

Hawyia Auctions Prospectus



A Saudi closed Joint stock company, under the Commercial Registration No. (1010584375), dated 22/10/1440H (corresponding to 25/06/2019), issued in Riyadh.

Offering two million four hundred (2,400,000) ordinary shares, representing (12.00%) of the Company's total share capital, in the parallel market to qualified investors at an offering price of thirteen (13) Saudi Riyals per share.

Offering Period: Starts from Monday 28/11/1446H (corresponding to 26/05/2025) until Thursday 02/12/1446H (corresponding to 29/05/2025)

Hawya Auctions Company was established as a limited liability Company under Commercial Registration No. (1010584375), dated 10/22/1440H (corresponding to 06/25/2019G), issued in Riyadh, with a capital of one hundred thousand (100,000) Saudi Riyals, divided into one hundred thousand (100,000) cash shares of equal value, fully paid, with a nominal value of one (1) Saudi Riyal per share. The share capital is owned by (1) Partner/ Badr Mohammed Abdulaziz Al-Sulaiman, holding ninety thousand (90,000) shares with a nominal value of ninety thousand (90,000) Saudi Riyals, which represents (90.00%) of the total shareholding of the Company, and (2) Partner/ Mohammed Abdullah Mohammed Al-Alyan, holding ten thousand (10,000) shares with a nominal value of ten thousand (10,000) Saudi Riyals, which represents (10.00%) of the total shareholding of the Company. On 07/29/1444H (corresponding to 20/02/2023G), the partners resolved to approve the following: (1) Amendment of the nominal value of each share from "one (1) Saudi Riyal" to "one hundred (100) Saudi Riyals"; and (2) the waiver by the partner, Badr Mohammed Abdulaziz Al-Sulaiman, of five hundred sixty seven (567) shares, with a total nominal value of fifty-six thousand seven hundred (56,700) Saudi Riyals - including all rights and obligations and without compensation - in favor of: (1) Partner/ Mohammed Abdullah Mohammed Al-Alyan, with one hundred and two (102) shares with a nominal value of ten thousand two hundred (10,200) Saudi Riyals, making his total shareholding 20.20% of the Company's ownership; (2) the new partner/ Abdullah Emad Hamad Al-Askar, four hundred and forty (440) shares with a nominal value of forty four thousand (44,000) Saudi Riyals, representing 44.00% of the Company's total ownership; (3) the new Partner/ Mohammed Ibrahim Hamad Al-Tuwaijri, holding twenty five (25) shares with a nominal value of two thousand five hundred (2,500) Saudi Riyals, representing 2.50% of the Company's total ownership. As a result, the total ownership of Partner/ Badr Mohammed Abdulaziz Al-Sulaiman reached 33.30% of the Company's total ownership. On 01/11/1444H (corresponding to 21/05/2023G), the partners decided to approve the following: (1) Amendment of the nominal value of each share from "one hundred (100) Saudi Riyals" to "ten (10) Saudi Riyals"; and (2) the waiver by Partner, Badr Mohammed Abdulaziz Al-Sulaiman, of five (5) shares, with a nominal value of fifty (50) Saudi Riyals, including all rights and obligations and without compensation, in favor of Partner/ Mohammed Abdullah Mohammed Al-Alyan, resulting in his total shareholding becoming 20.25% of the Company's ownership, and the total ownership of partner/ Badr Mohammed Abdulaziz Al-Sulaiman becoming 33.25% of the Company's ownership. On 21/12/1445H (corresponding to 27/06/2024G), the partners decided to approve the following: (1) Waiver by Partner/ Abdullah Emad Hamad Al-Askar of two thousand four hundred and forty (2,440) shares, with a nominal value of twenty-four thousand four hundred (24,400) Saudi Riyals, including all underlying rights and obligations, and without compensation; and (2) Waiver by Partner/ Mohammed Ibrahim Hamad Al-Tuwaijri of fifty (50) shares, with a nominal value of five hundred (500) Saudi Riyals, including all underlying rights and obligations, and without compensation, in favor of: (1) Partner/ Mohammed Abdullah Mohammed Al-Alyan, with four hundred and fifteen (415) shares with a nominal value of four thousand one hundred and fifty (4,150) Saudi Riyals, bringing his total ownership to 24.40% of the total ownership of the Company; (2) New partner/ Ibrahim Mohammed Abdulaziz Al-Sulaiman, with two thousand seventy-five (2,075) shares, with a nominal value of twenty thousand seven hundred and fifty (20,750) Saudi Riyals, representing 20.75% of the total ownership of the Company. Accordingly, the ownership of both partner/ Abdullah Imad Hamad Al-Askar represents (19.60%) of the total ownership of the Company, and partner/ Mohammed Ibrahim Hamad Al-Tuwaijri represents (2.00%) of the total ownership of the Company. On 16/3/1446H (corresponding to 09/19/2024G), the partners decided to approve the waiver by both 1) partner/ Badr Mohammed Abdulaziz Al-Sulaiman of all shares owned by him, amounting to three thousand three hundred and twenty-five (3,325) shares, with a nominal value of thirty-three thousand two hundred and fifty (33,250) Saudi Riyals, including all underlying rights and obligations (and without compensation), and 2) the partner/ Ibrahim Mohammed Abdulaziz Al-Sulaiman of all the shares owned by him, amounting to two thousand seventy-five (2,075) shares, with a nominal value of twenty thousand seven hundred and fifty (20,750) Saudi Riyals, including the underlying rights and obligations (and without compensation), to the new partner/ Al-Sulaiman Real Estate Company (a closed joint-stock Company), so the total ownership of Al-Sulaiman Real Estate Company accounts for (54.00%) of the total ownership of the Company. On 02/05/1446H (corresponding to 04/11/2024G), the partners resolved to approve the following: (1) Increasing the Company's capital from "one hundred thousand (100,000) Saudi Riyals" to "twenty million (20,000,000) Saudi Riyals." The increase amounting to nineteen million nine hundred thousand (19,900,000) Saudi Riyals was made by transferring the amount of nineteen million nine hundred thousand (19,900,000) Saudi Riyals from the retained earnings account to the capital account; and (2) Amending the nominal value of each share from "ten (10) Saudi Riyals" to "one (1) Saudi Riyal." On 16/05/1446H (corresponding to 18/11/2024G), all partners decided to approve the conversion of the Company from a "limited liability Company"

to a "closed joint-stock Company" with a capital of twenty million (20,000,000) Saudi Riyals, divided into twenty million (20,000,000) ordinary shares of one (1) Saudi Riyal each.

As of the date of this Prospectus, the Company's capital amounts to twenty million (20,000,000) Saudi Riyals, divided into twenty million (20,000,000) ordinary shares of equal value, of one (1) Saudi Riyal each, fully paid. All the Company's shares are ordinary shares of one class. Each share shall entitle its holder to one vote. No shareholder shall have any preferential rights. Each shareholder, regardless of the number of their shares, shall have the right to attend and vote at the General Assembly meetings. Each shareholder may delegate another person, who is not a member of the Board of Directors or an employee of the Company, to attend and vote at the General Assembly meetings on their behalf.

The offering will be directed to qualified investors (the "Offering") and will consist of two million four hundred thousand (2,400,000) ordinary shares (collectively referred to as the "Offering Shares") and individually as an "Offering Share", each with a nominal value of one (1) Saudi Riyal. The offer price per share will be thirteen (13) Saudi Riyals. The Offering Shares represent 12.00% of the Company's total shares. All Company shares will be ordinary shares of one class. No shareholder shall have any preferential rights. Each shareholder (the "shareholder"), regardless of the number of their shares, shall have the right to attend and vote at the General Assembly meetings. The Offering Shares shall be entitled to their portion of any dividends declared by the Company from the date of this Prospectus and for subsequent financial years. (Please refer to Section (5) "Dividend Policy" of this Prospectus).

As of the date of this Prospectus, the Company's Substantial Shareholders who own 5.0% or more of its share capital are: 1) Al-Sulaiman Real Estate Company, with an ownership of 54.00%, which will become approximately (47.52%) after the Offering; 2) Mr. Mohammed Abdullah Mohammed Al-Alyan, with an ownership of (24.40%), which will become approximately (21.47%) after the Offering; 3) Mr. Abdullah Emad Hamad Al-Askar, with an ownership of 19.60%, which will become approximately 17.25% after the Offering. (For more details about shareholders, please refer to Section (4.1) "Shareholding Structure Before and After the Offering" of this Prospectus). Substantial Shareholders mentioned above are prohibited to dispose of their shares for a period of twelve (12) months from the date of trading the Company's shares in the parallel market (the "Lock-up Period"). After the end of the Lock-up Period, they may dispose of their shares without obtaining prior approval from the Capital Market Authority (the "CMA").

The subscription to the Offer Shares in the parallel market will be limited to the Qualified Investor categories, according to the definition of the Qualified Investor in the list of terms used in the regulations and rules of the Capital Market Authority and in the list of terms used in the rules of the Saudi Exchange ("Market", "Tadawul" or "Saudi Exchange"). Part 8 of The Rules on the Offer of Securities and Continuing Obligations (ROSCOs), it means any of the following:

1. Capital Market Institutions acting on their own behalf.
2. Clients of a Capital Market Institution are licensed to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to take decisions to accept participation in the Offering and to invest in the parallel market on the client's behalf without the need for his/her prior approval.
3. The Kingdom's Government, any government entity, or any international body recognized by the Capital Market Authority, the Saudi Exchange, or any other stock exchange recognized by the CMA, or the Securities Depository Center Company (Edaa);
4. Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution authorized to perform management activities.
5. Companies and funds are established in the Gulf Cooperation Council (GCC) countries.
6. Investment funds.
7. Any other legal persons may open an investment account in the Kingdom and an account with the Depository Center.
8. Natural persons who may open an investment account in the Kingdom and an account at the Depository Center, and who meet any of the following criteria:
 - A) have made transactions in the securities market with a total value of not less than forty million (40,000,000) Saudi Riyals and not less than ten (10) transactions per quarter during the past 12 months.

- B) have assets whose net value is not less than five million (5,000,000) Saudi Riyals.
- C) are working or have worked in the financial sector for at least three (3) years.
- D) Holds the General Securities Qualification Certificate which is approved by the Authority.
- E) hold a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity; or

9. Any other persons determined by CMA.

The Company's current Shareholders (collectively, the "Current Shareholders") named in page (U) own all of the shares of the Company prior to the Offering. The Offer Shares will be sold by all of the Shareholders in proportion to their respective percentages of shareholding in the Company (referred to as the "Selling Shareholders"). Upon the completion of the Offering, the Current Shareholders will own eighty-eight percent (88%) of the Company's Shares and will therefore retain a controlling interest in the Company after the Offering. The proceeds of the subscription, after deducting the Offering Expenses, will be distributed to the selling shareholders. The Company will not receive any portion of the subscription proceeds. (For more information, please refer to Section (6) "Use of Proceeds" of this Prospectus.)

The Offering Period will start on Monday 28/11/1446H (corresponding to 26/05/2025) and will remain open for a period of Four (4) days, including the subscription closing date at the end of Thursday 02/12/1446H (corresponding to 29/05/2025) (the "Offering Period"). Subscription to the Offer Shares can be made through the websites and platforms of the Lead Manager and Receiving Entities that provide this service to subscribers, or through any other means provided by the Lead Manager and Receiving Entities, through which Qualified Investors will be able to subscribe to the Company's shares during the Offering Period (for further details, please see the page (F) of this Prospectus). The Offering to Qualified Investors will be during the Offering Period, and each of them will be allowed to study the investment opportunity and be informed of any additional information available through a data room where all the documents referred to in Section No. 11 "Documents Available for Inspection" will be presented.

Each Qualified Investor who subscribes to the Offer Shares must apply for a minimum of ten (10) Offer Shares and a maximum of nine hundred ninety-nine thousand nine hundred and ninety (999,990) Offer Shares. Subscription to the Offer Shares can be made through the websites and platforms of the Lead Manager and Receiving Entities that provide this service to subscribers, or through any other means provided by the Lead Manager and Receiving Entities. The final allotment for the Offer Shares will be announced no later than Monday 06/12/1446H (corresponding to 02/06/2025) ("Allotment Date"), and subscription surplus will be refunded within Two (2) business days from the date of allotment, no later than Wednesday 08/12/1446H (corresponding to 04/12/2025), without any charge or commission on the Offering Proceeds being withheld by the Lead Manager or Receiving Entities or the Company. For further details about the terms, conditions and instructions of the Offering, see section (9) "Information related to Shares and Subscription Terms and Conditions" of this Prospectus.

Prior to this Offering, the Company's Shares have never been listed and traded in any stock market, whether inside or outside the Kingdom of Saudi Arabia, before it was listed in the parallel market. The Company has submitted an application to the CMA for the registration and offer of shares on the Parallel Market in accordance with the Rules of Offering Securities and Continuing Obligations. It also submitted a request to list its shares to the Saudi Exchange in accordance with the Listing Rules. All requirements have been met, and all necessary official approvals for the Shares Offering have been obtained, including the approval of this Prospectus. It is expected that the trading of shares in the Parallel Market will start soon after the completion of the Shares Allocation Process, Refund of the Surplus and all relevant regulatory requirements (For more details, please refer to page (L) of this Prospectus «Key Dates and Subscription Procedures»). After registering shares in the parallel market, Qualified Investors who meet the conditions will be allowed to trade in the Company's shares.

Investment in the Offer Shares involves risks and uncertain issues. Accordingly, both "Important Notice" page (A) and Section (2) "Risk Factors" of this Prospectus must be carefully considered and read by the potential Qualified Investors prior to making a decision to invest in the Offer Shares.

Receiving Entities

Lead Manager

Financial Advisor



This Prospectus includes information provided in compliance with the requirements of Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the «Authority»). The Directors, whose names appear in this prospectus, shall collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading. The Authority and the Saudi Exchange shall take no responsibility for the contents of this Prospectus, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Investors who wish to purchase the shares offered under this Prospectus must investigate the validity of the information related to the offer shares. In the event that the contents of this Prospectus cannot be understood, a licensed financial advisor should be consulted.

This Prospectus was issued on 17/09/1446H (corresponding to 17/03/2025).

This Prospectus is an unofficial English translation of the official Arabic Prospectus and is provided for information purposes only. The Arabic 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 languages.



Hawyia Auctions

Prospectus

Important Notice

This Prospectus provides complete detailed information about Hawiya Auctions Company and the shares offered for subscription in the Parallel Market. Investors who apply to subscribe to the offered shares will be treated on the basis that their applications are based on the information contained in this Prospectus, copies of which can be obtained from the Company, financial adviser, Lead manager or websites of the Company (www.Hawiya.sa), financial advisor “Etidamah Capital” (www.estidamahcapital.com), Lead Manager “Derayah Financial” (www.derayah.com), or Capital Market Authority (www.cma.org.sa). The Financial Advisor, “Etidamah Capital” will also announce on the Saudi Exchange website “Tadawul” (www.saudiexchange.sa) about publishing the Prospectus and making it available to Qualified Investors during the period specified in accordance with the Rules on the Offer of Securities and Continuing Obligations (within a period of no less than (14) days before the Offering) and any other developments.

This Prospectus contains information provided according to the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority in the Kingdom Saudi Arabia. The Directors whose names appear on page (C) collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus, and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, that there are no other facts in the Prospectus that the omission of which would make any statement contained therein misleading. The Authority and Saudi Tadawul Company (Tadawul) shall take no responsibility for the contents of this Prospectus, and they do not give any assurances regarding the accuracy or completeness of this Prospectus and expressly disclaim any responsibility whatsoever for any loss arising from or incurred in reliance on any part of this Prospectus.

