi riyals by issuing subscription shares of 9,000,000 new shares and a nominal value of (10) riyals per share. The proceeds of the subscription were used as follows:

S	Description	Declared amount (SAR)	actual use (SAR)	Actual spending percentage of planned spending	deviation ratio	Causes of deviation
1	Restructuring of logistics services for the food sector (improving refrigerators)	2,500,000	1,000,000	40%	60%	Maintenance was carried out for all 22 units of refrigeration for refrigerated warehouses, and the company did not comply with what was planned in this item, which was supposed to take place during the third quarter of 2021G. The company did not rehabilitate the refrigerated warehouses as planned due to some technical problems that the company faced, and accordingly the company's management decided not to proceed with the maintenance and refrigeration of the refrigerated warehouses. The company will work to re-use the remaining amount of (1.5) million Saudi riyals in acquiring businesses, provided that the approval of the General Assembly is obtained to change the use of funds for this item.

Total receipts above  
get it in the latest release  
process Rights issue shares



S	Description	Declared amount (SAR)	actual use (SAR)	Actual spending percentage of planned spending	deviation ratio	Causes of deviation
2	Engaging in agricultural activities (livestock herd)	5,500,000	0	0%	100%	It was planned to use the funds allocated for this item during the fourth quarter of 2020G, and due to the Corona pandemic, the company was late in starting the project. During the year 2021G, the company entered into negotiations to sell the Al-Jouf project, in which the livestock breeding activity is supposed to take place. Accordingly, the company's management decided to wait in implementing this item until the negotiations were concluded. During the third quarter, on September 29, 2021G, the company announced on the trading website the sale of Al-Jawf project, and accordingly decided The company will reuse the amount to acquire business, and work will be done to obtain the approval of the General Assembly to reuse the funds allocated to this item.
S	Description	Declared amount (SAR)	actual use (SAR)	Actual spending percentage of planned spending	deviation ratio	Causes of deviation
3	Water well improvements	3,000,000	3,000,000	100%	0%	According to the previous prospectus, it was planned that this item would be completed during the first quarter of 2021G, and given that the improvements of water wells are of the Al-Jawf project and due to the negotiations that began during the year 2021G to sell the project, the company was late in implementing this item and it was completed when the stages were reached. Late in the negotiation during the third quarter of 2021G.



S	Description	Declared amount (SAR)	actual use (SAR)	Actual spending percentage of planned spending	deviation ratio	Causes of deviation
4	Business Acquisition	50,000,000	29,480,000	59%	41%	<p>According to the previous prospectus, it was planned that an amount of (25) million Saudi riyals would be used during the first quarter of 2020G, and an amount of (25) million Saudi riyals during the fourth quarter of 2021G. Due to what was caused by the Corona pandemic and its impact on many commercial sectors, the company delayed the implementation of this item, as it did not acquire any business during the fourth quarter of 2020G, and the company announced during the third quarter of 2021G and on 8/8/2021G the termination of Acquisition of Wasit Entertainment and Beauty Systems Factory for an amount of (24,480,000) Saudi riyals, which represents (51%) of the total value of the factory. During the fourth quarter of 2021G, the company pumped an additional amount of (5,000,000) Saudi riyals to finance the working capital of the factory, and accordingly, the total amount used for this item until the date of this prospectus is (29,480,000) Saudi riyals, and the company is currently working on negotiating a number of opportunities. It is expected that the remaining amount will be used by the end of the second quarter of 2022G.</p>



S	Description	Declared amount (SAR)	actual use (SAR)	Actual spending percentage of planned spending	deviation ratio	Causes of deviation
5	Establishment of dry warehouses in the winery	13,500,000	0	0	100%	The company applied for building licenses during the year 2018G, and it was expected that licenses would be obtained during the period between the fourth quarter 2019G to the first quarter of the year 2020G. The trust of the city of Jeddah was delayed in issuing the license due to the Secretariat's request for additional requirements from the company, which include issuing a sketch for the site and the amendment of the land deed to an electronic deed, and the company is still working on fulfilling the requirements of the trust. The company expects that the requirements and obtaining a building permit will be completed during the second quarter of 2022G, and that the construction of warehouses will be completed by the end of the fourth quarter of 2022G.
6	* Offering fees	9,500,000	9,500,000	100%	0%	It has been fully used



S	Description	Declared amount (SAR)	actual use (SAR)	Actual spending percentage of planned spending	deviation ratio	Causes of deviation
7	Working capital	6,000,000	5,958,125	99.3%	0.7%	According to the previous prospectus, the company set an amount of (6) million to be used in financing working capital, during the period from the fourth quarter of the year 2020G to the third quarter of the year 2021G, at a rate of (1.5) million Saudi riyals for each quarter. The company used an amount of (2,314,792) Saudi riyals during the first quarter of the year 2020G, and an amount of (1,875,851) Saudi riyals during the second quarter of the year 2021G, and the amount of (1,755,766) Saudi riyals during the third quarter of the year 2021G, and an amount of (11,717) Saudi riyals during the fourth quarter of the year 2021G. The company may use the remaining amount allocated before the end of the current year.
<b>Total</b>		<b>90,000,000</b>	<b>48,938,126</b>	<b>54.4%</b>	<b>45.6%</b>	
Source: company management						
* Offering expenses, which include the fees of the financial advisor, the Lead Manager, the legal advisor and the underwriter, in addition to the marketing, printing, distribution and advertising expenses of the offering.						
<b>Eligibility Date</b>	Shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly for the capital increase, and who are registered in the company's shareholders register at the end of the second trading day following the Extraordinary General Assembly for the capital increase, on Wednesday 17/10/1443H (Corresponding to 18/05/2022G).					
<b>Trading Period</b>	The trading period begins on Monday 22/10/1443H (Corresponding to 23/05/2022G) and continues until the end of day Monday 29/10/1443H (Corresponding to 30/05/2022G) During this period, all rights holders - whether they are registered investors or new investors - may carry out trading in rights.					
<b>Subscription Period</b>	The subscription period begins on Monday 22/10/1443H (Corresponding to 23/05/2022G) and continues until the end of the day Thursday 03/11/1443H (Corresponding to 02/06/2022G) During this period, all holders of initial rights - whether they are registered investors or new investors - may exercise their right to subscribe to new shares.					
<b>Rump Shares</b>	Rump Shares which were not subscribed for during the Offering Period.					
<b>Rump Offering</b>	If any shares remain unsubscribed after the end of the Subscription Period ("Rump Shares"), they will be offered to a number of institutional investors ("investment institutions") These investment institutions submit their offers to purchase the rump shares, and these offers will be received starting from ten in the morning on Tuesday 08/11/1443H (Corresponding to 07/06/2022G) until five in the evening From the next day Wednesday 09/11/1443H (Corresponding to 08/06/2022G) (the rump offering period). The Rump Shares shall be allocated to Institutional Investors in order of the offered price starting with the highest offer until all of the Rump Shares have been allocated (provided that the price shall not be less than the Offer Price). The Rump Shares shall be allocated on a pro-rata basis among Institutional Investors that provided offers at the same price. The fractional shares shall be added to the Rump Shares and treated in the same manner.					





<b>Payment of Compensation Amounts (if any)</b>	The cash compensation amounts will be paid to the eligible persons who have not exercised their right to subscribe in whole or in part to the new shares and to those entitled to fractional shares without any deductions no later than Sunday 11/12/1443H (Corresponding to 10/07/2022G) , noting that the cash compensation amounts represent the amount that exceeds the offering price from the net proceeds of selling the rump shares and the fractional shares.
<b>Listing and trading of the Rights</b>	<p>The rights are included in Tadawul and are traded during the rights trading period. A separate symbol will be given to the Company's rights, independent from the symbol of the Company's Shares on the Tadawul screen.</p> <p>The registered shareholders during the trading period have several options, which include selling the rights or part of them in the market, buying additional rights through the market, or not taking any action regarding the rights, whether by selling them or buying additional rights. During the Trading Period, New Investors will be entitled to purchase Rights through Exchange, sell them or a part thereof or take no action in respect of the Rights purchased during the Trading Period.</p> <p>The "Exchange" system will cancel the Company's rights symbol on the Tadawul screen following the end of the trading period of the rights. Accordingly, the trading of rights will end by the end of the Trading Period.</p>
<b>Subscription method</b>	Subscription applications are submitted electronically through the websites and platforms of electronic brokers that provide these services to subscribers, or through any other means provided by the brokers.
<b>Exercising Subscription to the rights</b>	<p>Eligible persons have the right to exercise their right to subscribe to the rights issue shares by subscribing electronically through the websites and platforms of electronic brokers that allow these subscription services or through any other means provided by the brokers. Eligible Persons may exercise their rights as follows:</p> <ul style="list-style-type: none"><li>• During the Subscription Period, registered shareholders may exercise the rights granted to them and any additional rights purchased thereby during the Trading Period by subscribing to the new shares. They will also be entitled to take no action in respect of the Rights they hold.</li><li>• During the Subscription Period, new shareholders may exercise the Rights purchased thereby during the Trading Period through subscription to new shares. They will also be entitled to take no action in respect of the Rights they hold.</li><li>• In the event that new shares are not subscribed by registered shareholders or new investors during the subscription period, the Rump Shares resulting from the unexercised Rights will be offered in the Rump Offering Period.</li></ul>
<b>Indicative Value of a Right</b>	<p>The indicative value of a Right reflects the difference between the market value of the Company's share during the Trading Period and the Offer Price.</p> <p>Tadawul will calculate and publish the indicative value of the right during the trading period on its website five minutes late, and market information service providers will also publish this information so that investors can see the indicative value of the right when entering orders.</p>
<b>Right trading price</b>	It is the price at which the right is traded, knowing that it is determined through the mechanism of supply and demand, and therefore it may differ from the indicative value of the right.
<b>Allocation Date</b>	The shares will be allotted no later than on Monday 14/11/1443H (Corresponding to 13/06/2022G).
<b>Allocation of shares and refund of surplus</b>	Shares will be allocated to each investor based on the number of rights that he has properly and fully exercised. The fractional shares will be collected and added to the rump shares and then offered to the investment institutions during the rump offering period. The company will obtain the total offering price collected from the sale of the rump shares, while the rump proceeds from the rump offering (if any) will be distributed without calculating any fees or deductions (i.e. what exceeds the offering price) to its beneficiaries who have not subscribed in whole or in part, and to those entitled to the fractional shares. The investor who did not subscribe or did not sell his rights, and the holders of fractional shares, may not receive any consideration if the sale takes place during the rump offering period at the offering price (please refer to Section 14) (" <b>Subscription Terms, Conditions and Instructions</b> "). Oversubscribed amounts, if any, will be refunded to the subscribers without any charge or deductions by the Lead Manager.
<b>Payment of Compensation Amounts (if any)</b>	The cash compensation amounts will be paid to the eligible persons who have not exercised their right to subscribe in whole or in part to the new shares and to those entitled to fractional shares without any deductions, no later than on Sunday 11/12/1443H (Corresponding to 10/07/2022G) That the cash compensation amounts represent the amount that exceeds the offering price from the net proceeds from the sale of the rump shares and the fractions of shares
<b>Date of refunding the surplus from the subscription</b>	The surplus from the subscription (if any) will be refunded to the subscribers without any commissions or deductions from the Lead Manager no later than on Sunday 11/12/1443H (Corresponding to 10/07/2022G).
<b>Adjusted price</b>	The company's share price in Tadawul has been adjusted to (32.60) Saudi riyals per share, prior to the trading day following the day of the extraordinary general assembly meeting for the capital increase, and this represents a decrease in the share price by (45.2) Saudi riyals per share.
<b>Trading of New Shares</b>	Trading of New Shares is expected to commence on "Tadawul" after completion of all relevant regulatory procedures of allocation and listing of shares.
<b>Entitlement to Dividends</b>	The owners of the new shares will be entitled to any dividends declared by the company after the date of their issuance



<b>Voting Rights</b>	All the company's shares are of one class, and no share gives its holder preferential rights. The new shares will be fully paid in value and exactly equal to the existing shares. Each share gives its holder the right to one vote, and each shareholder in the company has the right to attend and vote in the general assembly of shareholders (whether ordinary or extraordinary) meeting.
<b>Restrictions on Trading Shares</b>	There are no restrictions imposed on the trading of the Company's shares except for the regulatory restrictions imposed on the shares listed in general.
<b>Restrictions on Trading Rights</b>	There are no restrictions imposed on rights trading except for foreign shareholders who are not entitled to purchase additional rights without the approval of the concerned authorities.
<b>Previously Listed Shares</b>	<p>The founders subscribed to 2 million shares with a nominal value of 200 million Saudi riyals, which constituted 40% of the company's capital. 3 million shares were put up for public subscription, with a nominal value of 300 million Saudi riyals. On 12/3/1403H (Corresponding to 27/12/1982G), the company was converted into a public joint stock company pursuant to Minister of Commerce Resolution No. 856, with a capital of 500 million Saudi riyals divided into 5 million ordinary shares, the value of each share being 100 Saudi riyals, and the company's shares were listed In Tadawul in January 1994G and on 26/10/1415H.</p> <p>(Corresponding to March 27, 1995G) The Extraordinary General Assembly approved an increase in the company's capital from 500 million Saudi riyals to 1,200 million Saudi riyals, with a total number of 12 million shares and a nominal value of 100 riyals per share. On 6/9/1428H (Corresponding to 18/09/2007G), the company's extraordinary general assembly decided to reduce the company's capital from 1,200 million Saudi riyals to 109 million Saudi riyals, with a reduction rate of (90.92%) of the company's capital. On 22/12/1433H (Corresponding to 7/11/2012G), the company's extraordinary general assembly decided to approve the increase of the company's capital from 109 million Saudi riyals to 196 million Saudi riyals by issuing 8.7 million equity shares with a nominal value of 10 Saudi riyals per share, bringing the total shares of the company to 19.6 million ordinary shares. On 5/5/1441H (Corresponding to December 31, 2019G), the Extraordinary General Assembly agreed to reduce the company's capital from 196 million Saudi riyals to 15 million Saudi riyals, with a reduction rate of (92.35%) of the company's capital. On 10/3/1442H (Corresponding to 27/10/2020G), the company's extraordinary general assembly decided to approve the increase of the company's capital from 15 million Saudi riyals to 105 million Saudi riyals by issuing 90 million equity shares with a nominal value of 10 Saudi riyals per share, bringing the total shares of the company to 10.5 million ordinary shares</p>
<b>Risk factors</b>	Investing in rights issue shares involves certain risks, and these risks can be categorized into: (1) risks of the company's business, (2) risks of the market and sector, and (3) risks of new shares, and these risks were reviewed in section (2) The "Risk Factors" of this Prospectus, which must be studied carefully before making any investment decision in new rights or shares.
<b>Terms of Subscription for the Rights issue shares</b>	Eligible persons wishing to subscribe to the New Shares must fulfill the relevant subscription conditions. To view the terms, conditions and instructions for the subscription, please refer to Section (14) "Subscription Terms, Conditions and Instructions".
<b>Substantial modifications to Information disclosed in Latest Prospectus</b>	The Authority approved the publication of the company's last prospectus on 26/02/1442H (Corresponding to 13/10/2020G). (Please refer to Section No. (11-14) ("Audit Committee"). Legal Information)).

Disclaimer: The "IMPORTANT NOTICE" section on page "i" and Section "2" (Risk Factors) of this Prospectus should be carefully considered before making any investment decision in Rights.



## Key Dates and Subscription Procedures

Schedule	Date
Convening the extraordinary general assembly that includes approving the capital increase and determining the eligibility date and the eligible shareholders That the eligible shareholders are the shareholders registered in the company's register, and they are not registered until two days after the date of the meeting	Tuesday 16/10/1443H (Corresponding to 17/05/2022G).
Trading Period	The trading period begins on Monday 22/10/1443H (Corresponding to 23/05/2022G) and continues until the end of day Monday 29/10/1443H (Corresponding to 30/05/2022G) During this period, all rights holders - whether they are registered investors or new investors - may trade in rights.
Subscription Period	The subscription period begins on Monday 22/10/1443H (Corresponding to 23/05/2022G) and continues until the end of the day Thursday 03/11/1443H (Corresponding to 02/06/2022G) During this period, all holders of initial rights - whether they are registered investors or new investors - may exercise their right to subscribe to new shares.
Subscription period end date	The subscription period ends and the receipt of subscription applications ends by the end of the day Thursday 03/11/1443H (Corresponding to 02/06/2022G).
Rump Offering Period	It starts at ten in the morning on Tuesday 08/11/1443H (Corresponding to 07/06/2022G) and continues until five in the evening on Wednesday 09/11/1443H (Corresponding to 08/06/2022G).
Notification of Final Allocation	On Monday 14/11/1443H (Corresponding to 13/06/2022G).
Payment of compensation amounts (if any) to eligible persons who did not participate in whole or in part, and those entitled to fractional shares	On Sunday 11/12/1443H (Corresponding to 10/07/2022G).
Expected date of commencement of trading in new shares	After completing all the necessary procedures, the start date of trading in the new shares will be announced on the Tadawul website

Disclaimer: All dates mentioned in the above schedule are approximate, and the actual dates will be announced on Tadawul website ([www.saudiexchange.sa](http://www.saudiexchange.sa)).



## Key Announcement Dates

Announcement	Announcement by	Announcement Date
Announcement of the invitation to the Extraordinary General Assembly meeting for the capital increase	The Company	On Monday 24/09/1443H (Corresponding to 25/04/2022G)
Announcement regarding the results of the EGM on capital Increase	The Company	On Wednesday 16/10/1443H (Corresponding to 17/05/2022G)
Announcement of amending the company's share price, depositing rights, and the indicative value of the right	Exchange	On Wednesday 16/10/1443H (Corresponding to 17/05/2022G)
Announcement of adding rights to Anaam International Holding Group	Edaa	On Sunday 21/10/1443H (Corresponding to 22/05/2022G)
Announcement of determining the rights trading period and the subscription period	The Company	On Thursday 18/10/1443H (Corresponding to 19/05/2022G)
Announcement of the start of the rights trading period and the subscription period	The Company	On Sunday 21/10/1443H (Corresponding to 22/05/2022G)
Reminder announcement about the start of the rights trading period and the subscription period	The Company	On Monday 22/10/1443H (Corresponding to 23/05/2022G)
A reminder about the last day of trading in the rights priority and noting the importance of those who do not wish to subscribe to sell the rights they own	The Company	On Sunday 28/10/1443H (Corresponding to 29/05/2022G)
Announcement: <ul style="list-style-type: none"><li>• Subscription Results</li><li>• Details of the sale of Unsubscribed Shares (if any) and commencement of the Rump Offering</li></ul>	The Company	On Sunday 06/11/1443H (Corresponding to 05/06/2022G)
Announcing the results of the rump offering and notification of the final allotment	The Company	On Monday 14/11/1443H (Corresponding to 13/06/2022G)
Announcement of depositing new shares in investors' portfolios	Edaa	On Monday 14/11/1443H (Corresponding to 13/06/2022G)
Announcing the distribution of compensation amounts (if any)	The Company	On Sunday 11/12/1443H (Corresponding to 10/07/2022G)

Note: All dates mentioned in the above schedule are approximate, and the actual dates will be announced on the Tadawul website ([www.saudiexchange.sa](http://www.saudiexchange.sa)) in coordination with the Securities Depository Center Company (Edaa) to determine the date of depositing rights and shares.

It should also be noted that in the event that an advertisement of the offering is published in a local newspaper after the prospectus has been published, the announcement must include the following: 1) The issuer's name and commercial registration number, 2) The securities, their value, type and class covered by the application for registration and offering of securities, 3) Addresses and places where the public can obtain the prospectus, 4) The date of publication of the prospectus, 5) A statement that the announcement is for information only and does not constitute an invitation or offer to buy or subscribe to the securities, and 6) The name of the Lead Manager and the underwriter (if any) and the advisor Financial and Legal Counsel and 7) A disclaimer as follows: "The Capital Market Authority and Tadawul assume no responsibility for the contents of this announcement, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any Loss resulting from what is stated in this announcement or from reliance on any part of it."



## How to apply for subscription

Subscription to the Rights issue shares is limited to eligible persons, whether they are registered shareholders or new investors. In the event that the rights of the Eligible Persons are not exercised, any rump shares not subscribed by the Eligible Persons will be offered to the investment institutions by offering them during the rump offering period, and the Eligible Persons wishing to subscribe to the new shares must submit subscription applications through the means and services provided by the broker to investors, provided that the eligible person has an investment account with one of the brokers who provide these services.

Subscription Applications are submitted through investment portfolios in trading platforms, through which sale and purchase orders are entered. In addition, it is possible to subscribe through any other means provided by the broker and the custodian of shares. The company reserves its right to reject any application to subscribe to the new shares, in whole or in part, in the event that it does not meet any of the terms or requirements of the subscription. The subscription application may not be amended or withdrawn after its submission. The subscription application upon submission represents a binding contract between the company and the eligible shareholder.

## Q&A related to Rights

### What is a Rights Issue?

A Rights Issue is an offering of tradable securities that give their holders the right to subscribe for New Shares upon approval of capital increase. They are acquired rights for all Shareholders who own shares at the date of the EGM for capital increase, and who are registered in the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the EGM. Each Right grants its holder the right to subscribe for one New Share at the Offer Price.

### Who is granted the Rights?

The Rights shall be granted to Shareholders registered in the Company's Register as of the close of the second trading day of the EGM to increase the capital.

### When are the Rights deposited?

Following the EGM and its approval to increase the capital through a Rights Issue, the Rights shall be deposited as securities in the portfolios of shareholders registered in the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the EGM. The New Rights appear in their portfolios under a new code for the Rights. These Rights cannot be traded or subscribed by the Registered Shareholders until the beginning of the Trading Period and Subscription Period.

### How are Registered Shareholders notified of the Rights being deposited in their portfolios?

The Registered Shareholders are notified through an announcement on the Tadawul website and through Tadawulati Service provided by the Depository Center and SMS's sent through intermediaries/brokers.

### How many Rights can be acquired by a Registered Shareholder?

The number of Rights to be acquired by a Registered Shareholder is subject to the number of Shares held by the Registered Shareholder in the Company's Shareholders Register at the Depository as at the close of the second trading day after the EGM.

### What is the Rights Issue eligibility factor?

It is the means by which the Registered Shareholder can determine the Rights it is entitled to in relation to its shareholding under the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the EGM. It is calculated by dividing the number of New Shares by the number of the Company's existing Shares. It is, therefore, (200) shares for each (1) share held by registered shareholders on eligibility date; for example, if a registered shareholder owns (1,000) shares on eligibility date, then (2000) shares will be allocated to him/her in consideration of his/her shareholding.

### Will these Rights be tradable under a different name/ symbol of the Company's shares?

The Rights will be deposited in the investors' portfolios under the name of the original share, and by adding the word "Rights", they will be deposited in a new symbol for these rights.



### **What is the value of the Right upon commencement of trading?**

The opening price of the Right is the difference between the closing price of the share on the day preceding the Rights listing and the Offer Price (the indicative value of the Right). For example (using hypothetical prices), if the closing price of a share on the preceding day is fifteen (15) Saudi Riyals (SAR 15) and the Offer Price is ten (10) Saudi Riyals (SAR 10), the opening price of the Rights upon the commencement of trading will be five (5) Saudi Riyals (SAR 5), the difference between the two mentioned prices.)

### **Who is the Registered Shareholder?**

A shareholder who appears in the Company's shareholder register at the end of the second trading day after the EGM.

### **Can Registered Shareholders subscribe for additional shares?**

Yes. Registered Shareholders can subscribe to additional shares by purchasing new Rights through Tadawul during the Trading Period.

### **Is it possible for a registered shareholder to lose his/her eligibility to subscribe even if he/she has the right to attend the EGM and vote on raising the capital through a rights issue?**

Yes, the Shareholder loses his/her eligibility to subscribe if he sells his/her shares on the day of the Extraordinary General Meeting or one working day before it.

### **How does the Subscription take place?**

Subscription Applications are submitted through the investment portfolio in the trading platforms through which the buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the intermediaries and custodian.

### **Can an Eligible Person subscribe to more shares than the Rights owned by him/her?**

An Eligible Person cannot subscribe to more shares than the Rights owned by him/her.

### **If the Company shares are acquired through more than one investment portfolio, in which portfolio will the Rights be deposited?**

The rights will be deposited in the same portfolio in which the shares of the Company connected to the rights are deposited. For example, if a shareholder holds one thousand (1000) shares in the Company (eight hundred (800) shares in portfolio (a) and two hundred (200) shares in portfolio (b)), then the total rights (amounting to two thousand (2000) rights, as each share is eligible for a right) will be deposited. Therefore, one thousand six hundred (1600) rights will be deposited in portfolio (a) and four hundred (400) rights will be deposited in portfolio (b).

### **Are share certificate holders allowed to subscribe and trade?**

Yes, they are allowed to subscribe, but they cannot trade until after depositing the certificates in investment portfolios through the receiving agents or Depository Center Company (Edaa) and introducing the necessary documents.

### **Are additional Rights purchasers entitled to trade them once again?**

Yes, purchasers of additional Rights may sell them and purchase other Rights only during the Trading Period.

### **Is it possible to sell a part of these Rights?**

Yes, the investor may sell a part of these Rights and subscribe for the remaining part.

### **When can a Shareholder subscribe for the Rights he/she purchased during the Trading Period?**

Any time during the Subscription Period (i.e., until the ninth day) after settlement of the purchase of Rights (two business days).



### **Can the Eligible Person sell or assign the Right after the expiry of Trading Period?**

No. After the expiry of the Trading Period, the Eligible Person may only exercise the right to subscribe to the Rights Shares. In case the Right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio.

### **What happens to the Rights that are unsold or unsubscribed for during the Trading and Subscription Periods?**

If the New Shares are not fully subscribed for during the Subscription Period, the remaining New Shares will be offered for subscription through an offering to be organized by the Lead Manager. The amount of compensation (if any) to the Rights holder will be calculated after deducting the subscription value and any other expenses according to the criteria defined by this Prospectus. The investor may not receive any consideration if the sale occurs during the Rump Offering Period at the Offer Price.

### **Who has the right to attend the Extraordinary General Assembly and vote on increasing the Issuer's share capital through a Rights Issue?**

A shareholder registered in the Company's Shareholders Register at the Depository Center after the end of the trading session, on the date of the EGM, shall have the right to attend the EGM and vote on increasing the Issuer's share capital through Rights Issue.

### **When is the share price adjusted as a result of increasing the Issuer's share capital through a Rights Issue?**

The share price is adjusted by Tadawul before the start of trading on the day, following the EGM.

### **If an investor buys securities on the date of the EGM, will he/she be eligible for the Rights resulting from the increase of the Issuer's share capital?**

Yes, as the investor will be registered in the Company Shareholders Register two business days after the date of the purchase of shares (i.e., at the end of the second trading day following the day of the EGM), bearing in mind that Rights will be granted to all shareholders registered in the Company Shareholders Register at the end of trading session on the second trading day following the date of the EGM. However, he/she may not attend or vote in the EGM for the capital increase.

### **If an investor has more than one portfolio with more than one broker, how will their Rights be calculated?**

The investor's shares will be distributed to their portfolios according to the percentage of shareholding in each portfolio. In the event of share fractions, these fractions will be aggregated. If the outcome is an integer or more, the integer number will be added to the portfolio in which the investor has the largest number of Rights.

### **What are the Trading and Offering Periods?**

Trading in and subscription for the Rights shall commence at the same time until the end of trading on the sixth day. However, subscription shall continue until the ninth day, as stated in the Prospectus and the Company's issued announcements.

### **Is it possible to subscribe during the weekend?**

No.

### **Can investors, who are not Registered Shareholders, subscribe for the Rights Shares?**

Yes. Investors can subscribe to the Rights Shares upon full purchase of Rights through Tadawul during the Trading Period.

### **Additional assistance:**

In case of any inquiries, please contact the Company at the e-mail ([info@anaamgroup.com](mailto:info@anaamgroup.com)). For legal reasons, the company will only be able to provide the information contained herein and will not be able to advise on the merits of issuing rights or even provide financial, tax, legal, or investment advice.

For more information on the terms, conditions and instructions for the subscription, please refer to Section (14) "Subscription Terms, Conditions and Instructions" and other information contained herein.





## Summary of the main information

This summary provides a brief overview of the basic information contained in this prospectus. Since it is a summary, it does not include all information that may be of interest to shareholders and other general institutional and individual investors. Recipients of this prospectus should read it in full before making an investment decision regarding new rights or shares.

## Company Overview

Anaam International Holding Group (hereinafter referred to as the “Company”, “Group” or “Anaam Group”) is a Saudi public joint stock company registered with the Ministry of Commerce under Commercial Registration No. 4030035073 issued by the city of Jeddah on 07/09/1402H (Corresponding to 29/6/1982G). The head office of the company is located in the city of Jeddah - Petromin District - Al Mahjar General Street, PO Box 6352, Jeddah 21442 Kingdom of Saudi Arabia,

The company’s current capital is one hundred and five million (105,000,000) Saudi riyals, divided into ten million five hundred thousand (10,500,000) ordinary shares with a nominal value of ten (10) Saudi riyals per share, paid in full (referred to individually as the “Existing Share” and collectively the “Existing Shares.”) As at the date of publication of this Prospectus, there are no major shareholders in the Company (who own 5% or more).

The company was established in the year 1401H (1980G) under the trade name (The Saudi Livestock Transport and Trading Company), and on 26/10/1415H (Corresponding to 27/03/1995G) the (Extraordinary) General Assembly approved the merging of (Nasser Al-Mohammed Al-Mukairish) Company in the company Accordingly, the name of the company was changed from (The Saudi Company for Livestock Transport and Trade) to become (United Al Mawashi Al Mukairish Company). On 26/11/1427H (Corresponding to 12/17/2006G), the (extraordinary) general assembly of shareholders approved the amendment of the company’s name from (Al Mawashi Al Mukairish United Company) to (Anaam International Holding Group).

## Summary of the company’s activities

Based on the commercial register of Anaam International Group Holding, the company’s activities are represented in managing its subsidiaries or participating in the management of other companies in which it contributes, providing the necessary support to them, investing their money in shares and other securities, owning real estate and movables necessary to conduct its activities, and providing loans, guarantees and financing for subsidiaries. she has. The company carries out and implements its objectives through the following business sectors:

### Food group activity:

The company’s main activities in the food sector are as follows:

Leasing the central warehouses (refrigerators) to others, where the company owns an area of about 10,000 square meters in the city of Jeddah and after stopping the frozen food trade, as the frozen poultry trade represented more than 80% of the company’s frozen food trade volume, and due to the economic problems that Brazil faced in The year 2013G, and the accompanying restructuring of the poultry sector, the merger of Brazilian poultry producers, a significant drop in prices, and the inability of the French company from which the company imports frozen poultry to compete, the company’s management decided to stop this activity in order to avoid further losses. Accordingly, the management focused on logistics services represented in leasing spaces to others and generating revenues from them, as the company enjoys a location close to Jeddah Islamic Port and close to Jeddah Industrial City, and the company has a trained team with long experience of workers in the field of storage and refrigerators, and the company has all Ancillary equipment needed to speed up uploading and downloading, thus saving time and effort for customers.

Renting cars and trucks to others, as the company has a fleet of 4, 8, 12 and 24 tons of refrigerated trucks, as well as a transportation department with great experience of administrators, drivers and a maintenance workshop.

### Agricultural group activity:

The company had a main activity represented in the cultivation and trade of fodder, and the group owns agricultural land with an area of 100 million square meters in Al-Busitaa in Al-Jawf region in the north of the Kingdom of Saudi Arabia. On Safar 25, 1437H, the resolution of the Council of Ministers No. (66) was issued to stop the cultivation of green fodder before Safar 25, 1440H (Corresponding to November 3, 2018G), in an effort to conserve non-renewable groundwater in sedimentary shelf areas that exceed (fifty) hectares, including Riyadh, Sharkia, Qassim, Hail, Al-Jawf, Tabuk, and accordingly the group stopped cultivating green fodder during the year 2018G, noting that green fodder sales represent about 15% of sales in 2019G and 8% of sales in 2020G and 0% for the first quarter of the year 2021G from the group’s revenues.





The possible alternative options in the event of stopping the cultivation of green fodder, according to the administrative and technical requirements of the Ministry of Environment, Water and Agriculture, were as follows:

- Investment in integrated feed factories, provided that the inputs are imported.
- Investment in poultry projects and industry.
- Investing in raising and fattening livestock that depend on integrated feed for their nutrition.
- Investing in advanced greenhouses, which contributes to achieving food security.
- Investing in the cultivation of pastoral plants, provided that modern irrigation systems are used according to the types and areas determined by the Ministry of Environment, Water and Agriculture.
- Investing in fisheries projects in salt water.
- Investing in green fodder cultivation outside the Kingdom in order to export it to the Kingdom of Saudi Arabia.
- Investing in non-wasting tourism projects.

Due to the impossibility of cultivating the project with alternative crops, the Anaam International Holding Group, according to what was disclosed on Tadawul website on 22/02/1443H (Corresponding to 29/09/2021G), regarding selling the lands of the Al-Jawf project (including equipment, machinery, cars and machines), which has an area of (100) million square meters, and consists of (55) pieces. The sale process also includes all equipment, machinery, buildings and cars in the project.

## Company capital structure:

Anaam International Holding Group was established as a Saudi working joint stock company with Commercial Registration No. (40330035073) issued by the city of Jeddah on 7/9/1402H (Corresponding to 29/06/1982G). With a capital of five hundred million (500,000,000) Saudi riyals, where the company listed five million (5,000,000) ordinary shares at a value of one hundred riyals (100) Saudi riyals per share, whereby the founding shareholders subscribed for 40% of the company's capital and 60% of the capital was offered for subscription.

On 26/10/1415H (Corresponding to 27/3/1995G), the Extraordinary General Assembly approved an increase in the company's capital from 500 million to 1,200 million Saudi riyals, with a total number of 12 million shares and a nominal value of 100 riyals per share.

On 6/9/1428H (Corresponding to 18/9/2007G), the Extraordinary General Assembly agreed to reduce the company's capital from 1,200 million to 109 million Saudi riyals, at a reduction rate of (90.83%) of the company's capital.

On 22/12/1433H (Corresponding to 7/11/2012G), the company's extraordinary general assembly decided to approve the increase of the company's capital from 109 million Saudi riyals to 196 million Saudi riyals by issuing priority right shares after 8.7 million ordinary shares with a nominal value of 10 Saudi riyals per share, bringing the total shares of the company to 19.6 million ordinary shares.

On 5/5/1441H (Corresponding to December 31, 2019G), the Extraordinary General Assembly agreed to reduce the company's capital from 196 million to 15 million Saudi riyals, at a reduction rate of (92.35%) of the company's capital.

On 15/6/1441H (Corresponding to 9/2/2020G), the company's extraordinary general assembly decided to approve the increase of the company's capital from 15 million Saudi riyals to 105 million Saudi riyals by issuing priority right shares of 90 million Saudi riyals per ordinary share with a nominal value of 10 Saudi riyals per share, bringing the total shares of the company to 10,5 million ordinary shares.

On 26/06/1442H (Corresponding to 8/2/2021G), the company's board of directors recommended increasing the company's capital from 105 million Saudi riyals to 315 million Saudi riyals, through offering priority right shares of 210 million Saudi riyals.



## Company vision

“To become the best and most successful joint stock company characterized by its investment expertise, executive capabilities and capabilities to maximize the value of the company.”

## Company Mission

“Investing in sectors that offer great growth opportunities and rewarding returns through effective management that focuses on creating added value for shareholders, partners, employees and the public.”

## Company Strategy

The management team has identified the strategic objectives of Anaam Holding Company, which are the areas (financial, personnel, and operational) that the company needs to focus on in the next 3-5 years in order to achieve its vision.

## Financial goals

1. Achieving sustainable growth in revenue and income.
2. Provide annual dividends.
3. improve liquidity.

## Operational Objectives

1. Strengthening and diversifying our investment portfolio.
2. Building a long term relationship with business partners.
3. Ensure effective risk management for the portfolio.
4. Achieving operational excellence.
5. Enhancing the effectiveness of corporate governance.
6. Improving the company's image.
7. Fulfilling our corporate social responsibility.

## Company's strengths and competitive advantages

The company enjoys a number of competitive advantages, including:

1. It has great experience and presence in the main regions of the Kingdom.
2. The company owns a land fleet of refrigerated cars (refrigerators) of various sizes and seeks to develop this fleet to serve its objectives.
3. It owns well-equipped cold storages in a safe and healthy environment.
4. It has a dedicated and experienced team in the field of work.
5. The ability to attract qualified cadres to activate its work.
6. It has strong relationships with foreign and local companies working in this field, which has earned it the trust.
7. Long experience in the field of livestock breeding.
8. The company owns vast lands in the agricultural region of Al-Jouf, equipped with all services and equipment necessary for agriculture.
9. The company owns plots of land close to Jeddah Islamic Port that can be exploited to serve the company's interests.



## Corporate Objectives

1. Building a successful and positively influential economic entity in the sectors in which it works and deals with it.
2. Achieving an appropriate level of growth in the investment return for its shareholders coupled with a balanced growth in equity.
3. Improving and developing the business model in line with the external variables and the internal capabilities of the company.
4. Enhancing our expertise and employing it in achieving positive growth in the livestock investment sector locally and regionally.
5. Concluding internal and external alliances at the level of the sectors in which it operates with successful facilities locally, regionally and internationally to transfer experience and exchange experiences
6. Technology in all fields.
7. Integration with the Kingdom's Vision 2030 and its realization programs, mainly with regard to developing investments in animal resources, food security and improving the quality of life.

## Introduction to the market

The Saudi retail sector, which ranks as the second largest contributor to non-oil GDP at 298 billion riyals (\$79.2 billion), is the most booming sector in this period, with the high volume of demand from the local consumer for many food and consumer goods, which pushes workers to Rescheduling their losses after being affected in the local markets in the previous recession. The retail sector has helped open new horizons for employment, as the number of its employees exceeds two million. With the increase in the size of the sector, it is expected that it will generate new job opportunities and triple the volume of its returns in the coming years, given that Saudi Arabia is going through a stage of a qualitative leap in various sectors and development in many specialties that It is in line with the Kingdom's Vision 2030.

The transportation and warehousing sector is also a profitable market in the Kingdom of Saudi Arabia, with annual spending ranging between 337 to 375 billion Saudi riyals, which is equivalent to between 13% to 16% of the Saudi GDP. The environment for startups is growing, and small and medium enterprises dominate the sector in the Kingdom, where 80% of spending in the transport and warehousing sector is through internal operation with a relatively low level of outsourcing. Which increases the potential for significant growth of the sector in the Kingdom of Saudi Arabia.

There is also expectations that this quarter will be good for the food and retail sectors, as consumption increased during it in general, as the point of sale data in May increased by 21% year on year, so it is expected that the growth rates of existing store sales will improve for most retail companies and enterprises whose activities depend on food. The Corona pandemic has revived the food retail sector in the Saudi market.

## Summary of Risk Factors

There are a number of risks of the issuance of priority right shares, and they are summarized as follows:

- Risks of the company's business
- Market and sector risks
- Risks of the new shares



## Summary of Financial Information

The summary of the company's financial information below is as in and for the financial years ending on December 31, 2018G, 2019G and 2020G and for the three-month period ending on March 31, 2021G. The summary of the financial information should be read in conjunction with the information provided in the "Risk Factors" section and the "Discussion and Management Analysis of the Financial Position and the Operation Outcomes" section and results of its operations" and other financial data contained in any other part of this Prospectus.

Statement of Financial Position									
SAR	As of December 31			increase / (decrease)		CAGR	As on March 31		increase / (decrease)
	2018G (Audited)	2019G (Audited)	2020G (Audited)	December 2019G	December 2020G	2018G-2020G	2020G Unaudited	2021G Unaudited	March 2021G
Current assets*	10,318,127	23,590,420	102,969,930	128.6%	336.5%	215.9%	6,676,213	100,175,235	1400.5%
Non-current assets*	151,830,364	127,480,706	123,063,002	(16%)	(3.5%)	(10%)	144,235,299	121,959,245	(15.4%)
<b>Total assets</b>	<b>162,148,491</b>	<b>151,071,126</b>	<b>226,032,932</b>	<b>(6.8%)</b>	<b>49.6%</b>	<b>18.1%</b>	<b>150,911,512</b>	<b>222,134,480</b>	<b>47.2%</b>
Current liabilities	45,499,355	132,217,974	132,230,474	190.6%	0.0%	70.5%	132,457,931	130,882,072	(1.2%)
Non-current liabilities	2,903,866	3,063,891	4,857,205	5.5%	58.5%	29.3%	3,163,082	5,025,050	58.9%
<b>Total Liabilities</b>	<b>48,403,221</b>	<b>135,281,865</b>	<b>137,087,679</b>	<b>179.5%</b>	<b>1.3%</b>	<b>68.3%</b>	<b>135,621,013</b>	<b>135,907,122</b>	<b>0.2%</b>
Shareholder equity	113,745,270	15,789,261	88,945,253	(86.1%)	463.3%	(11.6%)	15,290,499	86,227,358	463.9%
<b>Total Liabilities and Shareholders Equity</b>	<b>162,148,491</b>	<b>151,071,126</b>	<b>226,032,932</b>	<b>(6.8%)</b>	<b>49.6%</b>	<b>18.1%</b>	<b>150,911,512</b>	<b>222,134,480</b>	<b>47.2%</b>

Source: The audited financial statements of Anaam International Holding Group for the financial years ending on December 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

cash flow statement table									
SAR	Fiscal year ended December 31			increase / (decrease)		CAGR	For the period ending March 31		increase / (decrease)
	2018G (Audited)	2019G (Audited)	2020G (Audited)	December 2019G	December 2020G	2018G-2020G	2020G Unaudited	2021G Unaudited	March 2021G
net cash operating activities	8,673,904	2,526,150	(15,583,698)	(70.9%)	(716.9%)	-	(20,809)	(2,686,724)	12811.4%
net cash investing activities	(2,731,826)	(2,449,332)	3,678,473	(10.3%)	(250.2%)	-	599,755	1,021,673	70.3%
net cash financing activities	(5,169,343)	(33,413)	91,268,773	(99.4%)	(273253.5%)	-	(179,083)	(6,004)	(96.6%)
net cash flow	772,735	43,405	79,363,548	(94.4%)	182744.3%	913.4%	399,863	(1,671,055)	(517.9%)
Opening criticism and the like	276,672	1,049,407	1,092,812	279.3%	4.1%	98.7%	1,092,812	80,456,360	7262.3%
Final criticism and the like	1,049,407	1,092,812	80,456,360	4.1%	7262.3%	775.6%	1,492,675	78,785,305	5178.1%

Source: The audited financial statements of Anaam International Holding Group for the financial years ended on December 31, 2018G, 2019G, 2020G and for the two periods ended on March 31, 2020G and March 31, 2021G.



Income statement table									
SAR	Fiscal year ended December 31			increase / (decrease)		CAGR	For the period ending March 31		increase / (decrease)
	2018G (Audited)	2019G (Audited)	2020G (Audited)	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Net sales	40,721,657	8,410,792	8,192,783	(79.3%)	(2.6%)	(55.1%)	3,299,685	1,995,817	(39.5%)
Sales cost	(43,309,697)	(16,056,372)	(6,958,556)	(62.9%)	(56.7%)	(59.9%)	(2,028,005)	(1,268,500)	(37.5%)
Total (loss) / operating profit	(2,588,040)	(7,645,580)	1,234,227	195.4%	(116.1%)	-	1,271,680	727,317	(42.8%)
Net loss for the year/period before zakat	(14,753,014)	(10,868,061)	(8,705,574)	(26.33%)	(19.89%)	(23.2%)	(498,762)	(2,751,642)	451.7%
Zakat provision	(250,000)	(88,552,906)	-	35321.2%	(100%)	-	-	-	-
net loss for the year/period	(15,003,014)	(97,755,802)	(5,990,003)	551.6%	(93.9%)	(36.8%)	(498,762)	(2,717,895)	444.9%
Earnings per share (loss) per share									

Source: The audited financial statements of Anaam International Holding Group for the financial years ended on December 31, 2018G, 2019G, 2020G and for the two periods ended on March 31, 2020G and March 31, 2021G.

Key Performance Indicators table				
	Fiscal year ended December 31			The three-month period ending on March 31, 2021G.
	2018G	2019G	2020G	
Sales (SAR)	40,721,657	8,410,792	8,192,783	1,995,817
Sales growth (%)	(6%)	(79.3%)	(2.6%)	(39.5%)
Operating loss (SAR)	(15,379,523)	(19,324,481)	(8,714,874)	(2,752,842)
Operating loss margin (%)	(37.8%)	(229.76%)	(106.37%)	(137.9%)
Weighted average of the number of shares *	19,600,000	1,500,000	6,000,000	10,500,000
Loss per share (SAR)	(0.77)	(65,2)	(1,00)	(0.26)
Total Assets (SAR)	162,148,491	151,071,126	226,032,932	222,134,480
Return on Assets (%)	(8.9%)	(64,84%)	(3,25%)	-
Total Equity (SAR)	113,745,270	15,789,261	88,945,253	86,227,358
Return on Equity (%)	(12.64%)	(620,4%)	(8,26%)	-
Debt to Equity Ratio	0.43	8,6	1,54	1.58

Source: management information

# Table of Contents

<b>1. Definitions and Terms</b>	<b>1</b>
<b>2. Risk Factors</b>	<b>6</b>
2.1 Risks of the Company	6
2.2 Market and Industry Risks	23
2.3 Risks of Offered Securities	25
<b>3. Market and Sector Information</b>	<b>27</b>
<b>4. Overview of Company and the Nature of its Business</b>	<b>28</b>
4.1 Overview of the Company	28
4.2 Company's History and the Most Significant Developments in its Capital Structure	28
4.3 Vision, Mission and Strategy	30
4.4 Company Main Activities:	31
4.5 Subsidiaries	32
4.6 Business Interruption	33
4.7 Employees and Saudization	34
<b>5. Company's Organizational Structure</b>	<b>35</b>
5.1 The organizational structure	35
5.2 Borad of Directors	35
5.3 Company's Committees	36
<b>6. Employees</b>	<b>40</b>
6.1 Share Programs for existing employees before submitting the application for registration and offering the securities subject to this prospectus	40
6.2 Employee Capital Sharing Arrangements	40

<b>7. Discussion and Management Analysis of the Financial Position and the Operation Outcomes</b>	<b>41</b>
7.1 Introduction	41
7.2 Board of Directors' Declarations Regarding the Financial Information	42
7.3 Overview of the Group and Its Subsidiaries	43
7.4 Basics of Preparation	44
7.5 Significant Accounting Estimates and Assumptions	45
7.6 Summary of the Most Significant Accounting Policies	47
7.7 Basis for Opinion, Conclusion and Doubt Regarding Continuity in the Chartered Accountant's Report	53
7.8 Operations Results	56
7.9 Statement of Financial Position	66
7.10 Cash Flow Statement	77
<b>8. Use of Proceeds</b>	<b>82</b>
8.1 Net offering proceeds	82
8.2 Using the Offering Proceeds	83
<b>9. Experts Statement</b>	<b>84</b>
<b>10. Declarations of the Members of the Board of Directors</b>	<b>85</b>
<b>11. Legal Information</b>	<b>86</b>
11.1 Company Incorporation	86
11.2 Amending the Company Name	86
11.3 Capital Adjustment	87
11.4 Updating the Articles of Association	87
11.5 Company's Name	88
11.6 Company's Scope	89
11.7 Company's Duration	89
11.8 Capital	89
11.9 Composition of Board Members	90
11.10 Chairman of the Board, Vice-Chairman and Secretary	92
11.11 Board Remunerations	93
11.12 Board Meetings	93
11.13 Board Committes	93
11.14 Audit Committee	93

11.15 Remuneration and Nominations Committee	94
11.16 The Company's governmental approvals and licenses	94
11.17 Essential Subsidiaries	96
11.18 Anaam International Food Company Ltd	96
11.19 Anaam International Investment Company	99
11.20 Saudi Refrigeration Company	101
11.21 Anaam International Financial Company	102
11.22 Anaam International Agricultural Company	103
11.23 Continuing obligations imposed by governmental entities on the Company and its subsidiaries being the "Licensor"	105
11.24 Essential Contracts	115
11.25 Equipment and machinery	124
11.26 Litigation	124
11.27 Trademarks	125
11.28 Insurance	125
11.29 Material information that has changed since the CMA's approval of the last share issue Prospectus	126
11.30 Declarations of Board members regarding legal information	126
<b>12. Underwriting</b>	<b>127</b>
12.1 Underwriter	127
12.2 Summary of Underwriting agreement	127
<b>13. Exceptions</b>	<b>128</b>
<b>14. Subscription Terms, Conditions and Instructions</b>	<b>129</b>
14.1 Offering	129
14.2 How to Apply for Subscription to the Rights (New Shares)	129
14.3 Application for Subscription	129
14.4 Trading Period, Subscription Period and Rump Offering Period	130
14.5 Allocations and Refund of Surplus	131
14.6 Supplementary Prospectus	131
14.7 Suspension or cancellation of the Offering	131
14.8 Q& A related to the developed mechanism for traded rights	132
14.9 Decisions and approvals according to which shares will be offered	135



15.Changes in share price as a result of capital increase	136
16.Covenants relating to the Subscription	137
16.1 Overview of the Subscription Application and the Covenants	137
16.2 Allocation Processes	137
16.3 Saudi Exchange (Tadawul)	137
16.4 Trading of the Company shares on Tadawul	138
17.Documents available for inspection	139

# Tables

Table No. (1): Definitions and abbreviations:	1
Table No. (2): Number of company employees for the last three years (2018G, 2019G and 2020G) and the three-month period ending on March 31, 2021G	34
Table No. (3): Board Members	35
Table No. (4): Audit Committee Members	36
Table No. (5): Nomination and Remuneration Committee Members	37
Table No. (6): Names of the Executive Management Employees	39
Table No. (7): Compensation and Remuneration of Board Members and Senior Executives	39
Table No. (8): Ownership Percentage in Subsidiaries	43
Table No. (9): Income statement for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	56
Table No. (10): Key performance indicators for the financial statements for the fiscal years ending on December 31, 2018G, 2019G and 2020G	58
Table No. (11): The Financing Structure of the Company	58
Table No. (12): Sales for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G	59
Table No. (13): Cost of sales for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	60
Table No. (14): Selling and marketing expenses for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	61
Table No. (15): General and administrative expenses for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	62
Table No. (16): The following is the financing costs for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	63
Table No. (17): The following is the other income for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	64
Table No. (18): The following is the results of discontinued operations for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	64
Table No. (19): Financial statements for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	66
Table No. (20): Non-current assets for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	67
Table No. (21): The net book value of property, machinery and equipment for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and 2021G	67
Table No. (22): Total depreciation for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	68
Table No. (23): The following is the current assets for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	69

Table No. (24): Consolidated cash and cash equivalents for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	70
Table No. (25): Accounts receivable for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	71
Table No. (26): Prepaid expenses and other debit balances for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G	71
Table No. (27): Total current liabilities for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G	72
Table No. (28): Accrued expenses and other liabilities for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G	73
Table No. (29): Dividends and dues of shareholders for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	74
Table No. (30): Non-current liabilities for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ended on March 31, 2020G and March 31, 2021G	75
Table No. (31): Shareholders' equity for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G	76
Table No. (32): Cash flow statement for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	77
Table No. (33): Cash flow from operating activities for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	78
Table No. (34): Cash flow from investing activities for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	80
Table No. (35): Cash flow from financing activities for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G	81
Table No. (36): Using the Offering Proceeds	83
Table No. (37): Members of the Board of Directors elected by the Ordinary General Assembly of Shareholders on November 22, 2018G	90
Table No. (38): Members of the Board of Directors on 06/01/2019G	91
Table No. (39): Current Board Members:	92
Table No. (40): Date of appointment decisions (Chairman of the Board, Vice-Chairman of the Board, Secretary)	92
Table No. (41): The Company's approvals and licenses	94
Table No. (42): Certificates, licenses and approvals obtained by the subsidiary (Anaam International Food Company Ltd)	97
Table No. (43): Certificates, licenses and approvals obtained by the Subsidiary (Anaam International Investment Company)	100
Table No. (44): Certificates, licenses and approvals obtained by the subsidiary (Saudi Refrigeration Company)	101
Table No. (45): Certificates, licenses and approvals obtained by the Subsidiary (Anaam International Financial Company)	102
Table No. (46): Certificates, licenses and approvals obtained by the Subsidiary (Anaam International Agricultural Company)	104

Table No. (47): Summary of subsidiaries which accumulated losses exceeded 50% of capital and procedures taken by them	106
Table No. (48): Number of Saudi & Non-Saudi employees	109
Table No. (49): Number of Saudi and Non-Saudi employees of Anaam International Food Company Ltd	110
Table No. (50): Summary of the most important clauses of Corporate Governance Regulations to which the Company has or has not committed	112
Table No. (51): Details of the Company Properties	116
Table No. (52): Summary of contracts and transactions with suppliers	124
Table No. (53): Trademarks of the Company	125

## Figures

Figure No. (1): Ownership Percentage Structure of Anaam International Holding Group as on 31 March 2020G	33
Figure No. (2): The Company's Organizational Structure as on 31/12/2020G	35
Figure No. (3): Mechanism for trading and subscription of rights December 31, 2020G	131



# 1. Definitions and Terms

Table No. (1): Definitions and abbreviations:

Term	Definition
Anaam Group, Anaam Holding, Anaam, Group, Company or Issuer	Anaam International Holding Group.
The headquarters	Anaam International Holding Group.
Subsidiaries	The companies owned by Anaam International Holding Group have a controlling share and their financial statements are consolidated with the group.
Management	The management team of Anaam International Group Holding.
Kingdom	Kingdom of Saudi Arabia.
Articles of Association	Articles of Association of the Company.
Board or Board of Directors	The company's board of directors and whose names appear on page (iv).
Substantial Shareholders	Shareholders who own 5% or more of the company's shares.
Related Parties	According to the CMA rules and regulations, the Public means any person other than the following: <ol style="list-style-type: none"><li>1. Company's subsidiaries.</li><li>2. Company's Substantial shareholders.</li><li>3. Directors and senior executives of the Company.</li><li>4. Directors and senior executives of subsidiaries.</li><li>5. Directors and senior executives of the substantial shareholders of the Company.</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 who work by agreement together and jointly own (5%) or more of the class of shares to be listed.</li></ol>
The Public	According to the CMA rules and regulations, the Public means any person other than the following: <ol style="list-style-type: none"><li>1. Issuer's subsidiaries.</li><li>2. Substantial shareholders in the Issuer.</li><li>3. Directors and senior executives of the Issuer.</li><li>4. Directors and senior executives of the Issuer's subsidiaries.</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 who act together in agreement and jointly own (5%) or more of the share class that will be listed.</li></ol>
Rump Shares	Rump Shares which were not subscribed for during the Offering Period.
Eligibility factor	The result of dividing the number of new shares by the number of existing shares of the company.
Articles of Association	Company's Bylaws.
Eligible persons	All Rights holders, whether Registered Shareholders or those who have purchased the Rights during the Trading Period.
CMA or Authority	The Capital Market Authority of the Kingdom of Saudi Arabia.
Companies Law	Companies Law promulgated by Royal Decree No. (M/3) dated 28/01/1437H (Corresponding to 10/11/2015G), enter in force on 25/07/1437H (Corresponding to 02/05/2016G) as amended by Royal Decree No. (M/79) dated 25/07/1439H (Corresponding to 11/04/2018G).
Commercial Register System	The Commercial Register System issued by Royal Decree No. (M/1) dated 21/2/1416H (Corresponding to 19/7/1995G) and its executive regulations issued by Ministerial Resolution No. (1003) dated 21/09/1416H (Corresponding to 11/2/1996G).



Term	Definition
Stock market	Saudi Exchange (Tadawul).
Tadawul	Saudi Exchange (Tadawul).
Tadawul	Automated system for trading securities.
New Investors	General Individual and institutional investors - with the exception of the Registered Shareholders - who have purchased the Rights Issue during the Trading Period.
General Assembly	The general assembly that is held in the presence of the company's shareholders in accordance with the provisions of the Companies Law and the company's articles of association, and it may be ordinary or extraordinary.
Ordinary General Assembly Meeting	The meeting of the ordinary general assembly of the company's shareholders, which is held in accordance with the company's articles of association.
Extraordinary General Assembly (EGM)	The meeting of the ordinary general assembly of the company's shareholders, which is held in accordance with the company's articles of association.
New Shares	Twenty one million (21,000,000) ordinary shares, which will be issued to increase the Company's capital.
Domestic Product	The gross domestic product of the Kingdom of Saudi Arabia.
Government	Government of the Kingdom of Saudi Arabia.
Corporate Governance Regulations	Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/05/1438H (Corresponding to 13/02/2017G) based on the Companies Law issued by Royal Decree No. M/3 dated 28 /1/1437H (Corresponding to 10/11/2015G) as amended by the decision of the Board of the Capital Market Authority No. (1-07-2021) dated 1/6/1442H (Corresponding to 14/1/2021G) and any subsequent amendments until the date of publication of the prospectus.
Advisors	The company's advisors regarding the offering process whose names are shown on page (vi).
Rights or Rights	Tradable securities that entitle its holders the right to subscribe to New Shares upon approval of the capital increase. It is an earned right for all Registered Shareholder and each right entitles its holder to subscribe to one share of the New Shares at the Offer Price. Rights will be deposited after the extraordinary general assembly on capital increase. These rights will appear in the shareholders' accounts. Registered under a new symbol of rights. Registered shareholders will be notified of the deposit of rights in their portfolios.
Capital Market Law (CML)	The Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H (Corresponding to 01/08/2003G) and any subsequent amendments until the date of publication of the prospectus.
Rules on the Offer of Securities and Continuing Obligations	Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (Corresponding to 27/12/2017G) in accordance with the Capital Market Law passed by Royal Decree No. (M/30) dated 02/6/1424H, and amended by CMA Board Resolution No. 1-07-2021 dated 01/06/1442H (Corresponding to 14/01/2021G) and any subsequent amendments until the date of publication of the prospectus.
Listing rules	Listing rules issued by Tadawul and approved by CMA Board Resolution No. 3-123-2017 dated 04/09/1439H (Corresponding to 27/12/2017G) and amended by Resolution No. (1-104-2019) on 01/02/1441H (Corresponding to 30/09/2019G) and amended by Resolution No. (1-22-2021) at the opinion of 12/07/1442H (Corresponding to 24/02/2021G), and any subsequent amendments until the date of publication of the prospectus.
Listing	Listing securities on the primary market or - where the context allows - submitting a listing application to Tadawul.
Lead Manager	Al-Nefae Investment Group Company
Net Proceeds	Net Proceeds of Offering after deduction of offering expenses.
Offer/Subscription Price	10 Saudi riyals per share.
Registered Shareholder	The investor registered in the issuer's securities ownership registry
Indicative Value of a Right	The difference between the market value of a company's share during the trading period and the offering price.
Offering Period	The Period that starts from Monday 22/10/1443H (Corresponding to 23/05/2022G) until Thursday 03/11/1443H (Corresponding to 02/06/2022G).
Eligible Shareholders	They are the shareholders registered in the company's shareholders register at the close of trading on the eligibility date.