The Company has appointed Etidamah Capital as a Financial Advisor (“Financial Advisor”) and Derayah Financial as the Lead Manager (“Lead Manager”) in relation to offering the Company’s shares in the parallel market. For more details, please see Section (10) “Subscription Undertakings” of this Prospectus.

The information contained in the Prospectus, as at the date hereof, is subject to change. In particular, the financial position of the Company and the value of the Shares may be adversely affected by future developments such as inflation factors, interest rates, taxation or other economic or political factors over which the Company has no control (please see section (2) “Risk Factors” of this prospectus). Neither the delivery of this Prospectus nor any oral, written or printed communication in relation to the Offer Shares is intended to be or should be construed or relied upon in any way as, a promise or representation as to future earnings, results or events.

This Prospectus is not to be regarded as a recommendation on the part of the Company, its directors, or its Financial Advisor to participate in the Offering. The information contained in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs. Prior to making an investment decision, each recipient of this Prospectus shall be responsible for obtaining independent professional advice from a financial advisor who is licensed by the Authority in relation to the Offering and for considering the appropriateness of the information herein, with regard to individual objectives, financial situations and needs.

According to the requirements of the Rules on the Offer of Securities and Continuing Obligations, subscription to the Offer Shares shall be limited to the following categories of Qualified Investors: 1) Capital Market Institutions acting on their own behalf. 2) Clients of a Capital Market Institution licensed to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to take decisions to accept participation in the Offering and to invest in the parallel market on the client’s behalf without the need for his/her prior approval. 3) The Kingdom’s Government, any government entity, or any international body recognized by the Capital Market Authority, the Saudi Exchange, or any other stock exchange recognized by the CMA, or the Securities Depository Center Company (Edaa). 4) Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution authorized to perform management activities. 5) Companies and funds established in the Gulf Cooperation Council (GCC) countries. 6) Investment funds. 7) Any other legal persons may open an investment account in the Kingdom and an account with the Depository Center. 8) Natural persons allowed to open an investment account in the Kingdom and an account at the Depository Center, and fulfil any of the following criteria: A) have conducted transactions in the securities market with a total value of not less than forty million (40,000,000) Saudi Riyals and not less than ten (10) transactions per quarter during the past 12 months. B) have assets whose net value is not less than five million (5,000,000) Saudi Riyals. C) are working or have worked in the financial sector for at least three (3) years. D) Holds the General Securities Qualification Certificate which is approved by the Authority. E) hold a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity. 9) Any other persons prescribed by the Authority.

The Offering Period will start from Monday 28/11/1446H (corresponding to 29/06/2025) to Thursday 02/12/1446 H (corresponding to 29/12/2025). The Company, the Financial Advisor and the Lead Manager require the recipients of this Prospectus to review and abide by all regulatory restrictions related to offering or selling the Offer Shares.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy any of the Offer Shares, by any person in any country in which the applicable law in that country does not permit such a person to make such an offer or solicitation. The distribution of this Prospectus or the sale of shares is expressly prohibited to any person in any country other than the Kingdom, except for the companies and funds established in the Gulf Cooperation Council countries, provided that the regulations and instructions regulating this Offering are observed.

Financial Information

The Company's audited financial statements for the year ended 31 December 2023G (including comparative figures for the year ended 31 December 2022G), and the Company's audited interim condensed financial statements reissued for the nine-month period ended 30 September 2024 (including comparative figures for the for the nine-month period ended 30 September 2023G), along with accompanying notes, have been prepared in accordance with the IFRSs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The Company's abovementioned financial statements have been audited by Alzoman, Alfahad & Alhajjaj Professional Services. The Company's financial statements are issued in Saudi Riyals.

The reissued interim condensed financial statements for the nine-month period ended at 30 September 2024 and independent auditor's modified report

On 4 Jumada II 1446H (corresponding to 5 December 2024G), the Company's external auditor issued an unmodified audit report on the audited interim condensed financial statements for the nine-month period ended 30 September 2024G. On 04/09/1446H (corresponding to 4 March 2025G), the external auditor reissued the report on the interim condensed financial statements for the nine-month period ended 30 September 2024G, along with a modified independent auditor's report, due to subsequent detection of "subsequent events disclosures."

A) The reason for reissuing interim condensed financial statements for the nine-month period ended on 30 September 2024G and independent auditor's modified report:

1) Amending the note of subsequent event disclosure:

The Company had not previously disclosed certain necessary adjustments to clarify subsequent events that were not adequately disclosed in the interim condensed financial statements for the nine-month period ended 30 September 2024G, which were approved for issuance on 5 December 2024G. Accordingly, the disclosure of subsequent events note has been amended to include the corrections required as described below:

- On 02/05/1446H (corresponding to 04 November 2024G), the partners resolved to increase the Company's share capital from SR 100,000 to SR 20,000,000 through the capitalization of retained earnings.
- On 16/05/1446H (corresponding to 18 November 2024G), the partners resolved to change the legal structure of the Company from a limited liability Company to a closed joint stock company.
- The Company applied to the Capital Market Authority (CMA) to conduct an initial public offering (IPO) and list its shares on the Nomu – Saudi Parallel Market.

No other significant subsequent events occurred after the reporting date and before the reissuance of these financial statements that would require further adjustment or disclosure.

Classification and Comparatives:

Certain comparative figures for the year ended 31 December 2023G have been reclassified to conform to the presentation for the current period ended 30 September 2024G, to enhance comparability, transparency, and overall understanding, and to provide more relevant information to the users of the financial statements, as follows:

Statement of Financial Position as of 31 December 2023	Reclassification Impact		
	As previously reported	Reclassification	As classified
Suppliers	6,981,262	(874,866)	6,106,396
Accrued expenses and other payables	8,881,968	(254,034)	8,627,934
Due to related parties	-	1,128,900	1,128,900

Source: The reviewed interim condensed financial statements for the nine-month period ended at 30 September 2024G.

Forecasts and Forward-Looking Statements

Forecasts set forth in this Prospectus have been prepared on the basis of specific and announced assumptions. Future operating conditions may differ from the assumptions used. Consequently, no affirmation, representation, or warranty is made with respect to the accuracy or completeness of any of these forecasts.

Certain forecasts in this Prospectus constitute “forward-looking statements. Such statements can be generally identified by the use of forward-looking words such as “plan,” “intends,” “estimates,” “believes,” “expects,” “expected”, “can”, “possibly”, “may”, “probably”, “will”, “might”, or similar expressions, including variations and the negatives thereof or comparable terminology. These statements reflect the current views of the Company with respect to the future events, and are not a guarantee of any future actual performance of the Company. There are many factors that may affect the Company's actual performance, achievements or results, leading to a significantly difference from the expected either explicitly or implicitly. The most significant risks and factors that could lead to this were described in more detail in other sections of this Prospectus (please see section (2) “Risk Factors” of this Prospectus). In case that one or more of these risks is met, or if any of the projections and future statements in this Prospectus are incorrect or inaccurate, the actual results of the Company may differ materially from those indicated in this Prospectus.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company shall submit a supplementary Prospectus to the Authority, if, at any time after the publication of this Prospectus and before completion of the Offering, the Company becomes aware that: (1) there has been a significant change in material matters contained in the prospectus; or (2) any additional significant issues that should have been included in the Prospectus have arisen. Except for these circumstances, the Company does not intend to update or otherwise amend any Information contained in this Prospectus, whether as a result of new information, future events or otherwise. As a result of these risks, uncertainties and estimates, future events, conditions and expectations set out in this Prospectus may not occur as expected by the Company or may not occur at all. Accordingly, Prospective Investors should consider all forward-looking statements in the light of these explanations and should not place undue reliance on forward-looking statements.

Company Directory

Board of Directors													
Name	Position	Capacity	Independence***	Nationality	Age	Direct Ownership				Indirect Ownership			
						Pre-Offering		Post-Offering		Pre-Offering		Post-Offering	
						Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Mohammed Abdullah Mohammed Al-Alyan	Chairman*	Non-executive	Non-independent	Saudi	36	4,880,000	24.40%	4,294,400	21.47%	23,931	0.12%	21,059	0.11%
Abdullah Imad Hamad Al-Askar	Vice-Chairman and CEO**	Executive	Non-independent	Saudi	31	3,920,000	19.60%	3,449,600	17.25%	450,975	2.25%	396,858	1.98%
Badr Mohammed Abdulaziz Al-Sulaiman	Director	Non-executive	Non-independent	Saudi	48	-	-	-	-	4,129,453	20.65%	3,633,919	18.17%
Walid Mohammed Hamad Al-Bassam	Director	Non-executive	Independent	Saudi	47	-	-	-	-	-	-	-	-
Nader Hassan Atallah Al-Omari	Director	Non-executive	Independent	Saudi	41	-	-	-	-	-	-	-	-
Board Secretary**													
Abdullah Khaled Bajnaid	Board Secretary**			Yemeni	24	-	-	-	-	-	-	-	-

Source: The Company

On 16/05/1446H (corresponding to 18/11/2024G), the shareholders agreed to elect the above-mentioned Directors as the first Board of Directors of the Company for a term of four (4) years, starting from the date of the shareholders' resolution approving the Company's conversion, and ending on 01/07/1450H (corresponding to 18/11/2028G).

The Board of Directors held on 11/06/1446H (corresponding to 12/12/2024G), approved the appointment of Mr. Mohammed Abdullah Mohammed Al-Alyan as Chairman; appointment of Abdullah Imad Hamad Al-Askar as Deputy Chairman; appointment of Mr. Abdullah Imad Hamad Al-Askar as the Chief Executive Officer (CEO) of the Company; and appointment of Mr. Abdullah Khaled Bagunaid as the Secretary of the Board of Directors, for the current board term ending on 01/07/1450H (corresponding to 18/11/2028G).

***** The Corporate Governance Regulations issued by the Capital Market Authority were used as a basis to determine the parameters of independence of the Directors. The issues affecting the independence of the Company's the Directors are as follows:

- If he/she holds five percent or more of the shares of the Company or any other company within its group; or is a relative of who owns such percentage.
- If he/she is a relative of any member of the Board of the Company, or any other company within the Company's group;
- If he/she is a relative of any Senior Executive of the Company, or of any other company within the Company's group;
- If he/she is a Board member of any company within the group of the Company for which he/she is nominated to be a Board member.
- If he/she is an employee or used to be an employee, during the past two years, of the Company or a Company within its group, or if he/she held a controlling interest in the Company or any party dealing with the Company or any company within its group, such as external auditors or main suppliers during the past two years.
- If he/she has a direct or indirect interest in the businesses and contracts executed for the Company's account.
- If the member of the Board receives financial consideration from the Company in addition to the remuneration for his/her membership of the Board or any of its committees exceeding an amount of (SR 200,000) or 50% of his/her remuneration of the last year for the membership of the board or any of its committees, whichever is less.
- If he/she engages in a business where he/she competes with the Company or conducting businesses in any of the Company's activities.

- If he/she served for more than nine years, consecutive or inconsecutive, as a Board member of the Company.

*** The Chairman of the Board, Mohammed Abdullah Mohammed Al-Alyan, has an indirect ownership in the Issuer arising from his direct ownership of (0.22%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) of the Issuer. Accordingly, his indirect ownership thereby represents 0.12% of the share capital before the Offering and 0.11% after the Offering.

**** The Vice-Chairman, Abdullah Imad Hamad Al-Askar, has an indirect ownership in the Issuer, resulting from his direct ownership of (4.18%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership accounts for 2.25% of the issued share capital before the Offering and 1.98% after the Offering.

The Director, Mr. Badr Mohammed Abdulaziz Al-Sulaiman, holds an indirect ownership in the Issuer arising from: (1) A direct ownership of 22.93% of the share capital of Al-Sulaiman Real Estate Company (a Substantial Shareholder), and (2) A direct ownership of 99% of the share capital of Al-Bassar Investment Company, which owns 15.46% of Al-Sulaiman Real Estate Company (a Substantial Shareholder), which holds 54.00% of the share capital of the Issuer. Accordingly, his indirect ownership in the Issuer accounts for 20.65% of the share capital before the Offering and 18.17% of the share capital after the Offering.

Company's Registered Address

Hawya Auctions Company

3494 Mohammed bin Abdulaziz Al-Ajaji Road, 7815 Al-Qairawan District, 13532 Riyadh
Kingdon of Saudi Arabia
Tel: 460777 11 +966
E-mail: info@hawya.sa
Website: www.hawya.sa

Company Representatives

Description	First Representative	Second Representatives
Name	Mohammed Abdullah Mohammed Al-Alyan	Abdullah Imad Hamad Al-Askar
Capacity	Chairman	Vice-Chairman and CEO
Address:	3494 Mohammed bin Abdulaziz Al-Ajaji Road, 7815 Al-Qairawan District, 13532 Riyadh Kingdon of Saudi Arabia	3494 Mohammed bin Abdulaziz Al-Ajaji Road, 7815 Al-Qairawan District, 13532 Riyadh Kingdon of Saudi Arabia
Tel Number:	+966 11 4607770	+966 11 4607770
Fax number	NA	NA
E-mail:	malolayan@hawya.sa	a.alaskar@hawya.sa
Website	www.hawya.sa	

Source: The Company

Saudi Exchange

Saudi Stock Exchange (Tadawul)

King Fahd Road, Olaya 6897
Unit No: 15
Riyadh, 12211-3388
Kingdon of Saudi Arabia
Tel: +966920001919
Fax: +966 11 2189133
E-mail: csc@saudiexchange.sa
Website: www.saudiexchange.sa



Advisors

FINANCIAL ADVISOR

Estidamah Capital

7313 Prince Mohammed bin Saad Road, 2301
Al Malqa District, 13524 Riyadh
Kingdom of Saudi Arabia
Tel: +966 11 2267576
E-mail: info@estidamahcapital.com
Website: www.estidamahcapital.com



LEAD MANAGER

Derayah Financial

Riyadh, Al-Takhassusi Street, Prestige Center, Third Floor
Kingdom of Saudi Arabia
Tel: +966 11 299 8000
Fax: 5498 11419 +966
E-mail: support@derayah.com
Website: www.derayah.com



CERTIFIED PUBLIC ACCOUNTANT

Alzoman, Alfahad & Alhajjaj Professional Services

Riyadh, Al-Yasmin District, Anas Bin Malik Road, Al-Samel Commercial Complex, Second Floor, Office No. 1
Kingdom of Saudi Arabia
Tel: 966+ 11 416 9361
Fax: 966+ 11 416 9349
E-mail: info@ay-cpa.sa
Website: <https://ay-cpa.sa>



Receiving Entities

Alinma Investment Company

Kingdom of Saudi Arabia, Al Anoud Tower 2, King Fahad Road
Phone: +966 11 218 5999
Fax: +966 11 5970 218
Email: info@alinmainvest.com
Website: www.alinmainvestment.com

**Al Rajhi Capital**

Kingdom of Saudi Arabia, Head Office, King Fahad Road, Al Muruj District
P.O. Box 5561, Riyadh 12263
Phone: +966 92 000 5856
Fax: +966 11 460 0625
Email: customerservice@alrajhi-capital.com
Website: www.alrajhi-capital.com

**SNB Capital**

Kingdom of Saudi Arabia, King Saud Road
P.O. Box 22216, Riyadh 11495
Phone: +966 92 000 0232
Fax: +966 11 406 0052
Email: snb.cm@alahlicapital.com
Website: www.alahlicapital.com



BSF Capital

Kingdom of Saudi Arabia, King Fahad Road, Legend Tower, 4th Floor
P.O. Box 3735, Riyadh 12313
Phone: +966 11 282 6666
Fax: +966 11 282 6667
Email: sfc-supportcenter@francicapital.com.sa
Website: www.sfc.sa



Riyad Capital

Kingdom of Saudi Arabia, 2414 – Al Shohada District, Unit No. 69
P.O. Box 7279, Riyadh 13241
Phone: +966 9200 12299
Fax: +966 11 486 5908
Email: ask@riyadcapital.com
Website: www.riyadcapital.com



ANB Capital

Kingdom of Saudi Arabia, King Faisal Street, ANB Capital Building
P.O. Box 220009, Riyadh 11311
Phone: +966 11 406 2500
Fax: +966 11 406 2548
Email: Investment.Banking@anbcapital.com.sa
Website: www.anbcapital.com.sa



Alistithmar Capital

Kingdom of Saudi Arabia, Riyadh, King Fahad Road
P.O. Box 6888, Postal Code 11452
Phone: 800 124 8282
Fax: +966 11 489 2653
Email: WebEcare@icap.com.sa
Website: www.icap.com.sa



Albilad Capital

Riyadh, King Fahad Road, Al Olaya, 12313, 3701
Kingdom of Saudi Arabia
Phone: 920003636
Fax: +966 11 290 6299
Email: clientservices@albilad-capital.com
Website: www.albilad-capital.com



Aljazira Capital

Kingdom of Saudi Arabia, King Fahad Branch Road, Al Rahmaniyah District
Phone: 800 116 9999
Fax: +966 11 225 6068
Email: contactus@aljaziracapital.com.sa
Website: www.aljaziracapital.com.sa



Yaqeen Capital

Riyadh – Al Wurud District – Olaya Street
P.O. Box 884, Riyadh 11421
Kingdom of Saudi Arabia
Phone: 800 124 1124
Fax: +966 11 205 4831
Email: addingvalue@yaqeen.sa
Website: www.yaqeen.sa



Alkhabeer Capital

Kingdom of Saudi Arabia, Madinah Road, Jeddah
P.O. Box 128289, Jeddah 21362
Phone: +966 12 361 29345
Fax: +966 12 685 6663
Email: info@alkhabeer.com
Website: www.alkhabeer.com



SAB Invest (Alawwal Invest)

Kingdom of Saudi Arabia, Riyadh, Olaya Street
P.O. Box 1467, Riyadh 11431
Phone: 800 124 2442
Fax: +966 12 216 9102
Email: customercare@sabinvest.com
Website: www.sabinvest.com



Sahm Capital Financial Company

Kingdom of Saudi Arabia, Riyadh, King Abdullah Financial District, Tower 305
Riyadh 13519
Phone: +966 11 414 5260
Email: Info@sahmcapital.com
Website: www.sahmcapital.com



GIB Capital

Low-rise buildings, Building No. B1
Granada Oasis Residential and Office Complex, Eastern Ring Road
Kingdom of Saudi Arabia
P.O. Box 89589, Riyadh 11692
Phone: +966 11 834 8400
Email: customercare@gibcapital.com
Website: www.gibcapital.com



Note

All the aforementioned Financial Advisor, Lead Manager and Receiving Entities, and Certified Public Accountant have given and, as of the date of this Prospectus, have not withdrawn, their written consent to the publication of their names, logos and statements in the form in which they appear in this Prospectus. Moreover, they do not, nor their employees or their relatives have any shareholding or interest of any kind in the Company as of the date of this Prospectus.

Offering Summary

This summary intended to provide a general overview of the information contained in this Prospectus. However, this summary does not include all the information that are significant to some potential investors; hence, this summary should be read as an introduction to this Prospectus and potential investors should read and review this

Prospectus in full, before deciding to invest in the Offer Shares, and in particular it is necessary to take into account what was mentioned in the "Important Notice" section on page (A) and Section (2) "Risk Factors" before making any investment decision in the Offer Shares.

Company's Name,
Description, and
Incorporation

Hawiya Auctions Company is a closed joint stock company, established under Commercial Registration No. (1010584375) dated 10/22/1440H and the Sub-Commercial Registration No. 1010737029 dated 14/10/ 1443H. As of the date of this Prospectus, the Company's current capital before the Offering is twenty million (20,000,000) Saudi Riyals, divided into twenty million (20,000,000) ordinary shares of equal value, one (1) Saudi Riyal each, fully paid.

The address of the Company's head office is located at 3494 Mohammed bin Abdulaziz Al-Ajaji Road, 7815 Al-Qairawan District, 13532 Riyadh, Kingdom of Saudi Arabia.

- Hawiya Auctions Company was established as a limited liability Company under Commercial Registration No. (1010584375) dated 22/10/1440H (corresponding to 25/06/2019G), issued in Riyadh, with a capital of one hundred thousand (100,000) Saudi Riyals, divided into one hundred thousand (100,000) cash shares of equal value, fully paid, with a nominal value of one (1) Saudi Riyal per share. The share capital is owned by (1) Partner, Badr Mohammed Abdulaziz Al-Sulaiman, holding ninety thousand (90,000) shares with a nominal value of ninety thousand (90,000) Saudi Riyals, which represents (90.00%) of the total shareholding of the Company, and (2) Partner, Mohammed Abdullah Mohammed Al-Alyan, holding ten thousand (10,000) shares with a nominal value of ten thousand (10,000) Saudi Riyals, which represents (10.00%) of the total shareholding of the Company.
- On 29/07/1444H (corresponding to 20/02/2023G), the partners resolved to approve the following: (1) Amendment of the nominal value of each share from "one (1) Saudi Riyal" to "one hundred (100) Saudi Riyals"; and (2) the waiver by the partner, Badr Mohammed Abdulaziz Al-Sulaiman, of five hundred sixty seven (567) shares, at a total nominal value of fifty-six thousand seven hundred (56,700) Saudi Riyals — including all rights and obligations and without compensation — in favor of: (1) Partner/ Mohammed Abdullah Mohammed Al-Alyan, with one hundred and two (102) shares with a nominal value of ten thousand two hundred (10,200) Saudi Riyals, making his total shareholding 20.20% of the Company's total ownership; (2) the new partner/ Abdullah Emad Hamad Al-Askar, four hundred and forty (440) shares with a nominal value of forty four thousand (44,000) Saudi Riyals, representing 44.00% of the Company's total ownership; (3) the new partner/ Mohammed Ibrahim Hamad Al-Tuwaijri, twenty five (25) shares with a nominal value of two thousand five hundred (2,500) Saudi Riyals, representing 2.50% of the Company's total ownership. As a result, the total ownership of partner/ Badr Mohammed Abdulaziz Al-Sulaiman reached 33.30% of the Company's total ownership.
- On 01/11/1444H (corresponding to 21/05/2023G), the partners resolved to approve the following: (1) Amendment of the nominal value of each share from "one hundred (100) Saudi Riyals" to "ten (10) Saudi Riyals"; and (2) the waiver by partner, Badr Mohammed Abdulaziz Al-Sulaiman, of five (5) shares, with a nominal value of fifty (50) Saudi Riyals, including all rights and obligations and without compensation, in favor of Partner/ Mohammed Abdullah Mohammed Al-Alyan, resulting in his total shareholding becoming 20.25% of the total ownership of the Company, and the total ownership of Partner/ Badr Mohammed Abdulaziz Al-Sulaiman becoming 33.25% of the total ownership of the Company.
- On 21/12/1444H (corresponding to 27/06/2024G), the partners resolved to approve the following: (1) Partner/ Abdullah Emad Hamad Al-Askar waived two thousand four hundred and forty (2,440) shares, with a nominal value of twenty-four thousand four hundred (24,400) Saudi Riyals, including all underlying rights and obligations, and without compensation; (2) Partner/ Mohammed Ibrahim Hamad Al-Tuwaijri waived fifty (50) shares, with a nominal value of five hundred (500) Saudi Riyals, including all underlying rights and obligations, and without compensation, in favor of: (1) Partner/ Mohammed Abdullah Mohammed Al-Alyan, with four hundred and fifteen (415) shares with a nominal value of four thousand one hundred and fifty (4,150) Saudi Riyals, bringing his total ownership to 24.40% of the total ownership of the Company; (2) the New partner/ Ibrahim Mohammed Abdulaziz Al-Sulaiman, with two thousand seventy-five (2,075) shares, with a nominal value of twenty thousand seven hundred and fifty (20,750) Saudi Riyals, representing 20.75% of the total ownership of the Company. Accordingly, the ownership of both partner/ Abdullah Imad Hamad Al-Askar represents (19.60%) of the total ownership of the Company, and partner/ Mohammed Ibrahim Hamad Al-Tuwaijri represents (2.00%) of the total ownership of the Company.

Summary of
Corporate Activities

- On 16/3/1446H (corresponding to 09/19/2024G), the partners decided to approve the waiver by both 1) partner/ Badr Mohammed Abdulaziz Al-Sulaiman of all shares owned by him, amounting to three thousand three hundred and twenty-five (3,325) shares, with a nominal value of thirty-three thousand two hundred and fifty (33,250) Saudi Riyals, including all underlying rights and obligations (and without compensation), and 2) the partner/ Ibrahim Mohammed Abdulaziz Al-Sulaiman of all the shares owned by him, amounting to two thousand seventy-five (2,075) shares, with a nominal value of twenty thousand seventy-five (20,075) Saudi Riyals, including the underlying rights and obligations (and without compensation), to the new partner/ Al-Sulaiman Real Estate Company (a closed joint-stock Company), thus the total ownership of Al-Sulaiman Real Estate Company represents (54.00%) of the total ownership of the Company.
- On 02/05/1446H (corresponding to 04/11/2024G), the partners resolved to approve the following: (1) Increasing the Company's capital from "one hundred thousand (100,000) Saudi Riyals" to "twenty million (20,000,000) Saudi Riyals." The increase amounting to nineteen million nine hundred thousand (19,900,000) Saudi Riyals was made by transferring the amount of nineteen million nine hundred thousand (19,900,000) Saudi Riyals from the retained earnings account to the share capital account; and (2) Amending the nominal value of each share from "ten (10) Saudi Riyals" to "one (1) Saudi Riyal."
- On 16/05/1446H (corresponding to 18/11/2024G), all partners decided to approve the conversion of the Company from a "limited liability Company" to a "closed joint-stock Company" with a capital of twenty million (20,000,000) Saudi Riyals, divided into twenty million (20,000,000) ordinary shares of one (1) Saudi Riyal each.

The Company carries out its activities under Commercial Registration No ((1010584375), dated 22/10/1440H (corresponding to 25/06/2019), issued in Riyadh.

The Company's activities, as stated in its Commercial Registration, are as follows:

- 1) Real Estate activities
 - Purchase, sale and division of lands and properties, and off-plan sale activities
 - Management and leasing of owned or leased of residential properties
 - Management and leasing of owned or leased of non-residential properties
 - Real estate brokerage
 - Property management
 - Marketing of tourist real estate units under a timeshare system
 - Real Estate auctions
- 2) Professional, scientific and technical activities
 - Providing marketing services on behalf of third parties
- 3) Wholesale and retail trade and repair of motor vehicles and motorcycles
 - Vehicle and equipment auctions
 - Auctioneers and brokers for all goods
 - Sale of fixed and movable assets

The Company, as stated in its by-laws, is engaged in, and carries out the following:

- 1- Real estate activities
 - Real estate activities involving owned or leased properties
 - Real estate activities on a fee or contract basis
- 2- Professional, scientific and technical activities
 - Advertising
- 3- Wholesale and retail trade and repair of motor vehicles and motorcycles
 - Sale of motor vehicles
 - Wholesale trade for a fee or on a contract basis

The Company shall carry out its activities in accordance with applicable laws and regulations and upon obtaining the necessary licenses from the relevant competent authorities, if any.

The Company has obtained all the statutory licenses required for the current activities, all of which are valid as of the date of this Prospectus, except for the licenses of vehicle and equipment auctions where the Company has not yet engaged in this activity as of the date of this Prospectus. (for more information about the licenses under which the Company carries out its activities, please refer to section (3-15) "Government licenses and certificates" of this Prospectus).

As of the date of this Prospectus, the Company's actual current activity consists of providing services related to organizing and managing auctions, estate liquidation, and exclusive real estate marketing. (For more information about the Company's activity, please refer to Section (3.10) "Company's Business Model" of this Prospectus).

Substantial Shareholders, their Number of Shares, and Ownership Percentage Before and After the Offering	As of the date of this Prospectus, the Company has no new significant products or activities. The Substantial Shareholders of the Company, each of whom owns five percent (5%) or more of the Company's Shares, are:				
	Name of Shareholder	Pre-Offering		Post-Offering	
		Number of Shares (share)	Ownership (%)	Number of Shares (share)	Ownership (%)
	Al-Sulaiman Real Estate Company	10,800,000	54.00%	9,504,000	47.52%
	Mohammed Abdullah Mohammed Al-Alyan*	4,880,000	24.40%	4,294,400	21.47%
Issuer's Capital	Abdullah Imad Hamad Al-Askar**	3,920,000	19.60%	3,449,600	17.25%
	Total	19,600,000	98.00%	17,248,000	86.24%
	Source: The Company				
	* The Chairman, Mohammed Abdullah Mohammed Al-Alyan, has an indirect ownership in the Issuer, resulting from his direct ownership of (0.22%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership in the Issuer accounts for 0.12% of the share capital before the Offering and 0.11% after the Offering.				
	** The Vice-Chairman, Abdullah Imad Hamad Al-Askar, has an indirect ownership in the Issuer, resulting from his direct ownership of (4.18%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership accounts for 2.25% of the issued share capital before the Offering and 1.98% after the Offering.				
Total number of Issuer's shares	Twenty million (20,000,000) Saudi Riyals, fully paid.				
Nominal Value per Share	One (1) Saudi Riyal.				
Total number of Offer Shares	two million four hundred thousand (2,400,000) ordinary shares, fully paid-up.				
Percentage of Offer Shares to The Company's Capital	The Offer Shares will represent (12.00%) of the Company's Capital.				
Offer Price	Thirteen (13) Saudi Riyal.				
Total Offering Amount	Thirty-one million, two hundred thousand (31,200,000) Saudi Riyal.				
Use of Offering Proceeds	The total Offering Proceeds amounted to Thirty-one million, two hundred thousand (31,200,000) Saudi Riyals. The net Offering Proceeds, amounting to approximately Twenty-seven million, six hundred forty-nine thousand (27,649,000) Saudi Riyals (after deducting the offering expenses estimated at approximately three million five hundred fifty-one thousand (3,551,000) Saudi Riyals), will be distributed to the Selling Shareholders in proportion to their respective ownership in the Offer Shares. The Company will not receive any portion of the Offering Proceeds. (For more details, please see Section (6) "Use of the Offering Proceeds" of this Prospectus).				
	The subscription to the Offer Shares under The Rules on the Offer of Securities and Continuing Obligations (ROSCOs) will be limited to the Qualified Investor categories, according to the definition of the Qualified Investor in the list of terms used in the regulations and rules of the Capital Market Authority and in the list of terms used in the rules of the Saudi Exchange. Part 8 of The ROSCOs, it means any of the following:				
Categories of Targeted Investors	<ol style="list-style-type: none"> 1. Capital Market Institutions acting on their own behalf. 2. Clients of a Capital Market Institution licensed to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to take decisions to accept participation in the Offering and to invest in the parallel market on the client's behalf without the need for his/her prior approval. 3. The Kingdom's Government, any government entity, or any international body recognized by the Capital Market Authority, the Saudi Exchange, or any other stock exchange recognized by the CMA, or the Securities Depository Center Company (Edaa); 4. Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution, are authorized to perform management activities. 5. Companies and funds are established in the Gulf Cooperation Council (GCC) countries. 6. Investment funds. 7. Any other legal persons may open an investment account in the Kingdom and an account with the Depository Center. 8. Natural persons who may open an investment account in the Kingdom and an account at the Depository Center, and who meet any of the following criteria: <ul style="list-style-type: none"> • have made transactions in the securities market with a total value of not less than forty million (40,000,000) Saudi Riyals and not less than ten (10) transactions per quarter during the past 12 months. • have assets whose net value is not less than five million (5,000,000) Saudi Riyals. • are working or have worked in the financial sector for at least three (3) years. 				