Term	Definition
<b>Rump Offering Period</b>	If any shares remain unsubscribed after the end of the Subscription Period (“Rump Shares”), they will be offered to a number of institutional investors (“Institutional Investors”) (referred to as “Rump Offering”). These investment institutions submit their offers to purchase the rump shares, and these offers will be received starting from ten in the morning on Tuesday 08/11/1443H (Corresponding to 07/06/2022G) until five in the evening From the next day Wednesday 09/11/1443H (Corresponding to 08/06/2022G) (“the Rump Offering Period”). The Rump Shares shall be allocated to Institutional Investors in order of the offered price starting with the highest offer until all of the Rump Shares have been allocated (provided that the price shall not be less than the Offer Price). The Rump Shares shall be allocated on a pro-rata basis among Institutional Investors that provided offers at the same price. The fractional shares shall be added to the Rump Shares and treated in the same manner.
<b>Eligible Persons</b>	All Rights holders, whether Registered Shareholders or those who have purchased the Rights during the Trading Period.
<b>Registered Shareholders</b>	Shareholders who own shares on the day of the extraordinary general assembly meeting for the capital increase and who are registered in the company’s shareholders register at the end of the second trading day following the extraordinary general assembly meeting.
<b>Person</b>	Natural person.
<b>Financial Year/Financial Years</b>	The period during which the result of facility’s activity is presented, where the beginning and end of this period are specified in the Company’s articles of association or bylaws. Note that the company’s financial year ends on December 31 of each Gregorian year
<b>Localization / Saudization</b>	Replacement of expatriate workers by Saudi citizens in private sector jobs.
<b>Prospectus</b>	This document prepared by the Company in relation to the subscription of rights issue shares.
<b>Rial</b>	The Saudi riyal - The official currency of the Kingdom of Saudi Arabia.
<b>Ministry of Environment, Water and Agriculture</b>	Ministry of Environment, Water and Agriculture in the Kingdom of Saudi Arabia.
<b>Ministry of Energy</b>	Ministry of Energy in the Kingdom of Saudi Arabia.
<b>Ministry of Municipalities</b>	Ministry of Municipal and Rural Affairs in Kingdom of Saudi Arabia.
<b>Ministry of Municipal and Rural Affairs in Kingdom of Saudi Arabia.</b>	It is the body responsible for the environment in the Kingdom of Saudi Arabia to a government agency that was established in 1370H (Corresponding to 1950G) in addition to its role in the field of meteorology.
<b>General Authority of Zakat and Tax</b>	The General Authority for Zakat and Income Tax (formerly the Department of Zakat and Income Tax), which is one of the government agencies that are organizationally linked to the Minister of Finance, and it is the body entrusted with the work of levying zakat and tax collection.
<b>Shares</b>	The company’s twenty million (20,000,000) ordinary shares with a nominal value of ten (10) riyals per share.
<b>Al Wasatah Al Maliah or Wasatah Capital</b>	Al Wasatah Al Maliah, a closed Saudi joint stock company, licensed by the Capital Market Authority with license No. (37-08125), which allows it to deal as principal and underwrite, manage, arrange and preserve in securities.
<b>Al- Nefae Investment Group Company</b>	Al- Nefae Investment Group Company, a closed Saudi joint stock company, licensed by the Capital Market Authority, license No. (37-07082), which allows it to deal as principal, agent, underwriting, management, arrangement, advice and custody in securities.
<b>Brokers</b>	Capital market institutions licensed by the Capital Market Authority to conduct the activity of dealing in securities in the capacity of an agent.



Term	Definition
<b>Institutional Investors</b>	Includes a number of institutions, as follows: <ol style="list-style-type: none"> <li>1. Government entities and Government owned companies, whether investing directly or through a portfolio manager, or any international entity recognized by the CMA, the Exchange or any other stock exchange recognized by CMA or the Depository Center.</li> <li>2. Public investment funds established in the Kingdom that are offered publicly, in addition to private funds that invest in securities listed in the Saudi stock market if the terms and conditions of the fund allow it to do so, while complying with the provisions and restrictions stipulated in the Investment Funds Regulations.</li> <li>3. Persons authorized to deal in securities as principals, provided that the financial adequacy requirements are observed.</li> <li>4. Customers of a capital market institution to conduct management activities, provided that such capital market institution has been appointed on terms upon which it may make decisions regarding the acceptance of the Offering subscription and investment in Tadawul on behalf of the customer without obtaining prior approval.</li> <li>5. Any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center, taking into account the investment controls of companies listed in securities, provided that the company's participation does not lead to any conflict of interest.</li> <li>6. GCC Investors with Legal Personality, including companies and funds established in the GCC countries.</li> <li>7. Qualified foreign investors.</li> <li>8. A final legal beneficiary in a swap agreement concluded with capital market institution, in accordance with the terms and regulations of the swap agreements.</li> </ol>
<b>Saudi Organization for Certified Public Accountants (SOCPA)</b>	Saudi Organization for Certified Public Accountants.
<b>International Financial Reporting Standards (IFRS)</b>	A set of accounting standards and their interpretations issued by the International Accounting Standards Board.
<b>Ministry of Commerce</b>	The Ministry of Commerce in the Kingdom of Saudi Arabia (the name of the "Ministry of Commerce and Investment" has been modified to become the "Ministry of Commerce").
<b>Subscriber</b>	Anyone who subscribes to the offered shares.
<b>Food and Drug General Authority</b>	Food and Drug General Authority in the Kingdom of Saudi Arabia.
<b>General Organization for Social Insurance</b>	The General Organization for Social Insurance in the Kingdom of Saudi Arabia.
<b>Ministry of Human Resources and Social Development</b>	Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia.
<b>Value Added Tax (VAT)</b>	On 02/05/1438H, the Cabinet decided to approve the unified VAT agreement for Gulf Cooperation Council (GCC) countries, which came into force on 01 January 2018G, as a new tax added to the system of taxes and other fees to be implemented by Specific industries in the Kingdom, and in the GCC countries. The amount of this tax is (5%), and the Kingdom's government has decided to increase the value-added tax rate from 5% to 15%, starting from July 2020G, and a number of products have been excluded, including (basic foods, services of health care and education).
<b>Working day</b>	Any business day except for Fridays and Saturdays, any day that is an official holiday in the Kingdom of Saudi Arabia, or any day on which banks are closed in accordance with applicable laws and other government procedures.
<b>Labor Law</b>	The Saudi Labor Law issued by Royal Decree No. M/51 dated 23/8/1426H (Corresponding to 27/09/2005G) and the amendments thereto.
<b>H</b>	Hijri calendar.
<b>G</b>	Gregorian calendar.
<b>Securities Depository Center Company</b>	It is a closed joint stock company wholly owned by Tadawul, established in 2016G under the Saudi Companies Law issued by Royal Decree No. M/3 on 28/1/1437H (Corresponding to 11/11/2015G)
<b>2030 vision</b>	The National Strategic Economic Program, which aims to reduce dependence on oil and the petrochemical industry, diversify the Saudi economy, and develop services.
<b>Underwriter</b>	brokerage firm.
<b>Trading Price of the Right</b>	The trading price of a Right as determined by the supply and demand mechanism in the market. Therefore, it may differ from the indicative value of a right.
<b>Compound Annual Growth Rate (CAGR)</b>	A method used to calculate the growth rate of a particular item over a specified period of time.
<b>pallet</b>	Wooden pallet used to put products on it, easy to transport and store on the shelves of the warehouse.





Term	Definition
acres	A unit of measurement for an area and a dunam is equivalent to 1000 square meters.
Hectare	A unit of measurement for an area and a hectare is equivalent to 10,000 square meters.
<b>Rules for Qualified Foreign Financial Institutions Investment in Listed Securities</b>	The Rules that regulate the investment in securities by non-Saudi institutions based outside the Kingdom. Issued by the Board of the Capital Market Authority pursuant to Resolution (1-42-2015) dated 15/07/1436H (Corresponding to 04/05/2015G) and amended by Resolution No. (3-65-2019) of 14/10/1440H (Corresponding to 17/06/2019G).
<b>Procedures and Instructions of Listed Companies, with Accumulated Losses reaching 20% or more of their Capital.</b>	Rules on accumulated-losses of listed companies as issued by the Board of the Capital Market Authority pursuant to its Resolution No. 4-48-2013 dated 15/01/1435H (Corresponding to 18/11/2013G) as amended by the CMA Board Resolution No. 1-77-2018 dated 05/11/1439H (Corresponding to 18/07/2018G).
CAGR	Compound Annual Growth Rate.



## 2. Risk Factors

---

In addition to the other information contained in this prospectus, anyone wishing to invest in the shares offered for subscription must carefully study all the information contained in this prospectus, including the risk factors described below in this section before deciding to purchase the offering shares, bearing in mind that the risks described below It does not include all the risks that the company may face, and it is possible that there are additional risks that are not known to the company at the present time, or that the company may consider to be immaterial at the date of this prospectus and its impact or the extent of its substance may change later. The Company's business, financial position, results of operations, cash flows, and prospects could be adversely materially affected if any of the following risks materialize.

The Board Members further declare that, to the best of their knowledge and belief, there are no material risks the omission of which would affect decisions taken by Shareholders as of the date of this Prospectus, except as disclosed in this Section.

An investment in the Rights Shares is only suitable for investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which might result from such an investment. Prospective investors who have doubts about subscription in the Right Shares should consult a financial adviser licensed by CMA for advice on such investments.

In the event that any of the risks that the Company currently believes to be material do occur, or if any other risks that the Company fails to identify or does not currently consider to be material do occur, the market value of the Shares could decrease and prospective investors could lose all or part of their investment.

The risks described below are presented in an order that does not reflect their importance. Additional unknown risks or those deemed immaterial may have the impacts described in this Prospectus.

### 2.1 Risks of the Company

#### 2.1.1 Risks of the impact of the Corona pandemic (Covid19)

The outbreak of the new Corona virus (COVID-19) began in December 2019G, and the World Health Organization declared the virus a global pandemic in March 2020G, after which the virus spread widely and quickly to affect more than 194 countries around the world, facing an unprecedented health and economic crisis. In the second half of February 2020G, when the virus spread and reached many countries around the world, many countries began imposing public health containment measures to delay its spread and enhance the capacity of the health sector, and the development of the situation in this way led to a sudden halt in economic activities and a sharp drop in prospects Economic. As a result, the spread of the virus had a significant impact on the global economy and put 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 increasing spread of the virus, such as many countries of the world and the region, and health measures included imposing a complete and partial closure of economic and governmental activities, quarantine, and restricting or preventing travel. While the economic measures included financial support for citizens and those affected by the Corona pandemic, family and sick leaves paid by the state, the expansion of unemployment compensation, delaying tax payments, and other measures to support companies.

The company's activities were affected during the first quarter of 2020G, as the transportation and storage sector sales decreased by 18.5% compared to the same period in 2019G by about 336 thousand Saudi riyals, as a result of the complete ban in the city of Jeddah and facing difficulty in moving to and from the company's stores and warehouses. The company is dealing with the crisis by issuing transportation licenses to employees working on the front lines in customer service and activating the remote work system.

The company has benefited from the initiatives of the Saudi government to support and protect the private sector from the risks of low liquidity and the inability to pay short-term obligations through the initiatives that were put forward by the state, which included the government bearing a percentage of the salaries of Saudi employees, extending work cards for non-Saudi employees, and postponing Payment of value-added tax and zakat dues.

Although the company is committed to the instructions issued by the Ministry of Health and the Ministry of Human Resources and Social Development to implement preventive measures and precautions from applying social distancing, determining the



number of employees present in the workplace, measuring the temperature of each employee when entering the company's headquarters and wearing a mask when entering and present at the company's headquarters or one of its facilities. However, the company does not guarantee that one of its employees will not be infected with the virus, which may lead to interruption of work during the 14-day quarantine period, which may negatively affect the company's sales performance.

On 03/09/1441H (Corresponding to 26/04/2020G), the royal decision was issued to return life to its normal state and partially lift the curfew in all regions of the Kingdom, with an emphasis on adhering to the precautionary measures of physical distancing and determining the number of people in the workplace and providing services, and the health status is subject to In the Kingdom, during the period of preparing this prospectus, to the daily follow-up by the Ministry of Health by issuing the daily statistical report to follow up the numbers of injuries, cases of recovery and deaths, and all regions and cities of the Kingdom of Saudi Arabia are subject to continuous evaluation by the Ministry of Health, which may require re-imposing a complete closure or Partially in some cities of the Kingdom, and although the company works in the field of logistics services in transportation and cold storage, which is among the sectors that enjoy support by the government of the Kingdom of Saudi Arabia, as it contributes to providing the food needs of citizens and residents, it is difficult to predict the impact of the Corona pandemic on the company's activity. In the event that the full or partial ban is re-imposed in the cities of the Kingdom in general and the city of Jeddah in particular, where the company's warehouses and headquarters are located.

The consolidated (unaudited) preliminary condensed lists for the three and six months ending on June 30, 2020G and the independent auditor's examination report have been announced. The company has achieved sales growth for the six-month period of the year 2020G by 12.5% compared to the same period in 2019G, and a decrease in losses to 152 thousand Saudi riyals in the six-month period ending on June 30, 2020G, compared to a net loss of 8.1 million Saudi riyals compared to the same period in 2019G. The company's management concluded on the date of issuing the initial financial statements as on June 30, 2020G that there was no negative impact. It is critical to its operations and business as a result of the outbreak of the Corona pandemic.

And in accordance with the decision of the General Assembly of the Supreme Court No. (45/m) dated 08/05/1442H, approving judicial principles regarding aspects of the (Corona Virus) pandemic and the impact of force majeure and emergency circumstances on the obligations and contracts that were affected by it and how to assess those effects and stipulated to apply the principle to Affected contracts and obligations, five requirements, as the application applies if the contract was concluded before the start of the precautionary measures for the pandemic and continued to be implemented after its occurrence, and that the impact of the pandemic is directly on the contract and cannot be avoided, and that the impact of the pandemic on the contract is independent without the participation of another reason, and not be The affected person has waived his right or is reconciled with it, and finally, the effects of the pandemic and its harm should not be treated by a special system, or by a decision of the competent authority. The Supreme Court confirmed that the court, at the request of the plaintiff of damage, after balancing between the two parties and considering the surrounding circumstances, shall amend the contractual obligation that the pandemic has afflicted, in order to achieve justice. The court confirmed that in real estate and movable rental contracts that were affected by the pandemic, the provisions will be applied in two cases:

First: If, due to the pandemic, the lessee is unable to benefit from the leased property in whole or in part, the court shall reduce the rent to the extent that it decreases the usual intended benefit. In the second case: The landlord is not proven to have the right to rescind the contract if the tenant delays paying the rent for the period during which it was not possible to benefit in whole or in part due to the pandemic.

Since the company's revenues depend largely on leasing refrigerated and dry warehouses owned by the company, the company's revenues may decrease significantly as a result of the decrease in the value of the rent, if the government re-imposes additional precautionary measures for a long period.

## 2.1.2 Business interruption risk

Anaam International Holding Group has suspended the operations of its food business, after the deterioration in the prices of imported frozen chicken. The company stopped importing completely in May of 2013G, while continuing to import the quantities agreed upon with suppliers, which ended at the end of 2013G. Inventory was sold and operations ceased in February 2015G. With regard to the agricultural activity, the cultivation of fodder was completely stopped on 3/11/2018G due to Ministerial Resolution No. 66 to stop the cultivation of green fodder, and the company does not bear any expenses of these suspended activities, other than its limited activity in the logistical field, represented by In the rental of refrigerated and dry warehouses and a transport fleet consisting of 29 vehicles. The suspension of the Group's food and agricultural activities has significantly weakened its revenues, as the company's revenues decreased from (40,721,657) in 2018G to (8,410,792) in 2019G with a decrease of 79.3% due to the cessation of green fodder cultivation. From leasing and transport operations in the logistics field, it will lead to the suspension of the group's revenues in whole or in part, which will exacerbate losses and call into question the continuity of the group. Other than the impact of the Corona pandemic on the company's revenues from renting refrigerated and dry warehouses, there was no business interruption during the period between 2019G and the date of this prospectus. For more information on the company's business, please refer to subparagraph (7-8) "**Results of Operations**" of Section (7) "**Discussion and Management Analysis of the Financial Position and the Operation Outcomes**" of this Prospectus).



### 2.1.3 Food storage risks

The company achieves part of its current revenues from its activities in the logistical field, which is represented in transportation services to third parties and the rental of refrigerated and dry warehouses, which constituted 20.17%, 91.8%, 84.8% and 100% of the company's total revenues during 2018G, 2019G and 2020G, and the three-month period Months ending March 31, 2021G. The following table shows the details of the company's revenues from the transport and warehousing sectors and their percentage of the total revenues:

SAR	Fiscal year ended December 31			Three-month period ending March 31, 2021G
	2018G (Audited)	2019G (Audited)	2020G (Audited)	
Dry and cold warehouse rental	5,989,525	5,240,282	4,816,508	854,377
Transportation services for others	2,224,650	2,477,451	2,132,915	1,141,440
<b>Total</b>	<b>8,214,175</b>	<b>7,717,733</b>	<b>6,949,423</b>	<b>1,995,817</b>
<b>Total sales</b>	<b>40,721,657</b>	<b>8,410,792</b>	<b>8,192,783</b>	<b>1,995,817</b>
Percentage of warehouse rental and transportation sales of total sales	20.17%	91.8%	84.8%	100%

As for frozen food, there is a risk of maintaining the required temperature, which ranges between 10 and 18 degrees Celsius below zero. Therefore, an electric generator must be available that matches the size of the storage room and maintains the required cooling rates. As for dry foodstuffs such as rice and others, there is a risk of exposing the products to insects and rodents, as well as the need to maintain a certain degree of humidity. In the event of any error in the storage process in the company's refrigerated or dry warehouses, this leads to food products being damaged, which leads to the company incurring fines or paying compensation to the owners of the products renting the company's refrigerators, which will negatively affect the company's income, results of its operations and financial position.

### 2.1.4 Risks of concentrating the company's business in specific geographic areas

All of the company's current business is based in Jeddah and Al-Jouf region. The company announced several acquisitions operations in different regions and sectors to reduce this risk, and the following table shows a group of acquisitions and the position of them, which the company announced during the last period.

Announcement Date	The statement	current position
01 September 2020G	Signing a memorandum of understanding (non-binding) with Ghadeer Real Estate Company (a limited liability company)	The expiry of the period of the memorandum of understanding and the failure to reach an agreement on 10/04/1442H, (Corresponding to November 25, 2020G).
March 31, 2021G	Signing a non-binding memorandum of understanding with the National Takamol Company for Agriculture regarding the possible acquisition of (100%) of the shares of the National Takamol Company for Agriculture.	The memorandum of understanding expired on 24/09/2021G and no agreement was reached.
April 05, 2021G	Signing a non-binding memorandum of understanding with the Saudi Wasit Corporation regarding the potential acquisition of (51%) of Wasit Entertainment and Beauty Systems Factory - a branch of the Wasit Corporation	The procedures for the acquisition of 51% of the shares of Wasit Entertainment and Beauty Systems Factory - a branch of the Saudi Wasit Corporation were completed on Thursday 26/12/1442H (Corresponding to 05/08/2021G).

Despite the completion of some of these acquisitions, such as the acquisition of Wasit Entertainment and Beauty Systems Factory, the company was not able to reach an agreement regarding other acquisitions, which may be repeated in the future if the company decides to enter into other acquisitions, and in the event that these acquisitions are not completed or in the event of a change in demand or supply, an increase in competition, or the occurrence of any emergency in the city of Jeddah and the Al-Jawf region - God forbid - such as natural disasters and others, this will negatively and fundamentally affect the results of the company's operations, profitability and financial position.



### 2.1.5 The risks of the company heading for many acquisitions

The company is heading to diversify its investments by entering into new investments to diversify income and reduce the risks of revenue concentration. Although the company completed one of these targeted acquisitions during the year 2021G, there are some agreements in which the company did not reach a final agreement regarding the acquisition process.

On September 01, 2020G, a (non-binding) memorandum of understanding was signed with Ghadeer Real Estate Company (a limited liability company), and the agreement ended on November 25, 2020G without reaching an agreement, and the company also signed a non-binding memorandum of understanding on March 30, 2021G with Al-Takamol Company National Agriculture Regarding the potential acquisition of (100%) of the shares of the National Integrated Agriculture Company, the company announced the expiry of the memorandum of understanding on 24/09/2021G without reaching an agreement.

Then, on April 05, 2021G, the company signed a non-binding memorandum of understanding with the Saudi Wasit Corporation regarding the possible acquisition of (51%) of the Wasit Entertainment and Beauty Systems Factory (a branch of the Wasit Corporation), and the procedures for the acquisition of 51% of the shares of the Wasit Corporation were completed. Wasit Entertainment and Beauty Systems - a branch of the Saudi Wasit Corporation, on Thursday 26/12/1442H (Corresponding to 05/08/2021G).

The company does not guarantee the success of the acquisitions that it may announce in the future as part of its expansion plan, which may negatively affect its financial position and future prospects.

### 2.1.6 Group refrigerated warehouse depreciation risk

The Group's ability to lease its refrigerated warehouses depends on the operational efficiency of these warehouses, which is significantly affected by obsolescence, depreciation, maintenance availability, upgrades and replacements. The company proves an annual depreciation rate of 10% on a constant basis, and the depreciation expenses for refrigerated warehouses amounted to 250,317 Saudi riyals, 283,240 Saudi riyals, 303765 Saudi riyals, and 77,035 Saudi riyals for the years 2018G, 2019G and 2020G, and the three-month period ending on March 31 2021G, respectively. The group's refrigerated warehouses were established in 1995G, and the company does not follow a specific maintenance policy. The group's maintenance and operation department performs the necessary periodic maintenance operations, in addition to exceptional maintenance work in the event of any technical failure, and if the group is unable to perform the required modernization and maintenance in appropriate time, it may lose some or all of its customers and these warehouses may go out of service and consequently the group loses a major part of its current revenues, which in turn leads 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 shows the revenues of renting warehouses to others and their percentage of the revenues:

SAR	Fiscal year ended December 31			Three-month period ending March 31, 2021G
	2018G (Audited)	2019G (Audited)	2020G (Audited)	
Refrigerated warehouse rental	5,278,238	4,722,846	4,008,185	595,966
<b>Total sales</b>	<b>40,721,657</b>	<b>8,410,792</b>	<b>8,192,783</b>	<b>1,995,817</b>
Percentage of warehouse rental and transportation sales of total sales	12.96%	56.15%	48.92%	29.86%

For more information on warehouse depreciation policies, please refer to sub-paragraph No. (7-6) (Summary of the Most Significant Accounting Policies) property, plant and equipment" from Section (7) "Discussion and Management Analysis of the Financial Position and the Operation Outcomes" of this prospectus).

### 2.1.7 Risks of destroying the transport fleet

In achieving part of its current revenues, the group relies on leasing the transport fleet it owns, which consists of 29 transport vehicles of different sizes, which accounted for 5.46%, 29.46%, 26.03% and 57.16% of the company's total revenues during the years 2018G and 2019G, and 2020G, and for the three-month period ending on March 31, 2021G. For more information on the company's revenues, please refer to Section No. (7) (Discussion and Management Analysis of the Financial Position and the Operation Outcomes), and since these vehicles have a specific economic life, their obsolescence will lead to burdening the group with increased maintenance burdens and may eventually lead to the exit of some or all of the vehicles of the fleet that ceased to be serviced, and consequently the group's loss of revenues from the transport fleet in whole or in part, which would have a material negative impact on the group's income and financial position. The company makes annual depreciation for cars and trucks with an assumed life ranging from 10 to 20 years, and the depreciation expense for cars and trucks is 1,245,286 Saudi riyals, 910,618, 511,010, and 127,753 Saudi riyals for the years 2018G, 2019G and 2020G, and the three-month period ending on March 31, 2021G, respectively, and consequently the group's loss of its revenues from the transport fleet in whole or in part, which will have a material negative impact on the group's income and financial position.



### 2.1.8 Risks of the adequacy of insurance coverage

The company has a health insurance policy for its employees and their families concluded with the Cooperative Insurance Company, which is a company licensed to work in the Kingdom, according to health insurance policy No. (15218391), dated 22/08/2021G, and its duration is one year. In addition to an insurance policy on the fleet of vehicles owned by the company, signed with the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company "Medgulf" in document No. (MOC/5994652) dated 27/08/2020G and it is valid from 27/08/2020G to 26/08/2021G, for (6) vehicles owned by the company and not designated for transportation purposes (third party insurance).

Anaam International Food Company Limited (a subsidiary company) has a health insurance policy for its employees and their families concluded with Bupa Arabia for Cooperative Insurance Company, which is a company licensed to work in the Kingdom starting from 30/06/2021G for a period of one year and ending on 29/06/2022G, in addition to the insurance policy on the fleet of vehicles owned by the company, signed with the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company "Medgulf" in document No. (MOC/5994660) dated 27/08/2020G and is valid from 27/08/2020G to 26/08/2021G, for (29) vehicles intended for transportation purposes. There are no insurance policies for the other subsidiaries (Saudi Cooling Company, Anaam International Financial Company Limited and Anaam International Investment Company Limited) and their absence does not entail any risks due to the absence of employees working under these companies and they are suspended from any operational activity.

These insurance contracts include deductible amounts and factors excluded from insurance coverage, in addition to other restrictions of insurance coverage to be negotiated with insurance companies, and the company's ability to obtain compensation due to it by the relevant insurance company depends on its financial solvency and ability to meet the value of this compensation, so the insurance may not cover all the losses incurred by the company and no guarantee is given that the company will not incur losses beyond the limits of the insurance policies or outside the scope of coverage contained in these policies. It is possible that cases may arise in which the value of the claim exceeds the value of the insurance held by the company, or that the compensation claim submitted by the company to the relevant insurance company will be rejected, or the claim and compensation period may be prolonged, which will negatively affect the company's business, future prospects, results of its operations and financial position (For more information on insurance coverage, please see subparagraph (13-11) "Insurance" of Section (11) "Legal Information" of this Prospectus).

With the exception of medical and vehicle fleet insurance, the Company, as an insured, did not provide insurance policies with local insurance companies to cover some risks that the Group's assets or property may be exposed to in the course of its activity (such as insurance on warehouses, buildings and property against fire accidents and some natural disasters and all risks of assets and property that are not mandatory for the company). These accidents, if they occur (God forbid), may result in physical damage that will lead to material losses that the company will not be able to compensate in part or in full due to the lack of any appropriate insurance coverage, which will negatively affect the company's operations and its ability to bear the amounts resulting from losses in addition to temporarily suspending its operations will have a negative impact on its financial results and profits.

### 2.1.9 Funding sources risks

As at the date of this prospectus, the company does not have any loans or bank facilities, but it may need to obtain loans and bank facilities in order to finance or help finance future expansion. Since obtaining financing depends on the company's capital, its financial position, its cash flows and the guarantees provided by it. There is no assurance or guarantee Overview of the Company's ability to obtain the appropriate financing at the right time and on the appropriate terms. Therefore, the company's inability to obtain the financing it needs from the financing parties will have a negative impact on the company's performance, operations and future plans. For more information on the company's financing activities, please refer to the sub-paragraph (cash flow from financing activities) of sub-paragraph No. (7-10) "Cash Flow Statement" from Section (7) "Discussion and Management Analysis of the Financial Position and the Operation Outcomes" of this prospectus.)





### 2.1.10 Management decision risks

The company's business results depend mainly on the ability of its management to take the right and appropriate decisions in relation to its business and activities. On November 28, 2021G, the Ordinary General Assembly agreed to elect members of the Board of Directors for the current session, which began on November 28, 2021G and for a period of 3 years ending on November 27, 2024G, noting that the number of four members of the current elected Board has been re-elected for the current session. The following table shows the number of sessions "including the current one" that each member of the Council has spent.

The number of sessions, including the current session	Name
Four sessions from 2012G to 2024G.	Hassan Saad Farhan Al Yamani
Four sessions from 2012G to 2024G.	Walid Jamil Kattan
Three sessions from 2015G to 2024G.	Raied Mohammed Abdullah Katy
Two sessions from 2018G to 2024G.	Mohamed Abdel Rahman Saleh Attar
The current session is from 2021G to 2024G.	Khalid bin Waheeb Muhammad Mglad

If the company's management makes wrong decisions regarding its business, this will negatively affect the company's performance, results of operations and profitability.

### 2.1.11 Risks of employee errors or misconduct

The company is committed to preparing a regulation to organize work according to the form prepared by the Ministry of Human Resources and Social Development. The company may include in the regulation with additional terms and conditions, in a manner that does not conflict with the provisions of the work system, its regulations and related administrative decisions. The company must announce the work organization regulation and any amendment thereto in a conspicuous place in the facility or any other means to ensure the work of those subject to it according to its provisions.

(Anaam International Holding Group) has an internal work regulation approved by the Ministry of Human Resources and Social Development No. (452) and on 11/02/1437H (Corresponding to 23/11/2015G).

However, despite this, the company cannot guarantee to avoid employee misconduct or mistakes such as fraud, intentional or unintentional errors, embezzlement, fraud, theft, forgery, misuse of its property and acting on its behalf without obtaining the required administrative authorizations. Consequently, these actions may result in consequences and responsibilities for the company, legal penalties, or financial liability. Therefore, the Company cannot guarantee that the misconduct of its employees will not materially harm its financial position or results of operations.

### 2.1.12 Risks of relying on qualified human resources

The company aims to attract and employ qualified people to ensure the efficiency and quality of its business through effective management and proper operation. Since the company's success depends on its ability to attract and retain qualified employees, the company's loss of important human elements or its inability to retain them will negatively affect the company's business and the company's profitability may be affected if the company is forced to pay higher salaries and benefits in exchange for keeping them.

The total number of employees in the company reached about 75 employees, as on the date of publication of this prospectus, as follows: The number of employees in Anaam International Holding Group is 28, of whom 8 are Saudis, including the CEO, and among the non-Saudis are the Secretary of the Board of Directors, the internal auditor and the designated financial manager. The number of employees in Anaam International Food Company Ltd. reached 47, including 10 Saudis, including the director of human resources and shareholder affairs, and there are no registered employees limiting other subsidiaries. The following is a table showing the total number of employees by nationalities:

Number of employees by nationality and company							
The Company	Saudi	India	Pakistan	Egypt	Sudan	Others	Total
Anaam International Holding Group	8	11	3	2	3	1	28
Anaam International Food Company Ltd.	10	20	4	1	3	9	47



### 2.1.13 liquidity risk

The company faces liquidity risk when it is unable to provide the necessary funds to meet its financial obligations arising from operating activities and its liabilities on time. The company does not guarantee that no emergency or sudden events will occur that may require immediate liquidity, which affects the company's operational performance and financial position. The company's circulating liquidity ratio as at 31/12/2020G was approximately 0.78 times, and it was 0.77 at the end of the first quarter of the year 2021G, by dividing the total current assets into the total current liabilities, meaning that the company is not prepared to cover its short-term operating obligations and expenses. The company created a zakat provision of 88 million riyals during the year 2019G, which negatively affected the net working capital. The company's current liabilities exceeded its assets by 30.7 million Saudi riyals at the end of March 31, 2021G.

### 2.1.14 Risk of contracts with third parties

The company concludes contracts and transactions as a lessor, whereby the company leases a number of warehouses and refrigerators for food storage that it owns, in addition to contracts and transactions of suppliers in its normal field of work. The Company relies on the willingness and ability of these parties to fulfill their obligations under the terms and conditions of the said agreements. No guarantees or assurances can be given that these parties will live up to expectations, which will negatively affect the company's financial position and business results in the event that these parties are unable to fulfill their obligations. (For more information, please see the sub-paragraph "Essential Contracts", of Section "11" Legal Information).

### 2.1.15 Credit and collection risk

The company faces credit risk when one of the parties fails to meet a certain financial obligation. The company may face credit risk when other parties fail to fulfill their obligations to the company. In the event of non-fulfillment of the obligation by these parties, this will negatively affect the company, its financial position and the results of its operations. In addition, the non-compliance of these parties may be a result of the company's inability to collect its dues from third parties, which negatively affects the company's business and financial position. The net receivables of the company as on 31/03/2021G amounted to 1,647,224 Saudi riyals.

### 2.1.16 Risks associated with potential liabilities

Some potential obligations may arise on the company, such as costs of zakat and taxes, and other obligations or costs of the company's activity such as issuing government licenses necessary to conduct the activity, and if this is achieved, these obligations will negatively affect the company's financial condition, financial position, results of operations and expectations future. For more information on the continuing obligations of Company A and its subsidiaries, please see sub-paragraph "11-23" (Continuing obligations imposed by governmental entities on the Company and its subsidiaries being the "Licensor") of Section (11) "Legal Information" of this Prospectus).

### 2.1.17 Risks of changes in accounting standards and the adoption of new standards

The company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia, and the company is obligated to apply the amendments and other issuances approved by the Saudi Organization for Certified Public Accountants (SOCPA) or the 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 adversely affect the financial statements and, consequently, the company's financial results and financial position.

The company has reclassified non-current assets with a value of 17.5 million Saudi riyals, from the property, plant and equipment account to the assets held for sale account in the financial statements for the year 2020G. According to the Financial Professional Care Report, this treatment is not permitted under the International Financial Reporting Standards (IFRS) which is approved in the Kingdom of Saudi Arabia, and such errors in the accounting treatment may lead to difficulty in reading and comparing the financial information, which will affect the quality of decision-making based on the financial information from these lists.

### 2.1.18 Risks of rising energy prices and other services

On 12/12/2017G, the Ministry of Energy, Industry and Mineral Resources in the Kingdom of Saudi Arabia issued a plan to correct the prices of energy products to ensure the achievement of a financial balance that requires correcting energy prices and gradually lifting government subsidies, with the aim of enhancing economic and environmental efficiency and rationalizing the consumption of natural resources. This decision includes the prices of electricity, water and fuel, which are the mainstay of the company's operations. The company relies heavily on electricity in the activity of freezing and refrigerating refrigerators, and relies on fuel for its logistical operations of the operation of the transport fleet. The following table shows the cost of electricity to the company and its percentage of sales during the years 2018G, 2019G and 2020G, and the three-month period ending on March 31, 2021G.





SAR	Fiscal year ended December 31			Three-month period ending March 31, 2021G
	2018G (Audited)	2019G (Audited)	2020G (Audited)	
total sales	40,721,657	8,410,792	8,192,783	1,995,817
Electricity cost	649,915	763,526	674,609	173,769
Ratio of electricity cost to revenue	1.6%	9.1%	8.2%	8.7%

### 2.1.19 The risk of labor availability and its high costs

The company relies mainly on its logistical activity of land transport and on the activity of operating its cooled and dry warehouses, and the company's management believes that it faces the risks of manpower availability in this field, as it requires obtaining highly qualified and trained manpower to work as transport truck drivers or warehouse workers either through by recruiting non-Saudis from outside the Kingdom or hiring from inside the Kingdom, as the nature of these jobs does not match the qualifications of national job seekers. Accordingly, the unavailability of this workforce and the high cost of bringing it from abroad, or the company's fees for non-Saudi workers, such as work permits and residencies, will have a negative impact on the results of the company's operations and its financial position.

### 2.1.20 Risks of relying on non-Saudi employees

The percentage of non-Saudi employees in the company represents about 76% of the total employees, and the percentage of non-Saudi employees in leadership positions is 50%, and accordingly, if the company is unable to maintain its cadres of non-Saudi employees or find replacements for them with the same skills and experience, or there is a change in the policies and regulations of the Ministry of Human Resources and Social Development, resulting in an increase in the Saudization rate in the sector, the company's business results and its financial position will be affected in a fundamentally negative way. For more information on non-Saudi employees, please see sub-paragraph "4-7" (Employees and Saudization) of Section (4) "Overview of Company and the Nature of its Business" of this Prospectus.)

### 2.1.21 Breakdown of refrigerators and spoilage of food products belonging to the tenants

In achieving a large part of its revenues, the group relies on leasing its refrigerated warehouses (refrigerators) and the company intends to maintain and update them continuously. The company allocated an amount of (2,500,000) Saudi riyals from the proceeds of the previous offering for the maintenance of refrigerated warehouses, and the company spent an amount of (1,000,000) Saudi riyals, and maintenance was carried out for the entire 22 refrigerated units. Accordingly, the occurrence of any failure of the refrigerators or a decrease in their operational efficiency, may result in the spoilage of food products belonging to the tenants. According to the contracts signed with the tenants, the company will bear any losses in the foodstuffs that result from the failure of the refrigerators, and in the event of any malfunction, the company will be forced, according to the lease agreements, to pay compensation in the value of the damaged goods as a result, which will affect the results of the group's operations and its financial position in a negative and material way.

### 2.1.22 The risk of the company's accumulated losses exceeding 50% of the capital

The company's accumulated losses amounted to 65.3 million Saudi riyals as on December 31, 2017G, and the company's accumulated losses amounted to 82.2 million Saudi riyals on December 31, 2018G. The company announced on November 25, 2019G that it had recorded accumulated losses of (181) million Saudi riyals, that is, (92.3%) of its capital at that time. On December 31, 2019G, the company obtained the approval of the (Extraordinary) General Assembly to reduce its capital from (196) million Saudi riyals to (15) million Saudi riyals, which reduced the company's accumulated losses to 0%. The accumulated profits amounted to (1,064,784) Saudi riyals as on September 30, 2021G. The company's incurring additional losses in the future will affect the availability of the necessary liquidity for the company's business and its expansion plans and will negatively affect the results of its operations and financial position.

It should also be noted that on 23/01/1438H (Corresponding to 24/10/2016G), CMA Board Resolution No. (1-130-2016) amended the procedures and instructions of companies listed in the market, with accumulated losses amounting to 50% or more of their capital in accordance with the Companies Law. The Resolution was renamed "Procedures and Instructions of listed companies with accumulated losses reaching to 20% or more of its capital" and was implemented as of 25/07/1438H (Corresponding to 22/04/2017G) and amended by CMA Board Resolution No. 1-77-2018G dated 05/11/1439H (Corresponding to 18/07/2018G), which states that in case the accumulated losses of a company reach 20% or more of its share capital, the company shall promptly announce such an event.

These procedures also stipulate that if the company's accumulated losses amount to 50% or more of its capital, the company official or the auditor shall immediately inform the Chairman of the Board of Directors. The Chairman of the Board of Directors shall immediately inform the members of the Board of Directors. The Board of Directors, within fifteen (15) days of becoming aware of this loss, shall invite the Extraordinary General Assembly to meet within Forty Five (45) days from the date of its



becoming aware of the losses, in accordance with the requirements of Article No. (150) of the Companies Law. The Chairman of the Board of Directors shall clarify whether the assembly shall propose increasing or decreasing the company's capital, in accordance with the Law Regulations, to the extent that the percentage of losses drops below half of the paid capital, or dissolution of the company before the specified term in its articles of association. In the event that the company is liquidated under the law pursuant to Article No. (150) of the Companies Law or a decision of the Extraordinary General Assembly, the listing of the company's shares shall be cancelled. The company shall be considered liquidated by the law force if the extraordinary general assembly did not meet within the specified term in accordance with Article No. (150) of the Companies Law, if the company met and was unable to issue a decision in the matter, or if the company decide to increase the capital in accordance with the prescribed conditions in this article, and the subscription for all the capital increase has not taken place within Ninety (90) days from the issuance of the assembly's decision to increase.

### 2.1.23 Risks of the Subsidiaries Accumulated Losses Exceeding 50% of the Capital

The accumulated losses of the subsidiaries exceeded half of their capital, with the exception of (Anaam International Agricultural Company). In accordance with the requirements of Article No. (181) of the Companies Law, the managers of each company shall invite the partners to a meeting to consider the continuation or dissolution of the company. The partners' decision, whether to continue or dissolve the company, shall be published on the Ministry of Commerce website. The company shall be considered dissolved by the force of the law if the company's managers neglect to invite the partners or if the partners are unable to issue a decision to continue or dissolve the company.

On the date of publishing this prospectus, Anaam International Food Company Ltd., Anaam International Investment Company, Saudi Refrigeration Company and Anaam International Financial Company shall comply with the provisions of Article No. (181) of the Companies Law. The partners in each company unanimously agreed to continue the company's operations while providing financial support to cover its losses. These partners' decisions were published on the Ministry of Commerce website.

In the event that the above subsidiaries are unable to reflect the results of this support in the financial statements for the following financial year and are unable to reduce losses to (50%) of their capital, the company will have two options. These two options are as follows: the partners shall submit a new commitment to maintain and preserve the company by providing financial support to the company, provided that the result is shown in the next budget or its liquidation, especially since reducing the capital by canceling shares to amortize losses is not allowed for limited liability companies whose losses exceed (50%) of the capital, in accordance with the provisions of Article No. (177) of the Companies Law. In the event that it is not possible to issue a decision to continue or dissolve these companies, the company shall considered expired by the law force, which may negatively and fundamentally affect the company's business, financial position and future prospects. On 25/11/2019G, the partners in the subsidiaries were informed that the accumulated losses exceeded (50%) by the auditor. The holding company reduced the capital and the accumulated losses of the subsidiaries were closed as follows:

1. **Saudi Refrigeration Company:** The accumulated losses in 2018G amounted to 1.8 Million Saudi Riyals, or 9.6% of its capital. The account of the accumulated losses during 2019G in the capital of the Anaam International Holding Group was closed. The Saudi Refrigeration Company does not have any accumulated losses balance as on the date of this prospectus.
2. **Anaam International Financial Company:** The accumulated losses in 2018G amounted to 2.1 Million Saudi Riyals, or 219% of its capital. The account of the accumulated losses during 2019G in the capital of the Anaam International Holding Group was closed. Anaam International Financial Company does not have any accumulated losses balance as on the date of this prospectus.
3. **Anaam International Investment Company:** The accumulated losses in 2018G amounted to 2.9 Million Saudi Riyals, or 219% of its capital. The account of the accumulated losses during 2019G in the capital of the Anaam International Holding Group was closed. Anaam International Investment Company does not have any accumulated losses balance as on the date of this prospectus.
4. **Anaam International Food Company Ltd.:** The accumulated losses in 2018G amounted to 3.4 Million Saudi Riyals, or 698% of its capital. The account of the accumulated losses during 2019G in the capital of the Anaam International Holding Group was closed. Anaam International Food Company Ltd. does not have any accumulated losses balance as on the date of this prospectus.

### 2.1.24 Risks of Not issuing or not renewing Licenses and Certificates

The Company and its subsidiaries shall obtain and maintain various permits, licenses and regulatory approvals in relation to their activities. These licenses include, but are not limited to: Company Registration Certificate issued by the Ministry of Commerce, Chamber of Commerce membership certificates, trademark registration certificates, Saudization certificates, Zakat and income certificates, Value Added Tax (VAT) and social insurance registration certificates. (For more details about the obtained licenses and certificates by the company, Please see Subparagraph No. (11-16) "The Company's governmental approvals and licenses" of Section No. (11) "Legal Information").

With the exception of the subsidiary company (Anaam International Food Company Ltd.), the company and its subsidiaries (Anaam International Investment Company Ltd.), (Anaam International Financial Company Ltd.), (Anaam International Agricultural



Company Ltd.) and (Saudi Refrigeration Company Ltd.) have not obtained or issued municipal (professional) licenses from the Ministry of Municipal and Rural Affairs (where the headquarter and the head office of each company, its offices, food facilities, warehouses, and refrigerators are located). Regardless the Group have a single building owned by the company (For more details about the obtained licenses and certificates by the mentioned companies, Please see Subparagraph No. (11-16) “**The Company’s governmental approvals and licenses**” of Section No. (11) “**Legal Information**”), which will expose the companies to the stipulated penalties in Penalties and Sanctions Regulation for Municipal Violations (issued by Cabinet Resolution No. (218), dated on 06/08/1422H), which specified penalties ranging from (SAR 1,000) One Thousand Saudi Riyals as a minimum to (SAR 5,000) Five Thousand Saudi Riyals as a maximum. The group’s headquarters and head office (where the headquarter and the head office of each company, its offices, food facilities, warehouses, and refrigerators are located) may be closed, in addition to its inability to open an account with the labor office and benefit from the provided electronic services by the labor office, which negatively affects the group’s business and operations outcome.

The company and its subsidiaries do not have a safety certificate issued by the General Directorate of Civil Defense (Salamah Website) regarding its main headquarters until the date of publishing this prospectus. This may expose the company and its subsidiaries to the stipulated penalties and sanctions in Article No. (30) of the Civil Defense Law issued by Royal Decree No. (M/10) and dated on 10/05/1406H (Corresponding to 21/01/1986G), as amended by Royal Decree No. (M/66), and dated on 02/10/1424H (Corresponding to 26/11/2003G), which stipulates imposing a penalty on the breach party of any of this law provisions, its regulations or the issued decisions based on this law and regulations, with imprisonment for a period not exceeding six months, or a penalty not exceeding SAR 30,000, or both for each violation. The Company’s failure to obtain civil defense licenses shall result in the company failure to obtain new municipal licenses or renew existing licenses. In the event that the company is unable to obtain security and safety licenses from the Civil Defense, this may lead to the closure of the company’s main headquarters, branches or facilities until the completion of the legal procedures for obtaining civil defense licenses, which will negatively and fundamentally affect the company’s business, financial position, operations outcome and future prospects. As for the subsidiary company (Anaam International Investment Company Ltd.), the company tries to move its headquarters to a new location and to obtain the necessary licenses (Municipality and Civil Defense) accordingly.

The subsidiary company (Saudi Agricultural Company) did not renew the commercial register and the Chamber of Commerce subscription certificate. There is no penalty for not renewing the commercial register, but the years that have passed without renewing the commercial register will be calculated with the renewal fees. with the exception of the subsidiary company (Anaam International Food Company Ltd.).

The Saudi Refrigeration Company Articles of Association has not been updated, in accordance with the new Companies Law issued by Royal Decree No. (M/3) dated on 28/01/1437H (Corresponding to 10/11/2015G) and published in the Official Gazette (Umm Al-Qura) on 22/01/ 1437H (Corresponding to 04/12/2015G), as amended by Royal Decree No. (M/79) dated on 25/07/1439 AH (Corresponding to 11/04/2018G). The commercial register activities have not been updated in accordance with the Economic Activities Regulations approved by the Ministry of Commerce (ISIC). The failure to update the subsidiary company’s articles of association in accordance with the requirements of the Ministry of Commerce, including updating its activities, shall not enable the company to update its commercial register if the company does not update the articles of association. This shall lead to suspend the commercial register of the subsidiary company, which will negatively affect its operations, in addition to its exposure to the stipulated sanctions and penalties in the Companies Law, which may amount to a penalty of no more than (SAR 500,000) Five Hundred Thousand Saudi Riyals.

A file has not been opened with the Ministry of Human Resources and Social Development (Labor Office) for each of the subsidiaries: (Anaam International Investment Company), (Anaam International Financial Company), (Anaam International Agricultural Company) and (Saudi Refrigeration Company), which are not registered with the General Organization for Social Insurance and the Labor Office, as they are suspended from any operational activity. No worker or employee has been employed in these companies, and therefore the company will not be able to obtain certificates of commitment or benefit from the provided services by the aforementioned entities.

The company and its subsidiaries inability to renew their current licenses, permits and certificates, to obtain any of the necessary licenses for their business, if any of their licenses are suspended or expired, if any of those licenses are renewed on conditions that are not appropriate for the company and its subsidiaries, or in the event that the Company and its subsidiaries are unable to obtain additional licenses, permits and certificates that may be required in the future, this may expose the company and its subsidiaries to stop and suspend the company and its subsidiaries from carrying out their business, such as closing the main headquarters of the company and its subsidiaries, or freezing part or all of the provided services by the legal authorities to their licensed facilities. This may also lead to suspend the group’s operations, business and incurring additional costs, which will negatively affect the results of its operations and its financial position.

### 2.1.25 Trademark Protection Risks

The Company has registered two (2) trademarks, which the company depends on as a trademark for its business (for more information, Please review the subsection “**Trademarks**” of Section No. (11) “**Legal Information**”). The Company’s competitive position depends on its ability to continue using these trademarks and to protect its rights relating to those trademarks against any illegal use of these trademarks by any third parties. In event that the company has to defend those trademarks, the company may incur high costs in lawsuits and legal procedures. The company have to devote all the efforts of the technical



and administrative human resources towards this issue. This may have a material negative impact on the company's business, financial condition, operations outcomes and future prospects.

### 2.1.26 Risk of the Group's Inability to pay its Financial Obligations

There are a number of claims and financial obligations owed by the company. The total claims on the company amounted to (SAR 28,354,587) on 2019G, (SAR 30,130,401) on 2020G and (SAR 28,979,844) for the first quarter of 2021G. There are due penalties to customs duties for a period prior to 2017G, and the company's management expects to pay the full amount of the due expenses to the Customs Authority in the second half of the financial year 2021G. In addition to the rest of the requirements, 50% of these dues have been paid, and the negotiations are started to pay rest of the dues. In the event that the company is unable to secure sufficient cash flows, the company shall not be able to meet its obligations, which will negatively affect the company's credit reputation and its ability to obtain credit facilities in the future, and thus negatively and fundamentally affect the company's business and financial position. (Please review "Current Liabilities" and "Accrued Expenses and Other Credit Balances" from Section No. (7) "Discussion and Management Analysis of the Financial Position and the Operation Outcomes").

### 2.1.27 Litigation and Lawsuits Risks

The Company and its subsidiaries, during the practice of their business and works, may be exposed to issues and claims of their operations. The Company does not guarantee that there will be no conflict between the company and their internal parties (such as employees or managers) or any of its external parties it deals with, such as customers, suppliers, distributors, and others. These conflicts may lead to filing lawsuits (such as labor lawsuits, financial claims, Termination of Existing Contracts Lawsuits for breach of one of the contractors' obligations or commitments) with the competent judicial authorities. As a result, the Company may be subject to lawsuits and investigations from government entities and departments. Par for the course, the Company cannot expect the results of such claims if they occur, nor does the company guarantee that such claims will not have a material impact on its business, financial position and its operations outcomes. Also, the Company cannot accurately predict the size and the costs of the lawsuits or judicial procedures that may be filled by or against the company or the final results of those lawsuits or judgments issued in these lawsuits and the included compensation and penalties.

As on the date of publishing this prospectus, the Company is not a party to any lawsuit, claim, arbitration or administrative procedures, collectively or individually, existing or likely to be existed, with the exception of the two cases brought against the company by the Jeddah Municipality and the plaintiff Tariq Abdul Rahman Al-Feda, which were ruled in favor of the company. In addition to the filed lawsuit by the company as a plaintiff against Ahmed Ali Ahmed Al-Ghamdi, in which a decision was issued obligating the defendant to pay a total amount of (SAR 25,500,000). The judgment was not implemented. The writ of execution has issued an order to sell the entire factory and its contents in a public auction and to pay the creditors, the division of the debtors with the submission of the factory creditors. Therefore, any negative results of such issues will negatively affect the results and outcomes of the company's operations and its financial position.

### 2.1.28 Risks of the Existing and Potential Legal Zakat Entitlements

The Company submitted its zakat returns to the General Authority for Zakat and Income for 2019G. The Company got a temporary Zakat Certificate valid until 30/04/2021G. The Company was unable to issue a new Zakat Certificate for 2020G due to the dues it owes. The temporary certificate enables the company to review government entities and finish its transactions with the authority. This Certificate also gives the company the right to enter bids in accordance with the applicable regulations in this regard, including the payment of final dues on contracts. Also, the Company and its subsidiaries shall comply with the value added tax law and its executing regulations, all of which are registered in value added tax and have a tax number.

On 25/02/2018G, the Company received a letter claiming the payment of zakat differences in the amount of (SAR 106,927,278) for the years from 1995 to 2011G. The Company has specified an allocation amounting (SAR 88,552,906) during 2019G, in addition to the previously allocated amount shown in the financial statements for 2018G, amounting to (SAR 18,374,372), so, the total amount allocated in accordance with the consolidated financial statements for the financial year ending on 2019G became an amount of (SAR 106,927,278). The Company submitted an objection to the final zakat assessment on 17/11/2019G. On 23/06/2021G, the Committee for Adjudication of Tax Violations and Disputes decision was issued accepting some items of the company's objections and rejecting some of them, with the possibility of appealing the decision within 30 days. The Company will appeal the decision in the items that did not pass the committee.

The Company did not calculate the zakat expense for 2019G, 2020G and the first quarter of 2021G. Based on the assessment of the financial due diligence consultant, the zakat expense that was calculated is (SAR 147,194), (SAR 660,906) and (SAR 525,119) for 2019G, 2020G and the first quarter of 2021G. In addition to and in accordance with the provided details by the company, the zakat assessment shall be reduced to 6.9 Million Saudi Riyals for the years from 1995G to 2018G in accordance with the final letter received from the Zakat, Tax and Customs Authority during the first quarter of 2021G. However, the Company did not cancel the allocation during the first quarter of 2021G or the second quarter of 2021G. Accordingly, the Company shall re-evaluate the zakat base and zakat expense and shall take the corrective measures accordingly. If the Company fails to take corrective measures, this will negatively affect the company's operations outcome and its financial position.





A Final Zakat Assessment was also issued for the years from 2012G to 2018G, which resulted in a claim for additional zakat differences amounting 7 Million Saudi Riyals. An objection to these zakat assessments shall be submitted to the General Secretariat of Tax Committees on 15/10/2020G. The objection is still under review by the General Authority for Zakat and Income as on the publishing date of this prospectus. The Company did not allocate an additional amount for what was allocated previously, as the company believes that the company has a high chance of accepting the above-mentioned objection. This may expose the company for a risk that the company will be obligated to pay amounts to the General Authority for Zakat and Income more than what was allocated for those years. This matter will negatively affect the company's profitability, its operations outcomes and its financial position. For more information on Zakat, please review the sub-paragraph "Operations Results" (Zakat) of Section No. (7) "Discussion and Management Analysis of the Financial Position and the Operation Outcomes" of this Prospectus). For more information on Zakat, please review the sub-paragraph of Section No. (11-23) "Continuing obligations imposed by governmental entities on the Company and its subsidiaries being the "Licensor"" Part of "Continuing Obligations as per ZATCA Requirements" of Section No. (11) "Legal Information".

### 2.1.29 Risks of Imposing a Penalty for Violating Labor Laws

The Labor Law and its Executive Regulations obligate all employers that the employment contract with any employee and worker shall be in writing and shall be issued in two copies. The Ministry of Human Resources and Social Development obligated the company to register the employment contracts electronically by uploading and updating information of workers' employment contracts and giving workers and employees the opportunity to verify the validity of their contract data by documenting contracts through the electronic services portal of the General Organization for Social Insurance, in accordance with Ministerial Resolution No. (156309), dated on 18/08/1440H (Corresponding to 23/04/2019G). All the employment contracts of the workers and employees, who contracted with immediately after the date of this decision shall be documented and registered. As for those contracted with them in advance, the registration of their contracts shall be mandatory and shall be registered on stages ending at the fourth quarter of 2020G. Until the publishing date of this prospectus, the company has not documented or registered the contracts electronically and work is in progress on these contracts. The company's failure to comply with this may be considered a violation of the Labor Law and its Executive Regulations. The Company will be subject to a penalty of (SAR 1,000) One Thousand Saudi Riyals, multiplied by the violating workers number, in accordance with what was stated in violations and penalties table issued by Ministerial Resolution No. (178743) dated 27/09/1440H (Corresponding to 01/06/2019G). This matter will have a negative impact on the company's business and operations outcomes.

On the publishing date of this prospectus, the company shall comply with applying the Wages Protection System (WPS), which is one of the Ministry of Human Resources and Social Development programs aimed at providing an appropriate and safe work environment in the private sector, in terms of raising the level of transparency and preserving the rights of the contracting parties. The System monitors wage payments for all male and female workers in the private sector (Saudis and Expatriates). The program measures the extent to which the establishments are committed to paying wages on time and at the agreed value upon between the contracting parties, aiming to reduce wage disputes between establishments and workers in the private sector. This system obliges the establishment to upload the wages exchange file to the Ministry's e-services portal and to update the employment data periodically as soon as any changes occur. The program monitors the monthly wage disbursement data for establishments and compares them with the recorded data in the Ministry of Human Resources and Social Development. The Ministry monitors the employer's discipline to pay on time and at the agreed value upon, in accordance with what has been registered in the Wages Protection System (WPS). In the event that the Company did not comply with submitting the wages file to the ministry's website on the due date and the non-disbursement of wages at the agreed time and/or value may expose the company to imposing penalties and sanctions that may lead to suspend the ministry's services and a penalty of (SAR 10,000) Ten Thousand Saudi Riyals, and a penalty of (SAR 3,000) Three Thousand Saudi Riyals for each worker who proves that its salary was not paid on the due date, in accordance with what was stated in the violations and penalties table issued by Ministerial Resolution No. (178743) dated 27/09/1440H (Corresponding to 01/06/2019G). The Company is keen on raising the wage protection file on a monthly basis in order to avoid paying the arising penalties from non-payment of salaries on the due date. The Company has not previously received violations of this kind. Accordingly, if these penalties are imposed on the company, these penalties will negatively affect its business and its operations outcome.

A file was opened with the Ministry (Labor Office) with the unified No. (13329-9) in accordance with the issued Saudization Certificate from the Labor Office and expired on 28/02/1443H (Corresponding to 05/10/2021G). To state that the company is comply with the required Saudization percentage of the company in accordance with the Nitaqat program, which is classified under (Insurance and Business Services) and is located in the low green range, and the Saudization percentage is small, which reached (24.21%), category (B). In accordance with Article No. (3) of the Company's Articles of Association and in accordance with the Commercial Register, the company's activities shall be limited to the holding company activities. Therefore, the company shall verify from the Labor Office about the reason for its classification within insurance and business services and shall take all the necessary measures to correct its classification so as not to be exposed to any violation that the Ministry of Labor may impose in the future. This may negatively affect its operations outcome and its financial position.



### 2.1.30 Risks of Lease Contracts

Anaam International Food Company has some lease contracts as a “Lessor”. The Company owns and operates equipped refrigerators to store frozen food in Jeddah City. The company inability to maintain the continuity of these lease contracts of these sites and renew the mentioned contracts on the same current terms or preferential terms, or its inability to use the leased property for the designated purpose for any reason, shall force the company to vacate the property and find other lessees. All of this may negatively affect the company's expected business outcomes, operational and financial statements.

It is noted that the issuance of Cabinet Resolution No. (292) dated 16/05/1438H, which states that the non-registered lease contract in the electronic portal shall not be considered as a valid contract that produces its administrative and judicial effects. The electronic network for lease services was launched in cooperation between the Ministries of Justice and Housing on 17/05/1439H. The Ministry of Justice issued a circular for approving the application of this to all the concluded contracts after 04/05/1440H (Corresponding to 10/01/2019G). The Company has several contracts that were concluded after the date of 10/01/2019G in its capacity as (Lessor), which is not according to the electronic form and was not registered in the electronic network as on the publishing date of this prospectus. Therefore, in the event of any dispute arising between the company and any of the lessees in relation to these lease contracts, these conflicts may not be considered by the Saudi courts. Consequently, the company, as a plaintiff, may not be able to protect its rights in the event that any of the lessee breaches their contractual obligations. This may negatively and fundamentally affect the company's business and future aspirations and prospects. (For more details on lease contracts, please review subparagraph No. 11-24 “Essential Contracts” of Section No. (11) “Legal Information” of this Prospectus).

### 2.1.31 Related Party Transaction Risks

The Company during the execution of its business and works, may be exposed to the existence of transactions with related parties that are presented to the general assembly without giving the right to the board of directors members who have an interest in those contracts to vote on them, whether in the assembly (if they own shares) or in the meeting of the board of directors. The Board of Directors Members shall acknowledge not to compete with the company's business and to deal with related parties based on competitive bases. In the event that any member of the Board decides to withdraw from the company, dealings with companies of that member may be suspended, a request may be made to amend the terms of the agreement or deal with terms that do not satisfy the company, which will force the member to choose other companies to contract with. The company may not obtain the same treatment from those companies, which will negatively affect the company's business and profitability.

Transactions with related parties during 2020G amounted to (SAR 72,000) Seventy Two Thousand Saudi Riyals, which includes the remuneration of members of the Board of Directors. On the publishing date of this prospectus, the company and its subsidiaries have no contracts and dealings with related parties, including members of the Board of Directors, senior executives or their relatives, except for the annual rewards for the Board members and the salaries of senior employees.