	<ul style="list-style-type: none"> • Holds the General Securities Qualification Certificate which is approved by the Authority. • hold a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity; or <p>9. Any other persons determined by CMA.</p>
Subscription Method to the Offer Shares	Individual Qualified Investors wishing to subscribe must submit their subscription applications electronically through the websites and platforms of the Lead Manager and Receiving Entities or any other method made available by the Lead Manager and Receiving Entities, through which Qualified Investors will be able to subscribe to the Offer Shares during the Offering Period. (For more details, see section (9) "Information related to Shares and Offering Terms and Conditions" of this Prospectus).
Minimum number of shares that can be subscribed to	Ten (10) Shares.
Value of the minimum number of shares that can be subscribed to	One hundred and thirty (130) Saudi Riyal.
Maximum number of shares that can be subscribed to	Nine hundred ninety-nine thousand nine hundred and ninety (999,990) shares.
Value of the maximum number of shares that can be subscribed to	Twelve million, nine hundred ninety-nine thousand, eight hundred seventy (12,999,870) Saudi Riyal.
Allocation and Refund of Excess Subscription Amounts	The Lead Manager will open a trust account for depositing and holding the subscription amounts, collected from Receiving Entities on behalf of the subscribers. Following the end of the Offering Period, the allocation will be announced by notifying the investors no later than Monday 06/12/1446 H (corresponding to 02/06/2025G). The shares offered for subscription will be allocated as proposed by the Financial Advisor and Lead Manager in consultation with the Issuer, and the surplus amounts will be refunded no later than Two (2) working days from the date of allocation, without any commissions or deductions by the Lead Manager and Receiving Entities from the Offering Proceeds. (see section (9) "Information related to Shares and Offering Terms and Conditions" of this Prospectus).
Offering Period	The Period will start from Monday 28/11/1446H (corresponding to 26/05/2025) and will end on Thursday 02/12/1446H (corresponding to 29/05/2025)
Entitlement to Dividends	The Offer Shares will be entitled to receive dividends declared by the Company as of the date of this Prospectus and for the subsequent years (see Section (5) "Dividend Distribution Policy").
Voting Rights	All shares of the Company are ordinary shares of one class, and no shares give its holders preferential rights. Each share shall entitle its holder to one vote. No shareholder shall have any preferential rights. Each shareholder, regardless of the number of their shares, shall have the right to attend and vote at the General Assembly meetings. Each shareholder may delegate another person, who is not a member of the Board of Directors or an employee of the Company, to attend and vote at the General Assembly meetings on their behalf.
Restrictions on Shares	Substantial Shareholders, whose names are mentioned on page (I) of this Prospectus, are prohibited from disposing of their shares for a period of twelve (12) months from the commencement date of trading of the Company's shares in the Parallel Market (the "Lock-up Period").
Shares Previously Listed by the Issuer	Prior to this Offering, the Company's Shares have never been listed and traded in any stock market, whether inside or outside the Kingdom of Saudi Arabia, before it was listed in the parallel market.

Key Dates and Subscription Procedures

Expected Offering Timetable

Expected Offering Timetable	Date
Offering Period	Subscription starts on Monday 28/11/1446 H (corresponding to 26/05/2025) for a period of Four (4) Working days until the end of Thursday 02/12/1446 H (corresponding to 29/05/2025).
Deadline for submission of Subscription Application Forms	Thursday 02/12/1446H (corresponding to 29/05/2025)
Deadline for payment of subscription amounts	Thursday 02/12/1446H (corresponding to 29/12/2025).
Announcement of the final allocation of the Offer Shares and notifying investors	Monday 06/12/1446H (corresponding to 02/06/2025).
Refund of excess subscription amounts (if any)	Wednesday 08/12/1446H (corresponding to 04/06/2025).
Expected date of commencement of trading in the Exchange	It is expected that the Company's shares will start trading in the Parallel Market after all the requirements are met and all related regulatory procedures are completed. The start of trading will be announced in local newspapers and on Tadawul's website (www.saudiexchange.sa).

Note: The above timetable and dates therein are approximate. The actual dates will be announced on the Saudi Exchange's website (www.saudiexchange.sa), the Company's website (www.hawya.sa), the Financial Advisor's website (www.estidamahcapital.com), and the Lead Manager's website (www.derayah.com).

How to apply for subscription

The subscription to the Offer Shares in the Parallel Market under The Rules on the Offer of Securities and Continuing Obligations (ROSCOs) will be limited to the Qualified Investor categories, according to the definition of the Qualified Investor in the list of terms used in the regulations and rules of the Capital Market Authority and in the list of terms used in the rules of the Saudi Exchange. Part Eight of the ROSCOs Rules, it means any of the following:

1. Capital Market Institutions act on their own behalf.
2. Clients of a Capital Market Institution are licensed to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to take decisions to accept participation in the Offering and to invest in the parallel market on the client's behalf without the need for his/her prior approval.
3. The Kingdom's Government, any government entity, or any international body recognized by the Capital Market Authority, the Saudi Exchange, or any other stock exchange recognized by the CMA, or the Securities Depository Center Company (Edaa);
4. Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution are authorized to perform management activities.
5. Companies and funds are established in the Gulf Cooperation Council (GCC) countries.
6. Investment funds.
7. Any other legal persons may open an investment account in the Kingdom and an account with the Depository Center.
8. Natural persons who may open an investment account in the Kingdom and an account at the Depository Center, and who meet any of the following criteria:
 - A) have made transactions in the securities market with a total value of not less than forty million (40,000,000) Saudi Riyals and not less than ten (10) transactions per quarter during the past 12 months.
 - B) have assets whose net value is not less than five million (5,000,000) Saudi Riyals.
 - C) are working or have worked in the financial sector for at least three (3) years.
 - D) Holds the General Securities Qualification Certificate which is approved by the Authority.
 - E) hold a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity; or
9. Any other persons determined by CMA.

Qualified Investors must submit the Subscription Applications through the websites and platforms of the Lead Manager and Receiving Entities or through any other means provided by the Lead Manager and Receiving Entities, through which the Qualified Investors will be able to subscribe to the Offer Shares of the Company during the Offering Period, and no later than 04:00 [pm] of the Closing Date. The Subscription Application to the Offer Shares must be accompanied by all the supporting documents required as per the relevant instructions. Each investor, by completing the Subscription Application, acknowledges that he has received and read this Prospectus, and accordingly wishes to subscribe to the Offer Shares as specified in the Subscription Application Form.

Subscription to the Offer Shares can be made through the Lead Manager's and Receiving Entities websites and platforms that provide this service to subscribers or through any other means provided by the Lead Manager and Receiving Entities, through which the Qualified Investors will be able to subscribe to the Offer Shares of the Company during the Offering Period. The subscriber shall fulfill subscription requirements and fill out the subscription application forms in accordance with the instructions contained in Section (9) "Information related to Shares and Offering Terms and Conditions" of this prospectus. Every investor shall agree to all paragraphs contained in the subscription application form. The Company reserves the right to reject any investment partially or entirely if any of the subscription conditions is not met. The subscription application may not be amended or withdrawn after receiving it, except after the approval of the Lead Manager. Once submitted, the subscription application is considered a binding legal agreement between the subscriber and the Company. (see section (9) "Information related to Shares and Offering Terms and Conditions" of this Prospectus).

Summary of Key Information

Note to Investors

This summary is intended to provide an overview of the information contained in this Prospectus, but it does not include all the information that may be important to Qualified Investors. Recipients of this Prospectus must read it in full before deciding whether to invest in the offered shares. In particular, the "Important Notice" Page (A) and "Risk Factors" of this Prospectus must be reviewed by potential Qualified Investors before making an investment decision with respect to the Offer Shares. Definitions and abbreviations herein shall have the meanings ascribed thereto in Section (1) («Definitions and Terms») and elsewhere in this Prospectus.

Overview of the Company

Hawiya Auctions Company, a closed joint stock company, was established under Commercial Registration No. (1010584375) dated 10/22/1440H, in Riyadh, with its head office located in Riyadh, Al Qayrawan District.

As of the date of this Prospectus, the Company's current capital before Offering is twenty million (20,000,000) Saudi Riyals, divided into twenty million (20,000,000) ordinary shares of equal value, of one (1) Saudi riyal each, fully paid.

The address of the Company's head office is located at 3494 Mohammed bin Abdulaziz Al-Ajaji Road, 7815 Al-Qairawan District, 13532 Riyadh, Kingdom of Saudi Arabia. Following is an overview of the Company's establishment, history, and key developments in its capital structure:

- Hawiya Auctions Company was established as a limited liability Company under the Commercial Registration No. (1010584375) dated 22/10/1440H (corresponding to 25/06/2019G), issued in Riyadh, with a capital of one hundred thousand (100,000) Saudi Riyals, divided into one hundred thousand (100,000) cash shares of equal value, fully paid, with nominal value of each share one (1) Saudi Riyal. The share capital is owned by (1) Partner/ Badr Mohammed Abdulaziz Al-Sulaiman, holding ninety thousand (90,000) shares with a nominal value of ninety thousand (90,000) Saudi Riyals, which represents (90.00%) of the total shareholding of the Company, and (2) Partner/ Mohammed Abdullah Mohammed Al-Alyan, holding ten thousand (10,000) shares with a nominal value of ten thousand (10,000) Saudi Riyals, which represents (10.00%) of the total shareholding of the Company.
- On 29/07/1444H (corresponding to 20/02/2023G), the partners resolved to approve the following: (1) Amendment of the nominal value of each share from "one (1) Saudi Riyal" to "one hundred (100) Saudi Riyals"; and (2) the waiver by the partner/ Badr Mohammed Abdulaziz Al-Sulaiman, of five hundred sixty seven (567) shares, with a total nominal value of fifty-six thousand seven hundred (56,700) Saudi Riyals — including all rights and obligations and without compensation — in favor of: (1) Partner/ Mohammed Abdullah Mohammed Al-Alyan, with one hundred and two (102) shares with a nominal value of ten thousand two hundred (10,200) Saudi Riyals, making his total shareholding 20.20% of the Company's total ownership; (2) the new partner/ Abdullah Emad Hamad Al-Askar, four hundred and forty (440) shares with a nominal value of forty four thousand (44,000) Saudi Riyals, representing 44.00% of the Company's total ownership; (3) the new partner/ Mohammed Ibrahim Hamad Al-Tuwaijri, twenty five (25) shares with a nominal value of two thousand five hundred (2,500) Saudi Riyals, representing 2.50% of the Company's total ownership. As a result, the total ownership of partner/ Badr Mohammed Abdulaziz Al-Sulaiman reached 33.30% of the Company's total ownership.
- On 01/11/1444H (corresponding to 21/05/2023G), the partners resolved to approve the following: (1) Amendment of the nominal value of each share from "one hundred (100) Saudi Riyals" to "ten (10) Saudi Riyals"; and (2) the waiver by the partner/ Badr Mohammed Abdulaziz Al-Sulaiman, of five (5) shares, with a nominal value of fifty (50) Saudi Riyals, including all rights and obligations and without compensation, in favor of the Partner/ Mohammed Abdullah Mohammed Al-Alyan, resulting in his total shareholding becoming 20.25% of the total ownership of the Company, and the total ownership of Partner/ Badr Mohammed Abdulaziz Al-Sulaiman becoming 33.25% of the total ownership of the Company.
- On 21/12/1445H (corresponding to 27/06/2024G), the partners decided to approve the following: (1) The waiver by Partner/ Abdullah Emad Hamad Al-Askar of two thousand four hundred and forty (2,440) shares, with a nominal value of twenty-four thousand four hundred (24,400) Saudi Riyals, including all underlying rights and obligations, and without compensation; and (2) The waiver by Partner/ Mohammed Ibrahim Hamad Al-Tuwaijri of fifty (50) shares, with a nominal value of five hundred (500) Saudi Riyals, including all underlying rights and obligations, and without compensation, in favor of: (1) Partner/ Mohammed Abdullah Mohammed Al-Alyan, with four hundred and fifteen (415) shares with a nominal value of four thousand one hundred and fifty (4,150) Saudi Riyals, bringing his total ownership to 24.40% of the total ownership of the Company; (2) the New partner/ Ibrahim Mohammed Abdulaziz Al-Sulaiman, with two thousand seventy-five (2,075) shares, with a nominal value of twenty thousand seven hundred and fifty (20,750) Saudi Riyals, representing 20.75% of the total ownership of the Company. Accordingly, the ownership of both partner/ Abdullah Imad Hamad Al-Askar represents (19.60%) of the total ownership of the Company, and partner/ Mohammed Ibrahim Hamad Al-Tuwaijri represents (2.00%) of the total ownership of the Company.
- On 16/03/1446H (corresponding to 19/09/2024G), the partners decided to approve the waiver by both 1) partner/ Badr Mohammed Abdulaziz Al-Sulaiman of all shares owned by him, amounting to three thousand three hundred and twenty-five (3,325) shares, with a nominal value of thirty-three thousand two hundred and fifty (33,250) Saudi Riyals, including all underlying rights and obligations (and without compensation), and 2) the partner/ Ibrahim Mohammed Abdulaziz Al-Sulaiman of all the shares owned by him, amounting to two thousand seventy-five (2,075) shares, with a nominal

value of twenty thousand seventy-five (20,075) Saudi Riyals, including the underlying rights and obligations (and without compensation), to the new partner/ Al-Sulaiman Real Estate Company (a closed joint-stock Company), thus the total ownership of Al-Sulaiman Real Estate Company represents (54.00%) of the total ownership of the Company.

- On 02/05/1446H (corresponding to 04/11/2024G), the partners resolved to approve the following: (1) Increasing the Company's capital from "one hundred thousand (100,000) Saudi Riyals" to "twenty million (20,000,000) Saudi Riyals." The increase amounting to nineteen million nine hundred thousand (19,900,000) Saudi Riyals was made by transferring nineteen million nine hundred thousand (19,900,000) Saudi Riyals from the retained earnings account to the capital account; and (2) Amending the nominal value of each share from "ten (10) Saudi Riyals" to "one (1) Saudi Riyal."
- On 16/05/1446H (corresponding to 18/11/2024G), all partners resolved to approve the conversion of the Company from a "limited liability Company" to a "closed joint-stock Company" with a capital of twenty million (20,000,000) Saudi Riyals, divided into twenty million (20,000,000) ordinary shares of one (1) Saudi Riyal each.

Substantial Shareholders of the Company

The following table shows the Substantial Shareholders of the Company, each of whom owns five percent (5%) or more of the Company's Shares:

Name of Shareholder	Pre-Offering*		Post-Offering*	
	Number of Shares (share)	Ownership (%)	Number of Shares (share)	Ownership (%)
Al-Sulaiman Real Estate Company	10,800,000	54.00%	9,504,000	47.52%
Mohammed Abdullah Mohammed Al-Alyan*	4,880,000	24.40%	4,294,400	21.47%
Abdullah Imad Hamad Al-Askar**	3,920,000	19.60%	3,449,600	17.25%
Total	19,600,000	98.00%	17,248,000	86.24%

Source: The Company

* The Chairman, Mohammed Abdullah Mohammed Al-Alyan, has an indirect ownership in the Issuer, resulting from his direct ownership of (0.22%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) of the issuer. Accordingly, his indirect ownership in the Issuer accounts for 0.12% of the share capital before the Offering and 0.11% after the Offering.

**** The Vice-Chairman, Abdullah Imad Hamad Al-Askar, has an indirect ownership in the Issuer, resulting from his direct ownership of (4.18%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership accounts for 2.25% of the issued share capital before the Offering and 1.98% after the Offering.

Shareholding Structure Pre-Offering and Post-Offering

The following table shows the shareholding Structure pre-offering and post-offering:

Name of Shareholder	Pre-Offering*		Post-Offering*	
	Number of Shares (share)	Ownership (%)	Number of Shares (share)	Ownership (%)
Al-Sulaiman Real Estate Company	10,800,000	54.00%	9,504,000	47.52%
Mohammed Abdullah Mohammed Al-Alyan*	4,880,000	24.40%	4,294,400	21.47%
Abdullah Imad Hamad Al-Askar**	3,920,000	19.60%	3,449,600	17.25%
Mohammed Ibrahim Hamad Al-Tuwaijri***	400,000	2.00%	352,000	1.76%
Qualified Investors (Offering Shares)	-	-	2,400,000	12.00%
Total	20,000,000	100.00%	20,000,000	100.00%

Source: The Company

* The Chairman, Mohammed Abdullah Mohammed Al-Alyan, has an indirect ownership in the Issuer, resulting from his direct ownership of (0.22%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) of the issuer. Accordingly, his indirect ownership in the Issuer accounts for 0.12% of the share capital before the Offering and 0.11% after the Offering.

** The Vice-Chairman, Abdullah Imad Hamad Al-Askar, has an indirect ownership in the Issuer, resulting from his direct ownership of (4.18%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership accounts for 2.25% of the issued share capital before the Offering and 1.98% after the Offering.

*** The shareholder, Mohammed Ibrahim Hamad Al-Tuwaijri, has an indirect ownership in the issuer, resulting from his direct ownership of 0.10% of Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership in the Issuer accounts for 0.06% of the issued share capital before the Offering and 0.05% after the Offering.

Main Activities of the Company

The Company carries out its activities under Commercial Registration No ((1010584375), dated 22/10/1440H (corresponding to 25/06/2019), issued in Riyadh.

The Company's activities, as stated in its Commercial Registration, are as follows:

- 4) Real Estate activities
 - Purchase, sale and division of lands and properties, and off-plan sale activities
 - Management and leasing of owned or leased of residential properties
 - Management and leasing of owned or leased of non-residential properties
 - Real estate brokerage
 - Property management
 - Marketing of tourist real estate units under a timeshare system
 - Real Estate auctions
- 5) Professional, scientific and technical activities
 - Providing marketing services on behalf of third parties
- 6) Wholesale and retail trade and repair of motor vehicles and motorcycles
 - Vehicle and equipment auctions
 - Auctioneers and brokers for all goods
 - Sale of fixed and movable assets

The Company, as stated in its by-laws, is engaged in, and carries out the following:

- 1- Real estate activities
 - Real estate activities involving owned or leased properties
 - Real estate activities on a fee or contract basis
- 2- Professional, scientific and technical activities
 - Advertising
- 3- Wholesale and retail trade and repair of motor vehicles and motorcycles
 - Sale of motor vehicles
 - Wholesale trade for a fee or on a contract basis

The Company shall carry out its activities in accordance with applicable laws and regulations and upon obtaining the necessary licenses from the relevant competent authorities, if any.

The Company has obtained all the statutory licenses required for the current activities, all of which are valid as of the date of this Prospectus, except for the licenses of vehicle and equipment auctions where the Company has not yet engaged in this activity as of the date of this Prospectus. (for more information about the licenses under which the Company carries out its activities, please refer to section (3-15) "Government licenses and certificates" of this Prospectus).

As of the date of this Prospectus, the Company's actual current activity consists of providing services related to organizing and managing auctions, estate liquidation, and exclusive real estate marketing. (For more information about the Company's activity, please refer to Section (3.10) "Company's Business Model" of this Prospectus).

As of the date of this Prospectus, the Company has no new significant products or activities.

Issuer's Mission and Strategy

A. Introduction: "Making Opportunities"

A specialized group in asset and property marketing, with strategic focus and expertise, delivering services that bring out the true value of every asset.

B. The Company's Vision

To be the leading Company in asset and property marketing, leveraging best-in-class practices and methodologies.

C. The Company's Mission

We build long-term strategic relationships with our partners, clients, and employees, rooted in trust and transparency. These relationships are strengthened by collaborative engagement and the use of advanced tools and effective technologies.

D. Values

- Transparency and integrity.
- Quality.
- Efficiency and professionalism
- Beneficiary service.
- Continuous improvement.

E. Company's Objectives

1) Strategic Objectives:

- **Leadership in Marketing and Sales Practices**
 - Striving to implement the most effective sales methods in the field of showcasing and marketing high-value products to targeted clients.
 - Marketing exclusive and high-value assets that meet market demands and distinctly stand out from competitors.
- **Strengthening Strategic Relationships with Partners and Investors:**
 - Establish strong, sustainable partnerships based on mutual trust and transparency.
 - Develop practices and policies that protect the interests of both sellers and buyers, while ensuring the achievement of common goals.
- **Enhancing the Experience of Asset Owners and Managers:**
 - Providing a seamless and exceptional experience for asset owners and managers through modern, user-friendly marketing and presentation methods.
 - Promoting partner communication by providing accurate, actionable product information and guidance on optimal usage.
- **Maintaining market value of assets:**
 - Developing effective marketing strategies that enhance the positioning of assets and products and increase awareness of their value in the market.
 - Developing compelling media content highlights optimal use of assets and their benefits to targeted clients.
- **Ensuring Quality and Service Excellence:**
 - Applying clear and transparent standards and procedures across all stages of product showcasing and marketing.
 - Continuously monitoring to improve operations and ensure the delivery of the most effective marketing solutions.
- **Achieving Sustainable Financial Growth:**
 - Increasing revenue through income stream diversification, broadening the investor base, and adopting multiple sales channels.

2) Operational Objectives:

- **Building a Competitive Brand:**
 - Maintaining and enhancing brand positioning among partners, business leaders, and target segments.

- **Enhancing Team Capabilities:**
 - Developing human resources through training programs aimed at enhancing employee competencies in marketing, relationship management, and partnership development.
- **Utilizing Advanced Digital Marketing Technologies:**
 - Adopting modern digital marketing strategies to ensure innovative and effective outreach to targeted customers.
- **Rapid Response to Market Needs:**
 - Monitoring market and demand changes and adjusting marketing and showcasing strategies in line with market developments.

Asset and Property Marketing Journey:

- **Studying the Products and Goods Intended for Marketing.**
 - Conducting market analysis and determining the best use of the goods or products.
 - Designing the optimal sales strategy and developing the marketing and operational plans.
 - Planning event management and providing the appropriate sales personnel.
- **Managing the assets under marketing.**
 - Preparing and qualifying assets and properties for sale or liquidation.
 - Enhancing asset value, increasing income, and developing pricing strategies to improve market competitiveness.
 - Supervising the assets directly or on behalf of others.
 - Overseeing properties and assets and managing liquidation committees.
 - Following up on the appointment of project operators.
- **Managing marketing and selling.**
 - Providing preliminary studies, disclosures, and necessary field surveys.
 - Managing the end-to-end marketing process.
 - Overseeing the technical and commercial processes related to the goods for sale.
 - Producing advertising and media materials.
 - Digital marketing and enabling online access to the listed assets.

Growth and Expansion Strategy:

Since the Issuer's slogan targets "Making Opportunities," through its mission and vision regarding the marketing of assets and properties using the best methods and practices, questions about growth and expansion across sectors and activities arose within the Board of Directors and the Executive Management around two key dimensions:

Dimension I: Vertical Growth and Expansion

As the Company focuses on marketing assets and properties, research and development has served as a core internal driver to enable specialization in large-scale markets with high growth potential. This approach supports the Company in effectively marketing such assets while exploring and applying the most effective strategies and best practices. Given the significant share of the real estate sector as a primary area of focus and marketing, Hawiyah Auctions Company has targeted vertical expansion through the following approaches:

- **Marketing through Public Auction Sales**

Real estate auctions are witnessing consistent growth, driven by investor interest and stakeholder preference for this method, which offers advantages such as acquiring large-scale or high-volume assets within a unified timeframe.

The competitive advantage of auctions lies in their ability to generate impactful execution and achieve optimal pricing by applying several factors that are difficult to combine within other sales methods, including:

 - **Demand for Goods:** During auctions, as the number of bidders increases, the potential buyer becomes more interested and in demand for their item, which reassures them that they will be able to sell and trade it once they own it.
 - **Progressive Pricing:** Auctions typically begin with a base price that increases incrementally until the final award price is reached by the highest bidder. These competitive dynamics highlight the scarcity and value of premium assets, all within a highly transparent and governed framework that maximizes sale proceeds.

- **Localization and Investor Segmentation:** The selection of assets, timing, and location of the auction contributes to the method's effectiveness in addressing the diversity of asset types and geographic locations based on investor categories.
- **Private Deals and Direct Sales Marketing:**
The Company data shows that a number of marketed assets and properties were sold via direct marketing or private deals between buyers and sellers. Trust and knowledge of the target audience played a key role in closing these transactions. The Issuer views this channel as a strong vertical growth opportunity, especially as the Company's operations, brand recognition, and market experience expand. This method is also highly competitive due to its lower cost structure and higher profit margins, especially compared to other methods that incur administrative or operational expenses, such as auction hosting, event management, or promotional campaigns.
- **Marketing Units for Real Estate Developers:**
The real estate development sector in Saudi Arabia continues to experience robust growth, fueled by banking facilities and government initiatives under the Housing Program of Vision 2030.

Residential, commercial, office, and hospitality development continues to empower market supply. Hawiya's specialization in asset marketing, along with its extensive investor network, in-depth market knowledge, and trusted brand presence, positions it well to expand into this segment. This would be achieved by entering exclusive agreements with developers to market and sell their units through direct sale or off-plan sales. Such activities require specific licensing either related to the project or to the Company itself. Hawiya is actively exploring the opportunities with the goal of securing a share of this segment to drive growth, maintain profitability, and ensure revenue sustainability through long-term, forecastable partnerships with developers for future projects.

Dimension II: Horizontal Expansion:

Horizontal Growth refers to the Company's ability to leverage its existing resources, strengths, and surrounding investment opportunities to expand horizontally into sectors or activities that align or intersect with its core business of asset and property marketing. These areas present stand-alone growth potential, whether as new arm, track, or independent business. Based on its experience, the Company believes there are opportunities for both organic growth through internal development and inorganic growth through the acquisition of existing companies or entities across the following sectors, which represent areas of horizontal expansion:

- **Event Management Sector:**
An auction is, by nature, an event that requires coordination across logistical, administrative, financial, and technical functions. The Company believes there is a horizontal growth opportunity in this sector. This sector is experiencing steady growth in the Kingdom, supported by numerous global conferences and initiatives aligned with Saudi Vision 2030.
- **Advertising Sector:**
The marketing of assets and properties, as outlined in the journey above, begins with a study, followed by management, and culminates in execution. This process involves various activities related to brand creation, marketing files for auctions, assets, or properties, naming them, and creating buzz through marketing and advertising in all its forms, from design, content creation, publication, advertising, and execution of boards and printed materials. This could provide an opportunity for the Company to expand horizontally, as it could operate independently on behalf of third parties, serving as an additional revenue stream and diversifying income sources.
- **Digital Marketing Sector:**
Digital transformation is a key pillar for any modern Company. Given that Hawiya already has a specialized team with proven experience in digital marketing—particularly in real estate sales—this positions the Company to capitalize on expansion opportunities within the digital marketing sector. This includes, but is not limited to, social media marketing, search engine optimization (SEO), content marketing, and other forms of digital marketing. Such a move presents a viable horizontal growth opportunity, enabling the Company to leverage its existing expertise and capabilities to enter a new sector without incurring substantial additional costs. Furthermore, this expansion would serve as a new revenue stream and contribute to income diversification.

The Company's strengths and competitive advantages

- **Trusted Brand:**

The Issuer places a strong emphasis on investing in brand marketing campaigns to enhance its presence across all relevant marketing channels. Hawiya Auctions owns a registered trademark with the Saudi Authority for Intellectual Property under registration number (1444041761), dated 18/03/1445H, and another registered trademark under number (1444041767), dated 18/03/1445H. These trademarks today represent true intangible assets and brand value in the asset and property marketing sector. The following paragraphs illustrate how the brand contributes to readiness and effectiveness in organizing and conducting auctions, reinforcing market confidence in the assets marketed by the Company. Moreover, Hawiya brand has played a key role in stimulating demand for these assets and properties and promoting them among potential buyers.

- **Ability to Close Private Real Estate Deals:**

Given that the real estate market heavily relies on relationships and the alignment between buyer and seller needs in a vast, complex marketplace—where access to information, market knowledge, and strong networks are essential—Hawiya has played a pivotal role in closing private real estate transactions valued at hundreds of millions. Through its mission of building long-term strategic relationships with partners and clients—founded on trust, transparency, and a firm belief in its role as a trusted intermediary—Hawiya has successfully facilitated high-value asset acquisitions and sales.

- **Extensive Investor Network and Segmented Databases:**

The Company maintains well-established, long-term relationships with a wide range of clients and investors, supported by scientifically structured databases. These databases categorize investors according to sectors, and shared interests, enabling the Company to present opportunities and market assets or properties that align with each investor group's specific focus and location.

This competitive advantage is evident in the Company's ability to strategically allocate and market certain assets based on the diverse interests of its investor base across regions.

Moreover, the Company has successfully marketed properties in Riyadh, Makkah, and the Eastern Province, which are key urban growth hubs driven by real estate development and population attraction, whether for work, residence, or leisure.

- **Specialized Expertise in the Real Estate Sector:**

Knowledge and information play a critical role in driving profitability and growth within the real estate sector. Key factors such as property usage, required licensing, and residential growth in targeted sales areas significantly impact the success of real estate marketing—whether through auctions or direct sales.

Hawiya has specialized expertise and a team of seasoned professionals and partners, enabling it to develop a deep understanding of the market. This expertise directly impacts key elements such as auction timing, property pricing, and optimal strategies to enhance the attractiveness and marketability of the assets, strengthening their position and trading among interested parties.

- **Operational Transparency and Credibility:**

The Company has a leading reputation in the sector, largely attributed to the information disclosed during auctions—even when such information involves potential weaknesses in the asset being sold. While such transparency may initially appear to deter interest in the property, practical experience has shown that transparency and integrity are core principles at Hawiya, and they have significantly contributed to the success of its auctions. Transparency has attracted a segment of investors willing to take on higher risk in exchange for more favorable pricing on assets with fully disclosed information, including all material advantages and disadvantages, as required in fair sale practices.

Moreover, this level of disclosure has contributed to the stability of transactions and sales, as prospective buyers are provided with comprehensive and accurate information, reducing potential uncertainty or misrepresentation.

- **Company Classification by Entrustment and Liquidation Center (Infath)**

The Entrustment and Liquidation Center (Infath) is a government entity with legal personality that specializes in the liquidation and sale of assets assigned to it by judicial and other authorities. The Center delegates these tasks to technically specialized service providers and supervises their execution, aiming to preserve asset value, expedite rights settlement, and fulfill its judicial and economic mandates.

Hawya Auctions Company has obtained an “A” rating by Infath, as of the date of this Prospectus, which reflects the Company's strong performance and classification among competitors, and is the highest possible rating by Infath for companies and service providers. This rating and evaluation are carried out periodically based on the Center's standards and the governance adopted in evaluating companies and various service providers. This rating contributes to the allocation and award of high-value projects to the Company.

Furthermore, the Company holds a valid execution service provider license (Sales Agent) under license number (42020055), dated 23/01/1445H (corresponding to 10/08/2023G), allowing it to operate across all regions of the Kingdom.