### 2.1.32 Risks of Violating the Companies Law

The Company has complied with the new Companies Law issued by Royal Decree No. (M/3), dated on 28/01/1437H (Corresponding to 10/11/2015G) and published in the Official Gazette (Umm Al-Qura) on 22/01/1437H (Corresponding to 04/12/2015G), which entered into force on 27/07/1437H (Corresponding to 04/05/2016G) and amended by Royal Decree No. (M/79), dated on 25/07/1439H (Corresponding to 11/04/2018G). The Company also complied with Article No. (224) of the Companies Law in terms of amending 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 Companies Law at its meeting held on 09/02/1438H (Corresponding to 09/11/2016G). The latest version of the Articles of Association was issued based on the decision of the Extraordinary General Assembly on 05/05/1441H, (Corresponding to 31 December 2019G), and it was approved by the Ministry of Commerce on 18/06/1441H, (Corresponding to 12/02/2020G).

On 25/07/1439H (Corresponding to 11/04/2018G), Royal Decree No. (M/79) was issued amending some articles of the new companies law, especially Article No. (91) of the period for publishing the invitation to meet the General Assembly, Article No. (104) of the report of the Audit Committee, Paragraph No. (3) of Article No. (126) of financial documents and Article No. (80) regarding the liability claim. The Law permitted the company to bear the incurred expenses by the shareholder to file a lawsuit against the company, regardless of the outcome. The Company presented these amendments to the Extraordinary General Assembly for approval on 10/03/1442H (Corresponding to 27/10/2020G), and the Extraordinary General Assembly approved the updated Articles of Association of the company in accordance with the new Companies Law. The resolution of the Extraordinary General Assembly was approved by the Ministry of Commerce on 18/04/1442H (Corresponding to 03/12/2020G).

The articles of association of the Saudi Refrigeration Company has not been updated, in accordance with the new Companies Law issued by Royal Decree No. (M/3), dated on 28/01/1437H (Corresponding to 10/11/2015G) and published in the Official Gazette (Umm Al-Qura) on 22/01/1437H (Corresponding to 04/12/2015G), as amended by Royal Decree No. (M/79), dated on 25/07/1439H (Corresponding to 11/04/2018G), which may expose the company to the stipulated penalties in the Companies Law by imposing a penalty not exceeding (SAR 500,000) Five Hundred Thousand Saudi Riyals. The Company has started updating the articles of association of the Saudi Refrigeration Company and has paid the updating fees, and it is expected to



be completed during the first quarter of 2022G. There are no financial penalties for the delay in updating, but the company will not be able to benefit from the services of the Ministry of Electronic Commerce, especially the amendment of the commercial register of the subsidiary company and branches until after updating the articles of association.

In the event of penalties of non-compliance with the Companies Law, this will affect the company's business and its operations outcomes. There are no other violations of the company or its subsidiaries of the Companies Law other than what was mentioned in this section. For more information on the extent of the company commitment and its subsidiaries, please review section "Continuing obligations imposed by governmental entities on the Company and its subsidiaries being the "Licensor"" of Section No. (11-23) the continuing obligations imposed by government entities on the company and its subsidiaries in its capacity as, the license holder, from "Legal Information" No. (11).

### 2.1.33 Risks of the Company's Customers Defaulting, Procrastinating, and Inability to pay the Owed Amounts to the Company

The Company's income depends mainly on the generated revenue from the rental of its cold and dry warehouses. The revenues percentage from warehouse rents to total revenues is 14.71%, 62.30%, 58.79%, and 70.14% for the years 2018G, 2019G, 2020G, and the three-month period ending on 31 March 2021G, respectively. The owed rents by warehouse customers represent 15%, 40%, 47%, and 51% of the total receivables in the financial years 2018G, 2019G and 2020G, and the three-month period ending on 31 March 2021G, respectively. Therefore, if some customers are unable, late, or procrastinate to pay the due rent amounts from them on their due dates, this will negatively and fundamentally affect the company's cash flows, and thus its ability to meet its financial obligations and continue its business.

### 2.1.34 Risks of Government Fees Applicable to Non-Saudi Employees

During 2016G, the government approved a number of decisions aimed at carrying out comprehensive reforms of the labor market in the Kingdom of Saudi Arabia, including the approval of imposing additional fees for every non-Saudi employee working for a Saudi entity as on 01/01/2018G at 400 (Four Hundred) Saudi Riyals, per month for each non-Saudi employee for 2018G, increasing to 600 (Six Hundred) Saudi Riyals per month for 2019G and then to 800 (Eight Hundred) Saudi Riyals per month for 2020G. This will lead to an increase in the company's costs in general, which will negatively affect its business, financial performance and operations outcomes.

In addition, the government imposed fees in exchange for money on the non-Saudi employees dependents and companion as on 01/07/2017G, at the rate of 100 (One Hundred) Saudi Riyals per month for each dependent in 2017G, and these fees rise annually to reach 400 (Four Hundred) Saudi Riyals per month for each dependent in 2020G. Therefore, the fees that the non-Saudi employee will bear on behalf of his family will lead to an increase in the cost of living for him, which will lead him to work in other countries where the cost of living is lower. If such an event occurs, the company will face difficulty in maintaining its non-Saudi employees, which may force the company to bear those costs for non-Saudi employees or part of them directly, or indirectly by raising the wages of its non-Saudi employees. This matter may lead to an increase in the company's costs, which will negatively affect its operations outcome.

### 2.1.35 Risks of Depending on Customers

The Company depends heavily on leasing its cooled and dry warehouses on a limited number of customers. The total number of the company's customers for the storage sector is (32) customer, and the number of the company's customers for the transportation sector is (5) customers. Accordingly, the impact of the relationship with any of these customers may negatively and fundamentally affect the sales of Anaam International Group Holding Company, its financial position and its profitability.

### 2.1.36 Risks of Not Succeeding Expansion Strategy

The expected future growth of the company depends on the success of its expansion strategy, modernization of existing activities and expansion of existing activities. Whereas, the company aims to diversify its activities by investing in real estate assets and owning shares in privately owned companies, in order to achieve sustainable growth in revenues and income and maximize the return to the company's shareholders. The company inability to implement its planned expansion plans, or the failure of those expansion plans, will negatively affect future growth opportunities, affecting the company's financial position, and thus its operations outcomes. Also, if these expansion plans are implemented, no assurance can be given that the desired results will be achieved from this expansion process, as it is linked to future expectations. Therefore, if the desired results are not achieved in whole or in part, this will affect the company's financial performance and its operations outcomes in a fundamental negative way.

### 2.1.37 Risks of Delaying the Future Projects Implementation

The company may face the arising risks from the implementation of its future plans and projects. The company did not implement some of its future plans in accordance with the specified schedule for the future plans and in accordance with the estimated costs. Therefore, as shown in the use of the previous offering proceeds, for example, but not limited to, the company planned to invest in projects such as engaging in agricultural activities, "livestock herd" at a value of 5.5 Million Saudi Riyals,



which the company stopped implementing after selling the Al-Jowf project. The Company has acquired businesses worth 50 Million Saudi Riyals, some of which the company was able to terminate “Saudi Wasit Entertainment and Beauty Systems Factory” at a value of 20.4 Million Saudi Riyals, which represents 49% of the total allocated amount for this item. The Company also planned to allocate an amount of 2.5 Million Saudi Riyals to improve refrigerators, when it actually used an amount of One Million Saudi Riyals, equivalent to 40% of the allocated amount for this item. (For more information, please review the sub-paragraph **(Total number of company shares outstanding and issued before offering)** of the “**Summary of the Offer**” section of this prospectus).

The Company intends, by increasing its capital by issuing preferred rights shares, the subject of this prospectus, to financing working capital, investing in real estate assets, and owning shares in privately owned companies. (Please review to Section No. (8) “**Use of Proceeds**” of this Prospectus). Although the company has prepared an action plan for the implementation of these projects in accordance with a certain schedule, there are several factors outside the control of the company that, if they occur, may lead to delays in the projects implementation or stop their implementation temporarily or permanently. These factors include, for example: obtaining government approvals and licenses, the commitment of contractors, as well as reaching agreements with other parties, the availability of manpower and other factors that lead to suspend the works temporary or permanent and thus affect the possibility of achieving the desired benefit from these projects as planned. As stated in the due diligence financial report that the company prepared its expansion plan in accordance with an excessive use of assumptions that cannot be verified mainly due to the lack of validation data and supporting documents. Perhaps one of the examples of these used assumptions by the company is, for example, but not limited to “the company did not use the discount rate or the inflation rate in estimating the incoming cash flows, and the company did not specify a logical basis in its expectation to finance working capital. The company also used the 2020G expenses only as a basis for estimating expenses for the coming years”. This matter may lead to the failure of that plan or its significant deviation, which will negatively affect the company’s operations and financial position.

### 2.1.38 Profitability Risks of Future Projects

If the current projects or the company intends to enter into it in the future do not achieve the desired results and expected profits, or in the event that they are exposed to losses, this will negatively affect the company’s operations outcome and its financial position.

### 2.1.39 Capital Management Risk

When managing the capital, the company aims to ensure its ability to continue as a going concern so that it can continue to provide returns to shareholders, and to maintain adequate seed capital to support its business. The Company may be exposed to the risk of mismanagement of capital and loss of its ability to continue to provide returns to shareholders, and to support its business. The company’s management manages the capital by monitoring the returns on net assets and monitoring the ratio of the company’s total liabilities to its total assets. The company may make adjustments to the capital in proportion to changes in economic conditions in the future.

For the purpose of maintaining or adjusting the capital, the company may increase or decrease its capital in the future to ensure the achievement of its objectives and strategic plans, as well as to maintain a logical accumulated loss ratio of the company’s capital in case other future losses are realized.

The company’s general assembly, on its date held on 05/05/1441H (Corresponding to 31/12/ 2019G), approved the Board of Directors’ recommendation to reduce the company’s capital from (196,000,000) Saudi Riyals to (15,000,000) Million Saudi Riyals, with a reduction rate of 92.35% to amortize the accumulated losses of the company.

In the event that the company’s management is unable to make the necessary capital adjustments, this will negatively affect the company’s business, operations outcomes, financial position and future prospects.

### 2.1.40 Job Localization Risks (Saudization)

The labor laws in the Kingdom of Saudi Arabia require that all establishments have a Saudization rate of not less than a specified percentage, in accordance with the Nitaqat program, an initiative of the Saudi Ministry of Labor to evaluate the establishments operating in the Saudi market in accordance with the number of Saudi citizens working in them. The Company has opened a file with the Ministry (Labor Office) with the Unified No. (13329-9), in accordance with the Saudization certificate issued from the Labor Office, which expires on 05/10/2021G. In accordance with the Nitaqat program, the company is located in the (green) zone, and the percentage of saudization is (24.51%), a small category (B).

The Company shall maintain the required saudization percentage in accordance with the Nitaqat program, which is classified under (insurance and business services) and is located in the low green range. The Saudization percentage (24.51%) is small, category (B). The Company shall constantly check to stay within the green range. As the company had previously entered the red zone during the month of June 2021G and achieved a Saudization rate (20.16%), and in accordance with the red zone. The Company will not be allowed to renew work visas for foreign workers accordingly, and it will also be prevented from opening new branches or facilities. In the event that the company is unable to raise its saudization rate, the company may face other





penalties, including banning participation in government bids and preventing access to loans and other government incentives, which may negatively affect the company's operations and financial performance.

For more information on Saudization jobs for the company and its subsidiaries, please review sub-paragraph No. (11-23) (Continuing obligations imposed by governmental entities on the Company and its subsidiaries being the "Licensor") of Section No. (11) "Legal Information" of this prospectus).

### 2.1.41 Risks of Non-compliance with the Rules, Regulations and Policies of Corporate Governance

The company has a corporate governance regulation that was prepared in accordance with the requirements of the corporate governance regulation issued by the Capital Market Authority under Decision No. (8-16-2017), dated on 16/05/1438H (Corresponding to 13/02/2017G) based on the Companies Law issued by Royal Decree No. (M/3), dated on 28/01/1437H, as amended by Capital Market Authority (CMA) Board Decision No. (2019-5-3), dated on 15/09/1440H, (Corresponding to 20/05/2019G). The following are the materials that the company has not complied with as of the publishing date of this prospectus:

- Article No. (5/26) -Developing the organizational and functional structures of the company and submitting them to the Board of Directors for consideration by the Board of Directors. There is no decision from the Board of Directors to approve the organizational structure by the company. The group organizational structure for 2020G was approved by a decision of the Board of Directors on 26/10/1441H (Corresponding to 18/06/2020G) and work is underway to approve the functional structures.
- Article No. (55/b/4 and 74): Appointing the director of the internal audit unit or department or the internal auditor and suggesting its remuneration. There is an employment contract for the approved internal auditor by the CEO based on the issued administrative decision by the CEO No. (32 RT/2016), dated on 23/02/1438H (Corresponding to 23/11/2016G). This is based on the issued authorization by the Board of Directors to the CEO.

The Company's failure to implement the Corporate Governance Regulations issued by the Authority may expose the company to financial penalties under Paragraph (C) of Article No. (59) of the Capital Market Law issued by Royal Decree No. (M/30), dated on 02/06/1424H, (Corresponding to 31/07/ 2003G), as amended by Cabinet Resolution No. (52), dated on 18/01/1441H (Corresponding to 17/09/2019G), which stipulates that the Capital Market Authority may, if authority make sure that the company has committed or initiated acts that constitute a violation of any of the provisions of the Law or the rules issued by the Authority, to do all or any of the following:

1. Company Alert
2. Obliging the company to take the necessary steps to avoid the occurrence of the violation, or to take the necessary corrective actions to address the consequences of the violation.
3. Imposing a financial penalty by the Board on any person responsible for violating this Law and its implementing regulations, the regulations of the Market, the Depository Center, the Clearing House, and its rules. The imposed penalty shall not exceed Five Million Saudi Riyals (SAR 5,000,000) for each committed violation by the violator.

In the event that any financial penalties are imposed in connection with the implementation of the Corporate Governance Regulations. This matter will have a negative impact on the company's business and its operations outcomes.

### 2.1.42 Risks of Policies, Procedures and Internal Control

The policies, procedures, and the internal control environment show weakness in the company's work mechanism. This weakness includes the financial reporting law, the budget and budget control system, and the followed accounting policies and procedures. The weakness of supervision also led to some errors in the financial statements (English version) for 2020G, which were announced in Tadawul. The mistakenly announced statements showed that the statements were prepared in accordance with the financial reports of Small and Medium-sized Enterprises (SMEs), in addition to an error amounting 30 Thousand Saudi Riyals in the current liabilities under the item "Due Dividends to Shareholders" in the audited financial statements for 2020G and the first quarter of 2021G. The weak control and policies also showed that there are no separate financial statements for the holding company for the years of 2018G, 2019G and 2020G. These statements also showed that the numbers of the statements, the internal accounting analyzes and the prepared accounting worksheets by the company's management for the subsidiaries do not match the audited statements for the years of 2018G, 2019G and 2020G.

The company shall update those policies, procedures and internal control systems, which have not been updated for six years, activate the role of internal audit committee, which will submit its periodic reports effectively and regularly, in line with best practices, allocate sufficient time and resources for developing an audit plan, covering all tasks related to company's financial and operational issues, and for periodic and annual reviews to ensure that the financial statements meet the required disclosures and are free from errors.



The Company shall ensure that a detailed account is prepared periodically, including the operations outcomes of all subsidiaries. The detailed account shall be in line with the company's financial statements that were disclosed. The financial statements shall also include standardization and linking with trial balances to ensure accuracy. In the event that the company's management is not able to make these adjustments, the company may face risks that lead to operational problems that may have a negative impact on the company's business and its operations outcomes.

### 2.1.43 Inventory Risks

During 2020G, the Company closed the inventory allocation for the decrease in the value of feed, which amounted to (1.6) Million Saudi Riyals, by reducing the inventory value. The Company have slow-moving allocation with an amount of (1.8) Million Saudi Riyals against inventory of spare parts. The Company has not provided an accurate evaluation indicating the recoverable amount of the items as required by International Accounting Standard (IAS) No. (2). The Company did not keep a record of the inventory useful life by item to identify slow-moving items in a timely manner and to help test net realizable value. It did not provide any evidence of an actual inventory count. Accordingly, failure to maintain inventory records or to carry out physical inventory can lead to an error in the inventory balance and the balance of the required allocation for the slow movement of inventory. This may also lead to damage or loss of some inventory items, which will negatively affect the company's business and its operations outcome.

### 2.1.44 Risks of Dealing with Suspended and Inactive Companies

The Company has two suspended companies (the Saudi Refrigeration Company and Anaam International Agricultural Company). The Company has the intention to reactivate the Saudi Refrigeration Company, in line with the Company's strategy in focusing on logistics sector. While the company's management intends to write off Anaam International Agricultural Company during the financial year 2022G, the company also has two other non-operating companies since its establishment, which are (Anaam International Investment Company and Anaam International Financial Company). The Company intends to keep the commercial registers of the two companies in anticipation of their future needs. The Company aims to diversify its investments and sources of income to achieve the required return and maximize the benefit of investors. Therefore, the company considers maintaining the commercial registers referred to above in anticipation of benefiting from them in the future. Please note that the existence of commercial registers or their cancellation will not materially affect the level of overall consolidation of the financial statements. The Company did not allocate a share of the general expenses of the discontinued companies, including audit fees, zakat, other licenses and related non-operating periodic expenses. It should be noted that there are internal financing transactions between the holding company and subsidiaries, where the Company has not concluded official agreements for such transactions with those subsidiaries. The Company shall carefully evaluate all such transactions and take the necessary measures to manage such transactions. In the event that the Company fails to regulate the working mechanism of these companies and transactions among them, this may negatively affect the company's business and its operations outcomes.

### 2.1.45 Risks of the Company's Property, Machinery and Equipment

In accordance with the financial statements as on 31 March 2021G, the Company has (7) agricultural plots in Al-Jowf area with an area of (15.2) Million Square Meters (m<sup>2</sup>), as well as lands in Al Khumra district in Jeddah with an area of (197,555) Square Meters (m<sup>2</sup>) that do not have a title deed and are not registered under the company name. The Company shall have the right to register the land in its financial statements, with a clarification of this in the financial statements, noting that the company sold the project in September 2021G. The item of property, machinery and equipment includes land and buildings in the amount of (20) Million Saudi Riyals as a guarantee in accordance with the financing agreement with the Kirnaf Investment and Installment Company. Although the company has paid all installments and interests during 2018G, the property ownership has not been transferred to the company until the publishing date of this prospectus. The Company is currently working on transferring the ownership of the mortgaged properties to the company, and the transfer of ownership is expected to be completed before the end of 2021G and in accordance with the audited financial statements for the financial year 2020G. The company evaluated the agricultural project in Al-Jowf by the REMAX Real Estate Evaluation Company, which is an approved appraiser by the Saudi Authority for Accredited Valuers.

In accordance with the fair market value based on the possibility of verification in the event of sale, the fair value of the land, construction and equipment of Al-Jowf Agricultural Project amounted to 67,217,500 Saudi Riyals, while the assets book value of Al-Jowf farm as in December 2020G was 69,425,587 Saudi Riyals. The Company did not record a decline in value in 2020G, and the company did not make an actual inventory of the fixed assets. The Company recorded a decline of (4.5) Million Saudi Riyals in the audited financial statements for 2020G to cover the caused deficit by prescription in agricultural equipment in the Al-Jowf project as a result of the discontinuation of the project's agricultural operations.

The Company used the company's warehouse to obtain rental income in the financial year 2019G by renting the steel barn awnings. The Company classified part of the asset that is being rented separately as investment property in accordance with by International Accounting Standard (IAS) No. (40) (Investment Real Estate) which states "If the owner uses part of the property for its own use, used a part for earning rents, and part of the property is sold or leased separately, they shall be accounted for separately". Thus, the part that was leased is an investment property. On 29/09/2021G, the company announced the sale of the Al-Jowf Agricultural Project for an amount of (85) Million Saudi Riyals.



The Company shall conduct a comprehensive assessment of impairment on the remaining asset classes and ensure that the assets and provision for impairment are properly recorded in the financial statements. The Company shall also develop a policy for the periodic physical inventory of fixed assets and properly prove investment properties. The Company is working to improve the measurement and evidence procedures for its assets and properties in order to develop the accuracy of its presentation and disclosure. If the company fails to correct these procedures, this will negatively affect the company's business outcome and future business.

### 2.1.46 Risks of Deficiencies in Financial Reporting

Anaam International Group Holding Company issues its consolidated financial statements with a group of subsidiaries, including 5 companies, 100%-owned by the Company, directly and indirectly. These companies include (Saudi Tabreed, Anaam International Food Company Ltd., Anaam International Agricultural Company, Anaam International Investment Company, and Anaam International Financial Company). Availability of accurate financial information and reports helps to match the consolidated financial statements, and monitor the financial performance of each company separately.

According to the financial professional diligence report, the group has not issued separate financial statements for the holding company. The report also showed that the numbers of internal accounting lists and analyses and accounting worksheets prepared by the company's management for the subsidiaries for the years 2018G, 2019G and 2020G, do not match the consolidated financial statements.

The company also classified short-term bank deposits, consisting of 50 million Saudi riyals as a deposit for 12 months and 20 million Saudi riyals for 6 months. The company also classified such deposits under the cash balance in financial statements for Q1 of 2021G, where they should have been classified under the short-term investments.

There are no worksheets for the cash flow statement, and the derecognized assets have not been outlined in the cash flow statement for December 2020G.

The company has also reclassified non-current assets of (17.5) million Saudi riyals, from property, plant and equipment account to the assets held for sale account in the financial statements for 2020G. According to the financial professional diligence report, this processing is not permitted under International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia.

These errors in accounting processing and lack of financial reports lead to difficulty in reading and comparing financial information, which will affect the quality of decision-making based on financial information from these statements, which may negatively affect the company's business results and future business.

## 2.2 Market and Industry Risks

Risks of the Impact of the Company's Operations on Economic Risks in the Kingdom All the company's assets are located and its operations are centered in the Kingdom of Saudi Arabia, which is considered an emerging market. Although the Kingdom continues to implement the policy of diversifying the economy to increase the contributions of the non-oil sectors to the economy of the Kingdom, the company still depends on its income from the oil sector in implementing and developing its economic plans. Consequently, any decline in oil prices may lead to an economic slowdown or significantly reduce government spending, which will negatively affect the Kingdom's economy as a whole and all sectors and the operating businesses. This will affect economic indicators in general, for example, inflation rate, gross domestic product (GDP) growth, average per capita income, and other indicators that will affect the company's business, its operations outcomes and financial position.

### 2.2.1 Risks of Growth Opportunities

The company's ability to develop its business depends on the level of competition in the market, the availability of material and human resources, the ability of its management team, legal laws and regulations, etc., as well as the risks of maintaining a level of continuous growth. As the company may face difficulties in expanding its activity, developing its market share and increasing its sales. Accordingly, if the company is not able to manage its growth in a positive way, its ability to develop its activity, increase its market share or maintain it, increase its business profits and enhance returns to its shareholders may be affected, which means that the company's financial position may be negatively affected.

### 2.2.2 Political Risks

Some countries in the Middle East suffer from economic, political or security instability at the present time. There are no guarantees that these economic, political and security conditions in those countries or any other countries will not have a negative impact on the company's business, its operations outcomes, financial position and future prospects.



### 2.2.3 Competition Risks

The Company operates in a competitive environment and faces strong competition and there is no guarantee that the Company will continue to be able to compete effectively with other companies in the market. In addition, the pricing policies of the company's competitors affect its financial performance. Moreover, the increase in the supply of the products that the company manufactures compared to the demand for these products will lead to negative pressure on its prices, and thus negatively affect the company's business, its future expectations, its operations outcomes and its financial position in general. The company's competitive ability depends on distinguishing the company's products from other offered products in the market, by providing high quality products at reasonable prices. In the event that current or potential competitors offer products of higher quality or at competitive prices that are better than those offered by the company, the company does not guarantee to keep pace and adapt them quickly with the evolving industry trends or changing market requirements, which will have a negative impact on the company's financial outcomes and profitability.

### 2.2.4 Risks of Natural Disasters and Majure Force

Natural disasters outside the company control, such as floods, earthquakes, storms, and others, may damage the company's facilities if these disasters occurred, arising in the company incurring high costs. This may also affect the company's ability to continue operating its operations and consequently reduce its income from those operations. Therefore, in the event of such disasters and damage to the company's facilities, this will negatively and fundamentally affect the company's business, its operations outcomes and financial position.

### 2.2.5 Risks of Prices Uplift of Energy and Water

The Council of Ministers issued its Resolution No. (95), dated on 17/03/1437H (Corresponding to 28/12/ 2015G) to raise the prices of energy products, the tariff for electricity consumption, the price of selling water and sewage services for the residential, commercial and industrial sectors, as part of the policies of rationalizing energy consumption and reducing government subsidies in the Kingdom of Saudi Arabia. The Ministry of Energy also issued a statement on 24/03/1439H, (Corresponding to 12/12/2017G) regarding the plan of the financial balance program to correct the prices of energy products, starting on 14/04/1439H, (Corresponding to 01/01/2018G). The Company's operational operations depend on the availability of energy and electricity products, so any interruption or reduction in the supply of these products or any increase in their prices may significantly affect the company's profitability, its operations outcomes and future prospects.

### 2.2.6 Risks of Changing the Relevant Laws and Regulations

Like other operating companies in the Kingdom of Saudi Arabia, the company shall comply with a number of regulations and laws such as the Companies Law, Labor Law, Municipal Regulations, Civil Defense, and the issued regulations and systems by the Capital Market Authority and others, which may be changed or updated by the competent authorities. Also, new laws and regulations may be issued by the relevant official authorities from time to time. Accordingly, the company's business may be negatively affected in the event of any fundamental change to any of the related regulations or the introduction of additional regulations that have a direct impact on the company's performance and profitability.

### 2.2.7 Risks of the Required Reports

The Company is required to announce its quarterly and annual financial statements and the report of the board of directors within the approved period by the Capital Market Authority. The company is also required to disclose any material information as soon as it may occur. The Company may be subject to penalties and sanctions if the company does not meet the requirements of the Capital Market Authority, the rules for offering securities, the continuing obligations issued by the Capital Market Authority, and the listing rules issued by Tadawul, which will have a negative and material impact on the company's business, operations outcomes, financial position and future expectations.

### 2.2.8 Risks of Imposing New Duties or Taxes

The Company is not currently subject to any kind of taxes other than legal zakat and value added tax of 15% of the fees for the provided services or products by the company, but it is possible that other fees or taxes will be imposed on companies by the government in the future. Accordingly, if new corporate taxes or fees are imposed other than those currently applied, this will negatively affect the company's profits and its operations outcomes.



## 2.3 Risks of Offered Securities

### 2.3.1 Risks Associated with Possible Fluctuation in the Price of the Rights Issue

The market price of the Rights Issue may be subject to significant fluctuations due to a change in market trends with respect to the Company's shares. These fluctuations may be large due to the difference in the permissible range of change in the trading prices of the rights compared to the permissible change in the common shares. Since the trading price of the Rights Issue depends on the company's current share price, and the market's perception of the potential price of the shares after the subscription process, these factors, in addition to what was mentioned in the Paragraph "Risks Associated with Possible Fluctuation in the Shares Price" below, may affect the price of the rights issue.

### 2.3.2 Risks Associated with Possible Fluctuation in the Shares Price

The Company's share price may be subject to a large degree of fluctuation and may not be stable as a result of several factors including but not limited to market conditions of shares, any legal changes in the sector, deterioration of the company's business results, inability to implement future plans, entry of new competing companies and speculation on the company's operations. The Company shall also be noted that the market price of the company's shares during the period of offering the rights issue is not an indicator of its market price after the offering. There is no guarantee that the market price of the company's shares upon its listing on the financial market will not be less than its purchase price, which negatively affects investors.

### 2.3.3 Risk of Non-profitability or Sale of Rights Issue

There is no guarantee of profitability per share by trading these shares at a higher price. In addition, there is no guarantee that it will be able to be sold in the first place, which indicates that there is no guarantee of sufficient demand in the market to exercise rights or to receive compensation by the company. Note that the investor who did not subscribe or sell its rights, and the owners of fractional shares, may not receive any consideration if the sale takes place during the remaining offering period at the offering price.

### 2.3.4 Risks of Futrue Data and Information

The future results and performance data of the company cannot be actually predicted and may differ from what is contained in this prospectus. The company achievements and ability to develop determine the actual results, which cannot be expected or determined. The inaccuracy of data and results is one of the risks that the shareholder shall know so as not to affect its investment decision. Whereas, in the event that the future results and performance data are fundamentally different from what is mentioned in this prospectus, this may lead the shareholders to lose part or all of their investment in the company's shares.

### 2.3.5 Risks of the Possibility of Issuing New Shares

In the event that the Company decides to issue new shares (other than the rights issue shares mentioned in this prospectus), and the existing shareholders do not exercise their rights when issuing new rights, the ownership of the shares will decrease proportionately in addition to the right to vote and the right to receive profits. Any additional offering may have a material impact on the market price of the share.

### 2.3.6 Risks Of Reduced Demand for Company Shares and Rights

There is no guarantee that there will be sufficient demand for the Rights Issue during the trading period to enable the Rights Issue holder (whether it is a Registered Shareholder or a new investor) to sell the Rights and make a profit from it, or to enable it to sell the Rights at all. Also, there is no guarantee that there will be sufficient demand for the company's shares by institutional investors during the remaining offering period. In the event that the investment institutions do not submit offers for the remaining shares at a high price, there may not be sufficient compensation to be distributed to the Rights Issue holders who did not exercise their right to subscribe and those entitled to fractional shares. Moreover, there is no guarantee that there will be sufficient market demand for the obtained shares by a subscriber either through the exercise of the Right Issue for these shares, or through the residual offering or through the open market.

### 2.3.7 Risks of Declining Ownership Ratios

If the Rights Issue holders do not fully subscribe to the new shares, their ownership and voting rights will be reduced. Also, there is no guarantee in the event that the restricted Rights Issue holder wants to sell its Rights Issue during the trading period, that the received return will be sufficient to fully compensate the share holder for the decrease in its ownership percentage in the company's capital as a result of the increase in its capital.

### 2.3.8 Risks of Not Exercising the Rights Issue in an Appropriate Manner

The Subscription or Offering period begins on Monday 22/10/1443H (Corresponding to 23/05/2022G) and ends on Thursday 03/11/1443H (Corresponding to 02/06/2022G). Rights holders and the financial intermediaries, who represent the holders, shall take appropriate measures to follow all necessary instructions before the expiry of the subscription or offering period. If





the Eligible Shareholders are not able to properly exercise the Subscription Rights by the end of the Subscription Period, based on their Pre-emptive Rights, there is no guarantee that there will be an amount of compensation distributed to the Eligible Shareholders who are not participating or who did not perform the procedures to exercise the subscription properly or for the Fractional Share Holders.

### 2.3.9 Dividend Risks for Shareholders

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

The Company does not guarantee that any dividends on the shares will be actually distributed, nor does it guarantee the amount that will be distributed in any particular year. Dividend distribution shall be subject to certain restrictions and conditions stipulated in the company's articles of association.

### 2.3.10 Risk Of Speculation in Rights Issue

Speculation in rights issue is subject to risks that may cause material losses. The acceptable daily fluctuation range of the rights issue trading price exceeds the acceptable daily fluctuation range of the market price (which represents in 10% the rise and fall of the closing price of the previous day). There is a direct relationship between the company's share price and the indicative value of the right. Accordingly, the daily price limits (ie the daily volatility range) for rights trading will be affected by the daily price limits for shares trading. In the event that the 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, he may incur some losses. Therefore, investors shall review the full details of the mechanism for listing and trading new rights and shares, their method of operation, and be familiar with all the factors affecting them, in order to ensure that any investment decision is based on full awareness.

### 2.3.11 Risks of Non-publishing the Financial Statements and Financial Information

Subject to Article No. (63) of the Rules on Offering Securities and Continuing Obligations: The issuer shall prepare and examine its preliminary financial statements in accordance with the approved accounting and auditing standards by the Saudi Organization for Certified Public Accountants, and shall 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 shall prepare and review its annual financial statements in accordance with the approved accounting and auditing standards by the Saudi Organization for Certified Public Accountants, and 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 shall disclose these financial statements within a period of not less than 21 calendar days prior to the date of the issuer's annual general assembly. In accordance with Article No. (36) of the listing rules, Tadawul may suspend the trading of the issuer's securities when the issuer does not comply with the specified deadlines for disclosing its periodic financial information in accordance with the relevant implementing regulations. If the suspension of trading in securities continues for a period of (6) months without the issuer taking appropriate measures to correct such suspension, the Authority may cancel the listing of the securities. In the event that trading in the issuer's securities is suspended, this will negatively affect the completion of the offering process and consequently the company's financial position and future expectations. If the suspension of trading in securities continues for a period of (6) months without the issuer taking appropriate measures to correct such suspension, the Authority may cancel the listing of the securities.

The company was subjected to the suspension of trading in its name, after the company published its financial statements for nine month ending on 30 September 2021G. Whereas, Anaam International Holding Group published its financial results for nine month ending on 30 September 2021G on Tadawul website on Thursday 06/04/1443H (Corresponding to 11/11/2021G). The company's auditors report stated an opposite conclusion about the financial statements.

Based on the stipulated market's powers in the listing rules and the procedures for suspending trading in listed securities, Tadawul announced the suspension of trading the shares of Anaam International Holding Group in the market for one trading session, which corresponds to Sunday 09/04/1443H (Corresponding to 14/11/2021G). Then, trading of the company's shares will resume for a period of twenty trading sessions, starting from Monday 10/04/1443H (Corresponding to 15/11/2021G), following the session in which trading was suspended. The company shall announce the removal of the objectionable conclusion before the end of Sunday 08/05/1443H (Corresponding to 12/12/2021G). In the event that the company does not announce the removal of the objectionable conclusion within the referred period to in paragraph (2), the trading of the shares of Anaam International Holding Group will be re-suspended starting from Monday 09/05/1443H (Corresponding to 13/12/2021G) until the company removes the opposing conclusion.

On 16/04/1443H (Corresponding to 21/11/2021G), the company announced the re-issue of the preliminary financial results for the nine-month period ending on 30/09/2021G.



### 3. Market and Sector Information

---

The Saudi Retail Sector, which ranks as the second largest contributor to the non-oil gross domestic product (GDP) at 298 Billion Saudi Riyals (\$79.2 Billion), is the most booming sector in this period with the high volume of demand from the local consumer for many food and consumer goods. This matter prompts workers to reschedule their losses after they were affected in the local markets in the previous recession. The retail sector has helped open new horizons for employment, as the number of its employees exceeds two million employee and worker. It is expected that with the increase in the size of the sector, it will generate new job opportunities and triple the volume of its returns in the coming years, as the Kingdom of Saudi Arabia is going through a qualitative leap in various sectors and is developing in many disciplines that are in line with the Kingdom's vision 2030.

The transportation and warehousing sector is also a profitable market in the Kingdom of Saudi Arabia, with annual spending ranging between 337 to 375 Billion Saudi Riyals, which is equivalent to between 13% to 16% of Saudi gross domestic product (GDP). The startup environment is growing and small and medium enterprises dominate the sector in the Kingdom, as 80% of spending in the transport and warehousing sector is through internal operation with a relatively low level of outsourcing. This increases the potential for significant growth of the sector in the Kingdom of Saudi Arabia.

There are also expectations that this quarter will be good for the food and retail sectors, as it is a strong quarter in the season. Consumption increased during this season in general, as the point of sale data in May increased by 21% on an annual basis, so it is expected that the growth rates of existing store sales for most retail companies and companies whose activities depend on foodstuffs will improve. The Corona pandemic has revived the food retail sector in the Saudi market, as the sector has witnessed a significant rise since the beginning of trading in 2020G, achieving about 60%.



## 4. Overview of Company and the Nature of its Business

---

### 4.1 Overview of the Company

Anaam International Holding Group is a Saudi public joint stock company established under Commercial Registration No. 4030035073, issued from Jeddah City on 07/09/1402H (Corresponding to 29/06/1982G) and its head office address is Jeddah, Petromin District, Al Mahjar General Street near King Abdulaziz Hospital, which is identical to its registered address in the Commercial Register. The Company's capital is (SAR 105,000,000) One Hundred and Five Million Saudi Riyals, divided into (10,500,000) Ten Million and Five Hundred Thousand identical shares in all respects, with a nominal value of (SAR 10) Ten Saudi Riyals per share, fully paid in value.

The Company was established on 1401H (1980G) under the trade name (The Saudi Livestock Transport and Trading Company), and on 26/10/1415H (Corresponding to 27/03/1995G) the approved (Extraordinary) General Assembly the merging of (Nasser Al-Mohammed Al-Mukarish) Company in the company. Accordingly, the company name was changed from (The Saudi Livestock Transport and Trading Company) to become (United Al Mawashi Al Mukairish Company).

The Company's main activity is managing its subsidiaries or participating in the management of other companies in which the company contributes, providing the necessary support for them, investing their money in shares and other securities, owning necessary real estate and movables to carry out its activities, and providing loans, guarantees and financing for its subsidiaries.

A recommendation of the company's board of directors was issued on 26/06/1442H (Corresponding to 08/02/2021G) to recommend increasing the company's capital through a rights issue of 210 Million Saudi Riyals. Upon completion of the subscription to the new shares, the company's capital will become (SAR 315,000,000) Three Hundred and Fifteen Million Saudi Riyals divided into Thirty One Million and Five Hundred Thousand shares (31,500,000) (ordinary shares with a nominal value of) (SAR 10) Ten Saudi Riyals per share.

### 4.2 Company's History and the Most Significant Developments in its Capital Structure

- On 20/01/1401H (Corresponding to 28/11/1980G), Anaam International Holding Group was established as a limited liability company consisting of 24 founders of companies and a number of businessmen and moneymen in Riyadh City of the Kingdom of Saudi Arabia under Commercial Register No. 35168. The Company owns a paid capital amounted (100) Million Saudi Riyals.
- On 12/03/1403H (Corresponding to 28/12/1982G), the Company was transferred to a public joint stock company in accordance with Minister of Commerce Decision No. (856), with a capital of 500 Million Saudi Riyals divided into 5 Million Ordinary Shares., the value of each share is 100 Saudi Riyals, including 3,815,467 cash shares and 1,184,533 in-kind shares, which are the net assets and liabilities of the Saudi Livestock Transport and Trade Company (Limited Liability Company) on 11/10/1402H (Corresponding to 02/08/1982G) in accordance with the adjusted financial position on that date. The founders have subscribed to Two Million Shares with a nominal value of 200 Million Saudi Riyals, including 1,184,533 in-kind shares with a nominal value of 118,453,300 Saudi Riyals, representing the net assets and liabilities of the Saudi Livestock Transport and Trading Company (a limited liability company) as on 11/10/1402H (Corresponding to 02/08/1982 G) and 815,467 cash shares with a nominal value of 81,546,700 Saudi Riyals. The shareholders paid 50% of their nominal value before holding the constituent assembly meeting. The remaining shares of the company's capital, amounting to 3 million shares, were offered for public subscription. The total number of the subscribed shares by the public reached 2,999,926 shares. The subscribers paid 50% of the value of the subscribed shares for, an amount of 185,333,450 Saudi Riyals.
- The Extraordinary General Assembly of the company was held on 26/10/1415H (Corresponding to 28/03/1995G), and its most important decisions were the following:
  - Incorporation of Nasser Al-Mohammed Al-Mukarish & Partners Company in the company.
  - Increasing the company's capital to become 1,200,000,000 Saudi Riyals, with a total number of shares of 12 million shares and a nominal value of 100 Saudi Riyals per share.
  - Amending the company's name to become "United Al Mawashi Al Mukairish Company"
  - Transferring the Company's Headquarter and Head Office to Jeddah City instead of Riyadh City.





- On 01/11/1415H (Corresponding to 01/04/1995G), based on the Extraordinary General Assembly Decision dated on 25/10/1415H (Corresponding to 27/03/1995G), (6,000,000) in-kind shares were issued in favor of Nasser Al-Mohammed Al-Mukarish & Partners Company, with a nominal value of 600,000,000 Saudi Riyals, in exchange for the net assets of Nasser Al-Mohammed Al-Mukarish & Partners Company. (1,000,074) cash shares were issued in favor of Nasser Al-Mohammed Al-Mukarish & Partners Company, with a nominal value of 100,007,400 Saudi Riyals, which he relinquished to sell in the stock market and use the proceeds to extinguish the accumulated losses. The company sold these shares in 2003G for a sum of 76.2 Million Saudi Riyals in favor of the Company.
- The Company obtained the Ministry of Commerce approval for incorporation on 02/12/1415H (Corresponding to 02/05/1995G). The Commercial Register of the company was changed to become 4030035073.
- In 1996, the remaining 50% of the value of the subscribed shares by the founders, which amounted to 815,467 shares, with a nominal value of 81,546,700 Saudi Riyals, was paid. The shareholders also paid the remaining 50% of the 2,999,926 shares of the subscribed shares. Shares with a value of 299,992,600 Saudi Riyals.
- The Extraordinary General Assembly decided on 12/10/1418H (Corresponding to 10/02/1998G) to reduce the nominal value of the company's ordinary shares from 100 Saudi Riyals per share to 50 Saudi Riyals, thus bringing the number of authorized shares to 24 million shares, all issued and fully paid in nominal value.
- Based on the Cabinet Resolution issued on 27/02/1427H (Corresponding to 27/03/2007G), the nominal value of the shares of joint stock companies became 10 Saudi Riyals. Therefore the number of the company's shares after the division became 120 million shares instead of 24 million shares. The nominal value of the share became 10 Saudi Riyals instead of 50 Saudi Riyals. The company's shares were traded after retail as on 17/03/1427H (Corresponding to 16/04/2007G).
- On 26/09/1427H (Corresponding to 19/10/2006G), Al-Mukarish Group withdrew from the company's management and started a new board of directors session headed by His Highness Prince Dr. Mishaal bin Abdullah bin Turki.
- On 26/11/1427H (Corresponding to 17/12/2006G), the Extraordinary General Assembly decided to change the company name from United Al Mawashi Al Mukairish Company to Anaam International Holding Group.
- On 28/12/1427H (Corresponding to 18/01/2007G), The Capital Market Authority has taken a decision to suspend the trading of the company's shares until its financial position stabilizes. The company's accumulated losses at that time amounted to 1,091 Million Saudi Riyals, or 90.9% of the capital.
- On 25/03/1428H (Corresponding to 13/04/2007G), the Company's Extraordinary General Assembly decided to approve the continuity of the company, support its activity and restructure the company.
- On 06/09/1428H (Corresponding to 18/09/2007G) the Company's Extraordinary General Assembly decided to reduce the company's capital from 1,200 Million Saudi Riyals to 109 Million Saudi Riyals by writing off all the company's accumulated losses, bringing the number of shares to 10,900,000 shares.
- On 21/12/1428H (Corresponding to 31/12/2007G), the Board of the Capital Market Authority issued a decision allowing the company's shares to be traded 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 25/10/2009G), the Board of the Capital Market Authority issued a decision to re-trade the company's shares to the continuous automated trading system starting from 28/10/2009G (Corresponding to 09/11/1430H), as the company has fulfilled the requirements of the Capital Market Authority by achieving profits from its main activity for the years 2007G and 2008G.
- On 22/12/1433 H (Corresponding to 07/11/2012G), the Company's Extraordinary General Assembly decided to approve the increase of the company's capital from 109 Million Saudi Riyals to 196 Million Saudi Riyals, thus increasing the number of shares from 10,900,000 to 19,600,000 shares.
- On 10/07/1436H (Corresponding to 29/04/2015G), the company's board of directors issued a decision to recommend an increase in the company's capital through the offering of rights shares amounting to 110 Million Saudi Riyals plus the issuance expenses, which are estimated at 7.6 Million Saudi Riyals. On 03/01/1438H (Corresponding to 04/10/2016G), the company announced on Tadawul website that, after consulting with the company's advisory authorities. As a result of the decline in stock prices at that time, the company decided to postpone the submission of the capital increase request file to the Capital Market Authority until the stock prices stabilize, and then update the file and submit it according to the required legal procedures.
- On 05/05/1441H (Corresponding to 31/12/2019G), the Extraordinary General Assembly decided to reduce the company's capital to 15,000,000 Saudi Riyals, divided into:
  - 1,500,000 shares, each with a nominal value of 10 Saudi Riyals, all of which are ordinary shares, in order to extinguish its accumulated losses, which amounted to 181 Million, at a rate of 92.3% of the capital.
- On 27/10/2020G, the Extraordinary General Assembly decided to increase the company's capital to 105,000,000 Saudi Riyals, divided into 10,500,000 shares, each with a nominal value of 10 Saudi Riyals, all of which are ordinary shares.



- On 26/06/1442H (Corresponding to 08/02/2021G), the company's board of directors issued a decision to recommend an increase in the company's capital through a rights issue of 210 Million Saudi Riyals, including issuance expenses, which are estimated at about (197,000,000) Million Saudi Riyals.

## 4.3 Vision, Mission and Strategy

### Company Vision

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

### Company Mission

"Investing in sectors that offer great growth opportunities and rewarding returns through effective management that focuses on creating added value for shareholders, partners, employees and the public".

### Company Strengths and Competitive Advantages

- The Company enjoys a number of competitive advantages, including:
  - The Company has great experience and presence in the main regions of the Kingdom.
  - The Company owns a land fleet of refrigerated cars (refrigerators) of various sizes and seeks to develop this fleet to serve its objectives.
  - The Company owns well-equipped cold stores in a safe and healthy environment.
  - The Company has a specialized team with great experience in the work field.
  - The ability to attract qualified cadres to activate its work.
  - The company has close relationships with foreign and local companies working in this field, which has earned their trust.
  - Long experience in the field of livestock breeding.
  - The Company owns vast lands in Al-Jowf agricultural area, equipped with all services and equipment necessary for agriculture.
  - The company owns plots of land close to Jeddah Islamic Port that can be exploited to serve the company's interests.

### Company Values

- **Ethics and Integrity:** We develop the company's business while adhering to the ethical aspects and not compromising them in order not to affect the company's integrity and reputation. We work within the company's vision and objectives and apply the highest professional and ethical standards in our dealings with stakeholders and with each other.
- **Transparency:** We shall comply with the principle of full transparency in our dealings with stakeholders. We also aim to create a work environment characterized by clarity, credibility and integrity.
- **Commitment:** We honor our commitments to stakeholders by building and creating a professional work environment for the company's employees to grow and prosper, provide value to the company's shareholders, build a profitable relationship with our partners, and fulfill the company's social responsibility.
- **Accountability:** We take full responsibility for our actions, stick to our commitments, expectations and requirements, acknowledge our mistakes and celebrate our successes.

**Leadership:** We strive to set an example for others in everything we do. This means being a leader in investment opportunities, innovative ideas, expertise, executive capabilities and value creation.

We exert our best efforts to excel in everything we do, and focus on providing the highest returns after accounting for risks and creating added value that exceeds expectations.

### Company Strategies

The management team has identified the strategic objectives of Anaam Holding Company, which are the areas (financial, personnel, and operational) that the company needs to focus on in the next 3-5 years in order to achieve its vision.



## Financial Objectives

- Achieving sustainable growth in revenue and income
- Providing annual profits.
- Improving liquidity.

## Operational Activities

- Enhancing and diversifying our investment portfolio.
- Building a long term relationship with business partners.
- Ensuring an effective risk management for the portfolio.
- Achieving operational excellence.
- Enhancing the effectiveness of corporate governance.
- Improving the company's image.
- Fulfilling our corporate social responsibility.

## 4.4 Company Main Activities:

The Activity of Anaam International Holding Group are represented in all of the following:

### Food Trade

The Company's main activities in the food sector are as follows:

Leasing the central warehouses (refrigerators) to others, where the company owns an area of about 10,000 Square Meters (m<sup>2</sup>) in Jeddah City, which is the land that was mortgaged to the Kirnaf Finance Company in return for a loan. The loan has been fully paid and procedures are underway to return the land ownership to the company. After suspending the frozen food trade, the management focused on logistics services represented in renting spaces to others and generating revenues from them, as the company enjoys a location close to Jeddah Islamic Port and close to the Jeddah Industrial City. The company also has a trained team with a long experience of workers in the field of storage and refrigerators. The company has all the necessary auxiliary equipment for the speed of loading and unloading, thus saving time and effort for customers.

Renting cars and trucks to others, as the company has a fleet of 4, 8, 12 and 24 tons of refrigerated trucks, as well as a transportation department that has great experience from administrators, drivers and a maintenance workshop. The company rents cars to third parties and covers all cities of the Kingdom.

### Agricultural Group Activity

The Company had a main activity represented in the cultivation and trade of feeds. The group owns agricultural land with an area of 100 Million Square Meters (m<sup>2</sup>) in Al-Busitaa in Al-Jowf region in the north of the Kingdom of Saudi Arabia. On 25 Safar 1437H, Cabinet Resolution No. (66) was issued to stop cultivating green feeds before 25 Safar 1440H (Corresponding to 03 November 2018G), in an effort to conserve non-renewable groundwater in sedimentary shelf areas that exceed fifty hectares and include Riyadh, Eastern, Al-Qassim, Hail, Al-Jowf, Tabuk. Accordingly, the group stopped cultivating green feeds during 2018G, bearing in mind that green feeds sales represent about 15% of 2019G, 8% of 2020G and 0% of the group's revenues for the first quarter of 2021G.

The decision indicated the possible alternative options in the event of stopping the cultivation of green feeds, in accordance with the administrative and technical requirements of the Ministry of Environment, Water and Agriculture, as follows:

- Investing in the integrated feed mills provided that the inputs are imported.
- Investing in poultry projects and its industries.
- Investing in raising and fattening livestock that depend on integrated feeds for their nutrition.
- Investing in advanced greenhouses, which contributes to achieving food security.
- Investing in the cultivation of pastoral plants, provided that modern irrigation systems are used according to the determined types and areas by the Ministry of Environment, Water and Agriculture.
- Investing in fisheries projects in the salt water.
- Investing in the cultivation of green feed outside the Kingdom to export these products to the Kingdom of Saudi Arabia.
- Investing in tourism projects that do not waste water.



In view of the impossibility of cultivating the Al-Jowf region project with alternative crops, the Board of Directors decided on 31/12/2018G to sell unused machinery and equipment to provide liquidity to support the company's existing business. The company's management plans to exploit the project space in other alternative activities with high returns and profitability, such as raising local sheep and making concentrated feed. These activities are part of the company's plan to use the proceeds of the offering (for more information on the schedule of these activities, please review Section No. (8) "(Use of Proceeds)", and the sale of equipment was carried out during 2019G.

## 4.5 Subsidiaries

### **Saudi Refrigeration Company Ltd.**

A joint venture company that was established in 1973 with a capital of 600,000 Saudi Riyals, under Commercial Registration No. (7971), dated on 08/11/1393H, issued by Jeddah City, on 02/01/1985G, the Saudi Refrigeration Company was transformed into a limited liability company under Commercial Registration No. (4030007971), dated on 08/11/1393H, and the capital was increased to 30,000,000 Million Saudi Riyals. On 28/08/1995, the company's capital was increased to 70,000,000 Saudi Riyals. On 17/05/ 2009G, the capital was reduced to 19,500,000 Saudi Riyals. The Saudi Refrigeration Company activity is in wholesale food trade (dairy, cheese, dairy products, meat, fish, birds, oils, margarine, candies, sweets, vegetables, fruits, owning, managing, renting and investing central warehouses of all kinds, frozen, cooled and dry).

### **Anaam International Food Company Ltd.**

A Limited Liability Company, established in 2007G with a capital of 500,000 Saudi Riyals, under Commercial Registration No. (4030166809), dated on 24/01/1428H, issued by Jeddah City. Its activity is the retail sale of slaughtered poultry, the retail sale of frozen meat and poultry, refrigerated food stores, and frozen food stores.

### **Anaam International Agricultural Company Ltd.**

A Limited Liability Company established in 1983 with a capital of 1,000,000 Saudi Riyals under Commercial Registration No. (403035281), dated on 18/10/1403H issued by Jeddah City. Its activity is wholesale trade in agricultural crops: wheat, grains, rice, corn, millet, dates, sugar, vegetables and fruits. The Company was established for the purpose of transferring the ownership of the lands of the Al-Jowf agricultural project in its name and carrying out agricultural activities. It is expected that the ownership of the lands of the Al-Jowf project will begin to be transferred to the Anaam International Agricultural Company upon completing the transfer of ownership of the entire plots of the project's lands.

### **Anaam International Financial Company Ltd.**

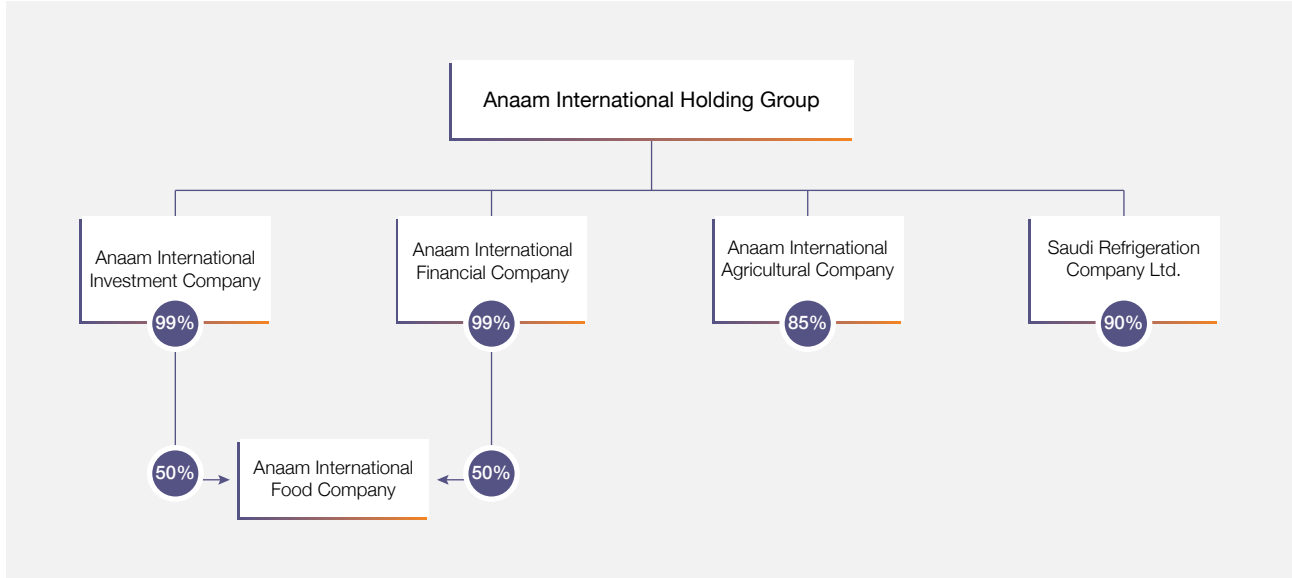
A Limited Liability Company established in 2006G with a capital of 1,000,000 Saudi Riyals and under Commercial Registration No. (4030165733) dated on 29/11/1427H issued by Jeddah City. Its activity is the wholesale sale of chemical and laboratory equipment and supplies, retail trade in personal goods in large markets, the purchase and sale of land and real estate and its division and off-plan sales activities. The company was established to be the company that owns all of the group's real estate, with the exception of Al-Jowf lands, thus separating the ownership of real estate from the various activities and achieving income from various real estate rentals and the possibility of obtaining financial licenses to launch investment funds linked to these real estates. In addition to the company taking over the financial arrangement for all companies after obtaining the necessary licenses, it was decided to postpone this approach until the group's business grows sufficiently.



### Anaam International Investment Company Ltd.

A limited liability company that was established in 2007G with a capital of 1,000,000 Saudi Riyals and under Commercial Registration No. (4030165735), dated on 29/11/1427H issued by Jeddah City. Its activity is the purchase and sale of land and real estate, its division and off-plan sales activities.

Figure No. (1): Ownership Percentage Structure of Anaam International Holding Group as on 31 March 2020G



## 4.6 Business Interruption

On 25 Safar 1437H, Cabinet Resolution No. (66) was issued to stop and suspend the cultivating green feed before 25 Safar 1440H (Corresponding to 03 November 2018G). In an effort to conserve non-renewable groundwater in the sedimentary shelf areas of more than (fifty) hectares, including Riyadh, Eastern Province, Al Qassim, Hail, Al Jowf, Tabuk. Accordingly, the group stopped cultivating green feed during 2018G, noting that green feed sales represented about 80% of the group's revenues in the last two years (2017G and 2018G).

The decision indicated the possible alternative options in the event of stopping the cultivation of green feed, in accordance with the administrative and technical requirements of the Ministry of Environment, Water and Agriculture, as follows:

- Investing in the integrated feed factories, provided that the inputs are imported.
- Investing in the poultry projects and its industries.
- Investing in raising and fattening livestock that depend on integrated feeds for their nutrition.
- Investing in advanced greenhouses, which contributes to achieving food security.
- Investing in the cultivation of pastoral plants, provided that modern irrigation systems are used according to the determined types and areas by the Ministry of Environment, Water and Agriculture.
- Investing in fisheries projects in the salt water.
- Investing in the cultivation of green feed outside the Kingdom to export these products to the Kingdom of Saudi Arabia.
- Investing in tourism projects that do not waste water.

There was no suspension for the business and works during the period between 2019G and the first quarter of 2021G.



## 4.7 Employees and Saudization

In accordance with the issued Nitaqat program by the Ministry of Human Resources and Social Development, the Saudization rate as on the date of this prospectus reached (20.16) and is classified within the small red scope, category (B) for the Nitaqat program. The following table shows the company's employee numbers for the last three years (2018G, 2019G and 2020G):

Table No. (2): Number of company employees for the last three years (2018G, 2019G and 2020G) and the three-month period ending on March 31, 2021G

Numbers of Company Employees								
	2018G		2019G		2020G		Three Months Period Ending on 31 March 2021G	
	No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
Saudis	15	14.85%	14	18.19%	13	17.56%	17	21.79%
Non-Saudis	86	85.15%	63	81.81%	61	82.43%	61	78.21%
<b>Total</b>	<b>101</b>	<b>100%</b>	<b>77</b>	<b>100%</b>	<b>74</b>	<b>100%</b>	<b>78</b>	<b>100%</b>

Source: Anaam International Holding Group

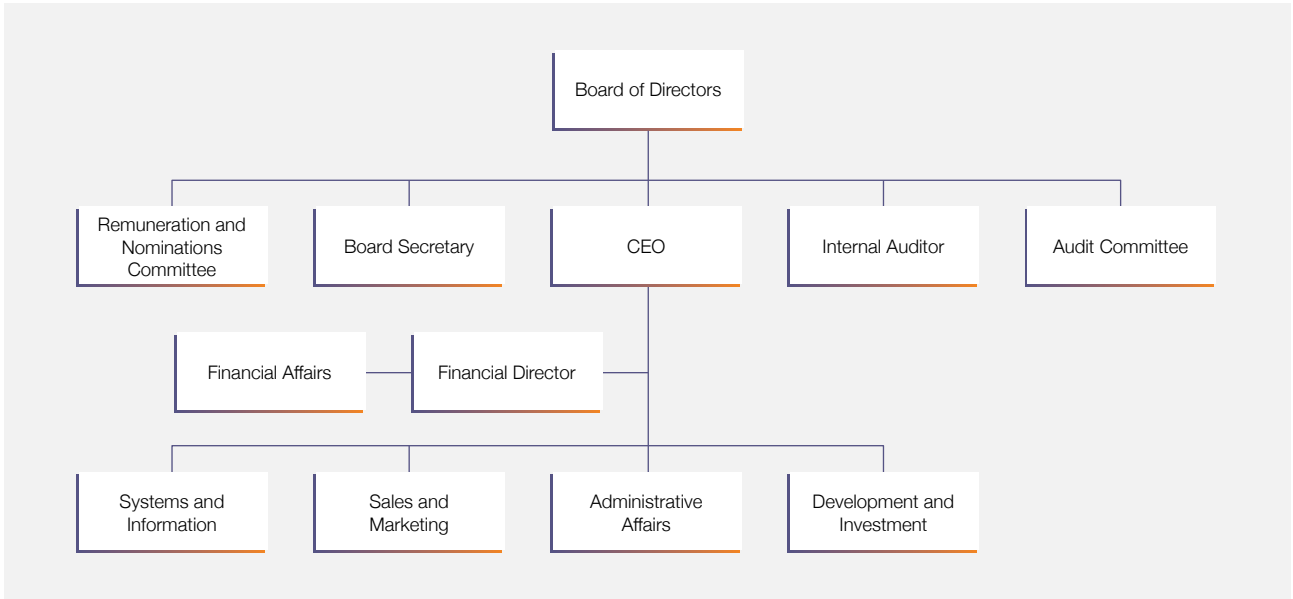


## 5. Company's Organizational Structure

### 5.1 The organizational structure

The following figure clarifies the company's organizational structure:

Figure No. (2): The Company's Organizational Structure as on 31/12/2020G



### 5.2 Borad of Directors

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

Table No. (3): Board Members

Name	Position	Representation	Membership Date**	Nationality	Age	Capacity	The Owned Shares**			
							Direct**	Indirect	Total	Percentage
Mr. Mohammad Abdul Rahman Salih Attar	Chairman	Public	28/11/2021G	Saudi	68	Non-executive/ independent	6,759	-	6,759	0.06%
Eng. / Hassan Saad Al Yamani	Vice Chairman	Public	28/11/2021G	Saudi	63	Executive/Not- independent	29,837	-	29,837	0.28%
Dr. Walid Jamil Mohammad Qattan	Member	Public	28/11/2021G	Saudi	64	Non-executive/ non-independent	1,603	-	1,603	0.015%
Mr. Raed Mohammed Abdullah Katie	Member	Public	28/11/2021G	Saudi	47	Non-executive/ Not-independent	132	-	132	0.001%



Name	Position	Representation	Membership Date <sup>***</sup>	Nationality	Age	Capacity	The Owned Shares <sup>**</sup>			
							Direct <sup>**</sup>	Indirect	Total	Percentage
Khaled Waheeb Mohammed Mglad	Member	Public	28/11/2021G	Saudi	59	Non-executive/ independent	25	-	25	0.0002%

Source: Company Management

\* Owned shares by board members, directly or indirectly, through their ownership in companies owning shares in the company or the owned shares by the relatives of the members of the Board of Directors, whether directly or through their ownership in companies owning shares in the company.