- **Supportive Regulations for Sales Methods:**

Auction-based sales are currently supported by several legal provisions, most notably the waiver of the right of pre-emption. The Civil Transactions Law introduced a legal advantage for auction sales by negating the application of the pre-emption right, thereby enhancing the finality and security of such transactions. Article (665) of the Law explicitly states: “No pre-emption right shall apply in the following cases: C. If the property is sold at auction in accordance with statutory provisions.” This reinforces the legal standing of joint asset sales, ensuring that buyers are protected from claims by co-owners. Furthermore, auctions conducted by judicial or administrative authorities are exempt from liability for defects, misrepresentation, or unfair pricing. As stated in Article (339) of the Civil Transactions Law: “The seller shall not be liable for defects in the following cases: ... (d) If the auction-based sale was conducted by judicial or administrative authorities.”

The real estate industry today benefits from a range of legislative developments that have streamlined sale and transfer processes, such as the Real Estate Exchange and the Real Estate Registry. These frameworks provide assets and properties with greater transactional security and marketability, while also facilitating the role and emergence of licensed professional marketers in delivering real estate marketing services.

In addition, the Real Estate Brokerage Law, issued in 1443H, aims to regulate brokerage and real estate services and safeguard transactions in the sector. The Company has obtained "FAL" real estate brokerage and marketing license number (1200010283), dated 08/01/1445H (corresponding to 26/07/2023G), and the "FAL" real estate auctions license number (4200000008), dated 21/02/1445H (corresponding to 06/09/2023G).

- **Ability to Adapt to Market Changes:**

The Company demonstrates a high level of flexibility in adjusting its strategy and positioning within the asset and property marketing sector in response to market and economic changes. This adaptability enables the Company to effectively navigate economic cycles. With its real estate brokerage and marketing licenses, alongside its judicial sales agency license, the Company is well-positioned to maintain consistent demand for asset and property marketing services even during periods of economic downturn. The Company's ability to secure various licenses enhances its responsiveness to market fluctuations while maintaining a strategic focus on asset and property marketing as a core business activity. This capability allows the Company to ensure liquidity during both market upswings and downturns, thereby empowering all classes of investors and clients to benefit from its services and resources.

- **Focus on Data Analytics and Market Trends:**

A key strength of the Company lies in its emphasis on data-driven analysis and understanding of market trends. By adopting a structured, data-centric approach to decision-making, the Company conducts in-depth analytics to gain insights into customer behavior and anticipate future market directions. This enables the Company to innovate swiftly and deliver solutions that align with evolving market and client needs. Such a focus also enhances the Company's ability to identify new opportunities and adapt flexibly to market shifts, ensuring a leading market position and the ability to consistently meet client expectations.

- **Client Trust and Ability to Build Alliances:**

Client trust and the ability to forge strategic alliances are among the Company's core strengths. The Company has a strong market reputation due to its consistent commitment to transparency and high-quality service delivery, resulting in a broad and loyal customer base. As a result, the Company is well-positioned to establish long-term relationships and impactful partnerships with key players in the sector. These alliances enhance the Company's ability to deliver added value to its clients and open new avenues for growth and expansion through collaboration with strategic partners. Such positioning further solidifies the Company's status as a trusted and leading service provider in the market.

- **Asset and Property Screening to Ensure Efficiency:**

The Company has a competitive advantage in its strong ability to screen and assess properties and assets for performance efficiency. Leveraging advanced analytical methodologies and specialized teams, the Company conducts thorough and accurate evaluations to ensure that the assets deliver optimal performance and value. This enables the Company to offer clients high-quality, value-added investment options, thereby strengthening client trust and loyalty towards the Company as a distinguished and expert provider in the asset and property marketing.

Summary of Financial Information

The summary of financial information set forth below is based on the Company's audited financial statements for the year ended 31 December 2023G (which include comparative figures for the year ended 31 December 2022G), as well as the reissued reviewed condensed interim financial statements for the nine-month period ended 30 September 2024G (which include comparative figures for the nine-month period ended 30 September 2023G), along with the accompanying notes to the financial statements.

The financial information and key performance indicators set out below shall be read in conjunction with the above-mentioned financial statements of the Company, which are included in Section (12) "Auditor's Report" of this Prospectus.

Statement of Profit or Loss and Other Comprehensive Income (SR)	Year ended 31 December		Nine-month period ended 30 September	
	2022 (Audited)	2023 (Audited)	2023 (Reviewed)	2024 (Reviewed and Reissued)
Revenues	43,501,587	81,565,927 ⁽¹⁾	63,605,621	42,592,735 ⁽²⁾
Cost of revenues	(30,329,447)	(41,546,981)	(30,628,532)	(21,851,544)
Total profit	13,172,140	40,018,946	32,977,089	20,741,191
Profit from main operations	11,912,313	37,569,585	31,272,742	18,649,498
Net profit for the year/period before zakat	12,040,486	38,028,561	31,277,376	19,608,161
Net profit for the year/ period	11,733,526	37,075,854	30,562,846	19,232,015
Total comprehensive income for the year/ period	11,721,930	37,001,538	30,507,109	19,210,677

Source: The Company's audited financial statements for the year ended 31 December 2023G and the reviewed financial statements for the nine-month period ended 30 September 2024G.

⁽¹⁾ In 2023, the Company's revenue increased by SR 81.6 million, representing a growth of 87.50% compared to the revenue of SR 43.5 million recorded in 2022. This growth was primarily due to increased demand for auction management and organization services, both from the private sector and from direct assignments awarded by the Entrustment and Liquidation Center (Infath). Revenue from auction activities rose by SR 70.7 million in 2023, reflecting a 62.80% increase compared to SR 43.4 million in 2022. Meanwhile, revenue from estate liquidation activities grew by SR 1.3 million, marking a significant increase of 2,226.80% compared to SR 0.05 million in 2022. Additionally, the Company generated SR 9.5 million in revenue from exclusive real estate marketing activities during 2023, while no revenue was generated from this segment in 2022. (For more information, please refer to subsection (2.1.1) "Risks Related to Revenue Growth Rates" under subsection (2.1) "Risks Related to the Company's Business and Operations" in section (2) "Risk Factors.")

⁽²⁾ The Company's revenue decreased by SR 42.6 million, or 33.04%, during the nine-month period ended 30 September 2024G, compared to SR 63.6 million recorded during the same period in 2023. This decline is primarily attributed to a reduction in demand for auction management and organization services from Infath. Revenue from auction activities declined by SR 29.6 million, or 42.52%, reaching SR 26.9 million compared to SR 56.5 million for the same nine-month period in 2023. On the other hand, revenue from estate liquidation activities increased by SR 6.6 million, reflecting a substantial 847.2% growth compared to SR 0.702 million in the corresponding period of 2023. Revenue from exclusive real estate marketing services recorded a slight decline of SR 0.1 million, or 1.79%, reaching SR 6.3 million for the nine-month period ended 30 September 2024G, compared to SR 6.4 million during the same period in 2023. (For more information, please refer to subsection (2.1.1) "Risks Related to Revenue Growth Rates" under subsection (2.1) "Risks Related to the Company's Business and Operations" in section (2) "Risk Factors.")

Statement of financial position (SR)	Year ended 31 December		Nine-month period ended 30 September
	2022 (Audited)	2023 (Audited and restated)	2024 (Reviewed and Reissued)
Total current assets	16,729,293	38,476,451 ⁽¹⁾	28,574,229
Total non-current assets	162,970	5,542,991 ⁽²⁾	5,556,506
Total assets	16,892,263	44,019,442	34,130,735
Total current liabilities	14,361,394	17,917,095	12,446,385
Total non-current liabilities	97,550	234,048	318,459
Total liabilities	14,458,944	18,151,143	12,764,844
Total equity	2,433,319	25,868,299	21,365,891
Total equity and liabilities	16,892,263	44,019,442	34,130,735

Source: The Company's audited financial statements for the year ended 31 December 2023G and the reviewed financial statements for the nine-month period ended 30 September 2024G.

⁽¹⁾ The increase in total current assets as of 31 December 2023G, is primarily attributable to the rise in cash balance, which resulted from higher collections from customer contracts. The cash balance reached SR 29.5 million as of 31 December 2023G, compared to SR 5.7 million in the prior year, representing a growth rate of 417.22%.

⁽²⁾ The increase in total non-current assets as of 31 December 2023G, is primarily attributable to the increase in investment property balance. The Company purchased an investment property, a plot of land held for investment purposes, for SR 5.3 million, which resulted from the increased collections from customer contracts. As of 31 December 2022G, the investment property balance was nil.

Statement of cash flows (SR)	Year ended 31 December		Nine-month period ended 30 September	
	2022 (Audited)	2023 (Audited)	2023 (Reviewed)	2024 (Reviewed and Reissued)
Net cash generated from operating activities	9,394,655	46,802,253 ⁽¹⁾	9,508,740	16,270,818 ⁽³⁾
Net cash used in investing activities	(26,405)	(5,450,583)	96,511	(54,668)
Net cash used in financing activities	(3,997,667)	(17,568,891) ⁽²⁾	1,266,558	(18,713,085)

Source: The Company's audited financial statements for the year ended 31 December 2023G and the reviewed financial statements for the nine-month period ended 30 September 2024G.

⁽¹⁾ The increase in net cash, generated from operating activities as of 31 December 2023G, amounting to SR 46.8 million, is primarily attributable to changes in the following items: 1) Profit before Zakat amounted to SR 38 million; 2) change in the balance of suppliers resulted in a positive cash flow of SR 7 million; 3) change in trade receivables resulted in a positive cash flow of SR 2 million, and 4) change in advance payments from customers, resulted in a positive cash flow of SR 1.1 million.

⁽²⁾ The increase in net cash used in financing activities as of 31 December 2023G, amounting to SR 17.6 million, is primarily attributable to cash distributions made to partners as declared dividends.

⁽³⁾ The increase in net cash generated from operating activities as of 30 September 2024G, amounting to SR 16.3 million, is mainly attributable to the following changes: 1) Profit before Zakat amounted to SR 19.6 million; 2) change in the trade receivables resulted in a positive cash flow of SR 6.5 million, reflecting improved collection efficiency from customers; 3) change in amount due to related party resulted in a positive cash flow of SR 1.5 million, and 4) change in work in progress balance resulted in a positive cash flow of SR 1.3 million.

Key Performance Indicators	Indicator unit	Year ended 31 December		Nine-month period ended 30 September	
		2022	2023	2023	2024
Revenue growth rate	%	8937.60% ⁽¹⁾	87.50%	N/A	(33.04%)
Net profit growth rate for the year/ period	%	1278.28%	215.84%	N/A	(37.31%)
Gross margin	%	30.28%	49.06%	51.85%	48.70%
Profit margin from main operations	%	27.38%	46.06%	49.17%	43.79%
Net profit margin for the year/ period	%	26.97%	45.46%	48.05%	45.15%
Cost of revenue	%	(69.72%)	(50.94%)	(48.15%)	(51.30%)
Current ratio	Once	1.16x	2.15x	N/A	2.30x
Total assets / total liabilities	Once	1.17x	2.43x	N/A	2.67x
Revenue / total assets	%	257.52%	185.30%	N/A	124.79%
Return on total assets	%	69.46%	84.23%	N/A	56.35%
Return on total equity	%	482.20%	143.33%	N/A	90.01%
Debt ratio / total assets	%	N/A	N/A	N/A	N/A
Debt ratio / return on total equity	%	N/A	N/A	N/A	N/A

Source: Management information

⁽¹⁾ The revenue growth in 2022 was primarily driven by the official commencement of the Company's operations, including the provision of auction services, estate liquidation services, and exclusive real estate marketing services. The years preceding this period were considered incorporation years during which the Company focused on developing its strategic direction, designing and innovating its products and services, and establishing a unique and professional business model for delivering specialized real estate marketing solutions.

Summary of Risk Factors

Prospective investors should carefully consider all of the information contained in this Prospectus, including the risks described below, prior to making any investment decision with respect to the Offering shares. However, the risks listed below in section (1) “Risk Factors” do not necessarily comprise all risks that the Company may encounter or additional risks that are not currently known by the Company, which may have an adverse effect on the Company’s operational performance if they occur.

1) Risks related to the Company's Activities and Operations

- Risks related to the reissuance of financial statements and the modified Independent Auditor’s Report
- Risks related to the Company’s revenue growth rates
- Risks related to the Company’s inability to implement the strategic plan
- Risks related to non-issuance or non-renewal of licenses, permits and certificates
- Risks related to credit
- Risks related to reliance on key personnel and executive management
- Risks related to employee errors or misconduct
- Risks related to availability of financing in future
- Risks related to natural disasters
- Risks related to potential zakat dues and additional claims
- Risks related to leased properties
- Risks related to reliance on non-Saudi employees
- Risks related to Saudization requirements
- Risks related to the concentration of revenues by activities
- Risks related to customer concentration
- Risks related to the Company’s revenue concentration on the Entrustment and Liquidation Center (Infath)
- Risks related to the impairment of fair value of investment properties
- Risks related to supplier concentration
- Risks related to accrued expenses and other payables
- Risks related to working capital management
- Risks related to the protection of trademarks and property rights
- Risks related to insurance coverage
- Risks related to the Company’s inability to secure the workforce needed for future expansion
- Risks related to operating systems and information technology
- Risks related to non-compliance with Capital Market Law and its executive regulations
- Risks related to the recent conversion into a joint stock company and lack of experience in managing listed companies
- Risks related to lawsuits
- Risks related to service quality and positive reputation
- Risks related to the outbreak of infectious diseases or other threats to public health, including the ongoing global spread of the Coronavirus (Covid-19) pandemic
- Risks related to changes in accounting standards and new standards
- Risks related to work-in-progress activities
- Risks related to related party transactions

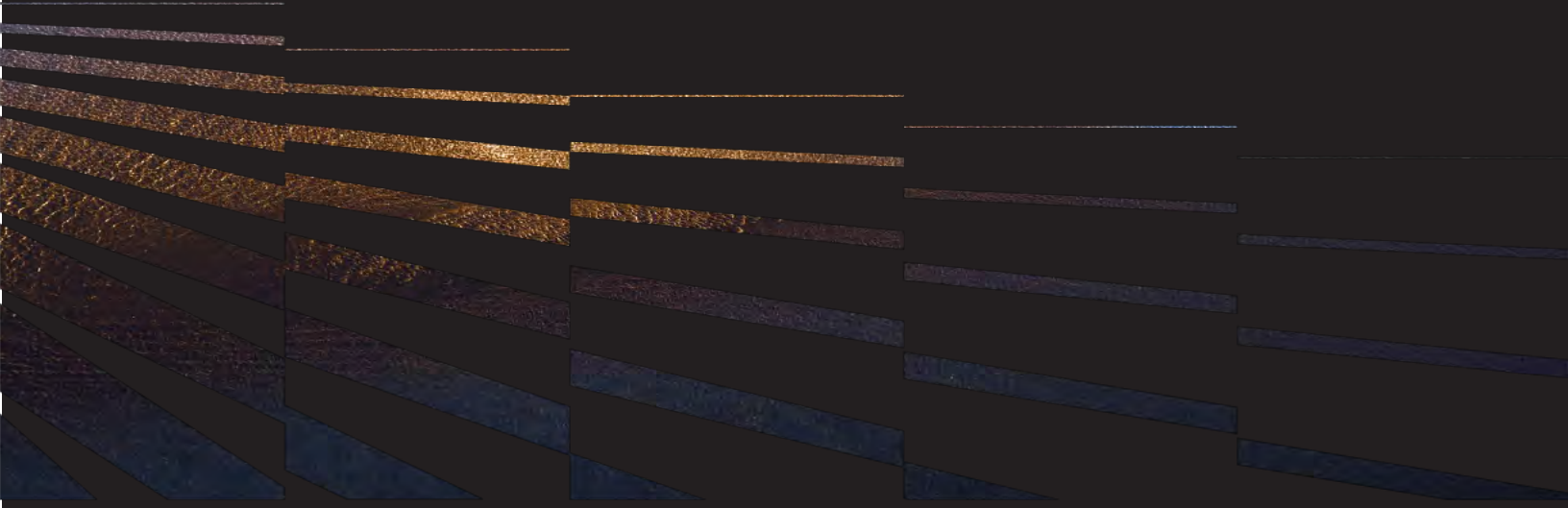
2) Risks related to the market and sector in which the Company operates

- Risks related to real estate appraisal and valuation
- Risks related to the Kingdom economic performance
- Risks related to Competition
- Risks related to political and economic instability in the Middle East
- Risks related to the Companies' Law
- Risks related to the application of corporate governance regulations
- Risks related to non-compliance with existing regulations and laws and/or the issuance of new laws and regulations
- Risks related to interest rate
- Risks related to value added tax (VAT)
- Risks related to consumer spending due to poor economic conditions
- Risks related to the imposition of new taxes or fees
- Risks related to the Competition Law and its executive regulations

3) Risks related to the offered shares

- Risks related to possible fluctuations in the share price
- Risks related to future data
- Risks related to the potential issue of new shares
- Risks related to effective control by existing shareholders after the Offering
- Risks related to lack of previous market of the Company's Shares
- Risks related to selling a large number of shares in the market after the offering
- Risks related to the inability of the Company to fulfil the Requirements for transition to the Main Market or any future regulatory requirements
- Risks related to the liquidity of the offer shares
- Risks related to the Company's desire to remain in the parallel market
- Risks related to dividends
- Risks related to restricting trading to Qualified Investors

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Definitions And Terms

1 Definitions and Terms

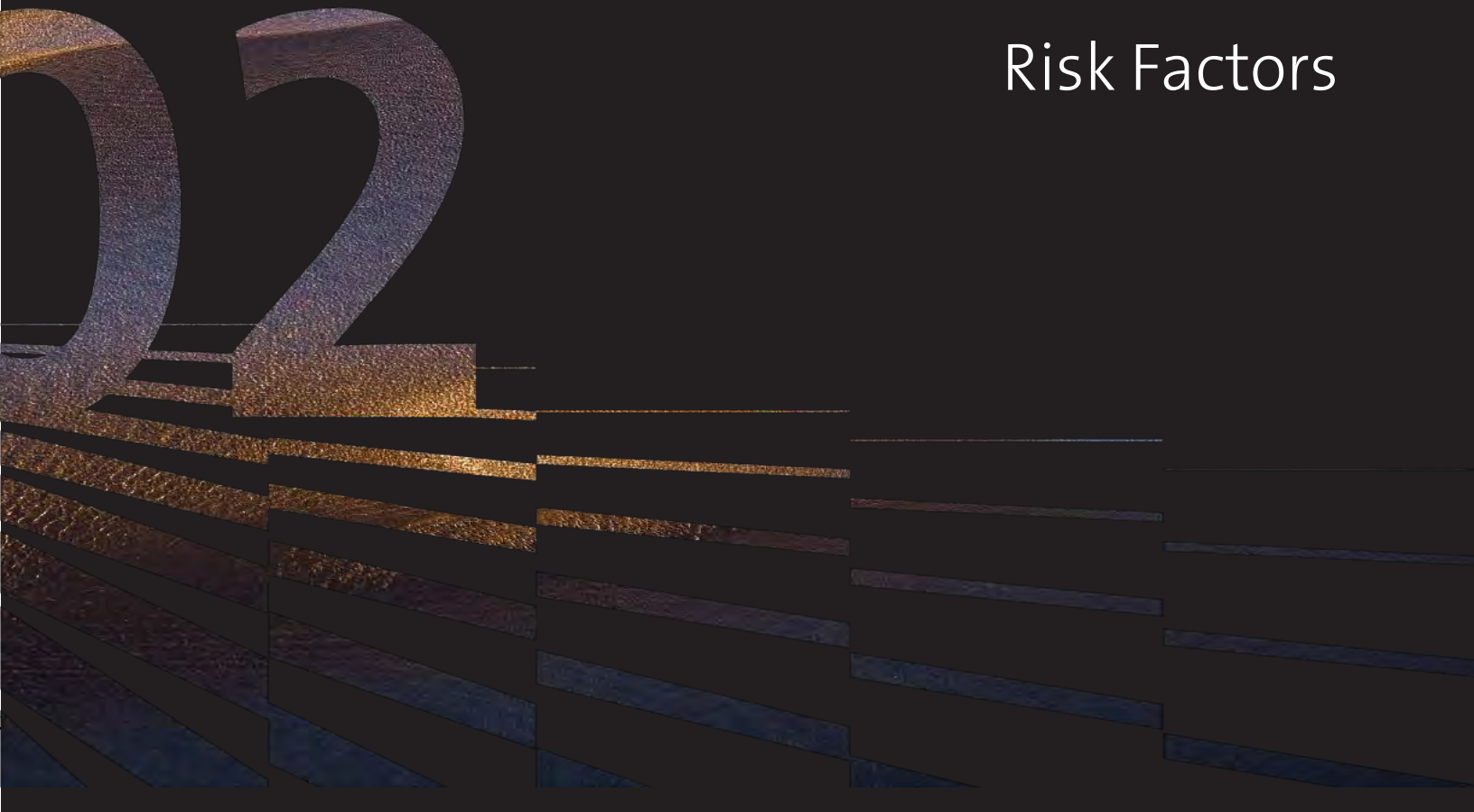
The following table describes the list of definitions and terms for the expressions used in this Prospectus:

Abbreviation or defined term	Definition
The Company or Issuer	Hawyia Auctions Company - a closed Saudi Joint stock company
The Board or the Board of Directors (BOD)	The Company's board of directors.
The Management or senior management	Company's management
By-laws	The Company's by-laws
The General Assembly (GA)	The General Assembly of the Company's shareholders
The Ordinary General Assembly (OGA)	The Ordinary General Assembly of the Company shareholders
The Extraordinary General Assembly (EGA)	The Extraordinary General Assembly of the Company shareholders
The Government	The Government of the Kingdom of Saudi Arabia
Ministry of Commerce	The Ministry of Commerce in the Kingdom of Saudi Arabia
The Ministry of Human Resources and Social Development	The Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia
ZATCA	The Zakat, Tax and Customs Authority is a government entity, reporting to the Minister of Finance, and concerned with carrying out the work of collecting Zakat, taxes and customs.
Entrustment and Liquidation Center (Infath)	Entrustment and Liquidation Center (Infath) is a government entity responsible for liquidating and selling assets, estates, companies, funds, and investment contributions assigned by judicial or government authorities, as well as other assignments awarded by non-governmental or non-judicial entities.
The Companies Law	The Companies Law applicable in KSA issued by Royal Decree No. (M/132) dated 01/12/1443 H (corresponding to 30/06/2022G), and amendments thereto.
Offering	The initial public offering of two million four hundred thousand (2,400,000) ordinary shares representing twelve percent (12.00%) of the Company's total share capital.
Offer or Subscription Shares	Two million and four hundred thousands (2,400,000) ordinary shares of the Company's shares.
Offering Price	Thirteen (13) Saudi Riyals per share.
Shares of Shareholders before Offering	100% of the Company's total share capital, amounting to twenty million (20,000,000) ordinary shares of equal value.
Offering Period	The Period will start from Monday 28/12/1446H (corresponding to 26/05/2025) and will end on Thursday 02/12/1446H (corresponding to 29/05/2025)
Closing Date	It is the end date of the Offering Period on Thursday 02/12/1446H (corresponding to 29/05/2025).
Registration of Shares	Submitting an application to the CMA for the registration and offering the Company's shares and then listing on the parallel market.
Share	Ordinary share of a nominal value of one (1) Saudi Riyal.
Nominal value	One (1) Saudi Riyal per share.
Person	Natural or legal person
Subscriber	Each qualified shareholder subscribes or submits an application to subscribe for the shares of the Company in accordance with the OSCO Rules, listing rules and the terms of the subscription provisions.
Substantial Shareholders	The Shareholders who own (5%) or more of the Company's Shares, and whose names appear on page (I) of this Prospectus.
Offering Proceeds	The total value of the Shares subscribed for.
Net Offering Proceeds	The net offering proceeds, after the deduction of the Offering expenses.
Subscription Application Form	The subscription application form that Qualified Investors must complete and submit to subscribe to the Offer Shares.
Bank Account/ Subscription Account/ Trust Account	An account with a commercial bank licensed to work in KSA to deposit the proceeds of the offering therein. After the end of the offering, these proceeds shall be transferred to the Company's account.
Financial Year	The year ending on December 31 of each calendar year.
Labor Law	The Saudi Labor Law issued by Royal Decree No. M/51 dated 1426/08/1426H (corresponding to 2005/09/2005G) and its amendments.
Capital Market Law	The Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424 H (corresponding to 31/07/2003G), and amendments thereto.
The Rules on the Offer of Securities and Continuing Obligations (ROSCOs)	The Rules on the Offer of Securities and Continuing Obligations issued by the CMA Board pursuant to its Resolution No. (3-123-2017), dated 09/04/1439H (corresponding to 27/12/2017G), according to the Capital Market Law issued by Royal Decree No. (M/30), dated 02/ 04/1424H (corresponding to 02/06/2003G), as amended by the CMA Board Resolution No. (2024-114-3) dated 04/06/1444H (corresponding to 07/10/2023G), and any amendments thereto.
Listing Rules	Listing rules issued by the Saudi Tadawul Company (Saudi Exchange) and approved by CMA Board Resolution No. (3-123-2017), dated 09/04/1439H (corresponding to 27/12/2017G), as amended by CMA

	Board Resolution No. (1-114-2024G) dated 04/04/1446H (corresponding to 07/10/2024G), and any amendments thereto.
Prospectus	This Prospectus, which is the document required to register shares with the CMA for the purpose of listing on the parallel market, according to the OSCO Rules.
Advisors	Advisors of the Company whose names appear on page (F).
Financial Advisor	Estidamah Capital
Lead Manager	Derayah Financial
The Authority or CMA	The Capital Market Authority in the Kingdom of Saudi Arabia
Saudi Stock Exchange (Tadawul)	The Saudi Tadawul Company (formerly the Saudi Stock Exchange Company), established pursuant to the decision of the Council of Ministers dated 29/02/1428H (corresponding to 19/03/2007G), in implementation of the Capital Market Law, is a Saudi closed joint stock company, and the only entity authorized to operate as a securities market in the Kingdom of Saudi Arabia, where it lists and trades securities.
The Saudi Exchange, the Capital Market, the Stock Market, the Market, or Tadawul	The Saudi Exchange Company, Saudi stock exchange, is a subsidiary of the Saudi Tadawul Group.
Tadawul	Automated System for trading of securities on the Saudi Stock Exchange
Parallel Market	The market in which Shares that have been registered and admitted are traded in accordance with the OSCO Rules and "Listing Rules".
Business day	A business day means any day except for Friday and Saturday, or any day which is an official holiday in the KSA, or any day on which banking institutions are authorized or required by law or other governmental procedures to close.
Financial year (s)	It is the period of time given to present the result of the Company's activity. Its beginning and end are specified in the Articles of Association or Bylaws of the concerned Company. Noting that the Company's financial year ends on 31 December of each year.
Financial Statements	The Company's audited financial statements for the year ended 31 December 2023G and reviewed interim condensed financial statements reissued for the nine-month period ended 30 September 2024G, along with the accompanying notes, have been prepared in accordance with the IFRSs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
H	Hijri calendar
G	Gregorian calendar
Categories of Qualified Investors	<p>Qualified Investor means any of the following:</p> <ol style="list-style-type: none"> 1) Capital Market Institutions acting on their own behalf. 2) Clients of a Capital Market Institution licensed to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to take decisions to accept participation in the Offering and to invest in the parallel market on the client's behalf without the need for his/her prior approval. 3) The Kingdom's Government, any government entity, or any international body recognized by the Capital Market Authority, the Saudi Exchange, or any other stock exchange recognized by the CMA, or the Securities Depository Center Company (Edaa); 4) Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution, are authorized to perform management activities. 5) Companies and funds are established in the Gulf Cooperation Council (GCC) countries. 6) Investment funds. 7) Any other legal persons may open an investment account in the Kingdom and an account with the Depository Center. 8) Natural persons who may open an investment account in the Kingdom and an account at the Depository Center, and who meet any of the following criteria: <ol style="list-style-type: none"> A. have made transactions in the securities market with a total value of not less than forty million (40,000,000) Saudi Riyals and not less than ten (10) transactions per quarter during the past 12 months. B. have assets whose net value is not less than five million (5,000,000) Saudi Riyals. C. are working or have worked in the financial sector for at least three (3) years. D. Holds the General Securities Qualification Certificate which is approved by the Authority. E. hold a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity; or 9) Any other persons determined by CMA.
Public	<p>Pursuant to the OSCO rules, the public are persons other than the following:</p> <ol style="list-style-type: none"> 1) Affiliates of the issuer; 2) Substantial shareholders of the issuer; 3) Directors and senior executives of the issuer; 4) Directors and senior executives of affiliates of the issuer; 5) Directors and senior executives of substantial shareholders of the issuer; 6) Any relative of the persons described at (1), (2), (3), (4) or (5) above; 7) Any company controlled by any persons described at (1), (2), (3), (4), (5) or (6) above. 8) Persons acting in concert, with a collective shareholding of (5%) or more of the class of shares to be listed.

Lock-up Period	Substantial Shareholders, whose names appear on page (I) of this Prospectus, are prohibited from disposing of their shares for a period of twelve (12) months from the commencement date of trading of the Company's shares in the Parallel Market. Such persons may dispose of such shares after the expiry of the twelve-month period without the need to obtain prior approval from the Authority.
The Kingdom	The Kingdom of Saudi Arabia (KSA)
Risk Factors	These are potential influences that must be known and hedged prior to making any investment decision in relation to the Offer Shares.
International Financial Reporting Standards (IFRS)	A set of standards and interpretations issued by the Board of International Accounting Standards ("IASB"), as endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA), which include the international standards as well as the requirements and additional disclosures required by the SOCPA and other standards and pronouncements that are endorsed by the SOCPA, which include the standards and technical releases related to matters that are not covered by the IFRS such as Zakat.
The Saudi Organization for Chartered and Professional Accountants (SOCPA)	The Saudi Organization for Chartered and Professional Accountants in the Kingdom of Saudi Arabia
The Corporate Governance Regulations	The Corporate Governance Regulations issued by the Board of the CMA under Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G), and amended by the CMA Board Resolution No. (8-5-2023G) dated 25/06/1444H (corresponding to 18/01/2023G), and any amendments thereto.
Localization/Saudization	It means replacing non-Saudis in private sector jobs with Saudis.
Nitaqat	The Saudization Program (Nitaqat) was approved by the Minister of Labor Decision No. (4040) dated 12/10/1432H (corresponding to 10/09/2011G) pursuant to Ministerial Resolution No. (50) dated 21/4/1415H (corresponding to 18/09/1994G). The Ministry of Human Resources and Social Development in the Kingdom launched the program to provide incentives for establishments to employ Saudis. The program evaluates the performance of the establishment on the basis of specific ranges (platinum, green, and red).
Riyal/Saudi Riyal/The Riyal	Saudi Riyal - the currency of the Kingdom of Saudi Arabia
Value added tax (VAT)	On 02/05/1438 H (corresponding to 30/01/2017G), the Council of Ministers decided to approve the unified agreement for value-added tax for the GCC countries, which came into effect from January 1, 2018G, as a new tax was added to the law of taxes and other fees must be applied by specific sectors in KSA and GCC countries. The amount of VAT is (5%), with certain products are excluded (such as basic foods, services related to health care and education). The Saudi government resolved to increase the VAT rate from (5%) to (15%), which become effective July 1, 2020G.
Pandemic or Coronavirus (Covid 19)	An infectious viral disease known as Coronavirus or "Covid-19", began to spread early 2020G in most countries of the world, including the Kingdom of Saudi Arabia, and as a result, the World Health Organization declared Covid-19 to be a global pandemic.