\*\* Board members have no indirect ownership in the company.

\*\*\* The Company's Ordinary General Assembly, in its meeting held on 17/04/1443H (Corresponding to 28/11/2021G), agreed to elect the members of the Board of Directors whose names were mentioned above for membership of the Board of Directors starting from 28/11/2021G and for a period of three Gregorian years until 27/11/ 2024G.

### 5.3 Company's Committees

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

#### • Audit Committee

The audit committee structure in the company was updated by a decision of the general assembly of shareholders on 17/04/1443H (Corresponding to 22/11/2021G).

Table No. (4): Audit Committee Members

Audit Committee Members	
Name	Position
Ahmed Tariq Abdul Rahman Murad	Committee Chairman
Raed Mohammed Abdullah Katie	Member
Khaled Waheeb Mohammed Mglad	Member

#### Duties and Responsibilities of the Audit Committee

The Audit Committee is responsible for monitoring the company's business and verifying the integrity of its reports, financial statements and internal control systems. The committee's tasks include in particular all of the following:

##### First: Financial Reports:

- Studying the company's initial and annual financial statements and related announcements and presenting them to the Board of Directors.
- Expressing a technical opinion, at the request of the Board of Directors, regarding the fairness and clarity of the company's financial statements and including information that allows shareholders to assess the company's financial position and performance.
- Studying any important or emerging issues included in the financial reports.
- Researching any raised issues by the company's financial manager, or whoever assumes the duties or responsibilities of compliance in the company, or the auditor.
- Verifying the accounting estimates in the material contained in issues the financial reports.
- Studying the followed accounting policies in the company and expressing an opinion and recommendation to the Board of Directors in this regard.
- Ensuring that the financial statements are prepared in accordance with the generally accepted accounting principles in the Kingdom.





### Second: The Internal Control System:

- Studying and reviewing of the company's internal and financial control and risk management systems.
- Considering the efficiency of the company's assessment of the material risks to which the company may be exposed and the steps taken by the company to monitor and confront these risks.
- Studying and approving the annual audit plan for the Internal Audit Department.
- Following up on the implementation of the internal audit department's tasks and the extent to which the internal audit department performs its work in accordance with the approved annual plan.
- Studying internal audit reports and following up the implementation of corrective actions for the contained notes therein.
- Monitoring and supervising the performance and activities of the internal audit in the company to verify the availability of the necessary resources and their effectiveness in performing the assigned tasks and duties to them.
- Recommending to the Board of Directors the appointment of the head of internal audit and proposing its remuneration.
- Preparing a report on the audit committee's opinion regarding the adequacy of the company's internal control system, and the other work it carried out within its jurisdiction. The board of directors shall deposit sufficient copies of this report at the company's head office at least ten days before the date of the general assembly to provide a copy of this report to all shareholders who wish. The report is reviewed during the assembly.

### Third: Auditor:

- Recommending the Board of Directors to nominate and dismiss the auditor, determine its fees and evaluate its performance, after verifying its independence and reviewing the scope of its work and the terms of contracting with this auditor.
- Verifying the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.
- Review the auditor's plan and work, verifying that the auditor has not submitted technical or administrative works that are outside the scope of the audit work, and providing its views in this regard.
- Studying the auditor's report and its notes on the financial statements and following up on what was taken in their regard.
- Discussing the auditor's notes periodically and working to ensure that these notes are addressed with the company's management, and raise to the board of directors if necessary

### Fourth: Ensuring Commitment:

- Reviewing the reports results of the legal authorities and verifying that the company has taken the necessary measures in this regard
- Verifying the company's compliance with the relevant laws, regulations, policies and instructions.
- Reviewing the proposed contracts and transactions to be conducted by the company with related parties, and presenting its views in this regard to the Board of Directors.
- Submitting the necessary issues to take the appropriate action on to the Board of Directors, making recommendations for the measures to be taken, and submitting their reports to the Board of Directors.

### • Nomination and Remuneration Committee

The Nomination and Remuneration Committee structure in the company was updated by a decision of the general assembly of shareholders on 17/04/1443H (Corresponding to 22/11/2021G).

The following table shows the members of Nomination and Remuneration Committee:

Table No. (5): Nomination and Remuneration Committee Members

Nomination and Remuneration Committee Members	
Name	Position
Khaled Waheeb Mohammed Mglad	Committee Chairman
Mohammad Abdul Rahman Attar	Member
Walid Jamil Mohammad Ali Qattan	Member

Source: Company Management



## Duties and Responsibilities of the Nomination and Remuneration Committee

- Developing policies and controls for membership nomination of the Board and committees in line with the relevant systems and laws issued by the supervisory authorities on the company's business.
- Developing, reviewing and updating policies of the compensation and remuneration of members of the Board, committees and executive management, and submitting any recommendations regarding them to the Board of Directors in preparation for submission to the General Assembly for approval.
- Clarifying the relationship between the granted rewards and the applicable policy, and indicating any fundamental deviations from the policy and their causes.
- Periodically reviewing the remuneration policies and evaluating their effectiveness in achieving the desired objectives.
- Recommending to the Board of Directors regarding the remuneration of members of the Board, committees and senior executives in accordance with the approved policies.
- Reviewing nomination applications for membership of the Board and committees, ensuring their alignment with relevant policies and controls, and submitting recommendations to the Board of Directors. Supervising the nomination process for membership of the Board of Directors and committees, in coordination with the secretariat of the Board, the general assembly, and the relevant legal authorities.
- Evaluating periodically the effectiveness of the structure of the Board and the Executive Management in accordance with the set principles and standards by the Committee and submitting recommendations regarding possible changes to the Board of Directors.
- Reviewing periodically the required skills and competencies for membership of the Board and committees, and preparing a description of the required capabilities and qualifications for membership, including the time a member needs to allocate for the work of the Board and committees.
- Preparing a description of the required capabilities and qualifications for the executive management positions.
- Determining the weaknesses and strengths in the Board of Directors and the committees, and making recommendations and proposals regarding the mechanism of addressing the weaknesses and taking advantage of the strengths.
- The committee shall determine whether a member has the capacity of an independent member, taking into consideration the minimum requirements for independence. The committee annually confirms the independence of the independent members. Ensuring that there is no conflict of interest if the member is a member of the board of directors of another company.
- Developing job descriptions for executive and non-executive members, independent members and senior executives of the company.
- The Committee shall be responsible for providing information and reports on important topics of its scope of work to the members of the Board upon request.
- Developing special procedures to address the feelings of the position of a member of the board of directors, committees or senior executives in the company.
- Ensuring that the company has an appropriate and clear remuneration and compensation policy for attracting and retaining qualified human resources, and that this policy is linked to performance and objectives.
- Ensuring that there is a succession plan for senior executives in the company.
- Ensuring that the number of candidates for board membership whose names are presented to the shareholders' general assembly exceeds the number of the available seats so that the assembly has an opportunity to choose among the candidates.
- Ensuring the appropriate disclosure of remuneration and compensation in the company's annual report in accordance with the relevant laws and regulations.
- Studying the transferred topics to the committee from the Board and making recommendations about them.



- Executive Management**

The following table shows the details of the names of the executive management employees:

Table No. (6): Names of the Executive Management Employees

Executive Management								
Name	Position	Nationality	Age	Date of joining the Company	Owned Shares			
					Direct		Indirect	
					No.	Percentage	No.	Percentage
Hassan Saad Farhan Al Yamani	CEO - Vice Chairman of the Board of Directors	Saudi	63	01/01/2020G	29,837	0.28%	-	-
Rushdi Ali Anwar Suleiman	Acting Financial Manager	Egyptian	49	25/06/1994G	-	-	-	-
Adnan Akhtar Mannan	Internal Auditor	Pakistani	41	17/07/2014G	-	-	-	-
Muhammad Mohammed Radda Al-Harbi	Director of Human Resources and Shareholder Affairs	Saudi	30	26/08/2013G	-	-	-	-

Source: Company Management

### Compensation and Remuneration of Board Members and Senior Executives:

The Nomination and Remuneration Committee shall bear the responsibility for proposing compensation and remuneration to members of the Board of Directors and senior executives. The following table shows the value of the received salaries, bonuses and allowances by the members of the Board of Directors, the CEO, the Chief Financial Officer and 4 of the leading employees during the past three years.

### Compensation and Remuneration of Board Members and Senior Executives

Table No. (7): Compensation and Remuneration of Board Members and Senior Executives

Statement (Thousands Saudi Riyals)	2019G	2020G
Members of the Board of Directors	153	72
Senior Executives (including the General Manager, CEO, CFO and 4 key employees)	2,701	6,167
<b>Total</b>	<b>2,854</b>	<b>6,239</b>



## 6. Employees

---

### 6.1 Share Programs for existing employees before submitting the application for registration and offering the securities subject to this prospectus

As on the date of this prospectus, the company does not have any share allocation program for its employees.

### 6.2 Employee Capital Sharing Arrangements

As on the date of this prospectus, the company does not have any arrangements for employees to participate in the capital.



## 7. Discussion and Management Analysis of the Financial Position and the Operation Outcomes

### 7.1 Introduction

The following section relating to management discussion and analysis included as a review of the financial position and operating performance of Anaam International Holding Group (Anaam) and its subsidiaries. This section is based on the company's consolidated financial statements for the ended financial years on 31 December 2018G, 2019G and 2020G, the interim condensed consolidated financial statements for the two periods ended on 31 March, 2020G and 31 March, 2021G. The consolidated financial statements of Anaam International Holding Group and its subsidiaries for the ended financial year on 31 December 2018G were reviewed by Dr. Muhammad Al-Omari & Partners Company (BDO). The consolidated financial statements for the ended financial years on 31 December 2019G and 2020G and the interim condensed consolidated financial statements for the two periods ended on 31 March 2020G and 31 March 2021G were reviewed by Dr. Abdelkader Mohamed Banga & Partners Company - Allied Accountants (RSM). The consolidated financial statements referred to above are considered part of this prospectus.

The consolidated financial statements of the company and its subsidiaries have been prepared in accordance with the approved international financial reporting standards in the Kingdom of Saudi Arabia and other approved standards and issuances by the Saudi Organization for Auditors and Accountants. All amounts are indicated in Saudi Riyals (SAR) unless otherwise stipulated, and percentages have been rounded to the nearest decimal place. In addition, for the purposes of this section of management discussion and analysis, the financial information for the ended financial years on 31 December, 2018G, 2019G and 2020G has been used through the included financial information in the consolidated and audited financial statements for the ended financial years on 31 December 2019G and 31 December 2020G, respectively, and the consolidated financial statements for the two periods ended on 31 March 2020G and 31 March 2021G.

Neither Dr. Abdelkader Mohamed Banga & Partners Company - Allied Accountants (RSM) nor Dr. Muhammad Al-Omari & Partners Company (BDO) (Chartered Accountants) nor any of their subsidiaries own. The written consent was given without retraction regarding the publication of their names and statements in this prospectus as auditors of Anaam International Holding Group and its subsidiaries for the years referred to above.

The audited consolidated financial statements for the ending financial years on 31 December 2018G and 2019G included a qualified opinion of the chartered accountant, which was disclosed in this section.

The property, machinery and equipment of the group consists of lands, buildings, machinery and agricultural equipment, wells and irrigation equipment, cars and trucks, furniture and furnishings, stationary and computers, and fruitful plants, capital projects under implementation with a net carrying value of 149.7 Million Saudi Riyals for the financial year 2018G, 125.7 Million Saudi Riyals for the financial year 2019G, 121.4 Million Saudi Riyals for the financial year 2020G, 142.5 Million Saudi Riyals for the ending financial period on 31 March, 2020G, and 120.4 Million Saudi Riyals for the financial period ending on 31 March 2021G. Neither the Group nor its subsidiaries have any properties, including contractual securities, or any assets whose value is subject to fluctuations or whose value is difficult to ascertain, which significantly affects the assessment of the consolidated financial position of the Group. Whereas, the group's management reviews the carrying amounts of these assets to assess whether there is any indication of impairment in the value.

On 25 Safar 1437H, Cabinet Resolution No. (66) was issued to stop cultivating green feed before 25 Safar 1440H, Corresponding to 03 November 2018G. Accordingly, the group stopped cultivating green feed during 2018G, as feed represents mainly the group's revenues.

The financing structure of the group from the capital is 196 Million Saudi Riyals for the financial year 2018G, 15 Million Saudi Riyals for the financial year 2019G, as well as the first quarter for the period ending on 31 March 2020G. This is after reducing the capital to cover the company's accumulated losses, in accordance with the shareholders' approval at the assembly meeting, 105 Million Saudi Riyals for the financial year 2020G and the first quarter for the ending period on 31 March 2021G, after increasing the capital by 90 Million Saudi Riyals through the issuance of rights issue shares.

This section may include future statements of the future expectations of the company, depending on the current plans of management and its expectations regarding the company's growth, its operations outcomes, and its financial position, which may involve risks and uncertain scenarios. The Company's actual results may differ materially from the indicated or included



results in these future statements due to various factors and future events, including those discussed below and elsewhere in this prospectus, particularly in the (“**Risk Factors**”) section in this prospectus.

## 7.2 Board of Directors’ Declarations Regarding the Financial Information

- The Group Board of Directors and its subsidiaries acknowledge that all material facts regarding the group and its subsidiaries and their financial performance have been disclosed in this prospectus, and that there is no other information, documents or facts if they are omitted, the data contained in this prospectus will become misleading.
- The Group Board of Directors and its subsidiaries, in accordance with their best knowledge and belief, acknowledge that the included financial information in this section has been extracted from the consolidated and audited financial statements for the financial years ended on 31 December 2018G, 2019G and 2020G and the two (unaudited) periods ended on 31 March 2020G and 31 March 2021G without making any material modification and in accordance with the financial statements. The consolidated and audited financial statements have been prepared in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia, and other approved standards and issuances by the Saudi Organization for Auditors and Accountants.
- The Board of Directors acknowledges that the Group and its subsidiaries incurred losses during the financial years ending on 31 December 2018G, 2019G and 2020G, and the three-month period ending on 31 March 2021G. Except for what was disclosed in this prospectus regarding accumulated losses, there was no material negative change in the financial and commercial position of the group and its subsidiaries during the three financial years ending on 31 December 2018G, 2019G and 2020G, which immediately preceded the submitting date of the application for registering and offering of securities subject to this prospectus, in addition to the end of the period covered by the chartered accountant’s report until the prospectus was approved.
- The Board of Directors acknowledges that the Group and its subsidiaries have sufficient funds to meet the working capital requirements for a period of 12 months as of the date of this prospectus.
- The Board of Directors also acknowledges that the Group and its subsidiaries have not issued any sukuk (instruments), bonds or other debt instruments until the date of this prospectus. The Group and its subsidiaries do not have any loans or other debts, including overdrafts from bank accounts. The Board of Directors also acknowledge that there are no guarantee liabilities (including personal guarantees, not covered by personal guarantee, secured by mortgage or not secured by a mortgage), liabilities under acceptance, acceptance credit, rental purchase liabilities, or any issued and existing debt instruments or approved debt instruments that have not been issued or term loans.
- The Board of Directors acknowledges that there are no shares in the company or its subsidiaries (the group) subject to the right of option as on the date of this prospectus.
- The Board of Directors acknowledges that neither the members of the Board of Directors nor any of their relatives have any shares or interest of any kind in the Group and its subsidiaries, except for what was disclosed in Sub-paragraph No. (5-2) of the “**Board of Directors**”.
- The Board of Directors acknowledges that the Group and its subsidiaries are not aware of any information of governmental, economic, financial, monetary or political policies or any other factors that affect or have a material impact (directly or indirectly) on their operations.
- The Board of Directors acknowledges that the Group and its subsidiaries (the Group) have not been granted any commissions, discounts, brokerage fees or non-cash compensation by the Group and its subsidiaries to any of the members of the Board of Directors or senior executives or those offering securities or experts during the three years immediately preceding the date of submitting an application for issuing the rights issue shares subject to this prospectus.
- The Board of Directors also acknowledges that all material information to their knowledge has been disclosed in this prospectus.
- The Board of Directors acknowledges that there are no mortgages, rights or costs on the property of the group and its subsidiaries as on the date of this prospectus, except for what was disclosed in Sub-paragraph No. (2-1-45) “**Risks of the Company’s Property, Machinery and Equipment**”.
- The group and its subsidiaries do not own any holdings in contractual securities or other assets whose value is subject to fluctuations or whose value is difficult to ascertain, which greatly affects the assessment of the financial position.
- The Group and its subsidiaries do not have any current assets to be purchased or leased other than what has been disclosed. The Group and its subsidiaries do not have any loans or other liabilities, bank account overdrafts, any commitments under acceptance, acceptance credit or lease purchase commitments.
- The company’s board of directors acknowledges that the group and its subsidiaries do not have any potential liabilities or guarantees.



- The company's board of directors acknowledges that the financial information and the financial and commercial position of the group and its subsidiaries has had no change for the previous three years, as shown in the consolidated financial statements issued by the group, except for what was disclosed in Sub-paragraph No. ("4-6" **Business Interruption**).
- The Board of Directors acknowledges that the Group and its subsidiaries do not have information about any governmental, economic, financial, monetary, political policies or any other factors that have affected or could materially affect (directly or indirectly) the operations of the Group and its subsidiaries, except for what was disclosed in the section No. (2) "**Risk Factors**" of this prospectus.
- The Board of Directors acknowledges that the Group and its subsidiaries are not aware of any seasonal factors or economic cycles of the activity that may have an impact on the business and financial position of the Group and its subsidiaries, except for what was disclosed in Section (2) "**Risk Factors**" of this Prospectus.

### 7.3 Overview of the Group and Its Subsidiaries

Anaam International Holding Group is a Saudi public joint stock company listed under Commercial Registration No. (4030035073) issued by Jeddah City in the Kingdom of Saudi Arabia on 07 Ramadan 1402H (Corresponding to 29 June 1982G). The Company has investments in the following subsidiaries which are fully incorporated in the Kingdom of Saudi Arabia.

Table No. (8): Ownership Percentage in Subsidiaries

Subsidiary Name	Main Activities	Commercial Register	Establishment Position	Ownership Percentage
Saudi Refrigeration Company	Food trade, leasing and storage	4030007971	Not working	100%
Anaam International Food Company Ltd.	Food trade	4030166809	Working	100%
Anaam International Agricultural Company	Agricultural products	4030035281	Working	100%
Anaam International Investment Company	Real estate and services	4030165735	Not working	100%
Anaam International Financial Company	Wholesale trade	4030165733	Not working	100%
Saudi Wasit Factory**	Games Trade	1010480311	Working	51%

\* During August 2021G, the company acquired 51% of the shares of the Saudi Wasit Entertainment and Beauty Systems Factory, a registered company in the Kingdom of Saudi Arabia.

The Company's main activities and its subsidiaries (Hereinafter is together referred to as the "Group") are to carry out all marine transport operations of livestock inside and outside the Kingdom, owning all means of sea and land transport necessary for the group, trading marine equipment needed for the group's ships, trading livestock feed, everything of meat production and transportation, management and operation of slaughterhouses, meat processing, establishment, management and operation of centers, establishment, management and operation of industrial projects, wholesale and retail trade in foodstuffs, import and export business, marketing and leasing to others, and public service work in the field of commercial agencies and distribution agencies.

The group's main activity represents the cultivation and trading of feeds, wholesale and retail trade in foodstuffs, warehousing and leasing services. In addition to managing subsidiaries or participating in managing other companies in which it contributes, providing them with the necessary support, investing their money in shares and other securities, owning real estate and movables necessary to carry out their activities, and providing loans, guarantees and financing for its subsidiaries.

The Group owns agricultural plots of land with an area of 84.8 Million Square Meters (m<sup>2</sup>) in Al Busaida in Al Jowf region in the north of the Kingdom of Saudi Arabia. The group owns in the same area 7 agricultural plots with an area of 15.2 Million Square Meters (m<sup>2</sup>) that are not registered in under the group name. Most of these lands are used for feeds cultivation. The group also has a land in Al Khumra area in Jeddah with an area of 197,555 Square Meters (m<sup>2</sup>) that is not registered under the group name as it does not have a title deed, and a land in the Al Mahajar area in Jeddah with an area of 9,987 Square Meters (m<sup>2</sup>), secured by a mortgage transfer of ownership against payment of financing.

On 25 Safar 1437H, Cabinet Resolution No. (66) was issued to stop cultivating green feeds before 25 Safar 1440H (Corresponding to 03 November 2018G). Accordingly, the group stopped cultivating green feeds during 2018G. Noting that green feeds sales represent about 80% of the group's revenues in the last two years (2017G and 2018G), and there is no practical alternative plan to operate the project until the ending year on 31 December 2020G to cover the current liabilities and group expenses. The proposed plan of the group, through its subsidiaries, regarding stopping the cultivation of green feed "the project" is as follows:

- Increasing the company's capital after the reduction by issuing rights issue shares, and using the proceeds of the subscription to purchase income-generating real estate assets, in order to provide a continuous source of income and liquidity for the company.





- Improving and developing the group's transportation fleet and increasing its efficiency to raise the efficiency of the provided logistics services by the group to its customers.
- Maintaining central refrigerators by replacing some of the current (old) cooling devices with new, high-tech and modern devices.
- Limited investment in local livestock fattening in the group's project in Al Jowf and its development.
- Working on rescheduling and settling the remaining debts on the company, and increasing the expended effort to collect the group's debts with third parties.
- Focusing on the distinguished human resources and working to improve the performance of the group in all its departments.

The financial statements of the group's subsidiaries do not include any revenue.

The group's financial year begins at the beginning of January of each Gregorian year and ends at the end of December of the same year.

## 7.4 Basics of Preparation

### 7.4.1 Applicable Accounting Standards

The consolidated financial statements (the "Group") have been prepared in accordance with the approved International Financial Reporting Standards (IFRS) in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Auditors and Accountants.

Wherever the phrase "International Financial Reporting Standards" appears in these notes, it refers to the "International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Auditors and Accountants". The approved international standards are international standards as issued by the International Council, in addition to the added requirements and disclosures by the Authority to some of these standards, in accordance with what was stated in the approval document of the International Financial Reporting Standards. Standards and other issuances are what the Saudi Organization for Auditors and Accountants approves of standards and technical opinions for topics not covered by international standards.

In accordance with the Capital Market Authority circular through its resolution dated on 16 October 2016G, the group shall apply the cost model to measure property, machinery, equipment and investment properties when applying International Financial Reporting Standards (IFRS) for the three years starting from the applying date of International Financial Reporting Standards (IFRS).

### 7.4.2 Basics of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for the employees' end of service benefits liabilities, which are calculated on the present value basis of the future liabilities.

### 7.4.3 Activity Continuity

As on 31 December 2020G, the group's current liabilities exceeded its current assets by 29.3 Million Saudi Riyals, in addition to the lack of sufficient liquidity with the group to cover its expenses, and the group's failure to obtain support from shareholders or other financing agencies to support the group's continuity. On 10 November 2019G, the group's accumulated losses amounted to 181 Million Saudi Riyals, as a result of applying the international financial reporting standards, the formation of zakat allocation, and the presence of many operational difficulties that led to a decrease in sales and an increase in activity costs, as a result of stopping the cultivation of green feeds permanently on 25 Safar 1440H (Corresponding to 03 November 2018G), in accordance with the Cabinet Resolution No. (66).

The group management believes that despite these difficulties, the group is able to continue to practice its activities, which will enable the company to improve its financial results in the coming periods. Accordingly, and as corrective measures represented during December 2019G, and based on the Extraordinary General Assembly meeting held on 05 Jumada Al-Awwal 1441H (Corresponding to 31 December 2019G), the shareholders decided to extinguish the accumulated losses as on 10 November 2019G amounting to 181 Million Saudi Riyals and reduce the capital by that amount. Accordingly, the company's articles of association and commercial register have been amended.

The Group's ability to continue as a going concern depends on adequate funding and on the profitability of future operations. As a corrective measure, the Group's Board of Directors proposed to the shareholders and the Extraordinary General Assembly an increase in the Group's capital by 90 Million Saudi Riyals. The shareholders decided in the extraordinary general assembly meeting of the group on 10 Rabi' Awal 1442H (Corresponding to 27 October 2020G) to approve the capital increase from 15 Million Saudi Riyals to 105 Million Saudi Riyals, as a strategic direction to raise the financial solvency of the group through restructuring and implementing an action plan that focuses on its main activities. Accordingly, the company's articles of association and commercial register have been amended.





The capital increase has been completed, the results of the offering period have been announced, the legal procedures have been completed, and the articles of association and commercial register have been amended with the value of the new capital on 17 Rabi' Thani 1442H (Corresponding to 02 December 2020G). When taking into account the capital increase, the accumulated losses become 12% of the capital. On 27 October 2020G, the Extraordinary General Assembly of shareholders approved an increase in the company's capital by 90 Million Saudi Riyals by offering rights issue shares. Accordingly, the articles of association and commercial register of the company have been amended. Accordingly, these consolidated financial statements have been prepared on the basis of the going concern principle.

### The Financial Period 31 March 2021G

The group incurred a net loss of 2.7 Million Saudi Riyals during the ending period on 31 March 2021G (2020G: 0.5 Million Saudi Riyals), and by that date the group's current liabilities exceeded its assets by 30.7 Million Saudi Riyals. There is no practical, operational alternative until 31 March 2021G for green feeds cultivation, which has been permanently stopped in accordance with the Cabinet Resolution No. (66), as it represented 80% of the group's revenues.

The Group's management believes that despite these difficulties, the Group is able to continue to practice its activities, which will enable the company to improve its financial results in the coming periods. Therefore, these consolidated financial statements have been prepared on the basis of the going concern principle.

#### 7.4.4 Functional and Presentation Currency

These consolidated financial statements are presented in Saudi Riyals, which is the Group's functional and presentation currency.

### 7.5 Significant Accounting Estimates and Assumptions

The preparation of consolidated financial statements in accordance with the applicable accounting policies and standards requires the use of judgments, estimates and assumptions that affect the values of revenues, expenses, assets and liabilities and the accompanying notes, in addition to the disclosure of potential liabilities. Uncertainty about these assumptions and estimates may lead to results that require a material adjustment to the carrying amounts of assets and liabilities affected in future periods.

The following are the key assumptions relating to the future and other key sources as at the consolidated statement of financial position date, which pose a high risk of material adjustments to the carrying amounts of assets and liabilities during the next financial year. The Group depends on its assumptions and estimates on the available standards when preparing the consolidated financial statements. 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 to the assumptions are clarified when they occur:

#### A. Allocation for Slow Moving Inventory

The Factors influencing the estimation of the provision based on the Group's past experience include the current state of inventory and current and future sales expectations. Accordingly, the Group studies these factors and takes them into consideration in calculating an allocation for slow moving inventories, and the estimates of the allocation may change significantly from year to year. Any adjustments that may arise from the difference in these factors are periodically reviewed.

#### B. Estimated Life of Property, Machinery and Equipment

Management estimates the useful lives of property, machinery and equipment for calculating depreciation. The cost of property, machinery and equipment is amortized over the expected service life that has been estimated based on the expected usage and prescription of the asset, the maintenance and repair program, as well as technical prescription and recoverable value considerations. Management reviews the residual value and useful life of property, machinery and equipment on an annual basis. Depreciation is adjusted in subsequent years if the carrying amount of the asset differs from management's previous estimate.

#### C. Actuarial Evaluation Liabilities for Employees' End of Service Benefits

The cost of employees' end of service benefit liabilities under the unfunded defined benefit program is determined using the actuarial evaluation. The actuarial evaluation includes many assumptions that may differ from actual developments in the future. These assumptions include determining the deduct rate, future salary increases, employee behavior, and employee turnover. Due to the complexity of the assessment and its long-term nature, the unfunded defined benefit liability is highly sensitive to changes in these assumptions. So all assumptions are reviewed one or more times per year when necessary.



#### D. Fair Value Measurement

Fair value is the value 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 prevailing market conditions (for example, the present price), regardless of whether that price is directly observable or estimated using another valuation method. The fair value measurement is based on the presumption that the sale of the asset or the transfer of the liability will take place either:

- By the principal market for the asset or liability, or
- By the most advantageous market for the asset or liability in the absence of a major market

The principal or most advantageous market shall be accessible to the group.

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

The fair value measurement of a non-financial asset takes into account the ability of market participants to provide economic benefits by using the asset for the best benefit from the asset or by selling the asset to another party to use it for the best benefit. The Group uses evaluation techniques that are appropriate to the circumstances and conditions and have sufficient data to measure fair value, maximize the use of relevant observable data, and minimize the use of unobservable data.

All assets and liabilities that are measured at fair value or whose fair value is disclosed in the consolidated financial statements shall be categorized in accordance with the scope of the fair value hierarchy described below, based on the lowest level inputs that are significant to the fair value measurement as a whole:

- First Level: the published (unadjusted) prices quoted in active markets for the assets or liabilities identical to those being measured.
- Second Level: the inputs that can be observed or monitored for the asset or liability, directly or indirectly, other than the declared prices listed within the first level.
- Third Level: The unobservable inputs to the asset or liability.

#### E. Impairment the Value of the Non-financial Assets

Impairment is achieved when the carrying amount of the asset or cash-generating unit exceeds its recoverable amount, which represents its fair value minus the costs to sell or its value in use, whichever is higher. The fair value less costs of disposal shall be calculated based on available data from binding sales transactions, which are based on the spot price in the direct market transactions, for similar assets or observable market prices minus the additional costs of asset disposal.

The value in use shall be calculated based on the deducted cash flow model. The cash flows are recognized from the budget for the subsequent five years and do not include restructuring activities that the Group is not yet committed to or material future investments that may enhance the asset performance of the cash-generating unit that is subject to impairment testing.



## 7.6 Summary of the Most Significant Accounting Policies

The following are the most significant used accounting policies by the Group in preparing the consolidated financial statements (Herein After is referred to as the "Statements").

### 7.6.1 Basis of Financial Statements Consolidation

#### Subsidiaries

The consolidated financial statements include the accounts of the Group and its wholly owned subsidiaries (the Group). Subsidiaries are entities under the control of the holding company. This control arises when the holding group is exposed, or has rights, to volatile returns from its involvement with the investee companies, and has the ability to affect those returns through its control over those companies. The holding company control and powers over the companies shall be determined when the holding company in the subsidiaries has all of the following:

- Imposing control over the investee companies
- The holding group is exposed to, or has rights to, volatile returns from its involvement with its investees.
- The ability to use its power over the investee to affect the investee returns amount.

In general, there is an assumption that the majority of voting rights result in control. In support of this assumption, when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all facts and circumstances when ascertaining whether it exercises control over an investee, including:

- The contractual arrangement (s) with other voting rights holders of the investee company.
- Rights arising from other contractual arrangements that give the parent company the ability to direct related activities.
- The Group's voting rights and any potential voting rights.

The Group re-ascertains whether or not the group exercises control over the investee companies, if facts and circumstances indicate that there has been a change in one or more of the three elements of control.

Consolidation of a subsidiary begins when control of a subsidiary is transferred to the Group and ceases when control of a subsidiary is lost by the Group.

The assets, liabilities, income and the acquired expenses of a subsidiary during the year shall be included in the consolidated financial statements from the date on which control is transferred to the Group and until it ceases to exercise such control.

The ratio of profit or loss and each item of other comprehensive income is calculated to the shareholders of the group parent company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring them into line with the Group's accounting policies.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to intra-group transactions are canceled in full on consolidation of the financial statements.

Any change in the ownership of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control of the subsidiary, the company shall do all of the following:

- The Company derecognises the assets (including goodwill) and liabilities of the subsidiary.
- The Company derecognises the carrying amount of any non-controlling interest.
- The company derecognises the cumulative translation differences, which are recorded in equity.
- The Company recognizes the fair value of the received consideration.
- The Company recognizes the fair value of any of the held investment.
- The Company recognizes any surplus or deficit in profit or loss.
- The Company reclassifies the parent company's share of items previously recognized in the other comprehensive income statement to the profit or loss or retained earnings statement, as appropriate, as required if the group directly disposes of the related assets and liabilities.



## 7.6.2 Classification of Current and Non-current Items

The presented assets and liabilities in the consolidated statement of financial position shall be classified into current and non-current. The asset shall be classified as current asset when:

- The Group expects to realize the asset or intends to sell or use the asset in the 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 financial year.
- The asset shall be cash or cash equivalent unless the asset is subject to restrictions on its replacement or use to settle a liability for a period more than twelve months after the financial year.

All other assets shall be classified as non-current assets.

The liabilities shall be classified as current liabilities when:

- The liability is expected to be settled in a normal operating cycle.
- The liability is retained primarily for the purpose of trading.
- The liability is due to be settled within twelve months after the financial year.
- The Group does not have an unconditional right to defer the liability settlement for more than twelve months after the financial year.

All other liabilities shall be classified as non-current liabilities.

## 7.6.3 Properties, Machinery and Equipment

Property, machinery and equipment are recognized at the cost minus the accumulated depreciation and accumulated impairment losses (except for the land where it is not depreciated). The Incurred Expenditure and Expenses to replace any component of the asset shall be recognized as a separate item. It is capitalized against writing off the carrying amounts of the replaced portion and any other expenditure is capitalized only when the future economic benefits of the asset increase. The costs of repairs and periodic maintenance of the property, machinery and equipment shall be recognized in the consolidated statement of profit or loss and other comprehensive income when incurred.

The useful life of property, machinery and equipment is reviewed at the end of each year. In the event that the expected useful life differs from what was previously estimated, the remaining carrying value shall be depreciated over the remaining useful life after reassessment, starting from the year in which the reassessment was conducted.

With respect to current liability to decommission, take back and the similar liabilities (the dismantling and removal of the asset), changes in the liability are added to or deducted from the cost of the related asset in the current period so that the amount deducted from the asset cost does not exceed its carrying amount. In the event that the liability exceeds the recorded amount of the asset, the increase shall be recognized immediately in the consolidated statement of profit or loss and other comprehensive income. If the adjustment results in an addition to the asset cost, the Group considers whether this is an indication that the new recorded amount for the asset may not be fully recoverable. If this is the case, the Group shall test the asset for impairment by estimating its recoverable amount and treating any impairment loss in the consolidated statement of profit or loss and other comprehensive income. Finance costs for loans that have been used directly to finance the construction of assets shall be capitalized during the necessary period to complete and prepare those assets for their intended use, when the asset is eligible to bear the borrowing cost.

Depreciation expense is recognized in the consolidated statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful life of each item of property, machinery and equipment. Assets built on leased lands (leased building improvements) are depreciated over the lease term or over the useful lives of the assets, whichever is less. When items of property, machinery and equipment have different useful lives, these items are recognized as separate items. Depreciation is calculated on all items of property, machinery and equipment to reduce its carrying amount in accordance with the estimated useful life as follows:

Type	Useful Lives / Year
Buildings	3,33-10
Improvements to the Leased Buildings	3,33-4
Agricultural Machinery and Equipment, wells and irrigation equipment	3,33-25
Vehicles and Trucks	10-20
Furniture, Furnishings, Stationery and computers	2-25
Fruiting Plants	2-3



The Group reviews the useful lives and the residual value of property, machinery and equipment at the end of each financial year, to ensure that it reflects the obtained benefit. If there is a difference, it is treated as changes in accounting estimates (in the year of change and subsequent years).

### Subsequent Costs

The cost of the part that replaced an item of property, machinery and equipment is included in the carrying amount of that item if the future economic benefits will flow to the group from that part and the cost of that part can be measured reliably. The carrying amount of the old replaced part is derecognised.

The daily incurred costs and expenses by the Group for the maintenance and operation of property, machinery and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income when incurred. Improvements that materially increase the asset value or the life of the concerning asset are capitalized.

### 7.6.4 Fruiting Plants

International Accounting Standard (IAS) No. (16) "Property, Machinery and Equipment" defines fruiting plants as:

- Using in the production or supply of agricultural products.
- It is expected to fruit more than once during the period.
- There is a remote possibility that they will be sold as agricultural products other than occasional scrap sales.

Fruiting plants are initially recognized at cost after deducting the accumulated depreciation and accumulated impairment losses, if any. The Cost includes the incurred amounts by the Group in obtaining the asset and includes the costs of raw materials, labor, and all other direct costs attributable to bringing the assets to a condition that they are capable of achieving their intended use.

Any gain or loss arising from the disposal of the fruiting plants (calculated on the basis of the difference between the net sale proceeds and the carrying value of the plants) is recognized in other income in the consolidated statement of profit or loss and other comprehensive income in the period in which the disposal is made.

### 7.6.5 Intangible Assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Internally produced intangible assets, excluding development costs, are not capitalized, and expenditures are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred. Intangible assets with finite useful lives are amortized on a straight line basis over their economic life of five to ten years. Subsequent expenditures are capitalized only when the associated future economic benefits with the expenditures will flow to the Group and the expenditures can be measured reliably.

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

### 7.6.6 Vital Assets

Vital Assets shall be measured at the fair value less the sell costs. Changes in the value of vital assets are recognized in the consolidated statement of profit or loss and other comprehensive income.

### 7.6.7 Investment Properties

Investment properties represent the held land by the Group for earning rental income, for the purpose of capital growth through value increase or for both purposes. Investment properties does not include the used land and buildings in the production or supply of goods or services, or for administrative purposes or for common sale. Investment properties are shown at cost, minus the accumulated depreciation (if any) and depreciation losses (impairment) in the accumulated value (if any), knowing that the land is not depreciated. The cost includes the purchase price plus all costs directly of establish or own the investment property and in the appropriate condition for the property to be ready for use in the intended purpose. Significant parts of the investment property are depreciated separately from the other parts. The notes about the fair value of the investment properties are disclosed. The cost of properties under construction for the purpose of constructing properties to earn rental income, for the purpose of capital growth through value increase, or both, is included in the investment properties. Depreciation begins when the property is ready for its intended use.

The carrying amount of the investment property is derecognised when the property has been disposed (by 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 proceeds from disposal of the investment property and (b) its carrying amount is recognized in the profit or loss and other comprehensive income statement in the year in which the derecognition or write-off occurs. If the use of an investment property changes to occupied property by the Group, this property shall be reclassified to property, machinery and equipment.



### 7.6.8 Held Assets for Sale

The Group considers properties as assets held for sale when the management approves and complies with an official plan to market a property or group of properties for sale, and the possibility of completing the sale process within twelve months from the date of the consolidated statement of financial position. When an asset is classified as such, the Group records the carrying amount of each property or group of properties at the lower of its carrying value or its fair value less estimated costs to sell. When the assets are classified as held for sale, they are not depreciated or amortized.

### 7.6.9 Inventory

Inventory is stated at cost or realizable value, whichever is lower, after taking the necessary allocation for any slow moving inventory. The cost is determined using the weighted average. The Cost includes the sum of the purchase cost, conversion costs and other associated costs with bringing the inventory to its present condition and location. Realizable value is the expected selling price in the group's common business or activity, less the expected selling costs.

Agricultural products from fruit-bearing plants are measured at the harvest date at fair value less costs to sell.

### 7.6.10 Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, demand deposits with banks and other short-term, highly liquid investments with its due dates at three months or less.

### 7.6.11 Trade Receivables

Trade Receivables mean the due amounts from customers for the sold products in the common sector of business and works. Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less the provision for expected credit losses in the amount that is recognized in the profit or loss and other comprehensive income statement.

### 7.6.12 Zakat Allocation

Zakat Allocation shall be 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 that may result in the final assessment of zakat are recorded in the consolidated statement of profit or loss in the year in which the final assessment is received, at which the allocation is settled.

### 7.6.13 Value Added Tax (VAT)

The Group shall subject to the Value Added Tax (VAT) Law. The tax is calculated immediately upon issuing the invoice, delivery of the commodity or receipt of the price or part of it. The Value Added Tax (VAT) return is submitted on a monthly basis for the holding company and on a quarterly basis for the subsidiaries.

### 7.6.14 Loans

Loans are registered at the received net value after deducting the incurred transaction costs. The interest on loans is charged using the effective interest method. Interest on the long term loans is charged during the year in which they accrue. The interest on long term loans to finance the qualifying asset is capitalized as part of the asset cost in accordance with International Accounting Standard (IAS) No. (23).



### 7.6.15 Employee Benefits Allocations

The Group contributes to the retirement and social insurance allocation for its employees in accordance with the Saudi Labor Law.

#### A. Annual Leaves

An accrual shall be made for the estimated obligations of employees for annual leave in accordance with the Saudi Labor Law.

#### B. Employees' End of Service Benefits Allocations

End of Service Benefits are due to all the working employees in accordance with the terms and conditions of the Labor Law followed in the group, upon the expiry of their service contracts.

The Group's obligation relating to defined benefit plans shall be calculated by estimating the amount of future benefits that are accrued to employees in the current and future periods and discounting the value to reach the present value.

The Group provides assumptions that are used in determining the principal components of costs to meet these future obligations. These assumptions shall be made after consulting with the actuary and shall include those assumptions that are used to determine the normal service cost as well as the financing elements of the liabilities. The qualified actuary calculates the defined benefit obligation using the planned unit credit method.

The reassessment of defined benefit obligations comprising actuarial gains and losses is recognized immediately in the consolidated statement of other comprehensive income. The Group determines the net interest expense on the defined benefit obligations for the year by applying the discount rate that is used to measure the defined benefit obligations at the beginning of the year and the net defined benefit obligations therein after taking into account any change in the net defined benefit obligations during the year and payments for the obligations. The net interest expense and other expenses relating to defined benefit plans are recognized in the consolidated statement of profit or loss.

### 7.6.16 Allocations

An allocation shall be recognized when the Group has a present obligation (legal or constructive) as a result of a past event. The outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

It may be expected that the refund will be made (by a third party) for some or all of the required expenditure to settle an allocation (for example, through an insurance contract), the refund is recognized only when the redemption is virtually certain. The refundable amount will be received if the company settles the obligation. This refundable amount is recognized as a separate asset. The expense of the allocation is presented in the profit or loss and other comprehensive income statement, net of the refundable amount.

### 7.6.17 Foreign Currency Transactions

The Group's Transactions in different currencies from the currency of the main economic environment in which the group operates (its functional currency is Saudi Riyal "SAR") are recorded using the exchange prevailing rates on the date of those transactions. Cash Assets and Liabilities are revalued using the exchange prevailing rates at the date of preparing the consolidated financial statements and the arising currency differences gains and losses are recognized directly in the consolidated statement of profit or loss and other comprehensive income. Non-cash assets and liabilities are recognized at historical cost using the prevailing rate at the date of those transactions, while non-cash items recognized at fair value are translated using the prevailing rate at the evaluation date of those assets,. The Evaluation gains and losses are recognized as part of that fair value.

### 7.6.18 Revenues

Revenue from selling goods shall be measured at the fair value of the received consideration or receivable from selling goods in the ordinary course of the Group's activities. The Group recognizes revenue when control of the goods is transferred, or when the goods are delivered to the customer. The customer has a free will to use or sell these goods, and there is no unfulfilled obligation that affects the customer's acceptance of the goods. Goods are delivered when the goods are shipped to the specified location and the risk of stipulations and loss has been transferred to the customer, and either the customer accepts the goods in accordance with the sales contract , with the expiry of the acceptance provisions or the group has objective evidence that all acceptance criteria have been met.





### 7.6.19 Lease

Determining whether a contractual arrangement is a lease (or contains a lease) depends on the substance of the arrangement at the beginning of the lease. Trade receivables are recognized when the goods are delivered. As this is the point in time when this amount is unconditional, because only time is required before the payment is due. A contractual arrangement is considered a lease (or contains a lease) if its fulfillment is dependent on the use of a specific asset or assets. The arrangement conveys the right to use the asset or assets even if that right is not expressly provided for in the arrangement. The Lease Contract is classified at the beginning of the contract as a finance lease or an operating lease. The Lease Contract that transfers substantially all the risks and rewards of ownership to the Group is classified as a finance lease.

### The Group as Lessor

Operating lease payments shall be recognized as an expense in the profit or loss and other comprehensive income statement on a straight-line basis over the lease term. The Incurred Direct costs in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight line basis over the lease term.

### 7.6.20 Earnings per Share

Basic earnings per share and diluted earnings per share (if any) are shown for common stocks. Basic earnings per share shall be calculated by dividing the profit or loss of the company's common stockholders by the weighted average number of common stocks outstanding during the year, adjusted by the number of common stocks repurchased or issued during the year. Diluted earnings per share shall be calculated by adjusting the profit or loss of the company's common shareholders and the weighted average number of shares outstanding during the year by the effects of all the diluted common stocks likely to be issued during the year.

### 7.6.21 Operational Sectors

The Operational Sector is one of the Group sectors:

- a. This sector carries on business activities from which the company may earn revenue and incur expenses (including revenue and expenses relating to transactions with components of the same group).
- b. The sector whose operating results and outcomes are regularly reviewed by the chief operating decision maker in the facility to make decisions about the resources that will be allocated to the sector, and to evaluate its performance.
- c. The sector for which separate financial information is available.

The operating sector results that are reported to the operating decision makers shall include direct items of the operating sector and items that are reasonably distributed to the operating sector. The group has three operating sectors (Food and Storage Sector - Agricultural Activities – Headquarter (Leasing)).

### 7.6.22 Expenses

Selling, marketing, general and administrative expenses include direct and indirect expenses that are not part of cost of sales. Selling and marketing expenses represent everything of the selling activity and goods delivery vehicles, in addition to the rest of the other expenses of marketing. All other expenses are classified under general and administrative expenses. The common expenses shall be allocated between cost of sales, selling and marketing expenses, general and administrative expenses on a regular basis when required.



## 7.7 Basis for Opinion, Conclusion and Doubt Regarding Continuity in the Chartered Accountant's Report

### Qualified opinion for the fiscal year ending on December 31, 2018G

The auditor has audited the attached consolidated financial statements of Anaam International Holding Group, a Saudi joint stock company (the "Group" or "the Company") and its subsidiaries (together referred to as the "Group"), which includes the consolidated statement of financial position as on December 31, 2018G, the consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year ending on that date, as well as the notes attached to the consolidated and supplementary financial statements from No. (1) to No. (31), which are considered an integral part of these consolidated financial statements including a summary of significant accounting policies.

In the auditor's opinion, with the exception of the effect of possible adjustments, which he would have determined the extent of its necessity, had he been able to obtain the data and information referred to in the paragraph on the basis of the qualified opinion below, the consolidated financial statements as a whole present fairly, in all material aspects, the consolidated financial position of the Group as on December 31, 2018G, its consolidated financial performance and consolidated cash flows for the year ending on that date, in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia, and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

### Basis of the qualified opinion for the fiscal year ending on December 31, 2018G

- The continuity of the Group depends on the presence of financial liquidity, self and external financing, and a detailed financial and operational plan that explains how to obtain sufficient financial liquidity in addition to the ways and how to implement the operational plan and the qualifications of the human elements that will manage and implement this plan and the reasons for this are multiple, including:

The Group incurred a net loss of 15 million SAR during the year ending on December 31, 2018G (2017G: 27.8 million SAR) and the accumulated losses of the Group amounted to 82.3 million SAR, equivalent to 42% of the capital. The current and expected current liabilities of the Group exceed its current assets, and as shown in Note No. (1), there is no practical, operational alternative until the end of the year 2018G for about 80% of the Group's revenues in the last two years for the growing of green fodder, which has been discontinued in order to cover the current liabilities and expenses of the Group.

In addition, as explained in Note No. (19), the Group did not create a provision for the zakat differences, which amounted to about 88 million SAR, based on the opinion of its zakat advisor.

Also, as shown in Note No. (13) the Group did not study the impairment of assets directly of operation and production according to the requirements of International Accounting Standard (36) "Impairment of Assets".

- As shown in Note No. (11) about the consolidated financial statements, the Group did not commit to evaluating investment properties by a certified financial valuation expert in accordance with the requirements of International Accounting Standard (40) and to disclose its qualifications.

#### Notice:

- As shown in Note No. (13) to the consolidated financial statements, property, machinery and equipment include lands amounting to 47.1 million Saudi riyals that are not registered in the name of the Group.
- The financial statements of Anaam International Agricultural Company "one of the Group's subsidiaries" for the year ending on December 31, 2018G were audited by another auditor, who expressed an unmodified opinion on 03/19/2019G (Corresponding to 07/12/1440H).

### Qualified Opinion for the Fiscal Year Ending on December 31, 2019G

The auditor has audited the attached consolidated financial statements of Anaam International Holding Group, a Saudi joint stock company (the "Group" or "the Company") and its subsidiaries (together referred to as the "Group"), which includes the consolidated statement of financial position as on December 31, 2019G and the consolidated statements of profit or loss and other comprehensive income and changes in shareholders' equity and cash flows for the year ending on that date, as well as the notes attached to the consolidated financial statements, including a summary of significant accounting policies.

In the auditor's opinion, with the exception of the effect of possible adjustments, which he would have determined the extent of its necessity, had he been able to obtain the data and information referred to in the basis of qualified opinion paragraph below, the consolidated financial statements as a whole present fairly, in all material aspects, the consolidated financial position of the Group as on December 31, 2019G, its consolidated financial performance and consolidated cash flows for the year ending on that date, in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia, and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).



### **Basis for Qualified Opinion for the Fiscal Year Ending on December 31, 2019G**

As explained in Note No. (12), the Group has not studied the impairment of assets directly of operation and production as per the requirements of International Accounting Standard (36) "Impairment in Assets".

The consolidated financial statements were audited in accordance with the international standards of auditing approved in the Kingdom of Saudi Arabia. The responsibility of the auditor under those standards is explained in the report of the company's audited financial statements under the paragraph "Auditors' responsibilities for the auditing of the consolidated financial statements." The auditor also confirms its independence from the company in accordance with the requirements of professional ethics and conduct approved in the Kingdom of Saudi Arabia of the auditing of the company's consolidated financial statements. The auditor also fulfilled its obligations with the responsibilities of other professional conduct and ethics in accordance with those requirements. The auditor also believes that the audit evidence obtained is sufficient and appropriate to provide a basis for expressing its qualified opinion.

### **Material Uncertainty of Going Concern**

As shown in note no. (2-3) of the consolidated financial statements ending on December 31, 2019G, which indicates that the Group incurred a net loss of 97.7 million Saudi riyals during the year ending on December 31, 2019G (2018G: 15 million Saudi riyals) and the current liabilities of the Group exceeded its assets amount to 126.1 Saudi riyals, and as shown in note no. (1), there is no practical, operational alternative until the end of the year 2019G for the growing of green fodder, which has been discontinued, which represents about 80% of the company's revenues in the last two years, in order to cover the current liabilities and expenses of the Group.

The continuity of the Group depends on the presence of financial liquidity, self and external financing, and a detailed financial and operational plan that explains how to obtain sufficient financial liquidity, in addition to the ways and how to implement the operational plan and the qualifications of the human elements that will manage and implement this plan. These factors, together with other factors, indicate fundamental doubts about the Group's ability to continue its business as a going concern. However, the Group's management is confident that it has a proposed plan that will enable it to continue as stipulated in Note No. (2-3), and the auditor's opinion has not been modified in this matter.

### **Notice**

The auditor draws attention to what is shown in note no. (12) about the consolidated financial statements that the property, machinery and equipment include lands amounting to 55.5 million SAR that are not registered in the name of the Group.

### **Absolute opinion for the fiscal year ending on December 31, 2020G**

#### **Material Uncertainty Of Going Concern for the fiscal year ending on December 31, 2020G**

As shown in note no. (2-3) of the consolidated financial statements ending on December 31, 2020G, which indicates that the Group incurred a net loss of 5.9 million Saudi riyals during the year ending on December 31, 2020G (2019G: 97.7 million Saudi riyals), by that date, the current liabilities of the Group exceeded its assets by 29.3 million Saudi riyals, and as shown in note no. (1), there is no practical, operational alternative until the end of the year 2020G to the growing of green fodder, which has been stopped, which represents about 80% of the Group's revenues, in order to cover current liabilities and expenses of the Group. Those events or conditions, along with other matters referred to in note no. (2-3), cast doubt on the Group's ability to continue as a going concern. The auditor's opinion has not been modified in respect of this matter.

### **Notice**

The auditor draws attention to what is shown in note no. (12) about the consolidated financial statements that the property, machinery and equipment include lands amounting to 47.1 million SAR that are not registered in the name of the Group.

### **Conservative Conclusion for the Financial Period Ending On March 31, 2020G**

The auditor audited the attached interim consolidated financial statements of Anaam International Holding Group, a Saudi joint stock company (the "Group" or "the Company") and its subsidiaries (together referred to as the "Group") as on March 13, 2020G, and the consolidated statements of profit or loss and other comprehensive income for the three-month period ending on March 31, 2020G, the two consolidated statements of changes in shareholders' equity and the cash flows for the three-month period ending on that date, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Accounting Standard (34) "Initial Financial Reporting" approved in the Kingdom of Saudi Arabia. The auditor's responsibility is to express a conclusion on these interim consolidated financial statements based on its review of them.



## Basis of Conservative Conclusion for the Financial Period Ending On March 31, 2020G

As explained in Note No. (5), the Group has not studied the impairment of assets directly of operation and production as per the requirements of International Accounting Standard (36) "Impairment in Assets".

### Notice

The auditor draws attention to what is shown in note no. (5) about the interim consolidated financial statements that the property, machinery and equipment include lands amounting to 55.5 million SAR that are not registered in the name of the Group.

### Material Uncertainty Of Going Concern

As shown in Note No. (3-2) of the interim consolidated financial statements, which indicates that the Group's current liabilities exceeded its current assets by 125.7 Saudi riyals, and as shown in Note No. (1), there is no practical, operational alternative until the end of year 2019G for the growing of green fodder, which has been discontinued, which represents about 80% of the Group's revenues, to cover current liabilities and expenses of the Group.

The continuity of the Group depends on the presence of financial liquidity, self and external financing, and a detailed financial and operational plan that explains how to obtain sufficient financial liquidity, in addition to the ways and how to implement the operational plan and the qualifications of the human elements that will manage and implement this plan. These factors, together with other factors, indicate fundamental doubts about the Group's ability to continue its business as a going concern. However, the Group's management is confident that it has a proposed plan that will enable it to continue as stipulated in Note No. (2-3), and the auditor's opinion has not been modified in this matter.

## Conclusion For the Financial Period Ending on March 31, 2021G

### Material Uncertainty Of Going Concern:

As shown in note no. (2-3) of the interim consolidated financial statements, which indicates that the Group incurred a net loss of 2.7 million Saudi riyals during the period ending on March 31, 2021G (2020G: 0.5 million Saudi riyals), by that date the Company's current liabilities exceeded its assets by 30.7 million Saudi riyals, and as shown in note no. (1), there is no practical, operational alternative until the end of the period on March 31, 2021G, to the growing of green fodder, which has been stopped during the year 2018G, which represents about 80% of the company's revenues in the last two years, to cover current liabilities and expenses of the Group. Those events or conditions, along with other matters referred to in Note No. (3-2), cast doubt on the Group's ability to continue as a going concern. The auditor's opinion has not been modified in respect of this matter.

### Notice

The auditor draws attention to what is shown in note no. (6) about the interim consolidated financial statements that the property, machinery and equipment include lands amounting to 47.1 million SAR that are not registered in the name of the Group.

## Reclassification - Non-Current Assets Classified as Held for Sale

	2020G
Balance at the beginning of the year	-
Transferred from property, machinery and equipment, net (machinery, equipment and vehicles)	21,947,252
Exclusions	(835,088)
	<b>21,112,164</b>
Impairment in Assets	(4,500,000)
	<b>16,612,164</b>

On Safar 25, 1437H, Cabinet Resolution No. (66) was issued to stop cultivating green fodder before the advent of Safar 25, 1440H, (Corresponding to November 3, 2018G). Accordingly, the Group stopped cultivating green fodder during 2019G, noting that sales of green fodder represent about 80% of the Group's revenues in the last two years (2018G and 2019G), and there is no practical alternative plan to operate the project until the end of the fiscal year ending on December 31, 2020G to cover current liabilities and expenses of the Group.



The Group has in the consolidated financial statements a provision for impairment in the value of machinery and equipment amounting to 4.5 million Saudi riyals to meet any expected decline in the value of machinery and equipment for fodder growing.

In accordance with International Financial Reporting Standard (5)(Non-current Assets Held for Sale and Discontinued Operations) and as a result of stopping fodder growing at the end of the year 201G, the Company's board of directors decided to stop growing permanently and sell machinery directly of fodder growing at no less than the net book value of the assets in the books, in order to provide the necessary liquidity to finance the Company's operational activities as of 1/1/2020G.

Non-current assets classified as held for sale are disposed of by selling through auctions or direct sales. The sale of the assets available for disposal is expected to be completed within one year from the reporting date. The Group's assets available for disposal mainly consist of agricultural equipment that was mainly used in operation, maintenance and agricultural projects. An impairment loss on the Group's assets available for disposal is charged to the consolidated statement of profit and loss.

## 7.8 Operations Results

### Income Statement

The following table represents the income statement of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (9): Income statement for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	The period ending on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G		2018G - 2020G	2020G Unaudited	
Net sales	40,721,657	8,410,792	8,192,783	(79.3%)	(2.6%)	(55.1%)	3,299,685	1,995,817	(39.5%)
Cost of Sales	(43,309,697)	(16,056,372)	(6,958,556)	(62.9%)	(56.7%)	(59.9%)	(2,028,005)	(1,268,500)	(37.5%)
<b>Total (Loss) / Operating Profit</b>	<b>(2,588,040)</b>	<b>(7,645,580)</b>	<b>1,234,227</b>	<b>195.4%</b>	<b>(116.1%)</b>	<b>-</b>	<b>1,271,680</b>	<b>727,317</b>	<b>(42.8%)</b>
Selling and Marketing Expenses	(587,238)	(436,245)	(305,559)	(25.7%)	(30%)	(27.9%)	(81,977)	(87,204)	6.3%
General and Administrative Expenses	(12,204,245)	(11,242,656)	(9,643,542)	(7.9%)	(14.2%)	(11.1%)	(1,971,557)	(3,392,955)	72.1%
<b>Total Operating Expense</b>	<b>(12,791,483)</b>	<b>(11,678,901)</b>	<b>(9,949,101)</b>	<b>(8.7%)</b>	<b>(14.8%)</b>	<b>(11.8%)</b>	<b>(2,053,534)</b>	<b>(3,480,159)</b>	<b>69.5%</b>
Net Loss of Operating Activity	(15,379,523)	(19,324,481)	(8,714,874)	25.7%	(54.9%)	(24.7%)	(781,854)	(2,752,842)	252.1%
Financing Costs	(43,756)	-	-	(100%)	-	-	-	-	-
Other Income*	670,265	8,456,420	9,300	1161.7%	(99.9%)	(88.2%)	283,092	1,200	(99.6%)
Net loss of the year/period before zakat	(14,753,014)	(10,868,061)	(8,705,574)	(37.6%)	(5.4%)	(23.2%)	(498,762)	(2,751,642)	451.7%
Zakat Provision	(250,000)	(88,552,906)	-	35321.2%	(100%)	-	-	-	-
Net loss of the year/period of continuing operations	(15,003,014)	(99,420,967)	(8,705,574)	551.6%	(91.1%)	(23.8%)	-	-	-
Results of discontinued operations*	-	1,665,165	2,715,571	100%	63.1%	-	-	33,747	100%
Net loss of the year/period	(15,003,014)	(97,755,802)	(5,990,003)	551.6%	(93.9%)	(36.8%)	(498,762)	(2,717,895)	444.9%



SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	The period ending on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
<b>Other comprehensive income items</b>									
<b>Items that will not be reclassified subsequently to profit or loss:</b>									
(Loss)/Actuarial gain from remeasurement of employee benefits	626,314	(200,207)	(1,354,005)	(132%)	576.3%	-	-	-	-
<b>Total comprehensive loss of the year</b>	<b>(14,376,700)</b>	<b>(97,956,009)</b>	<b>(7,344,008)</b>	<b>581.4%</b>	<b>(92.5%)</b>	<b>(28.5%)</b>	<b>(498,762)</b>	<b>(2,717,895)</b>	<b>444.9%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

\* Note: In the financial statements for the year 2020G, the Group reclassified the item of other income to account for the results of discontinued operations due to the decision to stop the Al-Jowf project.

Sales decreased in 2019G compared to 2018G by 32.3 million Saudi riyals, at a rate of 79.3%. This decrease is mainly due to the decline in alfalfa sales in Al-Jowf Agricultural Project as a result of the decision to stop the growing of fodder at the end of the year 2018G and the absence of fodder production during the year 2019G. Rental and storage income was mainly represented in rental income obtained from renting storage and cooling spaces and cars by the Saudi Refrigeration Company and Anaam International Food Company Ltd.

The decrease in the cost of sales by an amount of 27.2 million Saudi riyals, or at a rate of 62.9% during the year 2019G compared to the year 2018G, is mainly due to the decrease in the production of fodder. In 2020G, there was another decrease in the cost of sales by 9.1 million Saudi riyals, at a rate of 56.7%, compared to the year 2019G, this decrease was mainly due to the restructuring of the food sector and the reduction of operating expenses resulting mainly from the depreciation of property, machinery and equipment.

The total loss is due to the application of International Financial Reporting Standards, which resulted in additional adjustments that mainly affected the increase in agricultural production costs in Al-Jowf project, in addition to the decision to stop fodder growing and decrease sales during the years 2019G and 2020G, where the total operating loss amounted to 2.6 million Saudi riyals in 2018G and 7.7 million Saudi riyals in 2019G. On the other hand, in the year 2020G, a total operating profit of 1.2 million Saudi riyals resulted from the decrease in the cost of sales.

Selling and marketing expenses are mainly attributable to the Saudi Refrigeration Company and Anaam International Food Company Ltd., which represent indirect expenses of the company's sales of food products.

The general and administrative expenses are mainly attributed to the expenses of the head office such as salaries, depreciation of property, machinery and equipment and some other provisions.

The net operating loss increased by 3.9 million SAR, or at a rate of 25.7%, during the year 2019G compared to the year 2018G. This increase is mainly due to the increase in the total operating loss by 5 million Saudi Riyals. In 2020G, the operating loss decreased by 10.6 million Saudi riyals, at a rate of 54.9% compared to the year 2019G. This is due to achieving a total operating profit of 1.2 million Saudi riyals, compared to a total operating loss of 7.6 million Saudi riyals, in addition to a decrease in general and administrative expenses by 1.6 million Saudi riyals.

The net loss for the year amounted to 97.8 million SAR in the year 2019G mainly due to the creation of the zakat provision of 88 million SAR and an operational loss of 19.3 million SAR as a result of depreciation expenses of agricultural property, machinery and equipment, and a decrease in agricultural sector sales as a result of the suspension of agriculture and the lack of the production as a result of the ministerial decision to stop fodder growing at the end of the year 2018G, and other expenses were recorded in the amount of 2.8 million Saudi riyals as a result of creating a provision for decline in fixed assets of 1.5 Saudi riyals and a provision for inventory decline of 1.3 Saudi riyals.

In the year 2020G, the net loss of 5.9 million SAR resulted from a net operating loss of 8.7 million SAR, mainly as a result of the decrease in agricultural sector sales as a result of stopping growing and the lack of alternatives.

The net loss for the period ending on March 31, 2021G increased compared to the period ending on March 31, 2020G as a result of the decrease in the Group's sales and total operating profit by 42.8%, in addition to the increase in general and administrative expenses by 72.1% for the period ending in 2021G compared to the period ending in 2020G.





## Key Performance Indicators

The following table shows the main performance indicators for the financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G.

Table No. (10): Key performance indicators for the financial statements for the fiscal years ending on December 31, 2018G, 2019G and 2020G

SAR	Fiscal year ending on December 31		
	2018G	2019G	2020G
Sales (SAR)	40,721,657	8,410,792	8,192,783
Sales Growth (%)	(6%)	(79.30%)	(2.6%)
Operating Loss (SAR)	(15,379,523)	(19,324,481)	(8,714,874)
Operating Loss Margin (%)	(37.8%)	(229.76%)	(106.37%)
Weighted average number of shares *	19,600,000	1,500,000	6,000,000
Loss per share (SAR)	(0.77)	(65.2)	(1.00)
<b>Total Assets (SAR)</b>	<b>162,148,491</b>	<b>151,071,126</b>	<b>226,032,932</b>
Return on Assets (%)	(8.90%)	(64.84%)	(3.25%)
<b>Total Equity (SAR)</b>	<b>113,745,270</b>	<b>15,789,261</b>	<b>88,945,253</b>
Return on Equity (%)	(12.64%)	(620.40%)	(8.26%)
Debt Ratio	0.30	0.90	0.60
Debt to Equity Ratio	0.43	8.6	1.54

Source: Management Information

\* On December 31, 2019G, the Extraordinary General Assembly approved the reduction of the company's capital by canceling 18,100,000 shares of the company's shares. In the year 2020G, the company's capital was raised by increasing the number of 9,000,000 shares of the company's shares.

The financing structure of the company depends on the financing sources available to the company from total equity, current liabilities and non-current liabilities as shown in the following table:

Table No. (11): The Financing Structure of the Company

SAR	Fiscal year ending on December 31		
	2018G	2019G	2020G
Loans, Trade payables, Accruals and Other Credit Balances	45,499,355	132,217,974	132,230,474
Total Debt	45,499,355	132,217,974	132,230,474
Cash and cash equivalents	1,049,407	1,092,812	80,456,360
Capital	196,000,000	15,000,000	105,000,000
(Profits) accumulated losses	(82,254,730)	789,261	(16,054,747)
<b>Total Shareholders Equity</b>	<b>113,745,270</b>	<b>15,789,261</b>	<b>88,945,253</b>
Capital (Shareholder Equity + Total Debt)	159,244,625	148,007,235	221,175,727
Borrowing Rate% = (Total Debt/Capital)	28.57%	89.33%	59.79%

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G.





## Sales

The following table represents the sales of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (12): Sales for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G unaudited	March 2021G
<b>Headquarter:</b>									
Renting Warehouses to Others	711,287	517,436	808,323	(27.3%)	56.2%	6.6%	320,928	258,411	(19.5%)
<b>Total</b>	<b>711,287</b>	<b>517,436</b>	<b>808,323</b>	<b>(27.3%)</b>	<b>56.2%</b>	<b>6.6%</b>	<b>320,928</b>	<b>258,411</b>	<b>(19.5%)</b>
<b>Food Sector:</b>									
Dry Food	47,450	-	-	(100%)	-	(100%)			
Renting to Others - Warehouses	5,278,238	4,722,846	4,008,185	(10.5%)	(15.1%)	(12.9%)	1,012,985	1,141,440	12.7%
Renting to Others - Cars	2,320,750	2,477,451	2,126,855	6.8%	(14.2%)	(4.3%)	464,336	595,966	28.3%
<b>Total</b>	<b>7,646,438</b>	<b>7,200,297</b>	<b>6,135,040</b>	<b>(5.8%)</b>	<b>(14.8%)</b>	<b>(10.4%)</b>	<b>1,477,321</b>	<b>1,737,406</b>	<b>17.6%</b>
<b>Al-Jowf Project:</b>									
Alfalfa	32,363,932	693,059	1,249,420	(97.9%)	80.3%	(80.4%)	1,501,436	-	(100%)
<b>Total</b>	<b>32,363,932</b>	<b>693,059</b>	<b>1,249,420</b>	<b>(97.9%)</b>	<b>80.3%</b>	<b>(80.4%)</b>	<b>1,501,436</b>	<b>-</b>	<b>(100%)</b>
<b>Total Sales</b>	<b>40,721,657</b>	<b>8,410,792</b>	<b>8,192,783</b>	<b>(79.3%)</b>	<b>(2.6%)</b>	<b>(55.1%)</b>	<b>3,299,685</b>	<b>1,995,817</b>	<b>(39.5%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Revenues from the headquarter constituted a rate of 1.7%, 6.2% and 9.9% of the total sales of Anaam International Holding Group. The revenues of the Saudi Refrigeration Company and Anaam International Food Company Ltd. constituted a rate of 18, 8%, 85.6% and 74.9% of the total sales of Anaam International Holding Group in 2018G, 2019G and 2020G, respectively. On the other hand, Al-Jowf project constituted a rate of 79.5%, 8.2% and 15.3% of the company's total sales in 2018G, 2019G and 2020G, respectively.

In light of the company's restructuring of the food sector and the suspension of food trade, the company focused on renting warehouses and refrigerators through the Saudi Refrigeration Company and Anaam International Food Company Ltd., where rental income represented a rate of 69%, car rentals 30.4%, and foodstuffs 0.6% of the total revenues for the year 2018G. In the year 2019G, rental revenues represented 65.6%, car rentals 34.4%, and the trade in foodstuffs was completely stopped. In the year 2020G, rental revenues represented 65.3% and car rentals 34.7%. The Board of Directors also decided to permanently stop growing fodder, selling agricultural machinery and equipment and irrigation equipment, and rehabilitating wells by leasing them to others or entering into a partnership.

Al-Jowf project sales were achieved mainly from alfalfa in the year 2018G, 2019G and 2020G and as a result of the ministerial decision to stop growing fodder at the end of 2018G, sales of the agricultural sector decreased from 32.4 million Saudi riyals during 2018G, with a decrease of 97.9% to 0.7 and 1.2 million Saudi riyals for the years 2019G and 2020G, respectively, as a result of stopping growing alfalfa permanently and the lack of production.

Total sales decreased during the period ending on March 31, 2021G compared to the period ending on March 31, 2020G, mainly due to the lack of alfalfa sales from the Group's project in Al-Jowf as a result of stopping growing alfalfa permanently and the lack of production, where the alfalfa sales for the period in 2020G amounted to 1.5 million Saudi riyals.



## Cost of Sales

The following table shows the cost of sales for Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (13): Cost of sales for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
<b>Holding:</b>									
Depreciation	626,353	626,352	626,353	(0%)	0%	0%	156,588	-	(100%)
<b>Total</b>	<b>626,353</b>	<b>626,352</b>	<b>626,353</b>	<b>(0%)</b>	<b>0%</b>	<b>0%</b>	<b>156,588</b>	<b>-</b>	<b>(100%)</b>
<b>Food Sector:</b>									
Operating Cost	4,025,013	1,967,233	1,827,977	(51.1%)	(7.1%)	(32.6%)	426,785	475,842	11.5%
payroll	1,963,876	2,174,690	1,989,921	10.7%	(8.5%)	0.7%	466,446	542,304	16.3%
Depreciation	1,606,503	1,085,736	824,323	(32.4%)	(24.1%)	(28.4%)	206,632	208,606	1%
Other Expenses	605,345	839,876	283,685	38.7%	(66.2%)	(31.5%)	154,967	34,304	(77.9%)
<b>Total</b>	<b>8,200,737</b>	<b>6,067,535</b>	<b>4,925,926</b>	<b>(26%)</b>	<b>(18.8%)</b>	<b>(22.5%)</b>	<b>1,254,830</b>	<b>1,261,056</b>	<b>0.5%</b>
<b>Al-Jowf Project:</b>									
Raw Material Cost	12,866,184	256,018	39,437	(98%)	(84.6%)	(94.5%)	-	-	-
Payroll	2,502,517	-	-	(100%)	-	(100%)	-	-	-
Depreciation	18,389,660	8,502,182	1,366,840	(53.8%)	(83.9%)	(72.7%)	561,832	-	(100%)
Other Expenses	724,246	604,285	-	(16.6%)	(100%)	(100%)	54,755	7,444	(86.4%)
<b>Total</b>	<b>34,482,607</b>	<b>9,362,485</b>	<b>1,406,277</b>	<b>(72.8%)</b>	<b>(85%)</b>	<b>(79.8%)</b>	<b>616,587</b>	<b>7,444</b>	<b>(98.8%)</b>
<b>Total Cost of Sales</b>	<b>43,309,697</b>	<b>16,056,372</b>	<b>6,958,556</b>	<b>(62.9%)</b>	<b>(56.7%)</b>	<b>(59.9%)</b>	<b>2,028,005</b>	<b>1,268,500</b>	<b>(37.5%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

The total cost of sales in the food sector decreased by 1.1 million Saudi riyals, and by 18.8% in the year 2020G, and this decrease is mainly due to the sale of some assets used in agricultural activity due to the suspension of trade in foodstuffs.

The operating cost in the food sector decreased by 2.1 million Saudi riyals and by 51.1% in 2019G, represented by the cost of sold goods and direct operating costs of refrigerators such as electricity, maintenance and truck operating costs such as fuel and maintenance. This decline is mainly due to the suspension of trade in frozen foodstuffs and the reliance on providing storage and transportation services to third parties.

During 2019G, the total cost of sales in the food sector decreased by 26% as a result of a decrease in the cost of goods and operating costs by 51.1% due to the closure of branches of food trade and a decrease in depreciation by 32.4% as a result of the depreciation of some fixed assets by 100%.

The costs of the Al-Jowf project decreased by 25.1 million SAR in the year 2019G compared to the year 2018G and 7.9 million SAR in the year 2020G compared to the year 2019G by 72.8% and 85%, respectively. This is due to the decrease in depreciation by 9.9 million SAR and by 53.8% in the year 2019G and by 100% in the year 2020G as a result of stopping the growing of fodder and excluding some fixed assets, in addition to the decrease in the cost of raw materials of the Al-Jowf project in the year 2019G by 12.6 million SAR and by 98% as a result of stopping the growing of fodder in the Al-Jowf project and because of the decision to stop growing fodder at the end of the year 2018G.

The cost of sales decreased during the period ending on March 31, 2021G, compared to the period ending on March 31, 2020G, by 37.5%, mainly as a result of restructuring the food sector and reducing operating expenses, mainly resulting from



the depreciation of property, machinery and equipment, where the depreciation expenses of the holding and the Al-Jowf project for the period ending on March 31, 2020G, amounted to 0.72 million SAR, compared to nothing for the period ending in 2021G.

## Selling and Marketing Expenses

The following table shows the selling and marketing expenses of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (14): Selling and marketing expenses for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Salaries and Other Benefits	553,881	431,153	299,765	(22.2%)	(30.5%)	(26.4%)	81,977	87,204	6.4%
Depreciation of property and equipment	3,080	1,622	928	(47.3%)	(42.8%)	(45.1%)	-	-	-
Travel and Transportation Allowances	5,818	-	-	(100%)	-	(100%)	-	-	-
Facilities Expenses	4,097	-	-	(100%)	-	(100%)	-	-	-
Other	20,362	3,470	4,866	(83%)	40.2%	(51.1%)	-	-	-
<b>Total Selling and Marketing Expenses</b>	<b>587,238</b>	<b>436,245</b>	<b>305,559</b>	<b>(25.7%)</b>	<b>(30%)</b>	<b>(27.9%)</b>	<b>81,977</b>	<b>87,204</b>	<b>6.4%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Selling and marketing expenses are represented to a large extent by the expenses of the Saudi Refrigeration Company and Anaam International Food Company Ltd. These expenses decreased by 0.15 million Saudi riyals and by 25.7% for the fiscal year 2019G compared to the year 2018G, and by 0.13 million Saudi riyals and by 30% in the fiscal year 2020G compared to the year 2019G. These decreases are mainly due to the reduction in the operations of food-related activities, which led to the closing of branches, termination of services of employees working in these branches, and the decrease in salaries and other benefits for sales and marketing management and branches employees by 22.2% in the year 2019G compared to the year 2018G, due to the termination of services of 20 employees after closing branches of frozen food activity, and the decrease of 30.5% in the year 2020G compared to the year 2019G.

There is no change in the total selling and marketing expenses for both periods ending on March 31 for the years 2020G and 2021G.



## General and Administrative Expenses

The following table shows the general and administrative expenses of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (15): General and administrative expenses for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G-2020G	2020G Unaudited	2021G Unaudited	March 2021G
Salaries and Benefits	6,726,112	4,570,128	6,572,544	(32.1%)	43.8%	(1.1%)	1,292,987	1,777,202	37.4%
Depreciation of Property and Equipment	1,291,309	1,183,846	1,274,950	(8.3%)	7.7%	(0.6%)	89,084	830,944	833%
Amortization of Intangible Assets	357,768	255,137	21,823	(28.7%)	(91.4%)	(75.3%)	20,456	243	(98.8%)
Decrease in Inventory Value	1,000,000	1,595,010	-	59.5%	(100%)	(100%)			
Provision for decrease in property, equipment and machinery	-	1,500,000	-	-	(100%)	-			
Professional and Consulting Fees	1,412,102	781,577	577,213	(44.7%)	(26.1%)	(36.1%)	318,646	341,428	7.1%
Facilities Expenses	248,357	123,793	149,738	(50.2%)	21%	(22.4%)	22,965	43,328	88.7%
Allowance for Attending Board Meetings	114,000	153,000	117,000	34.2%	(23.5%)	1.3%	45,000	48,000	6.7%
Governmental Fees	151,290	97,080	380,950	(35.8%)	292.4%	58.7%	83,297	132,725	59.3%
Car Expenses	29,502	4,489	30,153	(84.8%)	571.7%	1.1%	3,562	2,338	(34.4%)
Provision for Employee Benefits	-	-	271,561	-	-	-			
Provision for Doubtful Debts	-	750,000	-	-	(100%)	-			
Travel Expenses	47,574	-	34,950	(100%)	-	(14.3%)			
Other	826,231	228,596	212,660	(72.3%)	(7%)	(49.3%)	95,560	216,747	126.8%
<b>Total General and Administrative Expenses</b>	<b>12,204,245</b>	<b>11,242,656</b>	<b>9,643,542</b>	<b>(7.9%)</b>	<b>(14.2%)</b>	<b>(11.1%)</b>	<b>1,971,557</b>	<b>3,392,955</b>	<b>72.1%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

The total general and administrative expenses for the years 2019G and 2020G decreased by 1 million Saudi riyals, or by 7.9%, and by 1.6 million Saudi riyals, or by 14.2%, respectively, and this is due to the reasons shown below:

The salaries and benefits were represented mainly in the compensation paid to the employees working in the headquarter, the Saudi Refrigeration Company, Anaam International Food Company Ltd. and Al-Jowf Project.



The decrease in salaries and other benefits by 2.2 million Saudi riyals or 32.1% in the year 2019G compared to the year 2018G is mainly due to the decrease in salary expenses for the Al-Jowf Agricultural Project due to the termination of employee services due to the suspension of the agricultural activity in the project. The increase in salaries and other benefits by an amount of 2 million Saudi riyals, at a rate of 43.8%, in the year 2020G compared to the year 2019G is mainly due to the termination of the services of employees in the agricultural sector after the decision of the Board of Directors to stop the activity permanently, which required the payment of additional compensation from salaries and additional bonuses as compensation for leaving work for Saudi employees until finding another jobs, as well as for non-Saudi employees who left the Kingdom.

Depreciation of property and equipment decreased by 8.3% in the year 2019G, respectively, due to the closure of some branches of food trading activity.

A provision was made for the decrease in the value of the inventory in the amount of 1 million Saudi riyals and 1.6 million Saudi riyals for the years 2018G and 2019G, respectively, due to the stock of spare parts in the Al-Jowf Agricultural Project.

The professional fees consisted mainly of legal advice fees and audit fees. There has been a decrease in professional fees by 0.6 million Saudi riyals, or by 44.7% in the year 2019G compared to the year 2018G, and by 0.2 million Saudi riyals or by 26.1% for the year 2020G compared to the year 2019G.

The Group also created a provision for impairment of property, machinery and equipment in the amount of 1.5 million Saudi riyals and a provision for doubtful debts of 0.75 million Saudi riyals for the year 2019G.

General and administrative expenses increased during the period ending on March 31, 2021G, compared to the period ending on March 31, 2020G, mainly due to the increase in the item of salaries and benefits by an amount of 0.5 million Saudi riyals, in addition to the increase in the item of depreciation of property, machinery and equipment by an amount of 0.83 million Saudi riyals, at a rate of 833% for the period ending on March 31, 2021G compared to the period ending in 2020G as a result of the restructuring of the agricultural sector of the Group.

## Financing Costs

The following table shows the financing costs of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (16): The following is the financing costs for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G-2020G	2020G Unaudited	2021G Unaudited	March 2021G
Financing Expenses	(43,756)	-	-	(100%)	-	(100%)	-	-	-

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

The financing costs were mainly represented in the financial fees on sales and leaseback transactions between Anaam International Holding Group and Kirnaf Investment and Installment Co. Whereas, Anaam International Holding Group sold the land and the main office building of the Kirnaf Investment and Installment Co. at an amount of 20 million Saudi riyals, while its book value was 14 million Saudi riyals, under the contract of arranging the sale and leaseback. The entire loan was repaid during the year 2018G.

There are no financing costs for both periods ending on March 31 for the years 2020G and 2021G.



## Other Income

The following table shows the other income of Anaam International Holding Group for the fiscal years ended on December 31, 2018G, 2019G and 2020G and for the two periods ended on March 31, 2020G and March 31, 2021G.

Table No. (17): The following is the other income for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Bad Debt Collection*	-	8,456,420	-	-	100%	-	-	-	-
Gain on sale of property, machinery and equipment	65,000	-	-	(100%)	-	(100%)	280,616	-	(100%)
Commissions	383,175	-	9,300	(100%)	100%	(84.4%)	-	1,200	100%
Other Income - Net	222,090	-	-	(100%)	-	(100%)	2,476	-	(100%)
<b>Total Other Income</b>	<b>670,265</b>	<b>8,456,420</b>	<b>9,300</b>	<b>1161.7%</b>	<b>(99.9%)</b>	<b>(88.2%)</b>	<b>283,092</b>	<b>1,200</b>	<b>(99.6%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

\* Note: In the financial statements for the year 2020G, the Group reclassified the item of other income to the account of the results of discontinued operations due to the decision to stop the Al-Jowf project.

Bad debts are written off receivables and were recovered during the year 2019G as a result of acquiring lands and real estate in exchange for previously bad debts. These debts were executed on clients in 2006G and were the result of selling sheep and leasing ships in previous years and the clients' failure to pay. Through the Company's claim for its rights, it reached an agreement with clients to obtain these lands and real estate and use them in the Company's activities, as these lands and real estate are located in an area where there are many warehouses in Jeddah, which is two plots of land with a total area of 6,959 square meters in Al-Khumrah area.

Other income decreased for the period ending on March 31, 2021G compared to the period ending in 2020G, as a result of not selling any property, machinery and equipment during that period.

## Results of Discontinuous Operations

The following table shows the results of discontinued operations of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (18): The following is the results of discontinued operations for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Gain on sale of property, machinery and equipment	-	2,303,137	2,430,958	(100%)	5.5%	-	-	33,747	100%
Other income/ (expenses) - Net	-	(637,972)	284,613	(100%)	(144.6%)	-	-	-	-
<b>Total results of discontinued operations</b>	<b>-</b>	<b>1,665,165</b>	<b>2,715,571</b>	<b>100%</b>	<b>63.1%</b>	<b>-</b>	<b>-</b>	<b>33,747</b>	<b>100%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

\* Note: In the financial statements for the year 2020G, the Group reclassified the item of other income to the account of the results of discontinued operations due to the decision to stop the Al-Jowf project.



The total results of discontinued operations during the years 2019G and 2020G increased by 1.6 million Saudi riyals and 2.7 million Saudi riyals, by 100% and by 63.1%, respectively, as a result of the profits from the sale of property, machinery and equipment of the production of fodder for the Al-Jowf project as a result of the Board of Directors' decision to stop the activity permanently, in order to provide liquidity to support the existing business of the Group.

There is no material change in the total results of discontinued operations for both the periods ending on March 31 for the years 2020G and 2021G.

### 7.8.1 Zakat

The Holding Company submitted its zakat returns to the Zakat, Tax and Customs Authority (The Authority) for the years from 1995 to 2018G on the basis of the consolidated financial statements and obtained a zakat certificate.

The Group submitted its zakat declaration for the year ending on December 31, 2019G to the Zakat, Tax and Customs Authority (The Authority) and obtained a zakat certificate.

The Holding Company received a letter from the Zakat, Tax and Customs Authority (The Authority) on February 25, 2018G, including a claim for payment of zakat differences amounting to 107 million SAR for the years from 1995G to 2011G. A provision was made in the financial statements in the amount of 88.6 million Saudi riyals during the year 2019G, in addition to the amount of the provision recorded in the consolidated financial statements for the year ending on December 31, 2018G amounting to 18.4 million Saudi riyals, thus, the total amount of the provision recorded in these consolidated financial statements amounted to 107 million SAR. On November 17, 2019G, the Group submitted an objection to the authority on the final zakat assessment for the mentioned years, and the objection is still under review by the authority.

A zakat assessment was issued for the years 2012G to 2018G, which resulted in a claim for additional zakat differences in the amount of 7 million Saudi riyals. An objection to these zakat assessments was submitted to the General Secretariat of the Tax Committees ('GSTC') on October 15, 2020G. The management of the Group considers that it has a high chance of accepting the objection.

### Net Loss of the Year

The net loss of the year 2019G increased by 97.8 million Saudi riyals, or by 551.6%, compared to the year 2018G. This increase is mainly due to the formation of a provision for Sharia zakat amounting to 88.6 million Saudi riyals and the decrease in sales of the agricultural sector. The project also incurred depreciation on fixed assets by an amount of 9.8 Millions of Saudi riyals during the year with no production or sales, and an increase in the food sector losses during the year by 0.75 million Saudi riyals as a result of forming a provision for doubtful debts.

The net loss decreased in the year 2020G compared to the year 2019G by 91.7 million Saudi riyals, or by 93.9%. This decrease is mainly due to the creation of a provision for Sharia zakat for the year 2019G by 88.6 million Saudi riyals and the decrease in the cost of sales by 9.1 million Saudi riyals, at a rate of 56.7% compared to the year 2019G, in addition to the creation of a provision for the decrease in the value of inventory by 1.6 million Saudi riyals and the decrease in property, machinery and equipment by 1.5 million Saudi riyals.

The net loss for the period ending on March 31, 2021G, compared to the period ending on March 31, 2020G, increased by 2.2 million Saudi riyals, or 444.9%. This increase is mainly due to the decrease in sales as a result of stopping agricultural activity and the increase in general and administrative expenses by 1.4 million Saudi riyals due to the increase in the item of salaries and benefits by an amount of 0.5 million Saudi riyals in addition to the increase in the item of depreciation of property, machinery and equipment by an amount of 0.83 million Saudi riyals as a result of restructuring the agricultural sector of the Group.

Basic profits represent the amount of profits that reflect the economic characteristics of the normal and frequent operations of the Company, and therefore the disclosed profits are adjusted to eliminate the effect of items that are not a reflection of the normal ongoing operations of the Company, in an attempt to estimate the true basic profits of the Company. This includes adjustments for zakat expense, provision for trade receivables, additional provision required against inventory as a result of the net realizable value test, impact of impairment of property and equipment, any provision required against legal issues in progress, adjustment of zakat provision, and insurance on property and equipment. However, due to limited information, the impact of these adjustments has not been determined.





## 7.9 Statement of Financial Position

The following table shows the financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (19): Financial statements for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G		2018G-2020G	2020G Unaudited	
Current assets*	10,318,127	23,590,420	102,969,930	128.6%	336.5%	215.9%	6,676,213	100,175,235	1400.5%
Non-current assets*	151,830,364	127,480,706	123,063,002	(16%)	(3.5%)	(10%)	144,235,299	121,959,245	(15.4%)
<b>Total Assets</b>	<b>162,148,491</b>	<b>151,071,126</b>	<b>226,032,932</b>	<b>(6.8%)</b>	<b>49.6%</b>	<b>18.1%</b>	<b>150,911,512</b>	<b>222,134,480</b>	<b>47.2%</b>
Current liabilities	45,499,355	132,217,974	132,230,474	190.6%	0.0%	70.5%	132,457,931	130,882,072	(1.2%)
Non-current liabilities	2,903,866	3,063,891	4,857,205	5.5%	58.5%	29.3%	3,163,082	5,025,050	58.9%
<b>Total Liabilities</b>	<b>48,403,221</b>	<b>135,281,865</b>	<b>137,087,679</b>	<b>179.5%</b>	<b>1.3%</b>	<b>68.3%</b>	<b>135,621,013</b>	<b>135,907,122</b>	<b>0.2%</b>
Shareholder Equity	113,745,270	15,789,261	88,945,253	(86.1%)	463.3%	(11.6%)	15,290,499	86,227,358	463.9%
<b>Total Liabilities and Shareholders Equity</b>	<b>162,148,491</b>	<b>151,071,126</b>	<b>226,032,932</b>	<b>(6.8%)</b>	<b>49.6%</b>	<b>18.1%</b>	<b>150,911,512</b>	<b>222,134,480</b>	<b>47.2%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

\*Note: The comparative data for the year 2019G has been reclassified from the item of property, machinery and equipment for some assets to non-current assets which classified as held for sale, according to the approved financial statements of the year 2020G.

Total assets for the fiscal year 2019G decreased by 11.1 million Saudi riyals, or by 6.8% compared to the year 2018G. This decrease is mainly due to the depreciation of fixed assets by 11.4 million Saudi riyals and the result of the exclusion of some fixed assets and the decrease in property, machinery and equipment by an amount of 4 million Saudi riyals. In contrast, the assets were increased by 8.7 million Saudi riyals as a result of acquiring lands and real estate against previous bad debts in addition to the inventory difference by 3 million Saudi riyals (of which 1.5 million SAR are allocated for depreciation) and the decrease in receivables due to formation of provision for credit losses amounting to 0.75 million SAR.

Total assets increased by 75 million Saudi riyals, at a rate of 49.6% as on December 31, 2020G, with an increase in the capital item in shareholders' equity compared to the fiscal year 2019G. This increase is mainly due to the increase in cash and cash equivalents as a result of the capital increase by 90 million Saudi riyals through the rights issue during the year 2020G.

Total assets increased during the period ending on March 31, 2021G, compared to the period ending in 2020G by 47.2%, mainly due to the increase in cash and cash equivalents due to the capital increase of 90 million Saudi riyals through the rights issue. The Group also reclassified the property, machinery and equipment to non-current assets held for sale amounting to 15.5 million Saudi riyals. Accordingly, this resulted in the increase in shareholders' equity for the financial period in 2021G by 463.9% compared to the period ending in 2020G.



## Non-Current Assets

The table shows the non-current assets of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G.

**Table No. (20): Non-current assets for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G**

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G-2020G	2020G Unaudited	2021G Unaudited	March 2021G
Intangible assets - net	1,117,801	862,664	667,294	(22.8%)	(22.6%)	(22.7%)	798,882	577,840	(27.7%)
Real estate investment	946,000	946,000	946,000	0%	0%	0%	946,000	946,000	0%
Property, machinery and equipment	149,766,563	125,672,042	121,449,708	(16.1%)	(3.4%)	(9.9%)	142,490,417	120,435,405	(15.5%)
<b>Total non-current assets</b>	<b>151,830,364</b>	<b>127,480,706</b>	<b>123,063,002</b>	<b>(16%)</b>	<b>(3.5%)</b>	<b>(10%)</b>	<b>144,235,299</b>	<b>121,959,245</b>	<b>(15.4%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

\*Note: The comparative data for the year 2019G has been reclassified from the item of property, machinery and equipment for some assets to non-current assets which classified as held for sale, according to the approved financial statements for the year 2020G.

Non-current assets decreased by 24.3 million Saudi riyals as a result of reclassifying non-current assets to held for sale by 17.5 million Saudi riyals in addition to the depreciation of fixed assets by 11.4 million Saudi riyals as a result of the disposal of some fixed assets and the decline in property and equipment. On the other hand, non-current assets increased by 8.7 million Saudi riyals as a result of acquiring lands and real estate against previously bad debts by 16% as in the year 2019G compared to the year 2018G, and assets decreased by 4.4 million Saudi riyals, at a rate of 3.5%, as a result of the depreciation expense of fixed assets in the year 2020G.

Non-current assets decreased by 12 million Saudi riyals for the period ending on March 31, 2021G compared to the period ending in 2020G, as a result of the reclassification of non-current assets to held for sale, in addition to the depreciation of fixed assets and the exclusion of some fixed assets used in agricultural activity and the decrease in the value of property, machinery and equipment.

## Property, Machinery and Equipment

The table shows the net book value of the property, machinery and equipment of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and 2021G.

**Table No. (21): The net book value of property, machinery and equipment for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and 2021G**

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Lands	88,232,022	96,688,442	96,688,442	9.6%	0%	4.7%	96,688,442	96,688,442	0%
Buildings	17,550,055	16,181,634	14,810,703	(7.8%)	(8.5%)	(8.1%)	15,978,972	14,110,658	(11.7%)
Agricultural and irrigation equipment and machinery	41,995,396	9,191,608	7,970,666	(78.1%)	(13.3%)	(56.4%)	30,865,821	7,958,636	(74.2%)
Trucks and cars	4,154,253	3,050,619	1,771,573	(26.6%)	(41.9%)	(34.7%)	2,922,866	1,643,820	(43.8%)
Furniture	594,734	319,636	208,324	(46.3%)	(34.8%)	(40.8%)	294,213	33,849	(88.5%)



SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Capital work in progress	240,103	240,103	-	0%	(100%)	(100%)	240,103	-	(100%)
<b>Total</b>	<b>152,766,563</b>	<b>125,672,042</b>	<b>121,449,708</b>	<b>(17.7%)</b>	<b>(3.4%)</b>	<b>(10.8%)</b>	<b>146,990,417</b>	<b>120,435,405</b>	<b>(18.1%)</b>
Provision for impairment of assets	(3,000,000)	(4,500,000)	(4,500,000)	50%	0%	22.5%	(4,500,000)	-	(100%)
Reclassification	-	4,500,000	4,500,000	-	0%	-	-	-	-
Fixed Assets - Net	149,766,563	125,672,042	121,449,708	(16.1%)	(3.4%)	(9.9%)	142,490,417	120,435,405	(15.5%)

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

### Total Depreciation of Property, Machinery and Equipment

The following table shows the total depreciation for Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (22): Total depreciation for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Buildings	25,396,313	26,947,734	28,318,665	6.1%	5.1%	5.6%	27,150,396	29,018,710	6.9%
Agricultural and irrigation equipment and machinery	114,903,743	41,522,145	43,544,723	(63.9%)	4.9%	(38.4%)	116,335,772	43,556,753	(62.6%)
Trucks and cars	14,345,568	9,936,011	10,417,021	(30.7%)	4.8%	(14.8%)	13,405,101	10,544,774	(21.3%)
Furniture	9,283,478	9,545,342	9,696,802	2.8%	1.6%	2.2%	9,594,265	9,891,274	3.1%
Fruiting plants	39,561,463	-	-	(100%)	-	(100%)	-	-	-
<b>Total</b>	<b>203,490,565</b>	<b>87,951,232</b>	<b>91,977,211</b>	<b>(56.8%)</b>	<b>4.6%</b>	<b>(32.8%)</b>	<b>166,485,534</b>	<b>93,011,511</b>	<b>(44.1%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

\*Note: The comparative data for the year 2019G has been reclassified from the item of property, machinery and equipment for some assets to non-current assets which classified as held for sale, according to the approved financial statements for the year 2020G.

The lands are represented in the Company's lands in Jeddah, the Company's lands in the Al-Jowf region, and the lands of refrigerators and central warehouses in Jeddah. The total lands increased by 8.5 million riyals by 9.6% in the year 2019G as a result of the company's acquisition of warehouse lands in exchange for bad debts from previous years. The buildings are mainly attributed to the main office and cold-storage warehouse in Jeddah, in addition to that, the buildings also included offices, workshops, warehouses, and residential buildings for the Al-Jowf project. The book value of the buildings decreased due to annual depreciation by 1.5 million Saudi riyals in the year 2019G and 1.4 million Saudi riyals in the year 2020G.

The agricultural and irrigation equipment and machinery are of the agricultural production operations in the Al-Jowf project. The net book value of agricultural equipment and machinery for the year 2018G amounted to 42 million Saudi riyals. The book value of agricultural and irrigation equipment and machinery decreased by 32.8 million Saudi riyals, or by 78.1% to become 9.2 million Saudi riyals for the year 2019G due to the depreciation expense for the year by 8.7 million Saudi riyals in addition to the exclusions 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 SAR, to non-current assets held for sale, after deducting the decrease in value of 4.5 million SAR as a result of stopping agricultural activity. The net book value of agricultural equipment and machinery for the year 2020G decreased by 13.3% compared to the year 2019G as a result of the depreciation expense of fixed assets.

Trucks and cars were mainly used in logistics and leasing operations in Anaam International Food Company Ltd., in addition to their use in Al-Jowf project. The net book value decreased by 1.1 million Saudi riyals and by 26.6% for the year 2019G compared to the year 2018G, this decrease is due to the depreciation expense of 0.9 million Saudi riyals in addition to exclusions with a net book value of 0.2 million Saudi riyals. The net book value of trucks and cars decreased by 1.3 million Saudi riyals and by 41.9% due to depreciation expense by 0.5 million Saudi riyals and reclassification with a net book value of 0.8 million Saudi riyals to non-current assets held for sale because the Group does not need them.



The net book value of furniture also decreased by 46.3% and 34.8% for the years 2019G-2020G, respectively, due to the annual depreciation expense.

The Group also recorded a provision for impairment of property, machinery and equipment amounting to 1.5 million Saudi riyals, which resulted in the increase in the impairment provision by 50% for the year 2019G compared to the year 2018G.

The decrease in net assets for the period ending on March 31, 2021G, compared to the year 2020G by a total of 15.5%, is due to the decrease in agricultural and irrigation equipment and machinery for agricultural production operations by 74.2% and cars and trucks by 43.8%, in addition to the depreciation expense for the period, as a result of reclassifying it to assets held for sale, after deducting the decrease in value of 4.5 million Saudi riyals due to the suspension of agricultural activity.

It was stated in the financial due diligence report that, according to the clarification of property and equipment in the consolidated financial statements, the bulk of the total value of property, machinery and equipment belongs to land. Where the Group owns 84.8 million square meters of agricultural land in the Basita area - Al-Jowf region, in addition to 7 plots of agricultural land in Al-Jowf region with an area of 15.2 million square meters at an amount of 4.1 million Saudi riyals, as well as land in Al-Khumra district in Jeddah, with an area of 197,555 square meters, with a value of 23 million Saudi riyals, and it has no title deed and is not registered in the name of the Group. The item of property and equipment also include lands and buildings with the value of 20 million Saudi riyals as a guarantee in accordance with the financing agreement with the Kirnaf Investment and Installment Company, and that the ownership will be returned to the company once all installments are paid. The Company paid all the remaining installments with the amount of interest during the fiscal year 2018G, and the ownership has not been transferred to the Company until the date of the prospectus. It was also stated in the financial due diligence report that according to the audited consolidated financial statements for the fiscal year 2020G, the company evaluated the agricultural project in Al-Jowf by RE/MAX Real Estate Valuation Company - an appraiser approved by the Saudi Authority for Accredited Valuers according to the fair market value based on the possibility of verification in the event of sale, and the value amounted to 67,217,500 Saudi riyals. No decrease in the value was recorded despite the book value being higher than the fair value, as the book value of Al-Jowf Farm assets in the company's financial statements as of December 2020G amounted to 69,425,587 Saudi riyals. On September 29, 2021G, the company announced the sale of the lands of the Al-Jowf project and other assets on the land for an amount of 85 million Saudi riyals.

The report also clarified that the company recorded a decline of 4.5 million Saudi riyals in the audited consolidated financial statements in December 2020G, with no assessment of the impairment in that value. The Company's warehouse was also used to obtain rental income in the fiscal year 2019G by renting steel barn sheds. We believe that a part of an asset that is rented separately should be classified as investment property. According to IAS 40 "Investment Properties", If the owner uses a part of the property for its own use, and part for earning rents, and a part of the property is sold or rented separately, they will be accounted for separately. Thus, the leased part is an investment property. The company did not inventory any fixed assets during the years 2018G and 2019G, 2020G and the first quarter of 2021G.

## Current Assets

The following table shows the current assets of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (23): The following is the current assets for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Cash and cash equivalents	1,049,407	1,092,812	80,456,360	4.1%	7262.3%	775.6%	1,492,675	78,785,305	5178.1%
Accounts receivable	2,613,324	1,736,621	1,957,837	(33.5%)	12.7%	(13.4%)	1,735,356	1,647,224	(5.1%)
Prepaid expenses and other current assets	988,662	668,219	2,065,163	(32.4%)	209.1%	44.5%	1,401,340	2,308,750	64.8%
Inventory	5,666,734	2,645,516	1,878,406	(53.3%)	(29%)	(42.4%)	2,046,842	1,867,512	(8.8%)
Non-current assets which classified as held for sale	-	17,447,252	16,612,164	-	(4.8%)	-	-	15,566,444	100%
<b>Total current assets</b>	<b>10,318,127</b>	<b>23,590,420</b>	<b>102,969,930</b>	<b>128.6%</b>	<b>336.5%</b>	<b>215.9%</b>	<b>6,676,213</b>	<b>100,175,235</b>	<b>1400.5%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Total current assets increased by 13.2 million Saudi riyals, or 128.6%, as in 2019G compared to 2018G. This increase is mainly due to the reclassification of some items of non-current assets at an amount of 17.5 million Saudi riyals as a result of the Group's board of directors' decision to stop the agricultural activity in the Al-Jowf project and sell the untapped assets of the



activity, and accordingly these assets were reclassified to held for sale, in addition to the decrease in inventory by 53.3% as a result of forming a depreciation provision of 1.6 million Saudi riyals and sales of foodstuffs. Accounts receivable also decreased by 33.5% as a result of creating an allowance for credit losses by an amount of 0.75 million Saudi riyals, and the total current assets increased by 79.4 million riyals, or 336.5% in the year 2020G compared to the year 2019G, this increase is mainly due to the increase in cash and cash equivalents as a result of the capital increase by 90 million Saudi riyals through the rights issue.

The increase in net current assets for the period ending on March 31, 2021G compared to the year 2020G by 1,400.5% is due to the increase in cash and cash equivalents by 5178.1% due to the cash received and resulting from the capital increase by 90 million Saudi riyals in addition to the increase in the item of non-current assets by 100% at an amount of 15.5 million Saudi riyals as a result of reclassifying it to assets held for sale, after deducting the decrease in value by 4.5 million Saudi riyals due to the suspension of agricultural activity.

The Company did not submit the expected credit loss model for the years from 2018G to 2020G according to the audited financial statements, and the financial statements for the first quarter of the year 2021G according to the audited financial statements.

## Cash and Cash Equivalents

The following table shows the consolidated cash and cash equivalents of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (24): Consolidated cash and cash equivalents for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G		2018G - 2020G	2020G Unaudited	
Cash on hand	204,035	48,361	70,300	(76.3%)	45.4%	(41.3%)	178,424	97,756	(45.2%)
Cash in banks	845,372	1,044,451	80,386,060	23.5%	7596.5%	875.1%	1,314,251	78,687,549	5887.3%
Cash and bank balances	1,049,407	1,092,812	80,456,360	4.1%	7262.3%	775.6%	1,492,675	78,785,305	5178.1%

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Balances of cash and cash equivalents increased by 79.4 million Saudi riyals, or by 7262.3%, as in the year 2020G compared to the year 2019G.

Balances of cash and cash equivalents increased during the period ending on March 31, 2021G compared to the period ending in 2020G by an amount of 77.3 million Saudi riyals, or by 5178.1%. This increase is mainly due to the increase in the Group's capital by 90 million Saudi riyals through the rights issue.

According to the financial due diligence report, the Company had short-term deposits in the first quarter of 2021G amounting to 78 million Saudi riyals with Bank Al-Jazira, which were linked to 50 million Saudi riyals for a period of 12 months and 20 million Saudi riyals for a period of 6 months. The entire amount was classified under cash and cash equivalents rather than classifying 70 million SAR separately as a short-term investment in the statement of financial position. The company also did not reverse the income from deposits in the first quarter of 2021G, and it did so in the third quarter of 2021G.



## Trade Receivables - Net

The following table shows the accounts receivable of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (25): Accounts receivable for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Trade receivables	13,860,474	1,941,849	1,982,922	(86%)	2.1%	(62.2%)	1,940,584	1,672,309	(13.8%)
Minus: provision for credit losses	(11,247,150)	(205,228)	(25,085)	(98.2%)	(87.8%)	(95.3%)	(205,228)	(25,085)	(87.8%)
Net accounts receivable	2,613,324	1,736,621	1,957,837	(33.5%)	12.7%	(13.4%)	1,735,356	1,647,224	(5.1%)

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

The net receivables decreased by 0.9 million Saudi riyals, or by 33.5% for the year 2019G compared to the year 2018G. This decrease is mainly due to the creation of a provision for credit losses amounting to 0.75 million Saudi riyals, in addition to the settlement of the provision for credit losses with the balance of trade receivables. On the other hand, the net trade receivables increased in the year 2020G compared to the year 2019G as a result of the increase in trade receivables by 2.1% and the settlement of the provision of the credit losses by 87.8%.

There is no material change in the net receivables for the two periods ending on March 31 for the years 2020G and 2021G except for the settlement of the provision with some of the accounts receivable balances.

## 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 ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (26): Prepaid expenses and other debit balances for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G	March 2021G
Prepaid expenses	496,141	429,464	554,844	(13.4%)	29.2%	5.8%	648,906	355,808	(45.2%)
Advance payments to suppliers	33,150	33,150	-	0%	(100%)	(100%)	-	-	-
Loans and Advances to the Employees	285,314	205,605	318,957	(27.9%)	55.1%	5.7%	752,434	761,000	1.1%
Value added tax	-	-	1,191,362	-	100%	-	-	1,191,942	100%
Other	174,057	-	-	(100%)	-	(100%)	-	-	-
<b>Total prepaid expenses and other debit balances</b>	<b>988,662</b>	<b>668,219</b>	<b>2,065,163</b>	<b>(32.4%)</b>	<b>209.1%</b>	<b>44.5%</b>	<b>1,401,340</b>	<b>2,308,750</b>	<b>64.8%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Total prepaid expenses and other debit balances decreased by 32.4% for the year 2019G compared to the year 2018G as a result of the settlement of some prepaid expenses by an amount of 70 thousand Saudi riyals and the loans and advances of employees amounting to 80 thousand Saudi riyals and other debit balances by 174 thousand Saudi riyals. In contrast in the year 2020G, the total prepaid expenses and other debit balances increased by 209.1% compared to the year 2019G as a result of the non-settlement of the due value-added tax balance by the amount of 1.2 million Saudi riyals with the Authority.

Total prepaid expenses and other debit balances increased during the period ending on March 31, 2021G compared to the period ending in 2020G by 0.9 million Saudi riyals, or by 64.8%. This increase is mainly due to the failure to settle the balance of the due value-added tax by the amount of 1.2 million Saudi riyals with the Authority. In contrast, the item of prepaid expenses decreased by 45.2% by 0.3 million Saudi riyals.





## Inventory – Net

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31			Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G	
Frozen food	539,118	-	-	(100%)	-	(100%)	-	-	-	
Spare parts	3,388,253	3,365,448	3,223,232	(0.7%)	(4.2%)	(2.5%)	3,322,208	3,300,313	(0.7%)	
Production Entrance - Seeds & Insecticides	304,874	302,310	-	(0.8%)	(100%)	(100%)	-	-	-	
Packing and warping material	355,703	-	-	(100%)	-	(100%)	270,495	137,120	(49.3%)	
Fodder	2,620,167	2,364,149	446,555	(9.8%)	(81.1%)	(58.7%)	245,520	221,460	(9.8%)	
<b>Total inventory before allotted</b>	<b>7,208,115</b>	<b>6,031,907</b>	<b>3,669,787</b>	<b>(16.3%)</b>	<b>(39.2%)</b>	<b>(28.6%)</b>	-	-	-	
Minus: slow moving inventory	(1,541,381)	(1,791,381)	(1,791,381)	16.2%	0%	7.8%	(1,791,381)	(1,791,381)	0%	
Minus: provision for inventory decline	-	(1,595,010)	-	-	(100%)	-	-	-	-	
<b>Total inventory</b>	<b>5,666,734</b>	<b>2,645,516</b>	<b>1,878,406</b>	<b>(53.3%)</b>	<b>(29%)</b>	<b>(42.4%)</b>	<b>2,046,842</b>	<b>1,867,512</b>	<b>(8.8%)</b>	

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Inventory decreased by 53.3% for the year 2019G compared to the year 2018G. This is mainly due to the formation of impairment provision and a slow-moving provision amounting to 1.85 million Saudi riyals and the sale and settlement of the balance of frozen foodstuffs, packaging materials and fodder by an amount of 1.2 million Saudi riyals. The inventory decreased by 29% for the year 2020G compared to the year 2019G due to the decrease in the inventory of fodder and the production of seeds and pesticides, and the adjustment of the impairment provision with other inventory items, mainly the fodder inventory.

There is no fundamental change in the net inventory value for the two periods ending on March 31 for the years 2020G and 2021G as a result of stopping agricultural activity due to the decision to stop growing fodder.

It was stated in the due diligence report that the Company had kept a general provision of 1.8 million Saudi riyals against inventory of spare parts. Moreover, there was a write-off of the provision of agricultural inventory amounting to 1.6 million Saudi riyals and there is still fodder inventory amounting to 0.45 million Saudi riyals and spare parts inventory in the warehouse of the Al-Jowf project whose operations have stopped. The company did not provide an accurate valuation showing the recoverable value of the items as required under IAS 2, the company did not keep a record of the aging of the inventory of each item and did not provide any evidence of the physical count of the inventory.

## Current Liabilities

The following table shows the total current liabilities of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (27): Total current liabilities for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31			Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G	
Trade payables	10,303,711	8,864,446	8,513,966	(14%)	(4%)	(9.1%)	8,821,738	6,762,782	(23.3%)	
Due expenses and other credit balances	5,060,159	4,698,550	3,792,757	(7.1%)	(19.3%)	(13.4%)	4,802,132	4,201,543	(12.5%)	
Shareholders' Dividends Distribution	11,761,113	11,727,700	12,996,473	(0.3%)	10.8%	5.1%	11,906,783	12,990,469	9.1%	
Zakat provision	18,374,372	106,927,278	106,927,278	481.9%	0%	141.2%	106,927,278	106,927,278	0%	
<b>Total current liabilities</b>	<b>45,499,355</b>	<b>132,217,974</b>	<b>132,230,474</b>	<b>190.6%</b>	<b>0%</b>	<b>70.5%</b>	<b>132,457,931</b>	<b>130,882,072</b>	<b>(1.2%)</b>	

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.





Total current liabilities increased by 86.7 million Saudi riyals, at a rate of 190.6% for the year 2019G compared to the year 2018G. This increase is mainly due to the formation of the Shariah zakat provision by 88.6 million Saudi riyals. The trade payables, accrued expenses and other credit balances decreased by 1.4 million Saudi riyals and 0.3 million Saudi riyals, by 14% and 7.1%, respectively, as a result of payment of suppliers and settlement of the balances of accrued expenses and other credit balances. In contrast, there is no change in the balance of the total current liabilities for the year 2020G compared to the year 2019G.

Total current liabilities during the period ending on March 31, 2021G decreased compared to the period ending in 2020G by 1.7 million Saudi riyals and by 1.2%, as trade payables decreased by 23.3% by the amount of 1.7 million Saudi riyals. This decrease is due to the settlement and payment of some accounts payable balances by an amount of 2 million Saudi riyals, in addition to the decrease in the accrued expenses also by 0.6 million Saudi riyals. On the other hand, dividends and dues to shareholders increased by 1 million Saudi riyals, or 9.1%, due to the surplus resulting from subscription to shareholders.

The Company did not provide the suppliers' data according to each supplier - in a form that matches the financial statements, nor did it provide an update of the age table of commercial suppliers, and there is a long-owed fine for customs in the amount of 2.56 million Saudi riyals, with no update from the management regarding it.

## Accrued Expenses and Other Credit Balances

The following table shows the accrued expenses and other liabilities of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (28): Accrued expenses and other liabilities for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Accrued Expenses	1,105,659	768,240	675,496	(30.5%)	(12.1%)	(21.8%)	597,559	606,157	1.4%
Due Fines	2,560,000	2,560,000	2,930,333	0%	14.5%	7%	2,560,000	2,560,000	0%
Advance payments from clients	369,751	98,000	186,928	(73.5%)	90.7%	(28.9%)	-	-	-
Due VAT	135,029	18,571	-	(86.2%)	(100%)	(100%)	42,130	109,126	159%
Other	889,720	1,253,739	-	40.9%	(100%)	(100%)	1,602,443	926,260	(42.2%)
<b>Total due expenses and other credit balances</b>	<b>5,060,159</b>	<b>4,698,550</b>	<b>3,792,757</b>	<b>(7.1%)</b>	<b>(19.3%)</b>	<b>(13.4%)</b>	<b>4,802,132</b>	<b>4,201,543</b>	<b>(12.5%)</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

The accrued expenses were mainly salaries payable, vacation payable, social insurance payable, service fees payable, audit fees payable, and board meeting attendance costs. The accrued expenses decreased by 30.5% and 12.1% for the years 2019G and 2020G, respectively, and this decrease is mainly due to the closure of some branches of the food activity, the suspension of growing fodder in the Al-Jowf Agricultural Project and the reduction of employees, which led to the decrease in the related expenses of salaries and allowances of vacation and tickets.

The due fines are attributable to customs fees of a period prior to the year 2018G, and were payable by the Saudi Refrigeration Company to the Saudi Customs Authority at Jeddah Islamic Port. This fine was imposed on a shipment of Brazilian chicken imported by the company during the year 2003G, when the Customs Authority requested the Saudi Refrigeration Company to obtain its approval before selling it. However, the company sold chicken without the approval of the Saudi Customs Authority, which subsequently imposed two fines on the Saudi Refrigeration Company, the first in the amount of 5.1 million Saudi riyals, which was registered in the year 2011G, and the second with 4.5 million Saudi riyals, which was registered in the year 2015G. The Saudi Refrigeration Company pays 70,000 Saudi riyals (against the claim amounting to 5.1 million Saudi riyals), and 60,000 Saudi riyals (against the claim amounting to 4.5 million Saudi riyals) per month to the Saudi Customs Authority, since the year 2011G and the year 2013G respectively. Due to the company facing difficulties in the level of liquidity, it submitted a request to the Saudi Customs Authority, by letter No. 27 / VOU/ 2020 on 15 Jumada al-Thani 1441H (Corresponding to February 5, 2020G) to reschedule the remaining amount, amounting to 2.56 million Saudi riyals, starting from the year 2021G.

Based on the company's proposed payment plan, it is expected that these two claims will be fully settled by the end of the year 2021G. The due fines represent a balance payable to the Saudi Customs Authority out of the two fines referred to above, which were imposed by the Saudi Customs Authority.



Total accrued expenses and other credit balances decreased during the period ending on March 31, 2021G compared to the period ending in 2020G by an amount of 0.6 million Saudi riyals, or by 12.5%, as other accrued expenses decreased by 42.2% by an amount of 0.67 million Saudi riyals, this decrease is due to the increase in services required from some service providers.

## Shareholders' Dividends Distribution

The table shows the dividends and dues of shareholders for Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (29): Dividends and dues of shareholders for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Surplus Shares Allocation	2,127,617	2,127,617	2,127,617	0%	0%	0%	2,127,617	2,122,398	(0.2%)
Unpaid Dividends	945,237	940,292	940,027	(0.5%)	(0.0%)	(0.3%)	940,252	939,897	(0.0%)
Shares sold at auction	5,165,087	5,139,166	5,137,418	(0.5%)	(0.0%)	(0.3%)	5,138,798	5,139,094	0%
Uncollected funds	374,187	374,187	374,187	0%	0%	0%	374,187	374,187	0%
surplus capital increase	2,915,862	2,913,315	2,913,079	(0.1%)	(0.0%)	(0.0%)	2,913,314	2,911,592	(0.1%)
surplus subscription 2020G	-	-	1,091,845	-	100%	100%	-	1,091,044	100%
surplus subscription 2019G	-	-	179,177	-	100%	100%	179,492	179,134	(0.2%)
Differences due to capital reduction	233,123	233,123	233,123	0%	0%	0%	233,123	233,123	0%
<b>Total dividends and dues to shareholders</b>	<b>11,761,113</b>	<b>11,727,700</b>	<b>12,996,473</b>	<b>(0.3%)</b>	<b>10.8%</b>	<b>5.1%</b>	<b>11,906,783</b>	<b>12,990,469</b>	<b>9.1%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

The surplus allotment of shares has been suspended since 1982, which was the time when the Anaam International Holding Group was put up for public subscription. This surplus resulted from shareholders subscribing to a larger number of shares that were actually allocated at the time of the public offering. Therefore, Anaam International Holding Group has a surplus cash balance for these investors. The Company announced on websites of Tadawul and Capital Market Authority and local newspapers several times to shareholders that they should review the company for the disbursement of those amounts, and the company pays annual amounts to the shareholders who review the company for this.

The dividends that have not been claimed by the shareholders so far mainly relate to the dividends that have not been paid. These dividends are represented by what was approved by the shareholders' general assembly for the years 1986 and 1987.

The sold shares are those sold by auction by the public offering of Anaam International Holding Group in 1997, as the main shareholders at that time had not fulfilled their obligation to contribute by the remaining 50% after the initial deposit. Accordingly, Anaam International Holding Group sold these shares by auction, but the shareholders who contributed the first installment did not submit any related claims to the company to recover these funds, which remained payable to the shareholders. The company has announced several times to the shareholders to review the company for the disbursement of these amounts, as the company disburses amounts annually to the shareholders who review the company for this purpose, and the company does not have any clear plan for the purpose of returning these amounts to their beneficiaries other than announcing periodically for this purpose through Tadawul website.

Shareholders' checks that have not been cashed represent the checks issued by the company in favor of some shareholders to pay the amounts owed to them.

The unclaimed capital increase surplus up to 2012G relates to the amount of cash contributed at the time of the rights issue where some shareholders contributed cash, although it was not necessary, and it is payable to them.

The oversubscription for the years 2019G and 2020G was refunded by 0.18 million Saudi riyals and 1.1 million Saudi riyals, respectively, resulting from the capital increase of 9 million shares by 90 million Saudi riyals, thus increasing the number of issued shares from 1.5 million shares to 10.5 million shares.



The differences resulting from the capital reduction are mainly due to the capital reduction in the year 2007G, where 10 shares were canceled for every 11 shares owned by shareholders. However, the management made it clear that some shareholders own shares that are not divisible by 11, such as 1000 shares. In this case, the cash amount had to be returned to the shareholders, some of the shareholders did not collect the cash.

Dividends and dues of shareholders increased by 1 million Saudi riyals, or by 9.1% during the period ending on March 31, 2021G, compared to the period ending in 2020G, due to the surplus resulting from the shareholders' subscription process during the fiscal year 2020G.

## Zakat

The Holding Company submitted its zakat returns to the Zakat, Tax and Customs Authority (The Authority) for the years from 1995 to 2018G on the basis of the consolidated financial statements and obtained a zakat certificate.

The Group submitted its zakat declaration for the year ending on December 31, 2019G to the Zakat, Tax and Customs Authority (The Authority) and obtained a zakat certificate.

The holding company received a letter from the Zakat, Tax and Customs Authority (The Authority) on February 25, 2019G including a claim for payment of zakat differences amounting to 107 million SAR for the years from 1995G to 2011G. A provision was made in the financial statements in the amount of 88.6 million Saudi riyals during the year 2019G, in addition to the amount of the provision recorded in the consolidated financial statements for the year ending on December 31, 2018G amounting to 18.4 million Saudi riyals, thus, the total amount of the provision recorded in these consolidated financial statements amounted to 107 million SAR. On November 17, 2019G, the Group submitted an objection to the Authority on the final zakat assessment for the mentioned years, and the objection is still under review by the Authority.

Zakat assessment was issued for the years 2012G to 2018G, which resulted in a claim for additional zakat differences in the amount of 7 million Saudi riyals. An objection to these zakat assessments was submitted to the General Secretariat of the Tax Committees on October 15, 2020G. The management of the Group considers that it has a high chance of accepting the objection.

It was stated in the due diligence report that according to the details provided by the company, the zakat assessment should have been reduced to 6.9 million Saudi riyals for the years from 1995G to 2018G according to the final letter received from the Zakat, Tax and Customs Authority during the first quarter of 2021G, however the company did not cancel the provision during the first quarter of 2021G or the second quarter of 2021G. Also, no zakat expense was calculated during the period 2019G, 2020G and the first quarter of 2021G. The zakat expense was estimated based on the financial due diligence report at amount of 147,194 Saudi riyals as in 2019G, and at amount of 660,906 Saudi riyals as in 2020G and at amount of 525,110 Saudi riyals at the end of the first quarter of 2021G.

## Non-Current Liabilities

The following table shows the non-current liabilities of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (30): Non-current liabilities for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ended on March 31, 2020G and March 31, 2021G

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Employees' end of service benefits obligations	2,903,866	3,063,891	4,857,205	5.5%	58.5%	29.3%	3,163,082	5,025,050	58.9%
<b>Total non-current liabilities</b>	<b>2,903,866</b>	<b>3,063,891</b>	<b>4,857,205</b>	<b>5.5%</b>	<b>58.5%</b>	<b>29.3%</b>	<b>3,163,082</b>	<b>5,025,050</b>	<b>58.9%</b>

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Total non-current liabilities increased by 5.5% and 58.5% for the years 2019G and 2020G, respectively, and this increase is mainly due to the annual end-of-service gratuity expense in addition to the additional expenses incurred by the Group as a result of terminating the services of employees in the Al-Jowf Agricultural Project as a result of the decision of the Board of Directors to stop the activity of growing fodder.

Total non-current liabilities increased by 58.9% during the period ending on March 31, 2021G compared to the period ending in 2020G, and this increase is mainly due to the annual end-of-service gratuity expense in addition to the additional expenses incurred by the Group as a result of terminating the services of employees in the Al-Jowf Agricultural Project as a result of the decision of the Board of Directors to stop the activity of growing fodder.



## Employee Defined Benefit Obligations

End of service benefits are due to all working employees in accordance with the terms and conditions of the labor law at the end of their service contracts.

The Group's obligation relating to defined benefit plans is calculated by estimating the amount of future benefits accrued to employees in the current and future periods and discounting the value to arrive at the present value.

The Group makes assumptions that are used in determining the principal components of costs in order to meet these future obligations. These assumptions are made after consulting with the actuary and are used to determine the normal service cost as well as the financing elements of the liabilities. The qualified actuary calculates the defined benefit obligation using the projected unit credit method.

The reassessment of defined benefit obligations, consisting of actuarial gains and losses, is recognized directly in the statement of other comprehensive income. The Group determines the net interest expense on the defined benefit obligations for the year by applying the discount rate that is used to measure the defined benefit obligations at the beginning of the year and the net defined liabilities therein after taking into account any change in the net defined benefit obligations during the year and payments for the obligations. The net interest expense and other expenses relating to defined benefit plans are recognized in the consolidated statement of profit or loss.

## Shareholders' Equity

The following table shows the shareholders' equity of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

**Table No. (31): Shareholders' equity for the fiscal years ending on December 31, 2018G, 2019G and 2020G, and for the two periods ending on March 31, 2020G and March 31, 2021G**

SAR	As on December 31			Increase/ (Decrease)		CAGR	As on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Capital	196,000,000	15,000,000	105,000,000	(92.3%)	600%	(26.8%)	15,000,000	105,000,000	600%
(Accumulated Losses) Retained Earnings	(82,254,730)	789,261	(16,054,747)	(101%)	(2134.1%)	(55.8%)	290,499	(18,772,642)	(6562.2%)
Shareholders' Equity	113,745,270	15,789,261	88,945,253	(86.1%)	463.3%	(11.6%)	15,290,499	86,227,358	463.9%

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

## Capital

The company's capital as on December 31, 2018G amounted to 196 million Saudi riyals, consisting of 19.6 million fully paid ordinary shares, with a nominal value of 10 Saudi riyals per share.

During December 2019G, and based on the Extraordinary General Assembly meeting held on Jumada Al-Ula 5, 1441H (Corresponding to December 31, 2019G), the shareholders decided to extinguish the accumulated losses as on November 10, 2019G amounting to 181 million Saudi riyals and reduce the capital with that amount, so the capital become, after the reduction, about 15 million Saudi riyals instead of 196 million Saudi riyals, with decrease of 92.35%, thus the number of shares after the reduction becomes 1.5 million shares at 10 Saudi riyals per share instead of 19.6 million shares, and the company's articles of association and commercial register have been amended accordingly.

On 15 Jumada al-Thani 1441H (Corresponding to February 9, 2020G) the Company's board of directors recommended increasing the company's capital by an amount of 90 million Saudi riyals through the rights issue, and on Safar 5, 1442H (Corresponding to September 22, 2020G) the Capital Market Authority approved the company's request to increase the capital and the Extraordinary General Assembly of shareholders met on Rabi' Al-Awal 10, 1442H (Corresponding to October 27, 2020G) and approved the increase in the company's capital to 105 million Saudi riyals, by which the number of shares after the increase become 10.5 million shares at 10 Saudi riyals per share instead of 1.5 million Saudi shares, and the company's articles of association and commercial register have been amended accordingly.

Shareholders' equity for the period ending on March 31, 2021G, compared to the period ending on March 31, 2020G, increased by 463.9% and by an amount of 71 million Saudi riyals, mainly due to the increase in the capital item to 105 million Saudi riyals, by 600%. In contrast, the accumulated losses increased by 6562.2%, amounting to 19 million Saudi riyals.

The company did not provide details of calculating the weighted average shares for the years 2019G and 2020G.



Regarding the Group's subsidiaries, these companies have not made any capital adjustments during the three years preceding the date of submitting the application for registration and offering the securities subject to this prospectus.

## Statutory Reserve

Articles 129 and 130 of the Saudi Companies Law state that joint stock companies shall allocate 10% of the net profit of the year as a statutory reserve until the reserve reaches 30% of the capital. The Group has not transferred any amount to the statutory reserve due to a net loss.

## (Accumulated Losses) Retained Earnings

On November 10, 2019G, the Company's accumulated losses amounted to 181 million Saudi riyals, as a result of the application of the International Financial Reporting Standards (IFRS) and the formation of a provision for zakat, in addition to the losses of previous years until the year ending on December 31, 2018G, and the presence of many operational difficulties that led to the decrease in sales and the increase in activity costs. In addition to the decision to permanently stop growing green fodder on 25 Safar 1440H Corresponding to November 3, 2018G, according to Cabinet Resolution No. (66).

During December 2019G, and based on the Extraordinary General Assembly meeting held on Jumada Al-Awwal 5, Corresponding to December 31, 2019G, the shareholders decided to extinguish the accumulated losses by reducing the capital by that amount, which resulted in retained earnings for the year 2019G of 0.8 million Saudi riyals.

During the year 2020G, the Company's capital was increased, which resulted in capital increase expenses by 9.5 million Saudi riyals, and the net loss for the year amounted to 6 million Saudi riyals, which resulted in accumulated losses of 16 million Saudi riyals.

The accumulated losses for the period ending on March 31, 2021G, compared to the period ending on March 31, 2020G, increased by 6562.2% and by an amount of 19 million Saudi riyals as a result of capital increase expenses during the fiscal year 2020G in addition to the loss in that period.

## 7.10 Cash Flow Statement

The following table shows the cash flow statement for Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (32): Cash flow statement for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	The period ending on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G		2018G - 2020G	2021G Unaudited	
Net cash flow from operating activities	8,673,904	2,526,150	(15,583,698)	(70.9%)	(716.9%)	-	(20,809)	(2,686,724)	12811.4%
Net cash of investing activities	(2,731,826)	(2,449,332)	3,678,473	(10.3%)	(250.2%)	-	599,755	1,021,673	70.3%
Net cash of financing activities	(5,169,343)	(33,413)	91,268,773	(99.4%)	(273253.5%)	-	(179,083)	(6,004)	(96.6%)
Net cash flow	772,735	43,405	79,363,548	(94.4%)	182744.3%	913.4%	399,863	(1,671,055)	(517.9%)
Opening cash and cash equivalents	276,672	1,049,407	1,092,812	279.3%	4.1%	98.7%	1,092,812	80,456,360	7262.3%
Closing cash and cash equivalents	1,049,407	1,092,812	80,456,360	4.1%	7262.3%	775.6%	1,492,675	78,785,305	5178.1%

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

As at the end of the year 2018G, the cash and cash equivalents available to the company amounted to 1 million Saudi riyals, which mainly resulted from the opening cash and cash equivalents, and the cash generated from operating activities during the year amounted to 8.7 million Saudi riyals, after reducing it from the net cash used in investment and financing activities with a total of 7.9 million Saudi riyals.

As at the end of the year 2019G, the cash and cash equivalents available to the company amounted to 1 million Saudi riyals, which mainly resulted from from the opening cash and cash equivalents, and the cash generated from operating activities during the year amounted to 2.5 million Saudi riyals, after reducing it from the net cash used in investment and financing activities with a total of 2.5 million Saudi riyals.





As at the end of the year 2020G, the cash and cash equivalents available to the company amounted to 80.5 million Saudi riyals, which mainly resulted from cash generated from financing activities with an amount of 91.3 million Saudi riyals. This increase is due to the process of increasing the capital through the rights issue by an amount of 90 million Saudi riyals, and the cash generated from investment activities by 3.7 million Saudi riyals, after reducing the net cash used in operating activities by 15.6 million Saudi riyals.

As at the end of the period ending on March 31, 2021G, the cash and cash equivalents available to the company amounted to 78.8 million Saudi riyals, which mainly resulted from the opening cash of the capital increase process through rights issue of 90 million Saudi riyals.

As at the end of the period ending on March 31, 2020G, the cash and cash equivalents available to the company amounted to 1.5 million Saudi riyals, mainly from the opening cash of the fiscal year ending in 2019G.

## Cash Flow from Operating Activities

The following table shows the cash flow of Anaam International Holding Group from operating activities for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Table No. (33): Cash flow from operating activities for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	The period ending on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Loss of the Year	(14,753,014)	(10,868,061)	(8,705,574)	(26.3%)	(19.9%)	(23.2%)	(498,762)	(2,751,642)	451.7%
Depreciation of property, machinery and equipment	21,916,905	11,399,738	4,093,399	(48.0%)	(64.1%)	(56.8%)	387,288	1,039,550	168.4%
Amortization of Intangible Assets	357,768	255,137	195,370	(28.7%)	(23.4%)	(26.1%)	63,782	89,454	40.2%
Decrease in inventory value	1,000,000	-	-	(100%)	-	(100%)	-	-	-
Profits of sale of property, machinery and equipment	(65,000)	(2,303,137)	(2,714,450)	3443.3%	17.9%	546.2%	-	(1,200)	(100%)
Profit for the year from discontinued operations	-	1,665,165	2,715,571	100%	63.1%	-	-	33,747	100%
Provisions for end of service benefits	1,365,145	486,362	470,309	(64.4%)	(3.3%)	(41.3%)	99,191	167,845	69.2%
Capital increase expenses	-	-	(9,500,000)	-	(100%)	-	-	-	-
financing expenses	43,756	-	-	(100%)	-	(100%)	-	-	-
Trade receivables	(184,398)	876,703	(221,216)	(575.4%)	(125.2%)	9.5%	1,265	310,613	24454.4%
Prepaid expenses and other debit balances	282,307	320,443	(1,396,944)	13.5%	(535.9%)	-	(733,121)	(243,587)	(66.8%)
Inventory	3,858,955	3,021,218	767,110	(21.7%)	(74.6%)	(55.4%)	598,674	10,894	(98.2%)
Trade payables	(642,010)	(1,439,265)	(350,480)	124.2%	(75.6%)	(26.1%)	(42,708)	(1,751,184)	4000.4%
Accrued expenses and other credit balances	(908,800)	(361,609)	(905,793)	(60.2%)	150.5%	(0.2%)	103,582	408,786	294.6%
Paid financing expenses	(43,756)	-	-	(100%)	-	(100%)	-	-	-
Employees' end-of-service benefits obligations	(3,415,017)	(526,544)	(31,000)	(84.6%)	(94.1%)	(90.5%)	-	-	-
Paid Zakat	(138,937)	-	-	(100%)	-	(100%)	-	-	-
Net cash from operating activities	8,673,904	2,526,150	(15,583,698)	(70.9%)	(716.9%)	-	(20,809)	(2,686,724)	12811.4%

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.



## Cash Flow from Operating Activities (Continued)

The Company achieved a net positive cash flow from operating activities during the years 2018G and 2019G amounting to 8.7 million Saudi riyals and 2.5 million Saudi riyals, respectively, despite the losses incurred by the Company during the two years, as the cash flow resulted from the change in working capital assets (Trade receivables, prepaid expenses and inventory) in addition to the non-cash adjustment items, which are depreciation, amortization of intangible assets, decrease in the value of inventory, provision for end-of-service gratuity and profit of discontinued operations.

The net cash flow from operating activities decreased during the year 2019G by 6 million Saudi riyals, or by 70.9% compared to the year 2018G as a result of the decrease in the depreciation of property, machinery and equipment by 10.5 million Saudi riyals, or by 48%, due to the suspension of the growing fodder activity in Al-Jowf project from the year 2018G and the decrease in the change in inventory and its decrease by 1.8 million Saudi riyals. Also achieving profits from the sale of property, machinery and equipment amounting to 2.2 million Saudi riyals and the change in end-of-service benefits obligations and trade payables by 1.6 million Saudi riyals. In contrast, the loss for the year decreased by 4 million riyals. The company achieved a profit from discontinued operations of 1.7 million Saudi riyals in addition to the increase in trade receivables and other accrued expenses by 1.8 million Saudi riyals and the decrease in end-of-service payments by 3 million Saudi riyals.

During the year 2020G, the net cash flow from operating activities decreased by 18 million Saudi riyals, or 716.9%, compared to the year 2019G. This is mainly due to the Group's board of directors' decision to increase the company's capital during the year 2020G, which resulted in the company incurring capital increase expenses of 9.5 million Saudi riyals. The depreciation of property, machinery and equipment also decreased by 7.4 million SAR, or by 64.1%, due to the suspension of the growing fodder activity in Al-Jowf project from the year 2018G, in addition to a decrease of 5 million SAR resulting from the change in trade receivables, prepaid expenses, inventory, accrued expenses and other credit balances. On the other hand, the loss of the year decreased by 2 million Saudi riyals, and the Company achieved a profit from discontinued operations by 1.1 million Saudi riyals, in addition to the decrease in the change in trade payables and payment of end-of-service gratuity by 1.6 million Saudi riyals.

The net negative cash flow from operating activities for the period ending on March 31, 2021G, compared to the period ending in 2020G, increased by 12811.4%. This is mainly due to the suspension of agricultural production by the Group as a result of the decision to stop the growing of fodder, as the Company's loss increased by 2.2 million Saudi riyals, or 451.7%. In addition to the decrease in the cash flow for each of the trade payables as a result of the settlement of receivables by an amount of 1.7 million Saudi riyals, at a rate of 4000.4%, and the inventory by an amount of 5.5 million Saudi riyals, at a rate of 98.2%. In contrast, the depreciation increased by 6 million SAR, at a rate of 168.4%, as a result of stopping depreciation due to the stopping of agricultural activity and the reclassification of some property, machinery and equipment, in addition to the increase in cash from accrued expenses and trade receivables by an amount of 6 million SAR, with the decrease in the impact of prepaid expenses on operating cash flows by 5 million SAR.

It was stated in the due diligence report that there are no worksheets for the cash flow statement, and the excluded assets were not clarified in the cash flow statement in December 2020G.





## Cash Flow from Investing Activities

The following table shows the cash flow from the investing activities of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

**Table No. (34): Cash flow from investing activities for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G**

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	The period ending on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Purchase of property, machinery and equipment	(2,796,826)	(8,673,513)	(111,168)	210.1%	(98.7%)	(80.1%)	(39,700)	(25,247)	(36.4%)
Net movement in non-current assets which classified as held for sale	-	-	835,088	-	100%	-	-	1,045,720	100%
Provision for decrease in property, machinery and equipment	-	1,500,000	-	-	(100%)	-	-	-	-
Proceeds from the sale of property, machinery and equipment	65,000	4,724,181	2,954,553	7168%	(37.5%)	574.2%	639,455	1,200	(99.8%)
Net cash from investing activities	(2,731,826)	(2,449,332)	3,678,473	(10.3%)	(250.2%)	-	599,755	1,021,673	70.3%

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

Operational activities during the years 2018G and 2019G resulted in a negative cash flow of 2.7 million Saudi riyals and 2.4 million Saudi riyals, mainly due to additions of fruiting plants for the year 2018G, amounting to 2.5 million Saudi riyals, and acquiring land and real estate from one of clients in exchange for debts that were previously executed in the amount of 8.5 million Saudi riyals. In contrast, during the year 2019G, a net cash of 4.7 million Saudi riyals was achieved, at a rate of 7168% for the year 2018G, representing the amount of sales of property, machinery and equipment of Al-Jowf project, due to the suspension of the growing fodder activity and the sale of the entire property, machinery and equipment of the activity. As for the year 2020G, a net positive cash flow resulted from investment activities in the amount of 3.7 million Saudi riyals as a result of selling property, machinery and equipment amounting to 2.9 million Saudi riyals, which decreased by 37.5% compared to 2019G, in addition to the change in non-current assets which classified as held for sale.

The net cash flow from investing activities for the period ending on March 31, 2021G, compared to the period ending in 2020G, increased by 70.3%. This is mainly due to the change in non-current assets which classified as held for sale amounting to one million Saudi riyals at a rate of 100%.



## Cash Flow from Financing Activities

The following table shows the cash flow of Anaam International Holding Group from financing activities for the fiscal years ending on December 31, 2018G, 2019G and 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

**Table No. (35): Cash flow from financing activities for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G**

SAR	Fiscal year ending on December 31			Increase/ (Decrease)		CAGR	The period ending on March 31		Increase/ (Decrease)
	2018G Audited	2019G Audited	2020G Audited	December 2019G	December 2020G	2018G - 2020G	2020G Unaudited	2021G Unaudited	March 2021G
Long Term Loans	(5,159,952)	-	-	(100%)	-	(100%)	-	-	-
Capital Increase	-	-	90,000,000	-	100%	-	-	-	-
Dividends and Dues to shareholders	(9,391)	(33,413)	1,268,773	255.8%	(3897.2%)	-	(179,083)	(6,004)	(96.6%)
Net Cash from Financing Activities	(5,169,343)	(33,413)	91,268,773	(99.4%)	(273253.5%)	-	(179,083)	(6,004)	(96.6%)

Source: The audited financial statements of Anaam International Holding Group for the fiscal years ending on December 31, 2018G, 2019G, 2020G and for the two periods ending on March 31, 2020G and March 31, 2021G.

The net negative cash flow used in the financing activities for the year 2018G mainly resulted from the repayment of long-term loans in addition to the financial leasing commitments of the Kirnaf Investment and Installment Company. The net cash used in the financing activities decreased in 2019G compared to 2018G by 99.4% due to the lack of loan commitments on the group, which resulted in the decrease in the long-term loans item by 100%.

The item of dividends and shareholders' dues for the year 2020G also increased compared to the years 2018G and 2019G due to the proceeds from the sale of shares of the shareholders' subscription.

For the year 2020G, rights issue was made to increase the capital from 15 million Saudi riyals to 105 million Saudi riyals, which resulted in the increase in net cash for financing activities by 90 million Saudi riyals.

The net negative cash flow from financing activities for the period ending on March 31, 2021G decreased compared to the period ending in 2020G by 96.6%. This is mainly due to the change in the amounts paid to dividends and shareholders' dues.



## 8. Use of Proceeds

---

The total proceeds from the rights issue is estimated at (210,000,000) two hundred and ten million Saudi riyals, of which approximately 13,000,000 Saudi riyals will be paid to cover the costs of the offering, which include the fees of the financial advisor, the subscription manager, the legal advisor and the underwriter, in addition to marketing, printing, distribution, advertising expenses of the offering and other expenses of the subscription.

The company intends to use the Net offering proceeds to support the expansion of the company's activity and other income-generating activities, as the company plans to acquire income-generating real estate investments as well as invest in privately owned companies and projects in the health care, warehouses and storage sectors.

The company has prepared the necessary feasibility studies to assess the financial impact and future expectations of the targeted sectors and the feasibility of investing in them, as well as their impact on the financial position and profitability of the company.

### 8.1 Net offering proceeds

The Net offering proceeds will amount to about one hundred and ninety seven million (197,000,000) Saudi riyals, which will be used as follows:

- **Purchase of income-generating real estate assets with a value of sixty-five million SAR (65,000,000):**

The company intends to invest in the real estate sector by purchasing income-generating real estate assets and exploiting various real estate opportunities throughout the Kingdom, with the general orientation of the Kingdom of Saudi Arabia and as one of the objectives of the Kingdom's Vision 2030 in the tourism sector; According to the feasibility study prepared for this, the company aims to acquire a four-star hotel in a main city in the Kingdom of Saudi Arabia, including Riyadh, Jeddah and Dammam. The company also aims to acquire a hotel built on a building area of (12,000) square meters and consisting of (152) rooms and suites, with an average occupancy rate of (57%).

The company expects to invest an amount of sixty-five million (65,000,000) Saudi riyals as an expected value for this investment, and the company expects the acquisition to take place during the third quarter of the fiscal year 2022G.

- **Investment in privately owned companies and projects in the health care sectors with a value of forty-five million SAR (45,000,000):**

The idea of the project is to acquire an ownership stake in a public hospital in the Kingdom, which aims to provide integrated health services, in order to meet the increasing demand for health and medical services in general, according to the latest available medical equipment and means and the best expertise in these fields.

It was assumed that the project would be built on a plot of land with an area of 5,000 square meters, in addition to 3,000 square meters of parking spaces and green spaces, while 20,000 square meters of building spaces were assumed according to the size of the hospital. The study also assumed providing services to patients through 26 clinics (doctors) at a rate of 24 daily visits to each doctor with an assumption of 300 working days per year, in addition to the supporting services departments, which are the radiology department and the laboratory department, in addition to hypnosis services.

The company has allocated an amount of forty-five million (45,000,000) Saudi riyals to expand in the sector referred to above. The company is expected to acquire the above-mentioned investment during the fourth quarter of the fiscal year 2022G.



- **Investment in privately owned companies and projects in the warehousing and storage sector with a value of seventy-five million SAR (75,000,000):**

The company's strategy is summarized in investing in the warehousing and storage sector, with the aim of the company's plan to grow and diversify its investments.

The company aims to acquire an ownership stake in companies operating in the warehousing and storage sectors by acquiring warehouses in one of the main cities in the Kingdom.

The company intends to acquire a building consisting of seven closed (non-refrigerated) warehouses with a height of 14 square meters, built on a land area of 16 thousand square meters. The study also assumes that the warehouses will be leased for one party with one contract (100% rate of lease).

- **Financing the working capital of twelve million SAR (12,000,000):**

In light of the company's expansion plan in new areas and diversifying its investments, the company seeks to increase the number of employees and improve internal work systems, thus increasing operating expenses and other expenses that serve the expansion process, and the company will finance the required increase in working capital from the proceeds of the offering exclusively.

The company has allocated an amount of 12 million Saudi riyals to finance the working capital during the coming period, and it is expected that the company will use the allocated amount starting from the second quarter during the year 2022G at the rate of three million Saudi riyals every quarter.

The company will also disclose to the public on the website of Tadawul when there is a difference of 5% or more between the actual use of the proceeds of the offering against what was disclosed in this prospectus as soon as it becomes aware of this.

## 8.2 Using the Offering Proceeds

Table No. (36): Using the Offering Proceeds

Description	2022G			2023G	Total	Percentage
	Q2	Q3	Q4	Q1		
Real Estate Income Yielding Investment	-	65,000,000	-	-	65,000,000	32.99%
Investing in privately owned companies and projects in the health care sectors	-	-	45,000,000	-	45,000,000	22.84%
Investing in privately owned companies and projects in the warehousing and storage sectors	-	-	75,000,000	-	75,000,000	38.07%
Working Capital	3,000,000	3,000,000	3,000,000	3,000,000	12,000,000	6.09%
<b>Total</b>	<b>3,000,000</b>	<b>68,000,000</b>	<b>123,000,000</b>	<b>3,000,000</b>	<b>197,000,000</b>	<b>100%</b>

Source: Company Management



## 9. Experts Statement

---

Written approval has been obtained from the financial advisor, legal advisor, underwriter and subscription manager for the company whose names appear on page (vi) to include their names, logos and statements in the form contained in this prospectus. The written approval of the company's chartered accountants was also obtained to include their names and logos in the form contained in this prospectus. These approvals have not been withdrawn as on the date of this prospectus, and none of the above-mentioned or any of their relatives has any shares or any interest in the company or its subsidiaries of any kind.



## 10. Declarations of the Members of the Board of Directors

---

Up to the date of this prospectus, the members of the Board of Directors acknowledge the following:

1. Other than what was mentioned in sub-paragraph (4-6) “**Business Interruption**”), there has been no interruption in the company’s business or any of its subsidiaries that could affect or have had a noticeable impact on the financial situation during the last twelve months.
2. No commissions, discounts, brokerage fees or any non-cash compensation were granted by the issuer or any of its subsidiaries during the three years preceding the date of submitting the application for registration and offering of securities in connection with the issuance or offering of any securities.
3. Other than what was mentioned in sub-paragraph (4-6) “**Business Interruption**”), there was no fundamental negative change in the financial and commercial position of the issuer or any of its subsidiaries during the three years preceding the date of submitting the application for registration and offering the securities subject to this prospectus. In addition to the period covered by the chartered accountant’s report until the prospectus is approved.
4. Other than what is stated on page “iv” of this prospectus, the members of the Board of Directors or any of their relatives have no shares or interest of any kind in the issuer or in any of its subsidiaries.
5. The company does not hold treasury shares, and the extraordinary general assembly of the company did not approve the purchase of the company’s shares



## 11. Legal Information

---

### 11.1 Company Incorporation

- Anaam International Holding Group is a Saudi public joint stock company established under Commercial Registration Certificate No. (4030035073) dated 07/09/1402H (Corresponding to 29/06/1982G) issued from Jeddah, which expires on 30/05/1443H (Corresponding to 05/11/2021G).
- The company was established in the year 1401H (1980G) under the trade name (The Saudi Livestock Transport and Trading Company) and was registered in the Commercial Register in Riyadh with the number (35168) and the date of 07/09/1401H (Corresponding to 07/12/1980G) with a capital of one hundred million (100,000,000) million riyals.
- The company was converted into a joint stock company under Ministerial Resolution No. (856) dated 12/03/1403H (Corresponding to 27/12/1982G), after increasing the company's capital from (100,000,000) one hundred million riyals to (500,000,000) five hundred million riyals.
- The founders subscribed in two million shares with a nominal value of 200 million Saudi riyals, including 1,184,533 in-kind shares with a nominal value of 118,453,300 Saudi riyals representing the net assets and obligations of The Saudi Livestock Transport and Trading Company (limited liability company) as on 11/10/1402H Corresponding to 31/07/1982G, and 815,467 cash shares with a nominal value of 81,546,700 Saudi riyals. The shareholders paid 50% of their nominal value before the constituent assembly was held. The rest of the capital shares, amounting to 3 million shares, was offered for public subscription, and the total shares subscribed to by the public amounted to 2,999,926 shares. The subscribers paid 50% of the value of the shares subscribed to, i.e. an amount of 185,333,40 Saudi riyals.
- The company's shares were listed on Tadawul in January 1994
- The (Extraordinary) General Assembly approved the merging of (Nasser Al-Mohammed Al-Mukarish) Company in the Company, and accordingly the company's capital was increased to (1,200,000,000) riyals, one billion and two hundred million riyals; The head office of the company has been moved from Riyadh to Jeddah, and the name of the company has been changed from (The Saudi Livestock Transport and Trading Company) to become (United Al Mawashi Al Mukairish Company). The approval of the Ministry of Commerce on the merger process and the proposed amendments was issued in accordance with the Ministerial Resolution issued on 02/12/1415H (Corresponding to 02/05/1995G). Accordingly, the company was registered in the commercial registry in Jeddah with the new number (4030035073), keeping the same date of the old registry 07/09/1402H (Corresponding to 29/06/1982G).
- On 21/11/1442H (Corresponding to 01/07/2021G), a purchase agreement was signed between the Anaam International Holding Group and Mr. Muhammad Ibrahim Muhammad Al-Haidari, owner of Wasit Entertainment and Beauty Systems Factory, to acquire 51% of the factory's shares at a value of (24,480,000) twenty four million four hundred and eighty thousand Saudi riyals, which represents only (51%) of the total value of the factory. For more details about the agreement, please see sub-paragraph (11-24-4) "SPA with (Saudi Wasit Factory for Entertainment and Beauty)" of this section.
- The company made several amendments to its articles of association after the approval of the shareholders in the (extraordinary) general assemblies. The following are the most prominent changes:

### 11.2 Amending the Company Name

1. On March 27, 1995, the (Extraordinary) General Assembly of the shareholders approved the amendment of the company's name from the Saudi Livestock Transport and Trading Company to become (United Al Mawashi Al Mukairish Company).
2. On December 17, 2006G the (Extraordinary) General Assembly of the shareholders approved the amendment of the company's name from (United Al Mawashi Al Mukairish Company) to (Anaam International Holding Group).





### 11.3 Capital Adjustment

Article (7) of the Articles of Association regarding the company's capital has been amended several times as follows:

1. Amending the nominal value of the share - it has been amended twice as follows:
  - The (Extraordinary) General Assembly held on 12/10/1418H (Corresponding to 09/02/1998G) agreed to split the share so that the nominal value of 50 riyals per share. Thus, the number of authorized shares became (24,000,000) twenty four million shares, with a capital of (1,200,000,000) one billion and two hundred million Saudi riyals.
  - The (Extraordinary) General Assembly held on 26/11/1427H (Corresponding to 17/12/2006G) agreed to amend the nominal value of the share to become 10 riyals per share, and thus the number of the company's shares became 120 million shares, with a capital of (1,200,000,000) one billion two hundred million Saudi riyals.
2. On 06/09/1428H (Corresponding to 18/09/2007G), the (Extraordinary) General Assembly of the shareholders agreed to reduce the capital in order to extinguish the accumulated losses from (1,200,000,000) one billion and two hundred million riyals to (109,000,000) one hundred and nine million riyals with a change rate (90.83%) and thus reducing the number of the company's shares from (120,000,000) one hundred and twenty million shares to (10,900,000) ten million nine hundred thousand shares, at a reduction rate equal to one share for every (11) shares.
3. On 22/12/1433H (Corresponding to 07/11/2012G), the (Extraordinary) General Assembly of the shareholders approved an increase in the capital from (109,000,000) one hundred and nine million riyals to (196,000,000) one hundred and ninety-six million and thus increasing the number of the company's shares from (10,900,000) ten million nine hundred thousand shares to (19,600,000) nineteen million six hundred thousand shares, through a rights issue of (87,000,000) SAR at an offering price of 10 SAR per share. A vote was made to amend the articles of the Articles of Association (Article Seven relating to capital increase and Article Eight relating to subscribing of shares).
4. On 05/05/1441H (Corresponding to December 31, 2019G), the (Extraordinary) General Assembly of the shareholders approved the recommendation of the Board of Directors to reduce the capital from (196,000,000) one hundred and ninety-six million riyals to (15,000,000) fifteen million riyals, i.e. cancellation the number of (18,100,000) eighteen million and one hundred thousand shares at a reduction rate of (92.35) shares for every 100 shares, thus reducing the number of the company's shares from (19,600,000) shares to (1,500,000) shares in order to extinguish the company's accumulated losses in the amount of (181) million SAR resulting from the application of International Accounting Standards (IAS) to the agricultural activity and the creation of the zakat provision for previous years and other losses; As the application of the fruiting plants standard in the year 2017G resulted in additional losses amounting to 25 million Saudi riyals, and the application of International Accounting Standards to the stock of agricultural products and evaluating them with the fair value in the year 2017G resulted in additional losses of 1.9 million Saudi riyals, and the formation of an additional provision for zakat amounting to 88 million Saudi riyals in the year 2019G according to the assessment received from the Zakat, Tax and Customs Authority. A vote was made to amend Articles (7 and 8) of Articles of Association accordingly.
5. On 10/03/1442H (Corresponding to 27/10/2020G), the (Extraordinary) General Assembly of the shareholders agreed to increase the capital from (15,000,000) divided into (1,500,000) ordinary shares to (105,000,000) Saudi riyals divided into (10,500,000) ordinary shares at a rate of change of (600%), through the offering and listing of initial rights shares for a number of (9,000,000) ordinary shares.

### 11.4 Updating the Articles of Association

1. The approval of the (Extraordinary) General Assembly held on 02/07/1431H (Corresponding to 14/06/2010G) to amend the following articles of the Articles of Association:
  - a. Article (3) of the Articles of Association for the purposes of the company
  - b. Adding a new article bearing No. (4) of the articles of association regarding participation and integration
  - c. Article (4) concerning the duration of the company and amending its number to become (6)
  - d. Adding a new article bearing the number (9) for preferred shares
  - e. Amending Article (18) regarding the powers of the Board of Directors to become No. (19)
  - f. Amending Article (20) regarding the authority of the Chairman and CEO, and canceling Article (21) regarding appointing Secretary of the Board to merge it with Article (20)
  - g. Amending Article (22) regarding board meetings
  - h. Amending Article (23) regarding the quorum of Board meetings to become, after amendment No. (25)



- i. Adding a new article bearing the number (46) of preferred stock dividends
  - j. Adding a new article bearing the number (47) of the dissolution and liquidation of the company
  - k. Adding a chapter to the Articles of Association bearing the name of the committees with the numbers (50), (51) and (52)
  - l. Approval to renumber the Articles of Association of the Company in accordance with the above amendments.
2. The (Extraordinary) General Assembly held on 09/02/1438H (Corresponding to 09/11/2016G) agreed to update the Articles of Association in line with the provisions of the Companies Law.
  3. The (Extraordinary) General Assembly held on 05/05/1441H (Corresponding to December 31, 2019G) agreed to amend Articles 7-8 (as indicated in Clause (6) above of subparagraph 1-9) and 18 (by deleting the phrase that underlined "If the position of a member of the board of directors becomes vacant, the board may appoint a temporary member in the vacant position according to the order of obtaining votes in the assembly that elected the board") and the assembly added in its place ("provided that it shall be among those who have experience and competence") of the Articles of Association.
  4. The (Extraordinary) General Assembly held on 10/03/1442H (Corresponding to 27/10/2020G) agreed to update some provisions of the Articles of Association to conform to the new Companies Law, and it was audited and approved by the Ministry of Commerce (Corporate Governance Department) on 18/04/1442H (Corresponding to 03/12/2020G). The following Articles of Association have been amended:
    - a. Amending Article (7) of the Company's Articles of Association, relating to (Capital)
    - b. Amending Article (8) of the company's Articles of Association of (subscribing in shares).
    - c. Approval of the amendment of Article (4) of the company's Articles of Association of (participation and ownership in companies).
    - d. Approval of adding Article No. (14) to the company's articles of association of (the company's purchase, sale and mortgage of its shares).
    - e. Approval of the amendment of Article (30) of the company's articles of association of (invitation of assemblies)
    - f. Approval of the amendment of Article (41) of the company's articles of association of (committee reports)
    - g. Approval of the amendment of Article (45) of the company's articles of association of (financial documents)
    - h. Approval of the amendment of Article (46) of the company's articles of association of (distribution of profits)
    - i. Approval of the amendment of Article (50) of the company's articles of association of (the liability claim)
    - j. Approval of the amendment of Article (52) of the company's articles of association of (Final Provisions)
    - k. Approval to rearrange the articles of the articles of association and their numbering, to conform to the proposed amendments in the above items.
- The company complied with the requirements of the Capital Market Authority and Tadawul in terms of downloading a copy of the articles of association on the Tadawul website on the company's page.

## 11.5 Company's Name

- It has been amended twice as follows:
  - On 27/03/1995G, the (Extraordinary) General Assembly of the shareholders approved the amendment of the company's name from the The Saudi Livestock Transport and Trading Company to become (United Al Mawashi Al Mukairish Company).
  - On December 17, 2006G the (Extraordinary) General assembly of the shareholders approved the amendment of the company's name from (United Al Mawashi Al Mukairish Company) to (Anaam International Holding Group), registered in the commercial register of the joint stock company in Jeddah.
- The data of the commercial registration certificate and articles of association refer to the current trade name.



## 11.6 Company's Scope

- According to the Commercial Register Certificate and Article (3) of the Articles of Association, the company may carry out the following activities:
  - Managing its subsidiaries, or participating in the management of the companies in which it contributes and providing the necessary support to them.
  - Investing its money in stocks and other securities.
  - Owning real estate and movables necessary to carry out its activity.
  - Providing loans, guarantees and financing to its subsidiaries.
  - Owning industrial property rights such as patents, industrial trademarks, franchises and other moral rights, and exploiting and leasing them to its subsidiaries or others.
- The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities.

## 11.7 Company's Duration

- Article Six (6) of the Articles of Association stipulates that the term of the company shall be (99) ninety-nine Gregorian years starting from the date of its registration in the Commercial Register. The term of the company may be extended by a decision issued by the extraordinary general assembly at least one year before the expiry of its term.
- Commercial registration data indicates the expiry of the company's term on 28/01/1500H (Corresponding to 12/25/2076G).

## 11.8 Capital

- The capital as of the date of publishing this prospectus amounted to (105,000,000) SAR divided into 10.5 shares (ten million five hundred thousand nominal shares) of equal value, the value of each of them 10 (ten Saudi riyals), all of which are ordinary shares.
- On 26/06/1442H (Corresponding to 08/02/2021G), the Board of Directors recommended increasing the company's capital by rights offering (rights issue) so that the capital after the increase becomes (210,000,000) riyals. It is conditional on the company obtaining the approvals of the competent authorities (the Capital Market Authority "the Authority", Tadawul and the Ministry of Commerce) and the shareholders in the (Extraordinary) General Assembly. The approval of the (Extraordinary) General Assembly shall be obtained within (6) six months from the date of the authority's approval, and if the company was unable to obtain the approval of the (Extraordinary) General Assembly during that period, the authority's approval shall be considered null.



## 11.9 Composition of Board Members

- On 26/11/1427H (Corresponding to 17/12/2006G), the (Extraordinary) General Assembly of the shareholders approved the amendment of Article (15) of the Articles of Association and the reduction of the number of members of the Board of Directors to (5) five members appointed by the Ordinary General Assembly for a period of three years.
- On 14/03/1440H (Corresponding to November 22, 2018G), the Ordinary General Assembly of shareholders elected the members of the Board of Directors for a new term starting from the date of November 28, 2018G for a period of three years and ending on November 27, 2021G, and the Board of Directors was formed for the current session of the following gentlemen:

Table No. (37): Members of the Board of Directors elected by the Ordinary General Assembly of Shareholders on November 22, 2018G

Members of the Board of Directors										
Name	Job Title	Nationality	Age	Membership Status**	Membership Date	Representing/ Representative Name	Owned Shares			
							Direct	Indirect	Total	Percentage
Nawaf Bin Abdullah Bin Turki Al Saud	Chairman	Saudi	56	Non-executive/non-independent	28/11/2018G	--	76	--	76	0.005%
Eng. Hassan Saad Farhan Al Yamani*	Vice Chairman - Managing Director (CEO)	Saudi	62	Executive/ Non-Independent	28/11/2018G	--	76	--	76	0.005%
Dr. Walid Jamil Mohammed Ali Kattan*	Member	Saudi	63	Non-executive/ independent	28/11/2018G	--	229	--	229	0.015%
Raed Muhammad Abdullah Katie	Member	Saudi	46	Non-executive/ independent	28/11/2018G	--	76	--	76	0.005%
Mohamed Abdel Rahman Saleh Attar	Member	Saudi	67	Non-executive/ independent	28/11/2018G	--	76	--	76	0.005%
<b>Total</b>							<b>533</b>		<b>533</b>	<b>0.035%</b>

Source: The Company

\*He is a member of the Board of Directors starting from 28/11/2012G.

\*\* According to the Corporate Governance Regulations, a member of the Board of Directors acquires the status of "Executive Member" when he is a member of the company's executive management and participates in the daily management of the company or receives a salary from it in return.

- As for the "non-executive member", he is a member of the board of directors who is not full-time to manage the company or does not receive a salary from it, except for the membership remuneration for the board and committees.
- According to the Corporate Governance Regulations, the independent member: is a non-executive board member who enjoys complete independence in its position and decisions, and none of the independence violations stipulated in the following apply to it:
  - It owns or has an interest in five percent or more of the company's shares or of the shares of another company in the group, or that it is of the person who owns this percentage.
  - To be a representative of a legal person who owns five percent or more of the company's shares or of the shares of another company from the group
  - To be a senior executive during the past two years in the company or in another company of the group.
  - To be of any of the members of the board of directors in the company or in another company of the group.
  - To be related, even with any of the senior executives of the company or in another company of the group.
  - To be of any of the company's advisors.
  - To be a member of the board of directors in another company from the group of the company nominated for membership in its board of directors.
  - To work or have worked as an employee during the past two years for the company or any party dealing with it or with another company of the group, such as chartered accountants and major suppliers, or to have been the owner of controlling shares with any of those parties during the past two years.



- i. To have a direct or indirect interest in the business and contracts made for the company.
  - j. To receive sums of money from the company in addition to the remuneration for membership of the Board of Directors or any of its committees exceeding (200,000) riyals or 50% of its remuneration in the previous year that it received in return for membership in the Board of Directors or any of its committees, whichever is less.
  - k. It shall have spent more than nine consecutive or separate years as a member of the company's board of directors (became mandatory starting from the term of the board of directors of the listed joint-stock company that takes place after 01/01/2019G).
  - l. To participate in a business that would compete with the company, or to trade in one of the branches of the company's activity.
- On 20/03/1440H (Corresponding to November 28, 2018G), the Board of Directors held its meeting No. (261) and decided to appoint His Highness Prince/ Nawaf bin Abdullah bin Turki Al Saud as Chairman of the Board of Directors and to appoint Eng. Hassan Saad Al Yamani - Chief Executive Officer - as Deputy for the Chairman.
  - On December 31, 2018G, His Highness Prince / Nawaf bin Abdullah bin Turki Al Saud submitted his resignation from the position of Chairman of the Board of Directors, provided that he remain a member of it. The Board of Directors approved in its meeting No. (262) on 30/04/1440H (Corresponding to 06/ 01/2019G) on the resignation request, and Mr. Mohamed Abdel Rahman Saleh Attar was appointed as Chairman of the Board of Directors from 06/01/2019G until the end of the current Board session, which ends on November 27, 2021G. Accordingly, the company's current Board of Directors was re-formed according to the following:

Table No. (38): Members of the Board of Directors on 06/01/2019G

Members of the Board of Directors										
Name	Job Title	Nationality	Age	Membership Status**	Membership Date	Representing/ Representative Name	Owned Shares			
							Direct	Indirect	Total	Percentage
Mohamed Abdel Rahman Saleh Attar	Chairman	Saudi	68	Non-executive/ Independent	06/ 01/2019G	--	532	--	532	0.0064%
Eng. Hassan Saad Farhan Al Yamani	Vice Chairman - Managing Director (CEO)	Saudi	63	Executive/ Non-Independent	28/11/2018G	--	5462	--	5462	0.284%
Dr. Walid Jamil Mohammed Ali Kattan	Member	Saudi	64	Non-executive/ Independent	28/11/2018G	--	1603	--	229	0.015%
Raed Muhammad Abdullah Katie	Member	Saudi	47	Non-executive/ Independent	28/11/2018G	--	532	--	532	0.00125%
Nawaf Bin Abdullah Bin Turki Al Saud*	Member	Saudi	57	Non-executive/ Non-independent	28/11/2018G	--	76	--	76	0.0007%
<b>Total</b>							<b>8205</b>	<b>--</b>	<b>8205</b>	<b>0.307%</b>

Source: The Company

\* As for the member of the Board, His Highness Prince/ Nawaf bin Abdullah bin Turki Al Saud, his brother, His Highness Prince/ Mishaal bin Abdullah bin Turki bin Abdulaziz Al Saud, holds the position of general manager in two subsidiaries of the Group "Saudi Refrigeration Company" and "Anaam International Agricultural Company" which shall deny them the status of independent member.

On 31/08/2021G, the company announced the opening of candidacy for membership of the Board of Directors for a new term, which will start its work as of 28/11/2021G and for a period of three years.

The company is committed to the Companies Law and the Corporate Governance Regulations, as it was found that the number of Board members is not less than (3) three and not more than (11) eleven members.

According to Article (16) of the Corporate Governance Regulations, the majority of the members of the Board of Directors shall be non-executive members, and the number of independent members shall not be less than two members or third of the members of the Board (whichever is more). With the exception of the Managing Director (Eng./ Hassan Al Yamani), all members



of the Company's Board of Directors are non-executive; and three members considered by the company to be independent: Dr. Walid Jamil Kattan, Mr. Muhammad Abdul Rahman Saleh Attar and Mr. Raed Abdullah Katie. As for His Highness Prince/ Nawaf bin Abdullah bin Turki Al Saud, his brother, Prince/ Mishaal bin Abdullah bin Turki bin Abdulaziz Al Saud, holds the position of general manager in two subsidiaries of the group, so he will be considered a non-independent member.

**Table No. (39): Current Board Members:**

- On 17/04/1443H (Corresponding to 22/11/2021G) the Ordinary General Assembly of the shareholders elected the members of the Board of Directors for a new term starting from the date of 28/11/2021G for a period of three years and ending on 27/11/2024G. The Board of Directors has been formed for the current session of the following gentlemen

Members of the Board of Directors										
Name	Job Title	Nationality	Age	Membership Status**	Membership Date	Representing/ Representative Name	Owned Shares			
							Direct	Indirect	Total	Percentage
Mohamed Abdel Rahman Saleh Attar	Chairman	Saudi	68	Non-executive/ Independent	28/11/2021G	--	6,759	--	6,759	0.0643714%
Eng. Hassan Saad Farhan Al Yamani**	Vice Chairman - Managing Director (CEO)	Saudi	63	Executive / Non-Independent	28/11/2021G	--	29,837	--	29,837	0.2841619%
Dr. Walid Jamil Mohammed Ali Kattan**	Member	Saudi	64	Non-executive/ Non-independent	28/11/2021G	--	1,603	--	1,603	0.0152666%
Raed Muhammad Abdullah Katie	Member	Saudi	47	Non-executive/ Independent	28/11/2021G	--	132	--	132	0.0012571%
Khalid bin Waheeb Muhammad Mglad	Member	Saudi	59	Independent Member	28/11/2021G	--	25	--	25	0.0002380%
<b>Total</b>							<b>38,356</b>		<b>38,356</b>	<b>0.365295%</b>

Source: The Company

\*\* He is a member of the Board of Directors starting from 28/11/2012G

## 11.10 Chairman of the Board, Vice-Chairman and Secretary

- According to Article (22) of the company's articles of association, the board of directors shall appoint from among its members a chairman and a vice-chairman, and it may appoint a managing member. It is not permissible to combine the position of the chairman of the board of directors with any other executive position in the company, and the board of directors shall appoint a secretary to the board.
- The company is committed to the Articles of Association and the Corporate Governance Regulations in terms of mandatory appointment in these positions, where the Board of Directors approved the appointment to these positions according to the following:

**Table No. (40): Date of appointment decisions (Chairman of the Board, Vice-Chairman of the Board, Secretary)**

Date of appointment decisions (Chairman of the Board, Vice-Chairman of the Board, Secretary)		
Job Title	The date of the decision of the Board or the Assembly to appoint	Name of the Appointed Person
Chairman of the Board	Board of Directors meeting minutes (No. 280) on 23/04/1443H (Corresponding to 28/11/2021G)	Mohamed Abdel Rahman Saleh Attar
Vice-Chairman	Board of Directors meeting minutes (No. 280) on 23/04/1443H (Corresponding to 28/11/2021G)	Eng. Hassan Saad Farhan Al Yamani*
Secretary	Board of Directors meeting minutes (No. 280) on 23/04/1443H (Corresponding to 28/11/2021G)	Salah Omar Muhammad Al-Khair

Source: Administrative decisions reviewed by the legal advisor

\* He is the CEO in accordance with Board Resolution No. (196) 16/01/1431H (Corresponding to December 23, 2009G), and the Board of Directors approved that in its meeting No. (270) on 25/06/1441H (Corresponding to 19/02/2020G) and based on the recommendation of the Nominations and Remunerations Committee, to renew the CEO's contract for a period of five years starting from 01/01/2020G, with the approval that the contract includes its management period for the company for the year 2019G.





The powers of the board of directors were specified in Article (20) of the Articles of Association, and the powers of the chairman, its deputy, the managing director and the secretary were detailed in Article (22) of the Articles of Association. The Secretary of the Board shall assume the duties and powers assigned to it by the Board of Directors.

### 11.11 Board Remunerations

The remuneration of the Board of Directors consists of the percentage stipulated in the company's articles of association. The report of the Board of Directors for the year 2018G, which was approved by the (Ordinary) General Assembly on 22/10/1440H (Corresponding to 25/06/2019G), includes comprehensive statement of all that the members of the board of directors received during the fiscal year, including salaries, share in profits, attendance allowance, expenses and other benefits. The aforementioned report also included a statement of what the members of the Board received in their capacity as employees or administrators, or what they received in return for technical, administrative or advisory work. It also includes a statement of the number of Board sessions and the number of sessions attended by each member since the date of the last meeting of the 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 Paragraph Five of Article (46) of the Company's Articles of Association and within the limits stipulated in the Companies Law and its Bylaws so that, in the event the company achieves profits, a percentage may be allocated not more than (10%) for the remuneration of the Board of Directors, provided that the total of the remuneration and financial or in-kind benefits that a member of the Board of Directors receives shall not exceed the amount of (500,000 riyals) five hundred thousand riyals, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member, and any assessment to the contrary shall be void.

The value of the expenses of the members of the Board of Directors for the year ending on December 31, 2018G amounted to an amount of (114,000) one hundred and fourteen thousand riyals and an amount of (153,000) one hundred and fifty-three thousand riyals for the fiscal year ending on December 31, 2019G, and (72,000) seventy-two thousand riyals for the fiscal year ending on December 31, 2020G.

### 11.12 Board Meetings

According to Article (23) of the Articles of Association, the Board of Directors shall meet at least four(4) times a year upon the invitation of its Chairman. The invitation shall be in writing and may be delivered by hand or sent by mail, fax or email at least one week prior to the date specified for the meeting. The chairman of the Board shall call for a meeting whenever two of the members request it to do so.

According to the report of the Board of Directors for the year ending on December 31, 2018G, the Board achieved the minimum number of its meetings during the year, as the number of Board meetings reached (6) meetings, and during the year 2019G the Board held (7) meetings and during the year 2020G the Board held (5) meetings and during the year 2021G, the Board held (7) meetings.

### 11.13 Board Committes

The Board of Directors has two committees to cooperate it in the performance of its duties as follows:

#### 11.14 Audit Committee

- The Audit Committee consists of (3) three members, and the members of the Audit Committee were appointed by the (Ordinary) General Assembly held on November 22, 2021G and ends at the end of the current Board session on November 27, 2024G, and it consists of the following members:
  1. Raed Muhammad Abdullah Katie - Independent Member - (Chairman of the Committee)
  2. Mr. Ahmed Tariq Abdel Rahman Murad - from outside the Board - (Member)
  3. Dr. Walid Jamil Mohammed Ali Kattan\*\* - Independent Member - (Member)
- The work regulation of the Audit Committee was approved by the Ordinary General Assembly in its meeting held on 14/03/1440H (Corresponding to November 22, 2018G).
- The committee meets upon the invitation of its chairman on a regular basis, provided that its meetings shall not be less than (4) meetings during the company's fiscal year. The committee held (5) meetings during the year 2018G, (5) meetings during the year 2019G, (5) meetings during the year 2020G, and (5) meetings during the year 2021G.





## 11.15 Remuneration and Nominations Committee

- Remuneration and Nominations Committee consists of three (3) members. The members of the Remuneration and Nominations Committee were appointed by the Board of Directors in accordance with the resolution issued on 28/11/2021G. The committee's session begins with the beginning of the Board's session on 28/11/2021G and ends on 27/11/2024G, and it consists of the following members:
  - Dr. Khalid bin Waheeb Muhammad Mglad (Chairman)
  - Mr. Mohamed Abdel Rahman Saleh Attar (Member)
  - Mr. Walid Jamil Mohammed Ali Kattan (Member)
- On 01/04/1439H (Corresponding to 19/12/2017G), the work regulations for the Remuneration and Nominations Committee were approved by the Ordinary General Assembly.
- The Committee meets periodically every (6) months at least, i.e. an average of two meetings during the fiscal year of the company. The Committee held two meetings (2) during the year 2018G, (2) two meetings during the year 2019G, (2) two meetings during the year 2020G and one (1) meeting during the year 2021G.

## 11.16 The Company's governmental approvals and licenses

- The Company's obtained various statutory and operation licenses and certificates from competent authorities and they are renewed periodically.
- The following tables indicate current licenses and approvals obtained by the Company:

Table No. (41): The Company's approvals and licenses

The Company's approvals and licenses							
Type of license	Purpose	Licensor	License No.	Issue/ renewal date	Expiry date	Issuer	Note
Commercial Register	Entry of the Company in Commercial Companies Register	Anaam International Holding Group	4030035073	7/9/1402H corresponding to 29/6/1982G	30/5/1443H corresponding to 3/1/2022G	Ministry of Commerce - Commercial Registry Office in Jeddah	
Membership Certificate of Commerce and Industry Chamber	In compliance with the provisions of Commercial Registry Law, the Company obtained a membership certificate.	Anaam International Holding Group	11439	2/6/1438H Corresponding to 1/3/2017G	3/5/1443H Corresponding to 7/12/2021G	Commerce and Industry Chamber, Jeddah	
Certificate of Zakat & Income	To enable the Company to appear before all governmental entities and finish its transactions with them.	Anaam International Holding Group	1110571750	2/8/1441H corresponding to 26/3/2020G	18/9/1442H corresponding to 30/4/2021G*	Zakat, Tax and Customs Authority	
VAT Certificate	To state that the Company is VAT-registered.	Anaam International Holding Group	300101566100003	3/12/1438H corresponding to 25/8/2017G	To be issued only once.	Zakat, Tax and Customs Authority	
Company entity evaluation certificate	Evaluation of the Company entity according to Nitaqat Program where it is indicated that the Company is in the Platinum category (Small category B)	Anaam International Holding Group	13329-9	04/05/1443H Corresponding to 8/12/2021G	Up to date of this Prospectus	E-service Department Ministry of Human Resources and Social Development	



The Company's approvals and licenses							
Type of license	Purpose	Licensors	License No.	Issue/ renewal date	Expiry date	Issuer	Note
Saudization Certificate	To state that the Company is committed to Saudization rate required under Nitaqat Program	Anaam International Holding Group	20002111000513	26/3/1443H corresponding to 1/11/2021G	29/6/1443H corresponding to 1/2/2022G	Ministry of Human Resources and Social Development	
Social insurance certificate	The Company's compliance with GOSI laws	Anaam International Holding Group	42733007	4/5/1443H corresponding to 8/12/2021G	4/6/1443H corresponding to 7/1/2022G	GOSI	
WPS compliance certificate	To state that the Company complies with WPS regulations and achieved compliance rate set	Anaam International Holding Group	20092112010199	04/05/1443H Corresponding to 8/12/2021G	6/7/1443H Corresponding to 7/2/2022G	Ministry of Human Resources and Social Development	
<b>Company Branches</b>							
Commercial Register	Entry of the Company in Commercial Companies Register	Branch of Anaam International Holding Group	4030220290	1/2/1433H corresponding to 26/12/2011G	1/2/1433H corresponding to 8/9/2021G	Ministry of Commerce - Commercial Registry Office in Jeddah	
Commercial Register	Entry of the Company in Commercial Companies Register	Branch of Anaam International Holding Group	4030220292	1/2/1433H corresponding to 26/12/2011G	1/2/1433H corresponding to 8/9/2021G	Ministry of Commerce - Commercial Registry Office in Jeddah	
<b>Other Certificates</b>							
Trademark registration certificate	Entry of the Company's trademark to ensure legal protection	Anaam International Holding Group	143107338	15/1/1433H corresponding to 10/12/2011G	28/7/1451H corresponding to 5/12/2029G	Saudi Authority for Intellectual Property (SAIP)	

Source: Certificates, licenses and approvals viewed by the legal consultant

\* The Company could not obtain a new Zakat certificate due to such amounts it owes. To view more details on the claim for payment of Zakat differences, please refer to paragraph (10.2) "Zakat and Value Added Tax" of this Report.

\*\* It is worthy to mention that GOSI grants its registered companies compliance certificates to be valid for a maximum period of one month and such certificates are renewable for similar period(s).



## 11.17 Essential Subsidiaries

The Company has (5) five subsidiaries which were established in KSA (referred collectively to as the “Group”). More details of these companies are provided below:

Subsidiaries							
Subsidiary	Capital	Anaam International Holding Group	Saudi Refrigeration Company	Anaam International Agricultural Company	Anaam International Investment Company	Anaam International Financial Company	Anaam International Food Company
		Shareholding%	Shareholding%	Shareholding%	Shareholding%	Shareholding%	Shareholding%
<b>Operating companies</b>							
Anaam International Food Company Ltd	SAR 500k	-	-	-	50%	50%	-
Al Gof Companies (established as a branch of Anaam International Holding Group)		100%					
<b>Companies with suspended operational activities</b>							
Saudi Refrigeration Company Ltd	SAR 19.5m	90%	-	10%	-	-	-
Anaam International Agricultural Company Ltd	SAR 19.5m	85%			15%	-	-
Anaam International Financial Company Ltd	SAR 19.5m	99%			1%	-	-
Anaam International Investment Company Ltd	SAR 19.5m	99%				1%	-

Source: Company

## 11.18 Anaam International Food Company Ltd

### Overview of the Company:

- As a limited liability company, the Company was established in 2007G under the tradename of “Anaam International Food Company Limited”. In accordance with the Commercial Registration Certificate, the Company practices the following activities: (retail of slaughtered poultry, retail of frozen meat and poultry, refrigerated food warehouses, frozen food warehouses, general warehouses including various goods and management and lease of self-storage warehouses).
- The Company was established for ninety nine (99) calendar years starting from the date it was entered in the Commercial Register and ending on 24/01/1527H (Corresponding to 03 /03/2103G). The head office of the Company is located at Jeddah and the Company has the right to open branches inside or outside KSA as required by the Company interest under a resolution of partners.
- The Company’s capital is set at an amount of (SAR 500,000) five hundred thousand Saudi Riyals, divided into (500) five hundred shares of equal value, the value of each share is (SAR 1,000) thousand Saudi Riyals owned by Anaam International Financial Company at (50%) and Anaam International Investment Company at (50%). The Company is managed by a Board of Directors consisting of three members (Hassan Al Yamani, Muhannad Al Harbi and Ibrahim Al Asiri) who were appointed by the partners under the resolution issued on 01/20/2019G and have all the powers stipulated in the Company’s MOA.



- It is worthy to mention that Anaam International Holding Group owns the Company indirectly as the former owns (99%) of the shares of both companies and since they are the sole partners of Anaam International Food Company Ltd (Anaam International Financial Company & Anaam International Investment Company).

### Certificates, licenses and approvals of Anaam International Food Company Ltd

The Table below shows such certificates, licenses and approvals obtained by the subsidiary (Anaam International Food Company Ltd):

Table No. (42): Certificates, licenses and approvals obtained by the subsidiary (Anaam International Food Company Ltd)

Certificates, licenses and approvals obtained by Anaam International Food Company Ltd							
Type of license	Purpose	Licensor	License No.	Issue/ renewal date	Expiry date	Issuer	Note
Commercial Register	Entry of the Company in Commercial Companies Register	Anaam International Food Company Ltd	4030166809	24/1/1428H corresponding to 12/2/2007G	24/1/1448H corresponding to 9/9/2026G	Ministry of Commerce - Commercial Registry Office in Jeddah	
Membership Certificate of Commerce and Industry Chamber	In compliance with the provisions of Commercial Registry Law, the Company obtained a membership certificate.	Anaam International Food Company Ltd	7001559926	26/1/1428H corresponding to 14/2/2007G	24/1/1428H corresponding to 9/9/2026G	Commerce and Industry Chamber, Jeddah	
SFDA license	Food facility license	Anaam International Food Company Ltd	WL-2021-FO-0826	28/1/1443H corresponding to 5/9/2021G	1/3/1446H corresponding to 4/9/2024G	SFDA	
Certificate of Zakat & Income	To enable the Company to appear before all governmental entities and finish its transactions with them.	Anaam International Food Company Ltd	1110914845	4/8/1441H corresponding to 28/3/2020G	18/9/1442H corresponding to 30/4/2021G*	Zakat, Tax and Customs Authority	
VAT Certificate	To state that the Company is VAT-registered.	Anaam International Food Company Ltd	300099485200003	3/12/1438H corresponding to 25/8/2017G	To be issued only once.	Zakat, Tax and Customs Authority	
Company entity evaluation certificate	Evaluation of the Company entity according to Nitaqat Program where it is indicated that the Company is in the category of (High green - Small category B)	Anaam International Food Company Ltd	114046-9		- As of date of this Prospectus	E-service Department, Ministry of Human Resources and Social Development	
Saudization Certificate	To state that the Company is committed to Saudization rate required under Nitaqat Program	Anaam International Food Company Ltd	20002112005254	4/5/1443H corresponding to 8/12/2021G	5/8/1443H corresponding to 8/3/2022G	Ministry of Human Resources and Social Development	



**Certificates, licenses and approvals obtained by Anaam International Food Company Ltd**

Type of license	Purpose	Licensor	License No.	Issue/ renewal date	Expiry date	Issuer	Note
Social insurance certificate	The Company's compliance with GOSI laws	Anaam International Food Company Ltd	42733065	4/5/1443H corresponding to 8/12/2021G	4/6/1443H corresponding to 7/1/2022G	GOSI	
WPS compliance certificate	To state that the Company complies with WPS regulations and achieved compliance rate set statutorily	Anaam International Food Company Ltd	20092112010195	04/05/1443H Corresponding to 8/12/2021G	6/7/1443H Corresponding to 7/2/2022G	Ministry of Human Resources and Social Development	
Municipality License	Business activity practice license	Anaam International Food Company	39111359839		1/2/1444H corresponding to 28/8/2022G	Ministry of Municipal and Rural Affairs	License renewal is underway
Trademark registration certificate	Entry of the Company's trademark to ensure legal protection	Anaam International Food Company	143107357	15/1/1433H corresponding to 10/12/2011G	28/7/1451H corresponding to 5/12/2029G	Saudi Authority for Intellectual Property (SAIP)	

Source: Certificates, licenses and approvals viewed by the legal consultant

\* The Company could not obtain a new Zakat certificate due to such amounts it owes. To view more details on the claim for payment of Zakat differences, please refer to paragraph (10.2) "Zakat and Value Added Tax" of this Report.

\*\* It is worthy to mention that GOSI grants its registered companies compliance certificates to be valid for a maximum period of one month and such certificates are renewable for similar period(s).

### Loans:

As stated by the Company and in view of such documents viewed and provided to us by the Company Management, there are no bank loans or facilities and the Company had not concluded any type of financial leasing agreement with any of the Saudi or Non-Saudi banks.

### Zakat & Tax:

- Anaam Food Company is committed to Zakat, Tax and Customs Authority law, is registered as a taxpayer under the VAT Registration No. (3000994852) and has obtained a Zakat certificate until 2019G under number (1110914845) dated 4/8/1441H (Corresponding to 28/3/2020G), which is valid until 18/9/1442H (Corresponding to 30/4/2021G). The Company could not obtain a new Zakat certificate due to such amounts it owes. To view more details on the claim for payment of Zakat differences, please refer to paragraph (10.2) "Zakat and Value Added Tax" of this Report.
- In addition, the Company is committed to VAT Law and its Executive Regulations and registered with Zakat, Tax and Customs Authority under the VAT Registration No. (300099485200003) by virtue of an ad hoc certificate issued on 03/12/1438H (Corresponding to 25/8/2017G).



### Staff & Saudization

The Table below shows such number employees of the Company according to data of the above various governmental entities:

Number of Saudi and Non-Saudi employees of Anaam International Food Company Ltd				
Entity	Reference	Number of Saudi employees	Number of Non-Saudi employees	Total
Social insurance	Insurance certificate	12	28	40
Nitaqat	Nitaqat Certificate	8	30	38
Passports - Resident	Extracted from resident	N/A	27	27
Company	Salary Administrator	-	-	47

Source: Certificates viewed by the legal consultant

- According to the Ministerial Resolution No. 739 of 2016G on Wage Protection, all establishments, registered with the Ministry of Human Resources and Saudization, shall pay wages of their employees on their due date through WPS. A worker's wage shall fall due starting from the day following the end of such period whereupon wage is set forth in the employment contract. Anaam International Food Company is committed to the deposit of staff wages through local banks and regular submission of payroll file. The Company was granted a certificate from the Ministry of Human Resources based on the former's records during the last three months in WPS under No. (20092112010195) dated 4/5/1443H (Corresponding to 8/12/2021G). Such certificate is valid until 6/7/1443H (Corresponding to 2/7/2022G).

## 11.19 Anaam International Investment Company

### Overview of the Company

- As a limited liability company and on 29/11/1427H (Corresponding to 20/12/2006G), the Company was established in 2007G under the tradename of "Anaam International Investment Company". In accordance with the Commercial Registration Certificate, the Company practices the following activities: (Purchase, sale and division of lands and properties including off plan sale activities). The Company was established for ninety nine (99) calendar years starting from the date it was entered in the Commercial Register and ending on 29/11/1526H (Corresponding to 09/01/2103G).
- The head office of the Company is located at Jeddah and the Company has the right to open branches inside or outside KSA as required by the Company interest under a resolution of partners.
- The Company's capital is set at an amount of (SAR 1,000,000) one million Saudi Riyals, divided into (1000) one thousand shares of equal value, the value of each share is (SAR 1,000) thousand Saudi Riyals owned by Anaam International Financial Company at (1%) and Anaam International Holding Group at (99%). The Company is managed by a Board of Directors consisting of three members (Hassan Al Yamani, Moataz Al Bustani and Muhannad Al Harbi) who were appointed by the partners under the resolution issued on 16/6/2019G and have all the powers stipulated in the Company's MOA.



## Certificates, licenses and approvals of Anaam International Investment Company Ltd

The Table below shows such certificates, licenses and approvals obtained by the subsidiary:

Table No. (43): Certificates, licenses and approvals obtained by the Subsidiary (Anaam International Investment Company)

Certificates, licenses and approvals obtained by Anaam International Investment Company							
Type of license	Purpose	Licensor	License No.	Issue/ renewal date	Expiry date	Issuer	Note
Commercial Register	Entry of the Company in Commercial Companies Register	Anaam International Investment Company	4030165735	29/11/1427H corresponding to 20/12/2006G	29/11/1447H corresponding to 15/5/2026G	Ministry of Commerce - Commercial Registry Office in Jeddah	
Membership Certificate of Commerce and Industry Chamber	In compliance with the provisions of Commercial Registry Law, the Company obtained a membership certificate.	Anaam International Investment Company	7011344723	1/1/1428H corresponding to 19/1/2007G	29/11/1447H corresponding to 16/5/2026G	Commerce and Industry Chamber, Jeddah	
Certificate of Zakat & Income	To enable the Company to appear before all governmental entities and finish its transactions with them.	Anaam International Investment Company	1020828724	17/11/1442H corresponding to 26/6/2021G	29/9/1443H corresponding to 30/4/2022G	Zakat, Tax and Customs Authority	
VAT Certificate	To state that the Company is VAT-registered.	Anaam International Investment Company	300100859800003	24/3/1439H corresponding to 12/12/2017G	To be issued only once.	Zakat, Tax and Customs Authority	

Source: Certificates, licenses and approvals viewed by the legal consultant

### Loans:

As stated by the Company and in view of such documents viewed and provided to us by the Company Management, there are no bank loans or facilities and the Company had not concluded any type of financial leasing agreement with any of the Saudi or Non-Saudi banks.

### Zakat & Tax:

Anaam Food Company is committed to Zakat, Tax and Customs Authority law, is registered as a taxpayer under the VAT Registration No. (3001008598) and has obtained a Zakat certificate until 2020G under number (1020828724) dated 17/11/1442H (Corresponding to 27/6/2021G), which is valid until 29/9/1443H (Corresponding to 30/4/2022G). The Company could not obtain a new Zakat certificate due to such amounts it owes. To view more details on the claim for payment of Zakat differences, please refer to paragraph (10.2) "Zakat and Value Added Tax" of this Report.

In addition, the Company is committed to VAT Law and its Executive Regulations and registered with Zakat, Tax and Customs Authority under the VAT Registration No. (300100859800003) by virtue of an ad hoc certificate issued on 24/3/1439H (Corresponding to 12/12/2017G).

### Staff & Saudization

No file has been opened with Ministry of Human Resources and Social Development (Labor Office) for the Company where no worker has been employed therein.





## 11.20 Saudi Refrigeration Company

### Overview of the Company

- As a partnership, the Company was established in 1973 and transformed in 1985 into a limited liability company under the tradename "Saudi Refrigeration Company". In accordance with the Commercial Registration Certificate, the Company practices the following activities: (wholesale trade of foodstuff; dairy, cheese, milk products, meat, fish, poultry, oils and margarine, candies, sweets, vegetables and fruits including possession, management, leasing and investment of various central warehouses; frozen, refrigerated and dry). The Company was established for a period of (10) ten calendar years starting from the date it was entered in the Commercial Register and ending on 7/11/1443H (Corresponding to 6/6/2022G).
- The head office of the Company is located at Jeddah and the Company has the right to open branches inside or outside KSA as required by the Company interest under a resolution of partners.
- The Company's capital is set at an amount of (SAR 19,500,000) nineteen million and five hundred thousand Saudi Riyals, divided into (19500) equal value, the value of each share is (SAR 1,000) thousand Saudi Riyals owned by Anaam International Holding Group at (90%) and Anaam International Agricultural Company at (10%). The Company is managed by H.H. Prince Mishaal bin Abdullah bin Turki bin Abdulaziz Al Saud who has all the powers stipulated in the Company's MOA.
- Saudi Refrigeration Company MOA has not been updated according to the New Companies Law promulgated by the Royal Decree No. (M/3) dated 28/1/1437H (Corresponding to 10/11/2015G) and published in the Official Gazette (Umm Al-Qura) on 22/1 1437H (Corresponding to 4/12/2015G), as amended by the Royal Decree No. (M/79) dated 25/7/1439H (Corresponding to 11/4/2018G). Commercial registration activities have not been updated pursuant to Economic Activities Regulation approved by the Ministry of Commerce (ISIC).

### Certificates, licenses and approvals of Saudi Refrigeration Company

The Table below shows such certificates, licenses and approvals obtained by the subsidiary:

Table No. (44): Certificates, licenses and approvals obtained by the subsidiary (Saudi Refrigeration Company)

Certificates, licenses and approvals obtained by Saudi Refrigeration Company							
Type of license	Purpose	Licensor	License No.	Issue/ renewal date	Expiry date	Issuer	Note
Commercial Register	Entry of the Company in Commercial Companies Register	Saudi Refrigeration Company	4030007971	8/11/1393H corresponding to 3/12/1973G	29/5/1447H corresponding to 19/11/2025G	Ministry of Commerce - Commercial Registry Office in Jeddah	
Membership Certificate of Commerce and Industry Chamber	In compliance with the provisions of Commercial Registry Law, the Company obtained a membership certificate.	Saudi Refrigeration Company	7000114285	25/01/1401H corresponding to 2/12/1980G	29/5/1447H corresponding to 19/11/2025G	Commerce and Industry Chamber, Jeddah	
Certificate of Zakat & Income	To enable the Company to appear before all governmental entities and finish its transactions with them.	Saudi Refrigeration Company	1110802481	2/8/1441H Corresponding to 27/3/2020G	18/9/1442H Corresponding to 30/4/2021G*	Zakat, Tax and Customs Authority	
VAT Certificate	To state that the Company is VAT-registered.	Saudi Refrigeration Company	300291415100003	25/3/1439H corresponding to 13/12/2017G	To be issued only once.	Zakat, Tax and Customs Authority	

Source: Certificates, licenses and approvals viewed by the legal consultant

\* The Company could not obtain a new Zakat certificate due to such amounts it owes. To view more details on the claim for payment of Zakat differences, please refer to paragraph (10.2) "Zakat and Value Added Tax" of this Report.



### Loans:

As stated by the Company and in view of such documents viewed and provided to us by the Company Management, there are no bank loans or facilities and the Company had not concluded any type of financial leasing agreement with any of the Saudi or Non-Saudi banks.

### Zakat & Tax:

The Company is committed to Zakat, Tax and Customs Authority law, is registered as a taxpayer under the VAT Registration No. (3002914151) and has obtained a Zakat certificate until 2019G under number (1110802481) dated 2/8/1441H (Corresponding to 27/3/2020G), which is valid until 18/9/1442H (Corresponding to 30/4/2021G). The Company could not obtain a new Zakat certificate due to such amounts it owes. To view more details on the claim for payment of Zakat differences, please refer to paragraph (10.2) "Zakat and Value Added Tax" of this Report.

In addition, the Company is committed to VAT Law and its Executive Regulations and registered with Zakat, Tax and Customs Authority under the VAT Registration No. (300291415100003) by virtue of an ad hoc certificate issued on 25/3/1439H (Corresponding to 13/12/2017G).

### Staff & Saudization

No file has been opened with Ministry of Human Resources and Social Development (Labor Office) for the Company where no worker has been employed therein.

## 11.21 Anaam International Financial Company

### Overview of the Company:

- As a limited liability company, the Company was established in 2006G under the tradename of "Anaam International Financial Company". In accordance with the Commercial Registration Certificate, the Company practices the following activities: (wholesale of appliances and consumables of chemicals and laboratories, retail of personal goods in big markets, purchase, sale and division of lands and properties including off plan sale activities). The Company was established for ninety nine (99) calendar years starting from the date it was entered in the Commercial Register and ending on 29/11/1526H (Corresponding to 9/1/2103G).
- The head office of the Company is located at Jeddah and the Company has the right to open branches inside or outside KSA as required by the Company interest under a resolution of partners. The Company's capital is set at an amount of (SAR 1,000,000) one million Saudi Riyals, divided into (1000) one thousand shares of equal value, the value of each share is (SAR 1,000) thousand Saudi Riyals owned by Anaam International Holding Company at (99%) and Anaam International Investment Group at (1%). The Company is managed by a Board of Directors consisting of three members (Hassan Al Yamani, Moataz Al Bustani and Muhannad Al Harbi) who were appointed by the partners under the resolution issued on 16/6/2019G and have all the powers stipulated in the Company's MOA.

### Certificates, licenses and approvals of Anaam International Financial Company Ltd

The Table below shows such certificates, licenses and approvals obtained by the subsidiary:

Table No. (45): Certificates, licenses and approvals obtained by the Subsidiary (Anaam International Financial Company)

Certificates, licenses and approvals obtained by Anaam International Financial Company							
Type of license	Purpose	Licensor	License No.	Issue/ renewal date	Expiry date	Issuer	Note
Commercial Register	Entry of the Company in Commercial Companies Register	Anaam International Financial Company	4030165733	29/11/1427H corresponding to 20/12/2006G	29/11/1447H corresponding to 15/5/2026G	Ministry of Commerce - Commercial Registry Office	
Membership Certificate of Commerce and Industry Chamber	In compliance with the provisions of Commercial Registry Law, the Company obtained a membership certificate.	Anaam International Financial Company	113815	1/1/1428H corresponding to 19/1/2007G	29/11/1442H corresponding to 7/8/2021G	Commerce and Industry Chamber, Jeddah	



Certificates, licenses and approvals obtained by Anaam International Financial Company							
Type of license	Purpose	Licensor	License No.	Issue/ renewal date	Expiry date	Issuer	Note
Certificate of Zakat & Income	To enable the Company to appear before all governmental entities and finish its transactions with them.	Anaam International Financial Company	1110591784	3/8/1441H Corresponding to 26/3/2020G	18/9/1442H corresponding to 30/4/2021G*	Zakat, Tax and Customs Authority	
VAT Certificate	To state that the Company is VAT-registered.	Anaam International Financial Company	300706415500003	15/4/1439H corresponding to 2/1/2018G	To be issued only once.	Zakat, Tax and Customs Authority	

Source: Certificates, licenses and approvals viewed by the legal consultant

\* The Company could not obtain a new Zakat certificate due to such amounts it owes. To view more details on the claim for payment of Zakat differences, please refer to paragraph (10.2) "Zakat and Value Added Tax" of this Report.

### Loans:

As stated by the Company and in view of such documents viewed and provided to us by the Company Management, there are no bank loans or facilities and the Company had not concluded any type of financial leasing agreement with any of the Saudi or Non-Saudi banks.

### Zakat & Tax:

The Company is committed to Zakat, Tax and Customs Authority law, is registered as a taxpayer under the VAT Registration No. (3007064155) and has obtained a Zakat certificate until 2019G under number (1110591784) dated 3/8/1441H (Corresponding to 27/3/2020G), which is valid until 18/9/1442H (Corresponding to 30/4/2021G). The Company could not obtain a new Zakat certificate due to such amounts it owes. To view more details on the claim for payment of Zakat differences, please refer to paragraph (10.2) "Zakat and Value Added Tax" of this Report.

In addition, the Company is committed to VAT Law and its Executive Regulations and registered with Zakat, Tax and Customs Authority under the VAT Registration No. (300706415500003) by virtue of an ad hoc certificate issued on 25/3/1439H (Corresponding to 13/12/2017G).

### Staff & Saudization

No file has been opened with Ministry of Human Resources and Social Development (Labor Office) for the Company where no worker has been employed therein.

## 11.22 Anaam International Agricultural Company

### Overview of the Company:

As a limited liability company, the Company was established in 1982 under the tradename of "Anaam International Agricultural Company". In accordance with the Commercial Registration Certificate, the Company practices the following activities: (wholesale of agricultural crops: Wheat - rice - millet corn - sugar dates - vegetables and fruits). The Company was established for a period of (10) ten calendar years starting from the date it was entered in the Commercial Register and ending on 17/10/1442H (Corresponding to 29/5/2021G).

The head office of the Company is located at Jeddah and the Company has the right to open branches inside or outside KSA as required by the Company interest under a resolution of partners. The Company's capital is set at an amount of (SAR 200,000) two hundred thousand Saudi Riyals, divided into (2000) two thousand shares of equal value, the value of each share is (SAR 100) Saudi Riyals owned by Anaam International Holding Company at (85%) and Anaam International Investment Group at (15%). The Company is managed by a manager general (H.H. Prince Mishaal bin Abdullah bin Turki bin Abdulaziz Al Saud) who is the brother of the Chairman H.H. Prince Nawaf bin Abdullah bin Turki bin Abdulaziz Al Saud and has all the powers stipulated in the Company's MOA.



## Certificates, licenses and approvals of Anaam International Agricultural Company

The Table below shows such certificates, licenses and approvals obtained by the subsidiary:

Table No. (46): Certificates, licenses and approvals obtained by the Subsidiary (Anaam International Agricultural Company)

Certificates, licenses and approvals obtained by Anaam International Agricultural Company							
Type of license	Purpose	Licensor	License No.	Issue/ renewal date	Expiry date	Issuer	Note
Commercial Register	Entry of the Company in Commercial Companies Register	Anaam International Agricultural Company	4030035281	18/10/1402H corresponding to 8/8/1982G	29/5/1442H corresponding to 13/1/2021G	Ministry of Commerce - Commercial Registry Office in Jeddah	
Membership Certificate of Commerce and Industry Chamber	In compliance with the provisions of Commercial Registry Law, the Company obtained a membership certificate.	Anaam International Agricultural Company	32777	9/6/1438H Corresponding to 8/3/2017G	1/6/1442H Corresponding to 14/1/2021G	Commerce and Industry Chamber, Jeddah	
Certificate of Zakat & Income	To enable the Company to appear before all governmental entities and finish its transactions with them.	Anaam International Agricultural Company	1110802489	3/8/1441H Corresponding to 27/3/2020G	18/9/1442H Corresponding to 30/4/2021G*	Zakat, Tax and Customs Authority	
VAT Certificate	To state that the Company is VAT-registered.	Anaam International Agricultural Company	300291425500003	13/5/1439H (Corresponding to 30/1/2018G)	To be issued only once.	Zakat, Tax and Customs Authority	List of taxpayer branches: <ul style="list-style-type: none"> <li>Branch of Anaam International Agricultural Company</li> </ul>

Source: Certificates, licenses and approvals viewed by the legal consultant

\* The Company could not obtain a new Zakat certificate due to such amounts it owes. To view more details on the claim for payment of Zakat differences, please refer to paragraph (10.2) "Zakat and Value Added Tax" of this Report.

### Loans:

As stated by the Company and in view of such documents viewed and provided to us by the Company Management, there are no bank loans or facilities and the Company had not concluded any type of financial leasing agreement with any of the Saudi or Non-Saudi banks.

### Zakat & Tax:

The Company is committed to Zakat, Tax and Customs Authority law, is registered as a taxpayer under the VAT Registration No. (3002914255) and has obtained a Zakat certificate until 2019G under number (1110802489) dated 3/8/1441H (Corresponding to 27/3/2020G), which is valid until 18/9/1442H (Corresponding to 30/4/2021G). The Company could not obtain a new Zakat certificate due to such amounts it owes. To view more details on the claim for payment of Zakat differences, please refer to paragraph (10.2) "Zakat and Value Added Tax" of this Report.

In addition, the Company is committed to VAT Law and its Executive Regulations and registered with Zakat, Tax and Customs Authority under the VAT Registration No. (300291425500003) by virtue of an ad hoc certificate issued on 13/5/1439H (Corresponding to 30/1/2018G).



### Staff & Saudization

No file has been opened with Ministry of Human Resources and Social Development (Labor Office) for the Company where no worker has been employed therein.

In addition to the decision referred to in Clause 10-15 of this Section, members of the Board of Directors declare that the Company and its subsidiaries have obtained all such licenses, approvals and certificates necessary for the practice and continuity of its activities. The Company and its subsidiaries have no branches outside KSA nor own any shares or bonds in any other companies (whether inside or outside) save as stated above.

## 11.23 Continuing obligations imposed by governmental entities on the Company and its subsidiaries being the “Licensor”

The Supervisory entities below oblige the Company and its subsidiaries to adhere to certain material requirements as follows:

### 11.23.1 Continuing Obligations as per the Ministry of Commerce Requirements

- The Company is committed to the Commercial Register Law in terms of registration with Commercial Registry Department, Jeddah where the head office is located under the Certificate No. (4030035073) dated 07/9/1402H (Corresponding to 29/6/1982G) expiring on 30/5/1448H (Corresponding to 10/11/2026G).
- The Company is committed to the Companies Law in terms of the practice of holding companies' activities in KSA as it owns more than half of the capital of companies (whether as a joint stock company or limited liability company). The Company controls the management powers of such companies which are managed by a board of directors consisting of the Chairman, CEO and another board member save two subsidiaries (Saudi Refrigeration Company and Anaam International Agricultural Company) which are managed by a manager general (H.H. Prince Mishal bin Abdullah bin Turki bin Abdulaziz Al Saud).
- On 9/11/2016G, the AOA was approved in line with the New Companies Law. Current version of the AOA was approved by Corporate Governance Department (the Ministry of Commerce) on 18/4/1442H (Corresponding to 03/12/2020G) and published on Tadawul website after the prior approval of the Ministry of Commerce is obtained concerning AOA draft including shareholders' approval in the Extraordinary General Assembly held on 10/3/1442H (Corresponding to 27/10/2020G).
- The Company has a trademark that was registered with SAIP under No. (143107338), Category (29), under which (meat and poultry) products are registered. As for subsidiaries, Anaam International Food Company Ltd. has a trademark that was registered with SAIP under No. (143107357), Category (29), under which (meat and poultry) products are registered. This will enable the Company and its subsidiary to place their names and logos on the external facade of the building or offices occupied by them as they have registered the trademark which was granted necessary legal protection in accordance with the Trademark Law. As for other subsidiaries, not trade mark or name is registered as a trademark to the publishing date of this Prospectus.
- The Company is committed to Commercial Register Law in terms of obtaining membership certificate with the Commerce and Industry Chamber for the head office under the Certificate No. (2354095) dated 08/5/1443H (Corresponding to 12/12/2021G) expiring on 30/5/1448H (corresponding to 10/11/2026G) and for its branches.
- The Company is committed to apply activities pursuant to Economic Activities Regulation approved by the Ministry of Commerce (ISIC).
- The Company is committed to Clause 15 of the Companies Law which requires that the Company's capital shall be shown on its letterhead and all such documents it uses with third parties and reflect such amendments to capital.

### Subsidiaries

- The Company is committed to Commercial Register Law in terms of its registration with the Commerce and Industry Chamber according to the following:
  1. **Anaam International Food Company Ltd.** The Company is registered with the Commercial Register of Jeddah under the Certificate No. (4030166809) dated 24/01/1428H (Corresponding to 12/02/2007G) expiring on 24/01/1448H (corresponding to 09/07/2026G). The Company is committed to Commercial Register Law in terms of obtaining membership certificate with the Commerce and Industry Chamber under the Certificate No. (7001559926) dated 26/01/1428H (Corresponding to 14/02/2007G) expiring on 24/01/1448H (corresponding to 09/07/2026G).
  2. **Anaam International Agricultural Company.** The Company is registered with the Commercial Register of Jeddah under the Certificate No. (4030035281) dated 18/10/1402H (Corresponding to 08/08/1982G) expiring on 29/05/1442 H (Corresponding to 13/01/2021G). The Company is committed to Commercial



Register Law in terms of obtaining membership certificate with the Commerce and Industry Chamber under the Certificate No. (23777) dated 09/06/1438H (Corresponding to 08/03/2017G) expiring on 01/06/1442H (Corresponding to 14/01/2021G). Neither the Company's Commercial Registration nor Commerce Chamber Membership Certificate were renewed but the elapsed years will be calculated without renewal of commercial registration with renewal charges.

3. **Anaam International Investment Company.** The Company is registered with the Commercial Register of Jeddah under the Certificate No. (4030165735) dated 29/11/1427H (Corresponding to 20/12/2006G) expiring on 29/11/1447H (Corresponding to 15/05/2026G). The Company is committed to Commercial Register Law in terms of obtaining membership certificate with the Commerce and Industry Chamber under the Certificate No. (113814) dated 01/01/1428H (Corresponding to 20/01/2007G) expiring on 29/11/1442H (Corresponding to 09/07/2021G).
4. **Anaam International Financial Company.** The Company is registered with the Commercial Register of Jeddah under the Certificate No. (4030165733) dated 29/11/1427H (Corresponding to 20/12/2006G) expiring on 29/11/1447H (Corresponding to 15/05/2026G). The Company is committed to Commercial Register Law in terms of obtaining membership certificate with the Commerce and Industry Chamber under the Certificate No. (113815) dated 01/01/1428H (Corresponding to 20/01/2007G) expiring on 29/11/1442H (Corresponding to 09/07/2021G).
5. **Saudi Refrigeration Company.** The Company is registered with the Commercial Register of Jeddah under the Certificate No. (4030007971) dated 08/11/1393H (Corresponding to 03/12/1973G) expiring on 29/05/1447H (Corresponding to 19/11/2025G). The Company is committed to Commercial Register Law in terms of obtaining membership certificate with the Commerce and Industry Chamber under the Certificate No. (700114285) dated 25/01/1401H (Corresponding to 03/12/1980G) expiring on 29/05/1447H (Corresponding to 19/11/2025G).

Save (Anaam International Agricultural Company), accumulated losses of subsidiaries exceeded 50% of their capital subject to the provisions of Article 181 of the Companies Law which require that exceptional procedures shall be taken to overcome accumulated losses of subsidiaries at 50%. As of the date of this Prospectus, there are no subsidiaries subject to the provisions of Article 181 of the Companies Law.

The table below shows the extent to which subsidiaries act in compliance with Companies Law as follows:

**Table No. (47): Summary of subsidiaries which accumulated losses exceeded 50% of capital and procedures taken by them**

Summary of subsidiaries which accumulated losses exceeded 50% of capital and procedures taken by them:		
Subsidiary	Accumulated losses	Procedures taken by the Company
Anaam International Food Company Ltd	As of 31/12/2019G, accumulated losses were amortized on account of the Holding Company and currently there are no accumulated losses.	The Holding Company reduced capital on 31/12/2019G to amortize accumulated losses of the Holding Company and its subsidiaries according to the resolution of the Extraordinary General Assembly. The Company submitted support and continuity resolution issued by partners and a copy thereof was submitted to the Ministry of Commerce.
Anaam International Investment Company	As of 31/12/2019G, accumulated losses were amortized on account of the Holding Company and currently there are no accumulated losses.	The Holding Company reduced capital on 31/12/2019G to amortize accumulated losses of the Holding Company and its subsidiaries according to the resolution of the Extraordinary General Assembly. The Company submitted support and continuity resolution issued by partners and a copy thereof was submitted to the Ministry of Commerce.
Saudi Refrigeration Company	As of 31/12/2019G, accumulated losses were amortized on account of the Holding Company and currently there are no accumulated losses.	The Holding Company reduced capital on 31/12/2019G to amortize accumulated losses of the Holding Company and its subsidiaries according to the resolution of the Extraordinary General Assembly. The Company submitted support and continuity resolution issued by partners and a copy thereof was submitted to the Ministry of Commerce.
Anaam International Financial Company	As of 31/12/2019G, accumulated losses were amortized on account of the Holding Company and currently there are no accumulated losses.	The Holding Company reduced capital on 31/12/2019G to amortize accumulated losses of the Holding Company and its subsidiaries according to the resolution of the Extraordinary General Assembly. The Company submitted support and continuity resolution issued by partners and a copy thereof was submitted to the Ministry of Commerce.

Source: Company

- On 25/11/2019G, partners of subsidiaries were informed by the auditor that accumulated losses exceeded 50%.
- In relation to the past financial periods during 2017G-2018G, accumulated losses of subsidiaries exceeded 50% of capital and the Company took statutory procedures stipulated in the Companies Law which are required to be applied whenever accumulated losses reach 50% of the company capital. The Company submitted to the Ministry of Commerce support and continuity resolution issued by partners.





- The Group updated its MOAs according to the New Companies Law of KSA promulgated by the Royal Decree No. (M/3) dated 28/1/1437H (Corresponding to 10/11/2015G) and which came into force on 25/7/1437H (Corresponding to 2/5/2016G), as amended by the Royal Decree No. (M/79) dated 25/7/1439H (Corresponding to 11/4/2018G). Save Saudi Refrigeration Company which MOA update is underway.
- Save as stated in (“Risk Factors”) Section, the Company and its subsidiaries are bound to such laws and instructions of the Ministry of Commerce as of the publishing date of this Prospectus.

### 11.23.2 Continuing Obligations as per SFDA Requirements

- Activities of certain subsidiaries (Anaam International Food Company Ltd - Saudi Refrigeration Company - Anaam International Agricultural Company) are subject to the Food Code promulgated by the Royal Decree No. (M/1) dated 06/01/1436 H (Corresponding to 30/10/2014G) through all such stages of food processing from primary production until it reaches to consumers including import, export, processing, preparation, treatment, packing, packaging, making ready, storing, transport, possession, distribution, offer for sale, allocation, etc. A food facility shall not trade in food without obtaining a professional license from SFDA and an agricultural license (for green fodders planting activity); save (Anaam Food Company Ltd). Subsidiaries have not obtained necessary licenses as their operational activities are suspended. It is worthy to mention that the Council of Ministries Resolution No. 66 was issued on 25/02/1437H. Such Resolution requires that green fodders planting activity shall be suspended before 25/02/1440H and hence the Group stopped planting of fodders.
- As of date of this Prospectus, (Anaam International Food Company Ltd) obtained food facility license from SFDA under No. (WL-2021-FO-0826) dated 05/09/2021G expiring on 04/09/2024G.

### 11.23.3 Continuing Obligations as per Ministry of Transport Requirements

Anaam International Food Company has contracts for land transport services of goods (frozen and chilled goods) through its trucks. The Company is committed to the statutory regulations of transport of goods by land promulgated by H.E. Minister of Transport Resolution No. (1-41-221) dated 07/05/1441H. The Company obtained operating cards issued by Transport General Authority per vehicle based on the table below:

	Details of basic information of operating card				
	Establishment Name	Operation Card No.	Activity Type	Card Issue Date	Card Expiry Date
1	Anaam International Food Company	5990699496	Transport of goods on own account	29/1/1442H	29/1/1423H
2	Anaam International Holding Group	4958346395	Transport of goods on own account	13/7/1441H	14/7/1443H
3	Anaam International Holding Group	0202110702117639	Transport of goods on own account	2/1/1442H	3/12/1442H
4	Anaam International Holding Group	0202110702032981	Transport of goods on own account	11/6/1441H	11/6/1443H
5	Anaam International Food Company	3410907053	Transport of goods on own account	29/1/1442H	29/1/1423H
6	Anaam International Food Company	137029038	Transport of goods on own account	22/6/1441H	22/6/1443H
7	Anaam International Food Company	3297099482	Transport of goods on own account	13/1/1442H	13/1/1443H
8	Anaam International Food Company	7043718581	Transport of goods on own account	13/1/1442H	13/1/1443H
9	Anaam International Food Company	2122040492	Transport of goods on own account	19/6/1441H	19/6/1443H
10	Anaam International Food Company	8283072788	Transport of goods on own account	19/4/1441H	19/4/1443H
11	Anaam International Food Company	6991886053	Transport of goods on own account	19/6/1441H	19/6/1443H
12	Anaam International Food Company	0202110702118535	Transport of goods on own account	12/10/1441H	13/10/1442H
13	Anaam International Food Company	0202110702189683	Transport of goods on own account	1/9/1439H	17/8/1443H





Details of basic information of operating card					
	Establishment Name	Operation Card No.	Activity Type	Card Issue Date	Card Expiry Date
14	Anaam International Food Company	2536771901	Transport of goods on own account	19/6/1441H	19/6/1443H
15	Anaam International Food Company	0202110702189684	Transport of goods on own account	1/9/1439H	17/8/1443H
16	Anaam International Food Company	6496235644	Transport of goods on own account	26/6/1441H	26/6/1443H
17	Anaam International Food Company	0202110702189682	Transport of goods on own account	1/9/1439H	17/8/1443H
18	Anaam International Food Company	02021107021004030	Transport of goods on own account	25/6/1442H	24/7/1443H

Source: Company

\* Transport of goods on own account The person who transports his goods and products using his own truck shall obtain an operation card for private transport without charge per transport vehicle. This means that the vehicle works for the Company other than renting out to third parties.

### 11.23.4 Continuing Obligations as per ZATCA Requirements

- Like other registered establishments and companies operating in the Kingdom, the Company is obliged to submit its zakat and tax returns within 120 days from the end of the financial year for the purpose of renewing the certificate to be issued by ZATCA. The Company was registered as a taxpayer under the VAT Registration No. (3001015661) and has obtained a zakat certificate until 2020G under No. (1110571750) dated 02/08/1441H (Corresponding to 26/06/2020G) which is valid until 18/09/1442H (Corresponding to 30/04/2021G). The Company could not obtain a new zakat certificate due to the amounts it owes according to the following detail: According to the auditor's report for the Financial year ending December 2019G, the Company submitted its zakat returns for the years 1995G-2017G on the basis of the consolidated financial statements and a registered certificate was obtained. It also submitted its tax return for 2018G and obtained a registered certificate valid until 30/04/2021G. Such certificate was not renewed due to an existing objection according to the following details:
  - On 25/02/2018G, the Company received a letter of guarantee including a claim for payment of zakat differences in an amount of SAR (106,927,278) for the period from 1995G-2011G. A provision was allocated by the Company in an amount of SAR 88,552,906 during 2019G together with the previously allocated amount indicated in the financial statement of 2018G for SAR (18,374,372). Total amounts allocated according to the consolidated financial statements for the financial year ending 2019G were SAR (106,927,278). Moreover, the Company brought an objection of final zakat assessment for the previous years on 09/01/2020G.
  - On 23/06/2021G, Dispute Settlement Committee issued its decision related tax violations and disputes that certain items of the Company's objection are accepted and others are denied. The said decision is appealable within 30 days. The Company will bring an appeal against such decision in relation to such items not admitted by DSC.
  - A final zakat assessment was issued for the years from 2012G-2018G and resulted in further zakat differences at SAR 7m. An objection was brought against such zakat assessments before Tax Committees Secretariat General on 15/10/2020G. The objection is still under review by ZATCA to the date hereof.
- In addition, the Company is committed to VAT Law and its Executive Regulations and registered with Zakat, Tax and Customs Authority under the VAT Registration No. (300101566100003) by virtue of an ad hoc certificate issued on 3/12/1438H (Corresponding to 25/8/2017G).

### Subsidiaries

- Subsidiary (Anaam International Food Company Ltd)** is committed to Zakat, Tax and Customs Authority law, is registered as a taxpayer under the VAT Registration No. (3000994852) and has obtained a Zakat certificate until 2019G under number (1110914845) dated 4/8/1441H (Corresponding to 28/3/2020G), which is valid until 18/9/1442H (Corresponding to 30/4/2021G). The Company could not obtain a new Zakat certificate due to such amounts it owes.
- In addition, the Company is committed to VAT Law and its Executive Regulations and registered with Zakat, Tax and Customs Authority under the VAT Registration No. (300099485200003) by virtue of an ad hoc certificate issued on 03/12/1438H (Corresponding to 25/8/2017G).



- **Subsidiary (Anaam International Investment Company)** is committed to Zakat, Tax and Customs Authority law, is registered as a taxpayer under the VAT Registration No. (30010085983) and has obtained a Zakat certificate until 2020G under number (1110567747) dated 2/8/1441H (Corresponding to 26/3/2020G), which is valid until 18/9/1442H (Corresponding to 30/4/2022G). The Company could not obtain a new Zakat certificate due to such amounts it owes. - In addition, the Company is committed to VAT Law and its Executive Regulations and registered with Zakat, Tax and Customs Authority under the VAT Registration No. (300100859800003) by virtue of an ad hoc certificate issued on 24/3/1439H (Corresponding to 12/12/2017G).
- **Subsidiary (Saudi Refrigeration Company)** is committed to Zakat, Tax and Customs Authority law, is registered as a taxpayer under the VAT Registration No. (3002914151) and has obtained a Zakat certificate until 2019G under number (1110802481) dated 3/8/1441H (Corresponding to 27/3/2020G), which is valid until 18/9/1442H (Corresponding to 30/4/2021G). The Company could not obtain a new Zakat certificate due to such amounts it owes. - In addition, the Company is committed to VAT Law and its Executive Regulations and registered with Zakat, Tax and Customs Authority under the VAT Registration No. (300291415100003) by virtue of an ad hoc certificate issued on 25/3/1439H (Corresponding to 13/12/2017G).
- **Subsidiary (Anaam International Financial Company)** is committed to Zakat, Tax and Customs Authority law, is registered as a taxpayer under the VAT Registration No. (3007064155) and has obtained a Zakat certificate until 2019G under number (1110591784) dated 2/8/1441H (Corresponding to 26/3/2020G), which is valid until 18/9/1442H (Corresponding to 30/4/2021G). The Company could not obtain a new Zakat certificate due to such amounts it owes. - In addition, the Company is committed to VAT Law and its Executive Regulations and registered with Zakat, Tax and Customs Authority under the VAT Registration No. (300706415500003) by virtue of an ad hoc certificate issued on 15/4/1439H (Corresponding to 2/1/2018G).
- **Subsidiary (Anaam International Agricultural Company)** is committed to Zakat, Tax and Customs Authority law, is registered as a taxpayer under the VAT Registration No. (3002914255) and has obtained a Zakat certificate until 2019G under number (1110802489) dated 3/8/1441H (Corresponding to 27/3/2020G), which is valid until 18/9/1442H (Corresponding to 30/4/2021G). The Company could not obtain a new Zakat certificate due to such amounts it owes. - In addition, the Company is committed to VAT Law and its Executive Regulations and registered with Zakat, Tax and Customs Authority under the VAT Registration No. (300291425500003) by virtue of an ad hoc certificate issued on 13/5/1439H (Corresponding to 30/1/2018G).

Save as stated in (“**Risk Factors**”) Section hereof, the Company and its subsidiaries are bound as of the publishing date of this Prospectus to such tax and income laws, executive regulations and instructions of ZATCA.

### 11.23.5 Continuing Obligations as per HRSD Requirements

- A file was opened with the Ministry (Labor Office) under the Unified No. (9- 13329) according to the Saudization Certificate obtained from Labor Office and expiring on 1428/02/1443H (Corresponding to 05/10/2021G) to state that the Company is committed to Saudization rate required under Nitaqat Program and is classified within the services of (insurance and business services) and registered in the low green category with a Saudization rate of (24.21%) Small category B. The table below shows

Table No. (48): Number of Saudi & Non-Saudi employees

Number of Saudi & Non-Saudi employees				
Entity	Reference	Number of Saudi employees	Number of Non-Saudi employees	Total
Social insurance	Insurance certificate	6	20*	26
Nitaqat	Nitaqat Certificate	10	19	29
Passports - Resident	Extracted from resident	N/A	19*	19
Company	Salary Administrator	-	-	50

Source: Certificates viewed by the legal consultant

\* The Company is committed to such laws of its employees and workers, especially the Labor Law, Residence Law and Social Insurance Law. Number of workers registered with Passport Department and Labor Office is identical, except for a minor difference (one employee) between number of (non-Saudi) employees registered with Passport Department and Labor Office and others registered with Insurance Department. The reason behind this is that the employee is the son of a female citizen, registered under his mother's sponsorship and satisfied relevant conditions.

- An initiative of KSA Ministry of Labor to assess establishments operating in the Saudi Market as per number of Saudi nationals working for it, Nitaqat Program was designed so that the establishments having highest Saudization rate could be ranked at “Platinum Nitaq” and lowest ones could be ranked at “Red Nitaq”. Other establishments are allocated as per Saudization rate registered in Nitaqat.
- The Company also has a recruitment number 700 (7011475063) as stated in the Commercial Register.
- (Anaam Group) has an HR Manual approved by the Labor Officer under Outgoing No. (452) dated 11/02/1437H (Corresponding to 23/11/2015G).



- According to the Ministerial Resolution No. 739 of 2016G on Wage Protection, all establishments, registered with the Ministry of Human Resources and Saudization, shall pay wages of their employees on their due date through WPS. A worker's wage shall fall due starting from the day following the end of such period whereupon wage is set forth in the employment contract. The Company is committed to the deposit of staff wages through local banks and regular submission of payroll file. The Company was granted a certificate from the Ministry of Human Resources based on the former's records during the last three months in WPS under No. (20092112010199) dated 4/5/1443H (Corresponding to 8/12/2021G). Such certificate is valid until 6/7/1443H (Corresponding to 2/7/2022G).

#### As for subsidiaries:

- Anaam International Food Company Ltd A file was opened with the Ministry (Labor Office) under the Unified No. (9- 114046) according to the Saudization Certificate obtained from Labor Office. As of the publishing date of this Prospectus, the Company makes use of e-services of HRSD. A Saudization certificate was issued under No. (20002112005254) dated 04/05/1443H (Corresponding to 08/12/2021G) to state that the Company is committed to Saudization rate required under Nitaqat Program at (26.19%) and is classified within the services of wholesale and retail (materials - foodstuff - furniture and agricultural goods) and registered in the green category - Small category (B). The Company also has a recruitment number 700 (7001559926) as stated in the Commercial Register. The table below shows number of employees of the Company and its branches as of 3/4/2020G:

Table No. (49): Number of Saudi and Non-Saudi employees of Anaam International Food Company Ltd

Number of Saudi and Non-Saudi employees of Anaam International Food Company Ltd				
Entity	Reference	Number of Saudi employees	Number of Non-Saudi employees	Total
Social insurance	Insurance certificate	12	28	40
Nitaqat	Nitaqat Certificate	8	30	38
Passports - Resident	Extracted from resident	N/A	27	27
Company	Salary Administrator	-	-	47

Source: Certificates viewed by the legal consultant

- According to the Ministerial Resolution No. 739 of 2016G on Wage Protection, all establishments, registered with the Ministry of Human Resources and Saudization, shall pay wages of their employees on their due date through WPS. A worker's wage shall fall due starting from the day following the end of such period whereupon wage is set forth in the employment contract. Anaam International Food Company is committed to the deposit of staff wages through local banks and regular submission of payroll file. The Company was granted a certificate from the Ministry of Human Resources based on the former's records during the last three months in WPS under No. (20092112010195) dated 4/5/1443H (Corresponding to 8/12/2021G). Such certificate is valid until 6/7/1443H (Corresponding to 07/02/2022G).
- No file was opened with HRSD (Labor Office) of Anaam International Investment Company, Anaam International Financial Company, Anaam International Agricultural Company and Saudi Refrigeration Company since no employee(s) was recruited by such companies.

Save as ("Risk Factors") Section of this Prospectus, the Company and its subsidiaries are, as of the date of this Prospectus, compliant with of labor law, executive regulations, decrees and instructions issued by HRSD.

#### 11.23.6 Continuing Obligations as per GOSI Requirements

- Files for the Company and its subsidiaries have been opened with GOSI as follows:
  1. **Holding Company's Head Office, Jeddah:** Subscription No. (100006146). The Company subscribed in pensions and professional perils of Saudi subscribers. As to non-Saudis, Company subscribed in professional perils according to Social Insurance Certificate No. (42733007) dated 04/05/1443H (Corresponding to 08/12/2021G) expiring on 04/06/1443H (Corresponding to 07/01/2022G).
  2. **Anaam International Food Company Ltd.** Subscription No. (502994255). The Company subscribed in pensions and professional perils of Saudi subscribers. As to non-Saudis, Company subscribed in professional perils according to Social Insurance Certificate No. (42733065) dated 04/05/1443H (Corresponding to 08/12/2021G) expiring on 04/06/1443H (Corresponding to 07/01/2021G).
- The following subsidiaries were not registered with GOSI: Anaam International Investment Company, Anaam International Financial Company, Anaam International Agricultural Company and Saudi Refrigeration Company since no employee(s) was recruited by such companies.



- It is worthy to mention that GOSI grants its registered companies compliance certificates to be valid for a maximum period of one month and such certificates are renewable for similar period(s).

Value of subscriptions paid to GOSI for 2020G of Anaam International Holding Company was SAR (110581) one hundred ten thousand and five hundred eighty one Saudi riyals only. While value of subscriptions paid by the Company and its subsidiaries during 2020G of Anaam International Food Company was SAR (127952) one hundred twenty seven and nine hundred fifty two Saudi riyals only. Continuing Obligations as per Ministry of Municipal and Rural Affairs (Ministry of Municipalities) Requirements.

- The Company has certain offices and properties through which it practices its activities as indicated in the Sub-clause (10-10-2) of this Section. A municipal license should be obtained for administrative offices and commercial facilities so that the Company could be able to operate them keeping in mind that the Municipality requires the following documents: Photocopies of the Commercial Register, Memorandum of Association (Articles of Association) lease or title deed, building permit for the facility or commercial shop and warehouse, license of real estate office and remote drawing of the facility including the board (with a copy of the board bill and registration of the Company's trademark ownership so that it could be mounted to the facade) together with civil defence permit.
- Save Anaam International Food Company Ltd, the Company and its subsidiaries have not obtained municipal license and safety permit necessary for opening their offices, food facilities, warehouses and refrigerators. The Company is not committed to requirements of the Ministry of Municipal and Rural Affairs and civil defence to the date hereof. For more details, please see the subsection of "Risk Factors" Section "Risks of Not issuing or not renewing Licenses and Certificates".

Save as ("Risk Factors") Section of this Prospectus, the Company and its subsidiaries are, as of the date of this Prospectus, have committed no violations according to the Municipality or civil defence.

### 11.23.7 Continuing Obligations as per Capital Market Authority Requirements

- The Authority obliges listed companies to abide by the rules for offering securities, continuing obligations, special instructions issued by the Authority, and listing rules, especially the obligation to periodically disclose material and financial developments and the Board of Directors' report. The forms of announcements included in the instructions for companies' announcements of their financial results shall be adhered to, and the Company shall provide a statement of all reasons and effects of the change in the financial results of the current fiscal year with the comparison period, so that the reasons include all items of the financial results announcement.
- The Authority obliged such companies listed in Financial Market to disclose on stages that they cope with transformation to international accounting standards. On 28/08/2016G, the Company declared through Tadawul its compliance with the foregoing.
- It should be noted that, as to solvency of public joint stock companies, on 23/01/1438H (Corresponding to 24/10/2016G), CMA Board Resolution No. (1-130-2016G) was issued to amend the procedures and instructions for companies listed in the market whose accumulated losses amounted to (50%) or more of their capital in the light of the Companies Law, and its title has been modified to become "Procedures and instructions for companies whose shares are listed in the market, whose accumulated losses amounted to (20%) or more of their capital", which were implemented starting from the date of 25/07/1438H (Corresponding to 22/04/2017G), which stipulates that the Company must disclose to the public immediately.
- Article (5) of the procedures and instructions for companies whose shares are listed in the market, whose accumulated losses amounted to (50%) or more of their capital stated as follows:
  1. These procedures also stipulate that the Company must disclose to the public immediately and without delay an independent announcement when its accumulated losses reach (50%) or more of its capital, provided that such announcement should include amount of accumulated losses and their proportion to capital including main reasons behind them. Such announcement should include a reference to that such procedures and instruction apply thereto. If such disclosure required under this Clause is in line with such announcement of initial or annual financial results, the Company would be relieved from disclosure under an independent announcement should it included the same in that which relates to initial or annual financial results.
  2. The Market adds a mark next to the Company's name on the Market's website that accumulated losses of such company reached 50% of its capital once the announcement referred to above in Clause (1) hereof is issued.
  3. pursuant to Article 150 of the Companies Law, the Company should after announcing that its accumulated losses reached 50% or more of its capital declare as follows:
    - Date of the last day in which the Board of Director may call the extraordinary general assembly to convene and date of the last day in which the extraordinary general assembly may convene to treat accumulated losses.



- A recommendation by the Board of Directors to the extraordinary general assembly relevant to accumulated losses once declared either by increasing or decreasing the Company's capital, or dissolving the Company before the term specified in its articles of association.
- Date of the last day in which subscription process of capital may be completed to treat accumulated losses where applicable.
- On 25/09/2019G, the Company declared that its accumulated losses reached a percentage of 92.3% of its capital.
- On 31/12/2019G, the extraordinary general assembly approved in favor of the shareholders such recommendation of the Board of Directors to reduce the Company's capital to amortize accumulated losses.
- On 25/02/2020G, the Company declared that its accumulated losses reduced to 0% of the capital.
- The Authority obliges those companies listed in the Financial Market and which have previously offered rights shares to disclose to the public any difference at 5% or more between actual use of issue proceeds of rights shares against that which was disclosed in the relevant prospectus once it becomes aware of it. The Company received subscription proceeds conducted in 2020G and the same were used in full to reduce the Company's debts and expenditure of such projects referred to in the prospectus issued on (01/11/2020G). For more details on such data and information of proceeds of any previous issuance of rights shares and use of such proceeds compared to that which was disclosed in a previous prospectus, please refer to Sub-clause "Total number of company shares outstanding and issued before offering" of Section "Summary of the Offer".
- As to Corporate Governance Regulations, the table below includes a summary of the most important items of Corporate Governance Regulations to which the Company committed or failed to commit.

Table No. (50): Summary of the most important clauses of Corporate Governance Regulations to which the Company has or has not committed

Summary of the most important clauses of Corporate Governance Regulations to which the Company has or has not observed			
Article of corporate governance regulation	Details	Person in charge	Comment
9/B	The Board of Directors should develop a clear policy on dividend distribution in the interest of shareholders and the Company according to the Company's Articles of Association.	Board of Directors	Committed - as approved by the Board of Directors on 31/12/2017G
8/A	Provide a copy of such information of nominated directors on the Company's website	Board of Directors	Committed - on 12/09/2018G, the Company declared nomination of new directors to the new round of Board of Directors starting from 28/11/2018G. Form of curricula vitae of nominees was published to the website.
12/5 and 54	Formation of Audit Committee	Shareholders General Assembly	Committed - Audit Committee members were appointed by the Ordinary General Assembly No. 37 of 14/03/1440H (Corresponding to 22/11/2018G).
54/C	Upon the Board of Directors' proposal, the General Assembly of the Company issues bylaws of Audit Committee which shall include the controls and procedures of the Committee's duties and tasks including election rules of its members, how they are nominated, membership term, remunerations and how Committee members are to be temporarily appointed to fill any vacant seat of the Committee.	Shareholders General Meeting	Committed - Audit Committee bylaws were approved by the Ordinary General Assembly No. 37 of 14/03/1440H (Corresponding to 22/11/2018G).
6/12	Approval of the financial statements of 2020G	Shareholders General Meeting	Committed - the Ordinary General Assembly approved the financial statements in its meeting held on 22/10/1442H (Corresponding to 24/05/2021G)
7/12	Approval of the Board of Directors annual report of 2020G	Shareholders General Assembly	Committed - the Ordinary General Assembly approved the financial statements in its meeting held on 22/10/1442H (Corresponding to 24/05/2021G)
12/9 and 81	Appoint the Company's auditors, set their remuneration, reappoint, change them and approve their report.	Shareholders General Assembly	Committed - the Ordinary General Assembly approved the financial statements in its meeting held on 22/10/1442H (Corresponding to 25/06/2019G)





Summary of the most important clauses of Corporate Governance Regulations to which the Company has or has not observed			
Article of corporate governance regulation	Details	Person in charge	Comment
13/D	Publishing announcement of the General Assembly date (including place and agenda) at least twenty one days before such date on the Company's website.	Board of Directors	Committed
14/C	Allowing shareholders through the Company's website - upon the publishing of the General Assembly invitation - to obtain such information of items of the General Assembly agenda, especially report of the Board of Directors and auditor including financial statements and Audit Committee report.	Board of Directors	Committed
2/22	Develop internal control rules and procedures and supervise them by it: Develop a written policy to process actual and potential events of "conflict of interest" of each members of the Board of Directors, Executive Management and Shareholders including misuse of the Company's assets and facilities and misconduct resulted from entry into transaction with related parties. Ensure appropriateness of financial and accounting rules including those of financial reporting. Ensure the application of appropriate control rules and procedures to measure and manage risks by way of developing an overview of risks which the Company might face, create an environment which supports risk management culture across the Company and offer the same in a transparent manner with stakeholder and related parties of the Company including annual check of effectiveness of the Company's internal control procedures.	Board of Directors	Committed - the policy was approved by the Board of Directors on 13/4/1439H (Corresponding to 31/1/2017G)
3/22	Develop clear policies, standards and procedures of memberships and put them into action after their approval by the General Assembly.	Shareholders General Assembly	Committed - the Ordinary General Assembly No. (35) approved the Board of Directors bylaws in its meeting held on 1/4/1439H (Corresponding to 19/12/2017G). The Company has not committed to the principle of segregation of positions in terms of combination of the Vice Chairman and Managing Director.
4/22	Develop a written policy to regulate the relationship with stakeholders according to provisions of Corporate Regulation. Such policy shall particularly cover the following: Mechanisms to keep stakeholders indemnified in case of breach of their rights approved by rules and protected by contract. Mechanisms to settle complaints or disputes arising between the Company and stakeholders. Proper mechanisms to build good relationships with clients and suppliers and keep confidentiality of their information.	Board of Directors	Committed - as approved by the Board of Directors on 13/4/1439H (Corresponding to 31/12/2017G)
5/22	Develop such policies and procedures which ensure the Company's compliance with rules and regulations and with disclosure of material information of shareholders and stakeholder and verify the Executive Management's compliance with them.	Board of Directors	Committed - as approved by the Board of Directors on 13/4/1439H (Corresponding to 31/12/2017G)
22/13 and 50 and 60 and 60/A and 64	Form specialized committees derived from the Board of Directors which issue decisions that determine specialized committees term, powers and responsibilities including how to practice control over them provided that formation decision shall include names of members, set their tasks, rights and duties and assess performance and business of such committees and their members.	Board of Directors	Committed - Audit Committee and Committee of Nominations and Remuneration were appointed in the Board of Directors Meeting No. (261) dated 28/11/2018G and committees were reformed in the Board of Directors Meeting No. (262) dated 30/04/1440H (corresponding 06/01/2019G).



Summary of the most important clauses of Corporate Governance Regulations to which the Company has or has not observed			
Article of corporate governance regulation	Details	Person in charge	Comment
51	Combination between the position of the Chairman and membership of Audit Committee and the Chairman may take part in membership of other committees without being allowed to assume their chairmanship.		Committed -
1/23	Approve such internal policies of the Company's business and development including determination of duties, competencies and responsibilities assigned to various organizational levels	Board of Directors	Committed - as approved by the Board of Directors on 21/05/1439H (Corresponding to 07/02/2018G)
2/23	Approve written and detailed policy to determine such powers given to the Executive Management including a table which indicates such policies, method statement and authorization term. The Board of Director may ask the Executive Management to periodically report their practice of authorized powers.	Board of Directors	Committed - as approved by the Board of Directors on 21/05/1439H (Corresponding to 07/02/2018G)
25	CEO Appointment	Board of Directors	Committed - appointment was made by the Board of Directors on 16/1/1431H (Corresponding to 23/12/2009G)
5/26	Develop organizational and occupational structures of the Company and report them to the Board of Directors to consider their approval.	Board of Directors	Committed - the Group's organizational structure of 2020G was approved by the Board of Directors on 26/10/1441H.
10/26	Propose policy and types of bonuses of employees such as fixed bonus, performance-associated bonus and bonus in the form of shares.	Board of Directors	Committed - as approved by the Board of Directors in its meeting No. (56) on 21/05/1439H (Corresponding to 07/02/2018G)
43	A written and clear policy to process actual and potential events of conflict of interest which may affect the performance of members of the Board of Directors, Executive Management or other employees of the Company when they deal with the Company or other stakeholders.	Board of Directors	Committed - as approved by the Board of Directors in its meeting No. (255) dated 13/04/1439H (Corresponding to 31/12/2017G).
55-0374	Appoint unit manager, internal control division or internal auditor and suggest their remuneration.	Board of Directors	Committed - employment of the internal auditor approved by the CEO. upon the Administrative Decision issued by the CEO under No. (32 T R/2016) dated 23/02/1438H (Corresponding to 23/11/2016G).
60/B and 64/B	Upon the Board of Directors' proposal, the General Assembly of the Company issues bylaws of Remuneration and Nomination Committee which shall include the controls procedures and action plan of the Committee including its duties, election rules of its members, how they are nominated, membership term, remunerations and how Committee members are to be temporarily appointed to fill any vacant seat of the Committee.	Shareholders General Meeting	Committed - Remuneration and Nomination Committee bylaws were approved by the Ordinary General Assembly in its meeting No. 35 held on 01/04/1439H (Corresponding to 19/12/2017G).
1/61	Remuneration and Nomination Committee develop a clear policy of remuneration of the Board of Directors, committees derived therefrom and the Executive Management provided that attention shall be paid in this policy to compliance with performance-related standards and disclose them and ensure their implementation.	Shareholders General Meeting	Committed - as approved by the Ordinary General Assembly in its meeting No. (35) on 01/04/1439H (Corresponding to 19/12/2017G)
3/65	Prepare a description of capabilities and qualifications required for membership of the Board of Directors and assuming Executive Management jobs.	Remuneration and Nomination Committee	Committed - as approved by the General Assembly on 21/05/1439H (Corresponding to 07/02/2018G)
68	Publish nomination announcement of the Board of Directors membership on the Company's website.	Board of Directors	Committed - announcement was published on 12/02/2018G.
84	Procedures to be followed by stakeholder when they bring their complaints or report inconsistent practices.	Board of Directors	Committed





Summary of the most important clauses of Corporate Governance Regulations to which the Company has or has not observed			
Article of corporate governance regulation	Details	Person in charge	Comment
86	Code of Conduct	Board of Directors	Committed - as approved by the Board of Directors in its meeting No. (256) dated 07/02/2018G).
89	Written policy to disclose and supervisory rules and procedures in accordance with disclosure requirements provided for in the Companies Law and Financial Market Law.	Board of Directors	Committed - as approved by the Board of Directors in its meeting No. (256) dated 07/02/2018G).
91/B	Publish Audit Committee report on the Company's website	Board of Directors	Committed
94	Governance rules of the Company not contrary to obligatory provisions	Board of Directors	Committed - as approved by the Board of Directors in its meeting No. (256) on 21/05/1439H (Corresponding to 07/02/2018G)

Source: Decisions of the Board of Directors, meeting minutes of the Shareholders General Assembly and policies and regulations viewed by the legal consultant

Save as "Risk Factors" Section of this Prospectus, the Company and its subsidiaries are, as of the date of this Prospectus, have committed no violations.

## 11.24 Essential Contracts

### 11.24.1 Contracts and transactions with related parties

- Save annual bonuses of Directors and salaries of key personnel, the Company has no contracts and transactions with related parties including directors and key executive staff or their relatives.

### 11.24.2 Contracts and transactions of real estate assets

#### The Company Properties

- The Company owns 55 agricultural projects in Busaita, Al Gof District. Anaam International Holding Group signed an agreement on 29/9/2021G to sell lands of Al Gof Project which surface area is 100m Square Meters and consists of 55 plots of land. Such agreement also includes the sale of all such equipment, machinery, buildings and vehicles of the Project in an amount of SAR 85,000,000. The buyer incurred real estate disposal tax and transfer of such lands is underway. The table below shows details of such properties as per type, owner name and surface area:
- The Company has a property which consists of a refrigerator, warehouses and offices in Jeddah and they were mortgaged to Kirnaf Finance Company against a loan to the Company which was repaid in full. Debt instrument is being transferred to the name of the Company after update of instrument details with Jeddah Secretariat to issue an e-instrument.
- The Company has 2 plot of land at Al Khomarh Area, Jeddah. The first plot is owned under an official instrument recorded in the Company and issued by the Notary Public and the second plot is owned under title deeds in the name of the Company as of amalgamation date of Al Mawashi Company and Al Mukairish Company in 1995G. Both plots are in the possession of the Company and on which workshops, warehouses, maintenance hangars and staff accommodation are built. No dispute(s) brought against such plots and liaison is exercised with official authorities so that the Company could be granted plot title deed,
- The Company and its subsidiaries has variety of properties and facilities under regulatory title deeds issued by the Notary Public in KSA. For more details on ownership of such properties, please see the table below:



Table No. (51): Details of the Company Properties

Details of the Company Properties						
SN	Property type	Location	No. of deed/ contract	Owner	Are - dunam/ m2	Notes
1	Land	Plot No. 51 located at Busaita District, Plan No. 2732/5	52	Anaam International Holding	2000 dunam	
2	Land	Plot No. 25 located at Busaita District, Plan No. 2732/5	55	Anaam International Holding Group	1700 dunam	
3	Land	Plot No. 50 located at Busaita District, Plan No. 2732/5	56	Anaam International Holding	2000 dunam	
4	Land	Plot No. B/1 located at Busaita District, Plan No. 2732/5	58	Anaam International Holding Group	2000 dunam	
5	Land	Plot No. B/2 located at Busaita District, Plan No. 2732/5	59	Anaam International Holding Group	2000 dunam	
6	Land	Plot No. 42 located at Busaita District, Plan No. 2732/5	60	Anaam International Holding Group	2000 dunam	
7	Land	Plot No. B/1 located at Busaita District, Plan No. 2732	344	Anaam International Holding Group	2000 dunam	
8	Land	Plot No. 4 located at Busaita District, Plan No. 2732	345	Anaam International Holding Group	2000 dunam	
9	Land	Plot No. 5 located at Busaita District, Plan No. 2732	346	Anaam International Holding Group	2000 dunam	
10	Land	Plot No. 6 located at Busaita District, Plan No. 2732	347	Anaam International Holding Group	1700 dunam	
11	Land	Plot No. 7 located at Busaita District, Plan No. 2732/5	348	Anaam International Holding Group	1700 dunam	
12	Land	Plot No. 8 located at Busaita District, Plan No. 2732/5	349	Anaam International Holding Group	1700 dunam	
13	Land	Plot No. 9 located at Busaita District, Plan No. 2732	350	Anaam International Holding Group	1700 dunam	
14	Land	Plot No. 8732/5 located at Busaita District, Plan No. 10	351	Anaam International Holding Group	1800 dunam	
15	Land	Plot No. 11 located at Busaita District, Plan No. 5732/5	352	Anaam International Holding Group	1700 dunam	
16	Land	Plot No. 12 located at Busaita District, Plan No. 2732/5	353	Anaam International Holding Group	1360 dunam	
17	Land	Plot No. 13 located at Busaita District, Plan No. 2732/5	354	Anaam International Holding Group	1700 dunam	
18	Land	Plot No. 14 located at Busaita District, Plan No. 2732/5	355	Anaam International Holding Group	1700 dunam	
19	Land	Plot No. 15 located at Busaita District, Plan No. 2732/5	356	Anaam International Holding Group	1700 dunam	
20	Land	Plot No. 17 located at Busaita District, Plan No. 2732/5	358	Anaam International Holding Group	1700 dunam	
21	Land	Plot No. 18 located at Busaita District, Plan No. 2732/5	359	Anaam International Holding Group	1700 dunam	
22	Land	Plot No. 19 located at Busaita District, Plan No. 2732/5	360	Anaam International Holding Group	1700 dunam	
23	Land	Plot No. 20 located at Busaita District, Plan No. 2732/5	361	Anaam International Holding Group	1700 dunam	
24	Land	Plot No. 2732/5 located at Busaita District, Plan No. 21	362	Anaam International Holding Group	1700 dunam	
25	Land	Plot No. 22 located at Busaita District, Plan No. 2732/5	363	Anaam International Holding Group	1700 dunam	



Details of the Company Properties						
SN	Property type	Location	No. of deed/ contract	Owner	Are - dunam/ m2	Notes
26	Land	Plot No. 23 located at Busaita District, Plan No. 2732/5	364	Anaam International Holding Group	1700 dunam	
27	Land	Plot No. 24 located at Busaita District, Plan No. 2732/5	365	Anaam International Holding Group	1700 dunam	
28	Land	Plot No. 26 located at Busaita District, Plan No. 2732/5	366	Anaam International Holding Group	1700 dunam	
29	Land	Plot No. 27 located at Busaita District, Plan No. 2732/5	367	Anaam International Holding Group	1700 dunam	
30	Land	Plot No. 28 located at Busaita District, Plan No. 2732/5	368	Anaam International Holding Group	1700 dunam	
31	Land	Plot No. 29 located at Busaita District, Plan No. 2732/5	369	Anaam International Holding Group	1700 dunam	
32	Land	Plot No. 30 located at Busaita District, Plan No. 2732/5	370	Anaam International Holding Group	1700 dunam	
33	Land	Plot No. 33 located at Busaita District, Plan No. 2732/5	371	Anaam International Holding Group	2000 dunam	
34	Land	Plot No. 34 located at Busaita District, Plan No. 2732/5	372	Anaam International Holding Group	2000 dunam	
35	Land	Plot No. 35 located at Busaita District, Plan No. 2732/5	373	Anaam International Holding Group	1000 dunam	
36	Land	Plot No. 36 located at Busaita District, Plan No. 2732/5	374	Anaam International Holding Group	2000 dunam	
37	Land	Plot No. 38 located at Busaita District, Plan No. 2732/5	376	Anaam International Holding Group	2000 dunam	
38	Land	Plot No. 39 located at Busaita District, Plan No. 2732/5	377	Anaam International Holding Group	2000 dunam	
39	Land	Plot No. 40 located at Busaita District, Plan No. 2732/5	378	Anaam International Holding Group	2000 dunam	
40	Land	Plot No. 41 located at Busaita District, Plan No. 2732/5	379	Anaam International Holding Group	2000 dunam	
41	Land	Plot No. 43 located at Busaita District, Plan No. 2732/5	380	Anaam International Holding Group	1300 dunam	
42	Land	Plot No. 44 located at Busaita District, Plan No. 2732/5	381	Anaam International Holding Group	1300 dunam	
43	Land	Plot No. 45 located at Busaita District, Plan No. 2732/5	382	Anaam International Holding Group	1300 dunam	
44	Land	Plot No. 46 located at Busaita District, Plan No. 2732/5	383	Anaam International Holding Group	2000 dunam	
45	Land	Plot No. 48 located at Busaita District, Plan No. 2732/5	384	Anaam International Holding Group	2000 dunam	
46	Land	Plot No. 49 located at Busaita District, Plan No. 2732/5	385	Anaam International Holding Group	2000 dunam	
47	Land	Plot No. 53 located at Busaita District, Plan No. 2732/5	386	Anaam International Holding Group	2000 dunam	
48	Land	Plot No. 55 located at Busaita District, Plan No. 2732/5	387	Anaam International Holding	2000 dunam	
49	Land	Plot No. 367 SA located at Yanbu, Approved Plan No. 4/25/1/T in 1389/5H located at Plan A/13, Al Rabwa District	241705006824	Anaam International Holding Group	644.76 square meters	



Details of the Company Properties						
SN	Property type	Location	No. of deed/ contract	Owner	Are - dunam/ m2	Notes
50	Land	Land is located at Jeddah, Petromin	400	Anaam International Financial Company Ltd	9,987 square meters	It is the same land mortgaged to Kirnaf Company and its title is being transferred to Anaam International Holding Group.
51	Land	Jeddah - Al Wadi	320218010217	Anaam International Holding Group	2,993 square meters	
52	Land	Jeddah - Al Wadi	320228003149	Anaam International Holding Group	3,966.92 square meters	
53	Land	Plot No. 64 located at Western Farms, A; Jebail	332402004957	Anaam International Holding	400 square meters	
54	Land	Plot No. 63 located at Western Farms, A; Jebail	232402004958	Anaam International Holding	400 square meters	
55	Land	Plot No. 66 located at Western Farms, A; Jebail	332402004960	Anaam International Holding Group	400 square meters	
56	Land	Plot No. 65 located at Western Farms, A; Jebail	332402004959	Anaam International Holding Group	400 square meters	

Source: Deeds (sukuk) viewed by the legal consultant

Details of Company Properties (Owner name is under amendment)						
SN	Property type	Location	No. of deed/ contract	Owner	Are - dunam/ m2	Notes
5	Land	Land located at Al Khomrah, Southern Jeddah	17	United Al Mawashi Al Mukairish Company	197,000 square meters	Ownership of this land was transferred to the Company under title deeds issued in its name as of the date of integration of Al Mawashi Company and Al Mukairish Company in 1995G. Land is in the possession of the Company and on which workshops, warehouses, maintenance hangars and staff accommodation are built. No dispute(s) brought against such lands and liaison is exercised with official authorities so that the Company could be granted plot title deed.

Source: Deeds (sukuk) viewed by the legal consultant

Save as stated above, there are no any rights of the Company's properties whether a mortgage or endowment. According to the consolidated financial statements for the year ending 31 December 2020G, book value of lands reached SAR 96,688,442.



### 11.24.3 Leases of Property

- The Company or its subsidiaries have no leases in the capacity of “lessee(s)”.
- Anaam International Food Company has certain leases in the capacity of “landlord” where the Company owns and manages refrigerators prepared to store frozen foodstuff in Jeddah. The table below shows top clients of the Company during the years of 2017G, 2018G, 2019G and 2020G.

Top clients of renting frozen foodstuff storing refrigerators of 2017G(amounts in SAR))		
SN	Client name	Amount
1	Branch of Amal Nahwi Hijazi Establishment	7,440
2	Abdullah Al Sagheer Establishment	12,600
3	Corner sorting plant for packing and packaging dates	15,000
4	Al Majda Establishment	15,180
5	Fatihyya Ibrahim Al Bahiji Establishment	15,360
6	Basiqat Dates Establishment	17,400
7	Import & Export Outlets Co.	18,000
8	Fertile Crescent Establishment - owned by Abdullah Salim Shebaili	20,040
9	Abdulaziz Mohamad Abdulaziz	30,360
10	Medad Food Company	31,000
11	Abdunnasir Hamad Al Sannan Establishment	32,280
12	Fayez Mohamad Al Ghamdi Commercial Establishment	46,920
13	Radwa Saudi Foot Co. Ltd	52,470
14	Barakat Quality Plus	56,280
15	Abdullah Saeed Mohamad Al Ghamdi Establishment	61,200
16	Ali Faleh Al Marwani Al Johani	72,720
17	Ayedh Salim Al Yami Establishment	91,080
18	Wadi Fatima Poultry Farm	149,180
19	KitKat Fast Food Establishment	165,840
20	National Management and Services Co. Ltd	180,780
21	United Flowers Co.	193,600
22	Cash Rental Clients - Riyadh Branch	208,799
23	Majid Moteb Al Sehailli Establishment	267,490
24	Cash Rental Clients - Jeddah Branch	281,030
25	Al Alenda Trading Establishment	409,540
26	Saudi Arabian International Foods Resources Co.	1,690,700
<b>Total</b>		<b>4,142,289</b>

Source: Company Management



Top clients of renting frozen foodstuff storing refrigerators of 2018G (amounts in SAR)		
SN	Client name	Amount
1	Abdullah Al Sagheer Establishment	600
2	Al Anud Dates	1,200
3	Corner sorting plant for packing and packaging dates	2,040
4	Al Majda Establishment	12,880
5	Abdullah Salim Shebaili	13,920
6	Balqees Yemen Popular Food Restaurants	19,230
7	Al Wazeen Trading Co.	27,440
8	Abdunnasir Hamad Al Sannan Establishment	37,440
9	KitKat Fast Food Establishment	48,960
10	Basiqat Dates - Makkah	57,000
11	Radwa Saudi Foot Co. Ltd	57,420
12	Fayez Mohamad Al Ghamdi Commercial Establishment	60,000
13	Abdullah Saeed Mohamad Al Ghamdi Establishment	77,160
14	Abdulaziz Mohamad Abdulaziz	87,720
15	Hesham Saeed Al Maliki	115,000
16	Barakat Quality Plus	127,560
17	National Management and Services Co. Ltd	137,780
18	Cash Rental Clients - Jeddah Branch	206,440
19	Majid Moteb Al Sehailli Establishment	267,440
20	Al Alenda Trading Establishment	375,400
21	Saudi Arabian International Foods Resources Co.	991,000
<b>Total</b>		<b>2,723,735</b>

Source: Company Management



Top clients of renting frozen foodstuff storing refrigerators of 2019G (amounts in SAR)		
SN	Client name	Amount
1	Arabian Entertainment Co.	5,880
2	Corner sorting plant for packing and packaging dates	8,520
3	Al Majda Establishment	12,190
4	Fertile Crescent Establishment - owned by Abdullah Salim Shebaili	17,880
5	Balqees Yemen Popular Food Restaurants	18,080
6	Barakat Quality Plus Company	27,960
7	Basiqat Dates Establishment	29,760
8	Fayez Mohamad Al Ghamdi Commercial Establishment	74,760
9	Abdunnasir Hamad Al Sannan Establishment	77,220
10	Abdulaziz Mohamad Abdulaziz	97,680
11	Abdullah Saeed Mohamad Al Ghamdi Establishment	112,920
12	Ayedh Salim Al Yami Establishment	128,225
13	National Management and Services Co. Ltd	142,700
14	Al Wazeen Trading Co.	148,460
15	Cash Rental Clients	271,530
16	Majid Moteb Al Sehailli Establishment	350,775
17	Al Alenda Trading Establishment	375,300
18	Radwa Saudi Foot Co. Ltd	375,870
19	Saudi Arabian International Foods Resources Co.	1,476,600
	<b>Total</b>	<b>3,752,310</b>

Source: Company Management





Top clients of renting frozen foodstuff storing refrigerators of 2020G (amounts in SAR)		
SN	Client name	Amount
1	Saudi Arabian International Foods Resources Co.	1,923,000
2	Radwa Saudi Foot Co. Ltd	666,710.00
3	Majid Moteb Al Sehailli Establishment	314,700.00
4	Al Alenda Trading Establishment	232,000.00
5	NCMS	161,640.00
6	Cash Rental Clients	143,800.00
7	Al Wazeen Trading Co.	137,840.00
8	Fatima Sadi Ali Al Zahrani Establishment	111,720.00
9	Mohamad Habib Allah	73,200.00
10	Jahangir Bengali	50,160.00
11	Hesham Saeed Al Maliki	43,700.00
12	Dheib Nayef Al Sehailli Establishment	36,110.00
13	Abdunnasir Mohamad	30,120.00
14	Balqees Yemen Popular Food Restaurants	14,400.00
15	Snapple Rock Establishment	14,200.00
16	Majid Ali Albani Trading Establishment	10,000.00
17	Basiqat Dates Establishment	9,480.00
18	Abdullah Salim Al Shebaili	9,120.00
19	United Flowers Co.	8,900.00
20	Corner sorting plant for packing and packaging dates	8,520.00
21	Feras Abdullah Saeed Bagah	4,680.00
22	Sanabel General Contracting Co.	3,840.00
23	Al Majda Establishment	345.00
<b>Total</b>		<b>283,665</b>

Source: Company Management

- Reference should be made to the Council of Ministries Resolution No. (292) dated 16/05/1438H which states that lease(s) not registered online network shall not be deemed as valid and operative contract having administrative and judicial effects. Online network of rent services was launched in cooperation between the Ministries of Justice and Housing on 17/05/1439H. Circular of the Ministry of Justice was issued to approve application of the foregoing to all such contracts signed after 04/05/1440H (Corresponding to 10/01/2019G).
- Real estate licensed brokers should register all leases of residential and commercial units through online network which creation is approved under the Council of Ministries Resolution No. (131) dated 3/4/1435H. Any person who acts contrary to the foregoing shall be subject to the penalties provided for in real estate offices regulation promulgated the Council of Ministries Resolution No. (334) dated 7/3/1398H.
- (The Landlord) shall appoint a real estate broker to register leased with Ejar Platform of Ministry of Municipal and Rural Affairs and Housing.
- The Company entered into various lease to hire warehouses and refrigerators owned by the Company after 04/05/1440H (Corresponding to 10/01/2019G). The Company has not authenticated such leases online. The Company should update and register leases according to the online application available through Ejar Platform and register on online network to keep its and the lessee rights.

Save as stated in ("Risk Factors") Section hereof, there are no violations against the Company and its subsidiaries.



#### 11.24.4 SPA with (Saudi Wasit Factory for Entertainment and Beauty)

- On 21/11/1442H (Corresponding to 01/07/2021G), a sale agreement was signed between Anaam International Holding Group (the First Party) and Mr. Mohamad Ibrahim Mohamad Al Haidari, owner of Saudi Wasit Factory for Entertainment and Beauty (the Second Party).
- Both parties have previously entered into non-binding relationship through a MoU dated 22/08/1442H (Corresponding to 04/04/2021G) in relation to the purchase by the First Party of 51% of total shares of the Second Party. This was achieved through brokerage of Capital Brokerage Co.
- Under the terms and conditions of the said agreement, the Second Party (Factory) confirms that it sold and assigned (51%) of net equities including all such lawful and legal rights attached to the Factory. The First Party (Anaam) accepted this sale.
- the Second Party will convert the Factory to a joint stock company (closed) directly with the same number and date of the commercial register of the Factory.
- **Financial Affairs:**
  - Total value of sale and assignment reached (SAR 20,400,000) twenty million and four hundred thousand Saudi riyals and Anaam shall incur a proportion equivalent to such rate from real estate fund loan: (Property rights include long-term loans received from Industrial Development Fund which amount to (SAR 16,870,000) where each party shall incur its proportion of loans according to the sale agreement; 51% and 49% to the First Party and Second Party respectively).
  - A new account shall be opened in the name of the new company where the parties shall deposit a total amount of SAR 1m, each party according to its ownership proportion. The First Party shall pay (SAR 4,989,000) four million and nine hundred eighty nine thousand Saudi riyals and the Second Party shall pay (SAR 3,920,000) three million and nine hundred twenty thousand Saudi riyals to be allocated to complete construction works once the company's register is issued as a closed joint stock company.
  - Both parties agreed that the First Party shall fund working capital of the new company in an amount of 5m Saudi riyals as an interest-free loan at the First Party's absolute discretion provided that support amount for right million Saudi riyals is paid. Such amount shall be refunded under the Board of Directors resolution.
- **Factory Details:**
  - The Factory is located at Sudair City for Industry and Businesses in KSA and its surface area is 25999m<sup>2</sup>. The property, on which the Factory is built, is owned by Saudi Authority for Industrial Cities and Technology Zones "MODON".
- **Management:**
  - The Company's Board of Directors consists of three members; two members of the First Party and one member of the Second Party.
  - The Board of Director is managed by the CEO of the First Party or any other person who shall be a member of the First Party.
  - The Company is committed to Competition Law promulgated by the Royal Decree No. M/25 dated 4/5/1425 H and the Council of Ministries Resolution No. 138 dated 26/4/1425H. This Law aims to protect and encourage fair competition and combat monopoly which adversely affect legitimate competition.
  - The Factory was converted into a joint stock company (closed) and necessary documents (Commercial Register - Articles of Association) were issued. The Company committed to Ministry of Commerce laws where the Factory Articles of Association were amended and a new partner was added (Anaam Holding Group) which owns 51% of the Factory.

#### 11.24.5 Loans and credit facilities:

- As of the publishing date of this Prospectus, the Company and its subsidiaries had no bank loans or facilities nor concluded any type of financial leasing agreements with any of the Saudi or Non-Saudi banks save the finance of (SAR 27m) which the Company received from Kirnaf Investment and Installment Company. The Company owns a property which consists of a refrigerator, warehouses and offices in Jeddah and they were mortgaged to Kirnaf Finance Company against a loan to the Company which was repaid in full. The last installment thereof was paid in March 2018G and a final clearance was issued by the parties under the letter (Contract No. COM/RST/L/000012) dated 18/07/2018G. Title deed transfer to the name of Anaam International Holding Group is underway. The property's surface is 9987m<sup>2</sup> as proved under the Title Deed No. 979 dated 24/10/1977G and consists of 3 levels including administrative offices, chilling and freezing refrigerator of food products and loading and unloading bay consisting of two levels, staff accommodation and maintenance workshop). The Company has further transactions with Kirnaf Company in relation to sale of vehicles on installments under the Contract



No. (COM/VEH/M/000099) in an amount of around (SAR 7.4m) as the Company bought 21 vehicles. Due date of the last installment fell in January 2018G.

- The Company confirms that it has provided no cash loan(s) whatsoever to any of its Directors, submitted any guarantees of any loans of Directors or employees with third parties nor opened any banking credits.
- The Company delivered no loans to any staff member save advances of salaries which are paid from housing and/ or transport allowance according to the employment contract.

#### 11.24.6 Contracts and transactions of suppliers

- The Company and its subsidiaries have entered into transactions with variety of suppliers to provide various services. Summary of certain contracts and transactions for the last three years is provided below:

Table No. (52): Summary of contracts and transactions with suppliers

Supplier's name	Summary of contracts and transactions with suppliers			
	Company/ Subsidiary with which the Company deals	Year	Value of transactions/ SAR	Notes
Saudi Aramco	Anaam International Agricultural Company	2018G	9,189,841.34	
Al Jalal Trading Est.	Anaam International Agricultural Company	2018G	1,073,660.01	
United Wires Factories Co.	Anaam International Agricultural Company	2018G	584,1000.00	
Rabdan Aseer Trading and Agriculture Est.	Anaam International Agricultural Company	2018G	479,000.00	
Al Hamrani Fox Petroleum SA Ltd	Anaam International Agricultural Company	2018G	352,170.00	
Huwaidi Ayedh Khalifa Al Anzi	Anaam International Agricultural Company	2019G	23,847.95	
Zahid Travel Group	Anaam International Agricultural Company	2019G	7,701.93	
Cooperative Insurance Co.	Anaam International Food Company	2020G	203,125.00	
United Al Saady Grunenfelder Co.	Anaam International Food Company	2020G	78,722.44	
Zahid Travel Co.	Anaam International Food Company	2020G	30,277.90	
Al Rashid Tires Co.	Anaam International Food Company	2020G	109,000	
Hamad Abdulhady Al Samman Trading Co.	Anaam International Food Company	2020G	29,237.60	
Integrated Security Solutions Co.	Anaam International Food Company	2020G	24,674.00	
Sakan Al Arabia Limited for Contracting and Maintenance Co.	Anaam International Food Company	2020G	13,200.00	
Al Wafaa Est.	Anaam International Food Company	2020G	9,600.00	

Source: Company

- In addition, the Company deals with variety of suppliers through purchase orders without long-term contracts or written agreements.
- The above contracts included no conditions which require serving a notice or obtaining the consent of contracting parties in case of any change to the ownership of the Company's partners or other change to legal entity or financial position of the Company. Therefore, capital increase will not have any effect on their effectiveness.

#### 11.25 Equipment and machinery

On 31/12/2020G, net book value of agricultural equipment and machinery including will and irrigation equipment together with trucks and vehicles of the Group reached around SAR (63,703,983).

#### 11.26 Litigation

As of date of this Prospectus, the Company's Board of Directors confirms that the Company and its subsidiaries are not jointly or severally litigants to actual or potential any case, claim, arbitration or administrative proceedings which may have adverse effects to the Company's business or financial position save the two cases filed against the Company by the Secretariat of Jeddah Governorate and Claimant Abdurrahman Al Fidah where the court judgment in the said cases was issued in favor of the Company. This includes the case filed by the Company as a claimant against Ahmad Ali Ahmad Al Ghamdi, in which, a judgment was passed to oblige the defendant to pay an amount of SAR (25,500,000) but it was not given force. An order was issued by the execution judge that the Factory in full (including its contents) shall be bought in a public auction and pay due amounts of creditors pro rata and identify Factory creditors.



## 11.27 Trademarks

- The Company has a trademark registered with Saudi Authority for Intellectual Property (SAIP) under Category 29 pertaining to (meat and poultry).
- The Subsidiary (Anaam International Food Company Ltd) has also a trademark registered with Saudi Authority for Intellectual Property (SAIP) under Category 29 pertaining to (meat and poultry).
- This will enable the Company and its subsidiary to place their names and logos on the external facade of the building or offices occupied by them as they have registered the trademark which was granted necessary legal protection in accordance with the Trademark Law.
- It is worthy to mention that the Company has no intangible assets save its trademarks as of the publishing date of this Prospectus.
- The table below shows the details of the trademark of the Company:

Table No. (53): Trademarks of the Company

Trademarks of the Company					
Trademark form	Certificate number	Owner Company	Registration date	Protection start	Protection end
	143107338	Anaam International Holding Group	15/1/1433H (Corresponding to 10/12/2011G)	29/7/1441H (Corresponding to 24/3/2020G)	28/7/1451H (Corresponding to 6/12/2029G)
	143107357	Anaam International Food Company Ltd	15/1/1433H (Corresponding to 10/12/2011G)	29/7/1441H (Corresponding to 24/3/2020G)	28/7/1451H (Corresponding to 6/12/2029G)

Source: Company

## 11.28 Insurance

- The Company has a valid health insurance policy signed with Cooperative Insurance Co., a company licensed to operate in KSA, under the Health Insurance Policy No. (15218391) dated 22/08/2021G. This policy covers healthcare through a network of service providers appointed by the Company provided that the case shall be included by the insurance cover.
- The Company has also an auto insurance policy of such vehicles owned by the Company. This policy is made with Mediterranean and Gulf Cooperative Insurance and Reinsurance Co. "MEDGULF", a company licensed to operate in KSA, under the Policy (MOC/5994652) dated 27/08/2020G. This policy covers certain vehicles owned by the Company which are 6 vehicles not assigned for transport. This policy forms a bail bond certificate and performance of third party rights for material and bodily injuries arising from the insured's liability for accident whether or not he is found guilty and should he is obliged to pay indemnity according to the law and within the limits of liability.
- Anaam International Food Company Ltd (an subsidiary) has a health insurance policy for its employees their families signed with Bupa Arabia Cooperative Insurance Co., a company licensed to operate in KSA. This policy is valid for one year starting from 30/06/2021G to 29/06/2022G and covers healthcare through a network of service providers appointed by the Company provided that the case shall be included by the insurance cover.
- Anaam International Food Company Ltd (an subsidiary) has also an auto insurance policy of such vehicles owned by the Company. This policy is made with Mediterranean and Gulf Cooperative Insurance and Reinsurance Co. "MEDGULF", a company licensed to operate in KSA, under the Policy (MOC/5994660) dated 27/08/2020G which is valid from 27/08/2020G to 26/08/2021G. This policy covers certain vehicles owned by the Company which are 29 vehicles not assigned for transport. This policy forms a bail bond certificate and performance of third party rights for material and bodily injuries arising from the insured's liability for accident whether or not he is found guilty and should he is obliged to pay indemnity according to the law and within the limits of liability.
- The Company provided no insurance policy against such perils which relevant offices, agricultural facilities and warehouses might face nor made available the best protection for such offices, agricultural facilities and warehouses and their contents against such perils and damage which may result from fire, theft or natural disasters of those arising from overflow or explosion of water tanks, equipment or pipes, etc.



## 11.29 Material information that has changed since the CMA's approval of the last share issue Prospectus

The following is a summary of the most important information that has been changed since the last prospectus (rights issue prospectus), which was issued on 1/11/2020G):

- **Articles of Association:** AoA has been updated in line with the amendments made to the new AoA by the Ordinary General Assembly held on 10/03/1442H (corresponding 27/10/2020G). AoA has been audited and approved by the Ministry of Commerce (Corporate Governance Department) on 18/04/1442H (Corresponding to 03/12/2020G). A copy of AoA was uploaded on Tadawul website in the page of the Company.
- **Capital:** On 10/03/1442H (Corresponding to 27/10/2020G), the Company's Extraordinary General Assembly agreed to increase the capital from SAR (15,000,000) divided into (1,500,000) ordinary shares to SAR (105,000,000).
- **Use of the proceeds of the offering of rights shares:** The Company offered rights shares in 2020G to increase its capital with the purpose to acquire an existing asset for the expansion of activity and operation, management and rent central freezing refrigerators for third and other parties. Under the said offering, the Company received SAR (90,000,000) from shareholders since (9,00,000) rights shares were offered at an offering rate of SAR 10 per share representing nominal value. As indicated in Page (ix) of this Prospectus, there was a deviation of the way of making use of such proceeds.

## 11.30 Declarations of Board members regarding legal information

In addition to the other declarations referred to herein, the Board members 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 prejudice any of the contracts or agreements to which the company or its subsidiaries are a party.
- c. All material legal information relating to the Company and its subsidiaries have been disclosed herein.
- d. The company and its subsidiaries are not subject to any lawsuits or legal procedures that, alone or as a whole, may materially affect their business or their financial position.
- e. The members of the company's board of directors are not subject to any lawsuits or legal procedures that, alone or as a whole, may materially affect the business of the company or its subsidiaries or their financial condition.



## 12. Underwriting

---

### 12.1 Underwriter

Al Wasatah Al Maliah (Wasatah Capital)  
Riyadh - Olaya Main Street  
Box 50315, Riyadh 11523  
Kingdom Saudi Arabia  
Tel: +966 (11) 4944067  
Fax: +966 (11) 4944205  
Website: [www.wasatah.com.sa](http://www.wasatah.com.sa)  
Email: [info@wasatah.com.sa](mailto:info@wasatah.com.sa)



### 12.2 Summary of Underwriting agreement

According to the terms and conditions of the Underwriting of Subscription Agreement:

1. The company undertakes to the underwriters that on the date of the allotment it will issue and allocate to the underwriters all the shares of the rights pledged to be covered in this Subscription that the eligible shareholders have not written as additional shares at the subscription price.
2. The underwriters pledge to a company that on the allotment date, they will purchase the pledged shares in this subscription, which have not yet been subscribed by the eligible shareholders as additional shares, at the subscription price.
3. Underwriters shall receive a specific amount of money in return for their underwriting, which will be paid from the subscription proceeds



## 13. Exceptions

---

The company did not obtain any exemptions from the Authority in connection with the offering.





## 14. Subscription Terms, Conditions and Instructions

---

The company submitted a request to the Capital Market Authority to register and offer the new shares and to the market to list the new shares, and all the requirements were fulfilled under the rules on the offering of securities, the continuing obligations and the listing rules.

All Eligible Shareholders and holders of acquired Rights must read the subscription terms and conditions carefully before electronic subscription, submission of the subscription application through a Broker, or filling out the Rump Offering application form. The submission of the subscription application or the signing and delivery of the Rump Offering Subscription application form constitutes acceptance of the mentioned terms and conditions.

### 14.1 Offering

Offering an increase in the company's capital is considered to be twenty-one million (21,000,000) new ordinary shares at an offer price of (10) ten Saudi riyals per share, with a nominal value of (10) ten Saudi riyals, and a total offering value of two hundred and ten (210,000,000) riyals, in order 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.

### 14.2 How to Apply for Subscription to the Rights (New Shares)

The Registered Shareholders and those wishing to subscribe to the Rights shall submit the subscription application during the Offering Period through the investment portfolio on trading platforms through which sale and purchase orders are entered, in addition to the possibility of subscribing through any other means provided by the Broker and shares Custodian in the Kingdom during the Offering Period. In the event that there is a rump offering period, during which it is also possible to submit subscription applications for any rump shares by investment institutions only.

By subscribing, the subscriber:

- Approval of his subscription to the company with the number of shares indicated in the subscription application
- He had read the prospectus and all its contents, studied it and understood its content
- Approval of the company's articles of association and the conditions contained in the prospectus
- He has not previously applied for subscription in the same shares for this offering with the broker, and the company has the right to reject all applications in case of repeating the subscription application
- His acceptance of the shares allocated under the subscription application and his acceptance of all subscription terms and instructions contained in the application and in the prospectus
- Ensure that the application will not be canceled or modified after it has been submitted to the broker

### 14.3 Application for Subscription

The Registered Shareholders wishing to exercise their full right and subscribe to all entitled Rights shall subscribe through the investment portfolio on trading platforms through which sale and purchase orders are entered, or through any other means provided by the Broker and shares Custodian.

The number of shares entitled to an Eligible Person will be calculated based on the number of Rights held thereby. As for the subscription amount that the subscriber shall pay, it is calculated by multiplying the number of existing rights he owns before the end of the subscription period by (10) riyals.



## 14.4 Trading Period, Subscription Period and Rump Offering Period

Eligible shareholders and those wishing to subscribe to the Rights issue shares shall submit the subscription application during the subscription period, which begins on Monday 22/10/1443H (Corresponding to 23/05/2022G) and ends Thursday 03/11/1443H (Corresponding to 02/06/2022G).

The Extraordinary General Assembly held on Tuesday 16/10/1443H (Corresponding to 17/05/2022G) approved the Board of Directors' recommendation to increase the company's capital by issuing rights issue shares. According to this prospectus, twenty-one million (21,000,000) ordinary shares will be offered for subscription in the rights issue shares, which represent about (200%) of the company's capital before the subscription, at an offer price of (10) ten Saudi riyals per share, inclusive of a nominal value of (10) Ten riyals, with a total offering value of two hundred and ten million (210,000,000) riyals, and new shares will be issued at the rate of one share for each of the rights. Subscription to the rights issue shares offered to shareholders registered in the company's shareholders register will be at the end of the second trading day following the Extraordinary General Assembly meeting on Tuesday 16/10/1443H (Corresponding to 17/05/2022G) and to those eligible who have purchased the rights during the trading period of the rights, including the registered shareholders who have purchased additional rights in addition to the rights they originally owned.

If Eligible Persons have not exercised the Rights by the end of the Offering Period, the Rump shares resulting from non-exercise or sale of those rights will be offered to Institutional Investors in the Rump Offering Period.

Registered Shareholders may trade the Rights deposited in their portfolios via Tadawul. These Rights are considered to be the acquired right of all shareholders registered in the Company's shareholders register as of the close of the second trading day following the date of the EGM on capital increase. Each Right grants its holder eligibility to subscribe for one new share at the offer price. The Rights will be deposited after the EGM. The Rights will appear in the portfolios of the Registered Shareholders under a new symbol specifying the Rights Issue. Then, Registered Shareholders will be informed of the deposit of the Rights in their portfolios.

The schedule for the sequence and details of the offering process of the rights issue shares will be as follows:

**Eligibility Date:** End of trading on the day of the EGM on Tuesday 16/10/1443H (Corresponding to 17/05/2022G).

**Trading and Subscription Period:** The trading period and Subscription offering period start on Monday 22/10/1443H (Corresponding to 23/05/2022G). The trading period will end on Monday 29/10/1443H (Corresponding to 30/05/2022G), while the Subscription offering period will continue until the end of the day Thursday 03/11/1443H (Corresponding to 02/06/2022G).

**Rump Offering Period:** Starts on Tuesday 08/11/1443H (Corresponding to 07/06/2022G) from ten in the morning until five in the evening of the next day on Wednesday 09/11/1443H (Corresponding to 08/06/2022G). During this period, the remaining shares will be offered to a number of Institutional Investors ("Investment Institutions"), provided that such Investment Institutions shall submit offers to purchase the Rump shares. The Rump shares shall be allocated to Investment Institutions with the highest offer, then to the next one, provided that price will not be less than the offer price, and the allocation of those shares to Institutional Investors submitting the same offer will be on pro-rata basis. Fractional shares shall be added to the Rump shares and treated in the same way. The subscription price of the new unsubscribed Shares for this period will be offered at the offer price, as the minimum price. In case the sale price of such shares is higher than the offer price, the difference (if any) shall be distributed as compensation to the Rightsholders who did not exercise their rights in the subscription and Fractional shares holders in proportion to their respective rights.

**Final Allocation of Shares:** Shares will be allocated to each investor based on the number of Rights properly and fully exercised by them. As for those entitled to fractional shares, fractional shares will be collected and offered to Investment Institutions during the Rump offering period. The total offer price of the Rump shares shall be paid to the Company, and all the remaining proceeds resulting from the sale of Rump shares and fractional shares, without any charges or deductions, (in excess of Offer Price) shall be distributed to the Eligible Persons not later than Sunday 11/12/1443H (Corresponding to 10/07/2022G).

**Trading of the New Shares on the market:** Trading in the new shares will start on Tadawul upon the completion of all procedures relating to the registration, allocation, and listing of the new shares.

The Company applied to the CMA to register and offer the new shares, and the Company has also applied to Tadawul to accept its listing.



### 14.5 Allocations and Refund of Surplus

The Company and the Lead Manager will open an Escrow Account in which the proceeds will be deposited.

Rights issue shares shall be allocated to the Eligible Persons based upon the number of Rights that they properly and fully exercised. As for Shareholders entitled to fractional shares, these shall be accrued and offered to Investment Institutions during the Rump offering. The total offer price of the of Rump shares shall be paid to the Company, and all the remaining proceeds resulting from the sale of Rump shares and fractional shares (in excess of offer price) shall be distributed to the Eligible Persons not later than Monday 14/11/1443H (Corresponding to 13/06/2022G). In the event that new shares remain unsubscribed to, they will be purchased by and allocated to the underwriters.

Final notice for the number of shares allocated to each Eligible Person without any charges or withholdings by the Lead Manager is expected to take place by depositing the shares into the accounts of subscribers. Eligible Persons shall contact the Broker through which the application is submitted for further information. The results of the allocation will be announced no later than on Sunday 11/12/1443H (Corresponding to 10/07/2022G).

The surplus (the rest of the proceeds of the offering process in excess of the offering price) will be refunded to the eligible persons who did not participate wholly or partially in the subscription to the rights issue shares (if any) without any deductions no later than Sunday 11/12/1443H (Corresponding to 10/04/2022G).

### 14.6 Supplementary Prospectus

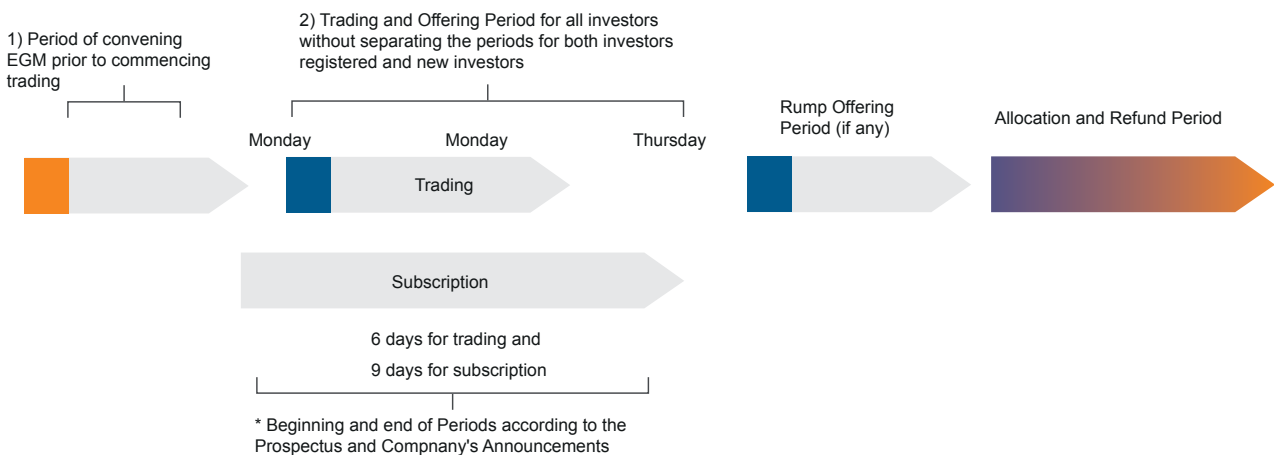
The Company must submit to CMA a Supplementary Prospectus, in accordance with the requirements of the rules for the Offering of securities and Continuing Obligations, if the Company becomes aware at any time after the date of the publication of this Prospectus and before the completion of the Offering of any of the following:

- The existence of a significant change in material matters mentioned in this Prospectus.
- Any important issues have emerged that should have been included in this Prospects.
- The investor who subscribed for the new shares prior to the publication of the Supplementary Prospectus may cancel or amend his/her subscription for these shares before the end of the Offering period.

### 14.7 Suspension or cancellation of the Offering

The Financial Market Authority may, at any time, issue a decision to suspend the Offering if it deems that the Offering may result in a breach of the stock market system, its implementing regulations, or the market's rules. In addition, the offer will be canceled if the Extraordinary General Assembly does not approve any of the details of the offer.

Figure No. (3): Mechanism for trading and subscription of rights December 31, 2020G





## 14.8 Q& A related to the developed mechanism for traded rights

### What is a Rights Issue?

A Rights Issue is an offering of tradable securities that give their holders the right to subscribe for New Shares upon approval of capital increase. They are acquired rights for all Shareholders who own shares at the date of the EGM for capital increase, and who are registered in the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the EGM. Each Right grants its holder the right to subscribe for one New Share at the Offer Price.

### Who is granted the Rights?

The Rights shall be granted to Shareholders registered in the Company's Register as of the close of the second trading day of the EGM to increase the capital.

### When are the Rights deposited?

Following the EGM and its approval to increase the capital through a Rights Issue, the Rights shall be deposited as securities in the portfolios of shareholders registered in the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the EGM. The New Rights appear in their portfolios under a new code for the Rights. These Rights cannot be traded or subscribed by the Registered Shareholders until the beginning of the Trading Period and Subscription Period.

### How are Registered Shareholders notified of the Rights being deposited in their portfolios?

The Registered Shareholders are notified through an announcement on the Tadawul website and through Tadawulati Service provided by the Depository Center and SMS's sent through intermediaries/brokers.

### How many Rights can be acquired by a Registered Shareholder?

The number of Rights to be acquired by a Registered Shareholder is subject to the number of Shares held by the Registered Shareholder in the Company's Shareholders Register at the Depository as at the close of the second trading day after the EGM.

### What is the Rights Issue eligibility factor?

It is the means by which the Registered Shareholder can determine the Rights it is entitled to in relation to its shareholding under the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the EGM. It is calculated by dividing the number of New Shares by the number of the Company's existing Shares. It is, therefore, (2) shares for each (1) share held by registered shareholders on eligibility date; for example, if a registered shareholder owns (1,000) shares on eligibility date, then (2000) shares will be allocated to him/her in consideration of his/her shareholding.

### Will these Rights be tradable under a different name/ symbol of the Company's shares?

The Rights will be deposited in the investors' portfolios under the name of the original share, and by adding the word "Rights", they will be deposited in a new symbol for these rights.

### What is the value of the Right upon commencement of trading?

The opening price of the Right is the difference between the closing price of the share on the day preceding the Rights listing and the Offer Price (the indicative value of the Right). For example (using hypothetical prices), if the closing price of a share on the preceding day is fifteen (15) Saudi Riyals (SAR 15) and the Offer Price is ten (10) Saudi Riyals (SAR 10), the opening price of the Rights upon the commencement of trading will be five (5) Saudi Riyals (SAR 5), the difference between the two mentioned prices.)

### Who is the Registered Shareholder?

A shareholder who appears in the Company's shareholder register at the end of the second trading day after the EGM.

**Can Registered Shareholders subscribe for additional shares?**

Yes. Registered Shareholders can subscribe to additional shares by purchasing new Rights through Tadawul during the Trading Period.

**Is it possible for a registered shareholder to lose his/her eligibility to subscribe even if he/she has the right to attend the EGM and vote on raising the capital through a rights issue?**

Yes, the Shareholder loses his/her eligibility to subscribe if he sells his/her shares on the day of the Extraordinary General Meeting or one working day before it.

**How does the Subscription take place?**

Subscription Applications are submitted through the investment portfolio in the trading platforms through which the buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the intermediaries and custodian.

**Can an Eligible Person subscribe to more shares than the Rights owned by him/her?**

An Eligible Person cannot subscribe to more shares than the Rights owned by him/her.

**If the Company shares are acquired through more than one investment portfolio, in which portfolio will the Rights be deposited?**

The rights will be deposited in the same portfolio in which the shares of the Company connected to the rights are deposited. For example, if a shareholder holds one thousand (1000) shares in the Company (eight hundred (800) shares in portfolio (a) and two hundred (200) shares in portfolio (b)), then the total rights (amounting to two thousand (2000) rights, as each share is eligible for a right) will be deposited. Therefore, one thousand six hundred (1600) rights will be deposited in portfolio (a) and four hundred (400) rights will be deposited in portfolio (b).

**Are share certificate holders allowed to subscribe and trade?**

Yes, they are allowed to subscribe, but they cannot trade until after depositing the certificates in investment portfolios through the receiving agents or Depository Center Company (Edaa) and introducing the necessary documents.

**Are additional Rights purchasers entitled to trade them once again?**

Yes, purchasers of additional Rights may sell them and purchase other Rights only during the Trading Period.

**Is it possible to sell a part of these Rights?**

Yes, the investor may sell a part of these Rights and subscribe for the remaining part.

**When can a Shareholder subscribe for the Rights he/she purchased during the Trading Period?**

Any time during the Subscription Period (i.e., until the ninth day) after settlement of the purchase of Rights (two business days).

**Can the Eligible Person sell or assign the Right after the expiry of Trading Period?**

No. After the expiry of the Trading Period, the Eligible Person may only exercise the right to subscribe to the Rights Shares. In case the Right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio.

**What happens to the Rights that are unsold or unsubscribed for during the Trading and Subscription Periods?**

If the New Shares are not fully subscribed for during the Subscription Period, the remaining New Shares will be offered for subscription through an offering to be organized by the Lead Manager. The amount of compensation (if any) to the Rights holder will be calculated after deducting the subscription value and any other expenses according to the criteria defined by this Prospectus. The investor may not receive any consideration if the sale occurs during the Rump Offering Period at the Offer Price.

**Who has the right to attend the Extraordinary General Assembly and vote on increasing the Issuer's share capital through a Rights Issue?**

A shareholder registered in the Company's Shareholders Register at the Depository Center after the end of the trading session, on the date of the EGM, shall have the right to attend the EGM and vote on increasing the Issuer's share capital through Rights Issue.

**When is the share price adjusted as a result of increasing the Issuer's share capital through a Rights Issue?**

The share price is adjusted by Tadawul before the start of trading on the day, following the EGM.

**If an investor buys securities on the date of the EGM, will he/she be eligible for the Rights resulting from the increase of the Issuer's share capital?**

Yes, as the investor will be registered in the Company Shareholders Register two business days after the date of the purchase of shares (i.e., at the end of the second trading day following the day of the EGM), bearing in mind that Rights will be granted to all shareholders registered in the Company Shareholders Register at the end of trading session on the second trading day following the date of the EGM. However, he/she may not attend or vote in the EGM for the capital increase.

**If an investor has more than one portfolio with more than one broker, how will their Rights be calculated?**

The investor's shares will be distributed to their portfolios according to the percentage of shareholding in each portfolio. In the event of share fractions, these fractions will be aggregated. If the outcome is an integer or more, the integer number will be added to the portfolio in which the investor has the largest number of Rights.

**What are the Trading and Offering Periods?**

Trading in and subscription for the Rights shall commence at the same time until the end of trading on the sixth day. However, subscription shall continue until the ninth day, as stated in the Prospectus and the Company's issued announcements.

**Is it possible to subscribe during the weekend?**

No.

**Can investors, who are not Registered Shareholders, subscribe for the Rights Shares?**

Yes. Investors can subscribe to the Rights Shares upon full purchase of Rights through Tadawul during the Trading Period.

**Additional assistance:**

In case of any inquiries, please contact the Company at the e-mail ([info@anaamgroup.com](mailto:info@anaamgroup.com)). For legal reasons, the company will only be able to provide the information contained herein and will not be able to advise on the merits of issuing rights or even provide financial, tax, legal, or investment advice.

For more information on the terms, conditions and instructions for the subscription, please refer to Section (12) "Underwriting" and other information contained herein.



## 14.9 Decisions and approvals according to which shares will be offered

The company's board of directors recommended in its resolution dated 26/06/1442H (Corresponding to 08/02/2021G) to increase the company's capital by offering rights issue shares with a value of two hundred and ten million (210,000,000) Saudi riyals, in order to achieve the strategic direction and raise the financial solvency of the group by reinstating structuring the group and implementing a business plan focusing on its main activities.

On Tuesday 16/10/1443H (Corresponding to 17/05/2022G), the company's extraordinary general assembly approved an increase in the company's capital through the issuance of rights issue shares ("subscription"). The subscription consists of offering twenty-one million (21,000,000) new ordinary shares at an offer price of (10) ten Saudi riyals per share, with a nominal value of (10) ten Saudi riyals, in order 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.

Tadawul approved the application for listing the new shares on 01/02/1443H (Corresponding to 08/09/2021G). The publication of this prospectus and all the supporting documents requested by the Authority were also approved on the date of its announcement on the Authority's website on 14/08/1443H (Corresponding to 17/03/2022G).

### 1. Miscellaneous Terms

The Subscription application form and all related terms, conditions and covenants hereof shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assignees, executors, administrators and heirs. It is stipulated that, with the exception of what is specifically stated in this prospectus, the request or any rights, interests or obligations arising from it shall not be waived or delegated to any of the parties referred to in this prospectus without obtaining the prior written consent of the other party.

These instructions and clauses and any receipt of subscription application forms or contracts arising therefrom shall be governed by and construed in accordance with the laws of the Kingdom. This Prospectus may be distributed in Arabic and English. In case of conflict between the two texts, the Arabic text of the Prospectus shall prevail.

### 2. Statement of any arrangements in place to prevent disposal of certain shares

There are no arrangements in place to prevent disposal of any shares.





## 15. Changes in share price as a result of capital increase

---

The closing price of the company's share on the day of the extraordinary general assembly is (77.8) Saudi riyals and it is expected to reach (26.60) Saudi riyals at the opening of the next day, and the change represents a decrease of (58.1%).

Method for calculating the share price as a result of the capital increase is as follows:

### **First: Calculating the market value of the Company upon closing on the day of EGM.**

Number of shares at the end of the day of the extraordinary general assembly x closing price of the company's shares on the day of the extraordinary general assembly = market value of the company at closing on the day of the extraordinary general assembly.

### **Second: Calculating the share price at the opening day of the day that follows the day of the EGM.**

(The market value of the Company at the close on the day of EGM + the value of the shares offered) / (the number of shares at the end of the day of EGM + the number of shares offered for subscription) = The expected share price at the opening of the day following the day of EGM.



## 16. Covenants relating to the Subscription

---

### 16.1 Overview of the Subscription Application and the Covenants

Subscription can be done using the trading platforms or through any other means provided by the broker to the investors. The new shares will be subscribed in one phase according to the following:

During this period, all Registered Shareholders and New Investors will be allowed to subscribe to the New Shares.

The Registered Shareholder will be entitled to subscribe directly to the number of his / her shares or less than the number of his / her shares during the Subscription Period. If the Registered Shareholder buys new Rights, the Registered Shareholder will be able to subscribe to them by the end of the settlement period (two working days).

New investors will be entitled to subscribe to the new shares immediately after settling the rights purchase (two working days).

Subscription will be available electronically through the investment portfolio in the trading platforms and applications through which buy and sell orders are entered, in addition to subscribing to the channels and other means available to the broker, provided that only the subscription of a number of new shares due under the rights in the investment portfolio will be approved.

Each Right entitles its holder to subscribe to one new share at the Offer Price. Subscriber to the new shares declares the following:

- His/Her acceptance of all the subscription terms and conditions stated in this Prospectus.
- That he/she has read this Prospectus and all its contents carefully and understood its content.
- His/Her acceptance of the Company By-Laws.
- He/She is committed not to cancel or amend the subscription application after its submission

### 16.2 Allocation Processes

Rights issue shares shall be allocated to the Eligible Persons based upon the number of Rights that they properly and fully exercised. As for the beneficiaries of fractional shares, the fractional shares will be collected and offered to the investment institutions during the rump offering period, and the total price for offering the rump shares will be paid to the company, and the rest of the proceeds from the sale of the rump shares and fractional shares (in excess of the offering price) will be distributed to the beneficiaries, each according to what he is entitled to in no later than on Sunday 11/12/1443H (Corresponding to 10/07/2022G) and in the event that shares remain unsubscribed after that, the underwriters will purchase those new rump shares and they will be allocated to him.

Eligible Persons should contact the agent through which they were subscribed to obtain any additional information. The results of the allocation will be announced no later than on Monday 14/11/1443H (Corresponding to 13/06/2022G).

### 16.3 Saudi Exchange (Tadawul)

Tadawul system was established in 2001G as an alternative system for the electronic securities information system. The electronic stock trading started in the Kingdom in 1990G. The trading process is carried out through an integrated electronic system from the execution of the transaction to the settlement. Trading takes place every working day of the week from Sunday to Thursday in one period from 10 am to 3 pm during which orders are executed. Beyond such times, orders are permitted to be inserted, amended, and cancelled from 9:30 a.m. until 10 a.m.

The transactions are executed through automatic order matching, and orders are received and prioritized according to the price. In general, market orders are executed first, which are the orders that have the best prices, followed by fixed-price orders, and in the event that several orders are entered at the same price, they are executed according to the timing of the entry.

The Tadawul system distributes a comprehensive range of information through different channels, most notably the Tadawul website, where up-to-date market information is provided immediately to information providers such as Reuters. Transactions are automatically settled within two business days (T+2).



The Company must disclose all decisions, material, and important information through Tadawul. Tadawul is responsible for monitoring the market in order to ensure fairness of trading and efficiency of market operations.

#### 16.4 Trading of the Company shares on Tadawul

An Application has been submitted to CMA to register and list the Rights on Tadawul and a request has been submitted to the Stock Market (Tadawul) for their listing. This Prospectus has been approved and all requirements have been met.

Registration and the commencement of trading in the Rights on Tadawul are expected after the final allocation of the Offering Shares is completed and will be announced on Tadawul website. The dates mentioned in this Prospectus are tentative and may be changed with the approval of CMA.

Although the existing shares are listed on Tadawul and the Company's Shares are listed on Tadawul, the new shares can only be traded after the final allocation of shares has been approved and deposited in the subscribers' portfolios. It is strictly prohibited to trade in new shares prior to the approval of the allotment process.

Subscribers and bidders in the Rump Offering who engage in prohibited trading activities shall bear full liability for them and the Company shall not be liable in such a case.



## 17. Documents available for inspection

---

The following documents will be available for inspection at the company's head office located in Jeddah, during official working hours (from 7:00 am to 4:00 pm) 14 days before the date of the extraordinary general assembly of the capital increase, and these documents will remain available for inspection until the end of the subtraction:

### **Documents of incorporation and Articles of Association:**

- The company's commercial registration certificate.
- Memorandum of Association of the company.
- Company's Bylaws.

### **Approvals of shares capital increase:**

- Board of Directors' decision recommending the increase of capital.
- The approval of the Capital Market Authority to offer the priority right shares.
- The approval of Tadawul to list the priority right shares.

### **Reports, letters and documents:**

- Licenses to operate the company's factories.
- Underwriting Agreement and Lead Manager Agreement.
- Written approvals by the financial advisor, Lead Manager, underwriter, and legal advisor to use their name, logo and statements in the prospectus.
- Written approvals by the chartered accountants to use their name and logo within the prospectus.

مجموعة أنعام الدولية القابضة  
Anaam International Holding Group