Risk Factors



2 Risk Factors

An investment in the Offer Shares under this Prospectus involves a high risk and may be appropriate only for investors who are able to assess the risks and benefits of such investment and who have sufficient resources to bear any loss resulting from such investment.

All prospective investors should carefully consider all of the information contained herein, including the risks described below, prior to making any investment decision with respect to the Offering Shares. However, the risks listed below do not necessarily comprise all risks that the Company may encounter or additional risks that are not currently known by the Company, which may have an adverse effect on the Company's operational performance if they occur.

The Company's business, financial conditions, future expectations, results of operations, and cash flows may be materially and adversely affected if any of the risks described in this section, currently considered by the Company management material, occur or become material. This is in addition to any other risks not identified or currently regarded by the Board as material, but likely to occur or become material.

In the event of the occurrence or realization of any of the risk factors that the Company currently believes to be material, or the occurrence of any other risks that the Company could not identify, or considered to be immaterial, this may lead to a decrease in the share price in the market and Company's ability to pay dividends and prospective investors could lose all or part of their investment in the Company's Shares.

Members of the Board of Directors further declare that, to the best of their knowledge and belief, as of the date of this Prospectus, there are no other significant risks, not mentioned in this section, that could affect decisions taken by investors to invest in the shares to be listed on the Parallel Market.

The risks set out below are listed in an order that does not reflect their significance. Additional risks and uncertainties, including those unknown or deemed non-essential at the present time, may have the effects described above.

2.1 Risks related to the Company's Activities and Operations

2.1.1 Risks related to the reissued financial statements, modified independent auditor's report, classification and comparative figures

A) Reissuance of interim condensed financial statements for the nine-month period ended at 30 September 2024G and auditor's modified report

On 4 Jumada II 1446H (corresponding to 5 December 2024G), the Company's external auditor issued an unmodified audit report on the audited interim condensed financial statements for the nine-month period ended 30 September 2024G. On 04/09/1446H (corresponding to 4 March 2025G), the external auditor reissued the report on the interim condensed financial statements for the nine-month period ended 30 September 2024G, along with a modified independent auditor's report, due to subsequent detection of "subsequent events disclosures."

The reason for reissuing interim condensed financial statements for the nine-month period ended at 30 September 2024 and independent auditor's modified report:

1) Amending the note of subsequent event disclosure:

The Company had not previously disclosed certain necessary adjustments to clarify subsequent events that were not adequately disclosed in the interim condensed financial statements for the nine-month period ended 30 September 2024G, which were approved for issuance on 5 December 2024G. Accordingly, the disclosure of subsequent events note has been amended to include the corrections required as described below:

- On 02/05/1446H (corresponding to 04 November 2024G), the partners resolved to increase the Company's share capital from SR 100,000 to SR 20,000,000 through the capitalization of retained earnings.
- On 16/05/1446H (corresponding to 18 November 2024G), the partners resolved to change the legal structure of the Company from a limited liability Company to a closed joint stock company.
- The Company submitted an application to the Capital Market Authority (CMA) to conduct an initial public offering (IPO) and list its shares on the Nomu – Saudi Parallel Market.

No other significant subsequent events occurred after the reporting date and before the reissuance of these financial statements that would require further adjustment or disclosure.

B) Classification and Comparatives:

Certain comparative figures for the year ended 31 December 2023G have been reclassified to conform to the presentation for the current period ended 30 September 2024G, to enhance comparability, transparency, and overall understanding, and to provide more relevant information to the users of the financial statements, as follows:

Table No. (1): Reclassification of certain comparative figures for the year ended 31 December 2023G

Statement of Financial Position as at 31 December 2023	Reclassification Impact		
	As previously reported	Reclassification	As classified
Suppliers	6,981,262	(874,866)	6,106,396
Accrued expenses and other payables	8,881,968	(254,034)	8,627,934
Due to related parties	-	1,128,900	1,128,900

Source: The reviewed interim condensed financial statements for the nine-month period ended at 30 September 2024G.

Although the main purpose of the adjustments made to the interim financial statements is to enhance the accuracy, integrity, and reliability of disclosures—particularly those related to subsequent events and the reclassification of certain comparative figures—the Company must continually ensure the accuracy, integrity, and proper presentation of its financial data and disclosures in accordance with the International Financial Reporting Standards (IFRSs) as endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). This should be achieved by strengthening integrated information systems that support financial data integrity, consistently applying and updating accounting and financial policies and procedures, reinforcing the team with qualified and experienced professionals, and designing and implementing effective controls during the preparation of the financial statements.

In the event that the Company fails to present its financial statements, notes, and disclosures as required by International Financial Reporting Standards (IFRS), it may be required to reissue its financial statements or make material adjustments to prior period financial statements during the audit or review of the current period's financial statements. Such actions could have a material adverse effect on the quality of the Company's financial statements as perceived by the users of financial statements, which in turn may negatively impact the Company's reputation. Consequently, this may have a material adverse impact on the Company's financial position, operating results, profitability, and future outlook.

2.1.2 Risks related to the Company's revenue growth rates

During the year ended 31 December 2023G, the Company has generated revenues of SR 81,565,927, reflecting a growth of (87.50%), compared to the revenue of SR 43,501,587 recorded in 2022. This growth was primarily due to increased demand for auction management and organization services, both from the private sector and from direct assignments awarded by the Entrustment and Liquidation Center (Infath). Revenue from auction activities rose by SR 70,730,098 in 2023, reflecting a growth of 62.80% increase compared to SR 43,445,935 million in 2022. Meanwhile, revenue from estate liquidation activities grew by SR 1,294,909, an increase of (2,226.80%), compared to SR 55,652 in 2022. Additionally, the Company recorded SR 9,540,920 in revenue from exclusive real estate marketing activities during 2023, while no revenue was generated from this segment in 2022.

In contrast, the Company's revenue decreased by SR 42,592,735, reflecting a growth of (33.03%), during the nine-month period ended 30 September 2024G, compared to SR 63,605,621 recorded during the same period in 2023. This decline is primarily attributable to low demand for auction management and organization services from Infath. Revenue from auction activities declined by SR 29,642,419, (47.52%), compared to SR 56,483,706 for the same nine-month period in 2023. On the other hand, revenue from estate liquidation activities increased by SR 6,644,918 million, (847.2%), compared to SR 701,532 million in the corresponding period of 2023. Revenue from exclusive real estate marketing services recorded a slight decline of SR 6,305,398, (1.79%), for the nine-month period ended 30 September 2024G, compared to SR 6,420,383 during the same period for 2023.

The Company's inability to maintain stable revenue growth rates or to enhance its performance through increased operational efficiency in its core business activities, or through customer diversification, could have a material adverse effect on its financial position, operating results, profits, and future outlook.

2.1.3 Risks related to the Company's inability to implement the strategic plan

The Company's ability to increase its revenues and improve its profitability depends on its ability to successfully implement the Company's strategic plan, i.e improving product efficiency or expanding by developing new services. The Company's ability to expand its business in the future depends on its ability to continue implementing and improving operational, financial and administrative information systems in an efficient and timely manner, as well as on its ability to increase, train, motivate and

manage its workforce. Furthermore, any business expansion plans that the Company intends to undertake in the future will be subject to estimated costs and the specified implementation schedule. The Company may need to obtain additional financing to complete any expansion plans. If it is unable to implement the expansion plans according to the specified schedule as per the estimated costs of the project, or in the event of inability to provide the necessary financing to complete any expansion plans, or in the event of not achieving the desired profitability from these projects, which may be due to various reasons, including a change in the market situation at the time of implementing these projects, or in the event of a defect in the feasibility study, this would adversely affect the Company's competitive position, and thus adversely and materially affect its financial position, business results, profitability, and future expectations.

2.1.4 Risks related to non-issuance or non-renewal of licenses, permits and certificates

The Company is required to obtain and maintain various permits, licenses, certificates and regulatory approvals in relation to its activities. These include but are not limited to: The Company and its branch commercial registration certifications issued by the Ministry of Commerce, the execution services license (as a sales agent), "FAL" real estate brokerage, and "FAL" license real estate auctions, municipal licenses, trademark registration certificates, Zakat certificates, and VAT registration certificate.

The Company has obtained all the regulatory licenses required for its current activity, and all such licenses and certificates are still valid as of the date of this prospectus. (Please refer to Section (3.15) "Government Licenses and Certificates" in this prospectus). Based on the Company's activities, including vehicle and equipment auctions, the Company has not obtained a license from the General Traffic Department. Instead, the Company operates in partnership with an entity licensed by the Traffic Department to carry out sales under a judicial sales agency license for properties awarded by the Entrustment and Liquidation Center (Infath) and the courts.

The Company's failure to renew its current licenses, permits and certificates or to obtain any of the licenses necessary for its business, if any of its licenses are suspended, expired or renewed on conditions that are not suitable for the Company, or if the Company is unable to obtain additional licenses, permits and certificates that may be requested from it in the future, this will expose the Company to suspension and prohibition from carrying out its business, such as suspending the Company or all services provided by the regulatory authorities to the Company (such as renewing licenses and certificates, issuing visas, Iqama, transferring sponsorships, etc.), or exposing it to fines imposed by the authorities in relation to licenses, permits, and certificates, which will result in disruption of its operations and incur additional costs, which will have a negative and fundamental impact on the Company's business, financial position, results of operations and future prospects.

2.1.5 Risks related to credit

Credit risks arise when one of the parties fails to meet a specific financial obligation of the other party. The Company may face credit risks in several temporary or permanent cases, including receivables from customers and failure of other debtors to fulfill their obligations towards the Company. The Company's accounts receivable arise from auction revenues that the Company organizes and manages.

The net trade receivables amounted to SR 9,086,021, SR 7,108,862, and SR 603,984 as of 31 December 2022G, 2023G, and 30 September 2024G, respectively. The Company offers credit terms to its clients, with an average credit period of 1-90 days. As of 31 December 2023G, outstanding receivables of more than 90 days accounted for 68.53% of the total receivables; and as of 30 September 2024G, the outstanding receivables accounted for 91.84%.

Net trade receivables in relation to the total current assets were 54.31%, 18.48%, and 2.11% as of 31 December 2022G, 2023G, and 30 September 2024G, respectively. Net trade receivables in relation to the total assets were 53.79%, 16.15%, and 1.77% as of 31 December 2022G, 2023G, and 30 September 2024G, respectively. The following table outlines the aging of the Company's trade receivables for the years ended 31 December 2022G, and 2023G, and for the nine-month period ended 30 September 2024G.

Table No. (2): Table of the aging of trade receivables for the years ended 31 December 2022G, and 2023G, and for the nine-month period ended 30 September 2024G

Aging of Trade Receivables	As at 31 December 2022		As at 31 December 2023		As of 30 September 2024G	
	Value (SR)	%	Value (SR)	%	Value (SR)	%
Neither past due nor impaired	9,086,021	100%	2,242,474	31.47%	50,740	8.16%
From 91 day to 180 days	-	-	4,612,006	64.72%	-	-
From 181 day to 360 days	-	-	271,938	3.82%	570,800	91.84%
Total	9,086,021	100%	7,126,418	100%	621,540	100%

Source: The Company's audited financial statements for the year ended 31 December 2023G and for the nine-month period ended 30 September 2024G.

As of 31 December 2022G, 2023G, and 30 September 2024G, the Company's provision for expected credit losses on trade receivables amounted to SR 0, SR 17,556, and SR 17,556, respectively.

The Company's policy states that a provision for expected credit losses is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

The following table details the customer categories of trade receivables for the years ended 31 December 2022G, and 2023G, and for the nine-month period ended 30 September 2024G:

Table No. (3): Table of trade receivables by customer category for the year ended 31 December 2022G.

Aging of Trade Receivables	As at 31 December 2022	
	Value (SR)	%
Corporate client No. (2)	5,145,789	56.63%
Entrustment and Liquidation Center (Infath)	3,141,471	34.57%
Corporate client No. (4)	224,724	2.47%
Corporate client No. (3)	574,037	6.32%
Total	9,086,021	100%

Source: Company Information

Table No. (4): Table of trade receivables by customer category for the year ended 31 December 2023G.

Aging of Trade Receivables	As at 31 December 2023	
	Value (SR)	%
Entrustment and Liquidation Center (Infath)	7,126,418	100%
Total	7,126,418	100%

Source: Company Information

Table No. (5): Table of trade receivables by customer category for the nine-month period ended at 30 September, 2024G.

Aging of Trade Receivables	As at 30 September 2024	
	Value (SR)	%
Entrustment and Liquidation Center (Infath)	621,540	100%
Total	621,540	100%

Source: Company Information

The Company cannot guarantee that its counterparties will always meet their obligations, nor can it precisely predict their future ability to do so. Any delays or defaults in receivables collection could significantly have a negative and material impact on the availability of liquidity for the Company's needs, expenses and cash flows. In such cases, the Company may pursue legal action or increase its credit loss provisions, which could have a negative and material impact on the Company's business, financial condition, results of its operations and future expectations.

2.1.6 Risks related to reliance on key personnel and executive management

The Company and future plans for success depend on the expertise and competencies of its executive and key management personnel. The Company aims to attract and employ qualified individuals to ensure the efficiency and quality of business through effective management and proper operation. The Company may also need to increase the salaries to ensure retention of employees or attract new staff with appropriate qualifications and expertise. Accordingly, if the Company loses any of the senior executives or qualified employees and is unable to recruit replacements with the same level of experience and qualifications at appropriate cost, this would have a material adverse impact on the Company's business, results of operations and prospects.

2.1.7 Risks related to employee errors or misconduct

The Company is exposed to the risk of errors or misconduct by its employees, such as fraud, deliberate mistakes, embezzlement, theft, forgery, misuse of its properties and act on its behalf without obtaining the required administrative authorizations. Consequently, these actions may entail consequences and responsibilities for the Company, statutory penalties or financial liability, which will negatively and materially affect the Company's reputation, financial condition, results of operations and future prospects.

2.1.8 Risks related to availability of financing in future

The Company may need to obtain bank loans and facilities to finance future expansion plans. It is worth noting that obtaining finance depends on the Company's capital, financial position, cash flows, guarantees provided, and credit record. The Company does not give any assurance or guarantee that it will obtain the appropriate financing if the need arises. Therefore, the Company's inability to obtain the funding it needs from financing sources, or the lenders request guarantees that the Company cannot provide, to get finance at acceptable preferential terms commensurate with the Company, will have a negative impact on the Company's performance, operating activities and future plans.

2.1.9 Risks related to natural disasters

Any damage from natural disasters affecting the Company's facilities such as floods, fires, earthquakes, other natural incidents, for which there is not sufficient insurance coverage, may result in the Company incurring significant and enormous costs. If the Company incurs costs due to the occurrence of natural disasters, this will severely affect the Company's ability to perform and practice its operations, and thus negatively affect its operating results. Therefore, if such disasters occur and damage the Company's facilities and assets, the Company's business, results of operations, financial position and future prospects will be negatively and substantially affected.

2.1.10 Risks related to potential zakat dues and additional claims

The Company submitted its Zakat returns to the Zakat, Tax and Customs Authority (ZATCA) since the establishment of the Company until the financial year ended 31 December 2023G, and obtained a Zakat certificate from the ZATCA for all years until 2023G, where it obtained a Zakat certificate for 2023G No. (1022231870) dated 22/10/1445H (corresponding to 01/05/2024G), which expires on 02/11/1446G (corresponding to 30/04/2025G). The Company has not received any zakat assessments or additional claims from the ZATCA up to the date of this prospectus. As of the date of this prospectus, the Company also has no outstanding additional claims from the ZATCA.

The Company cannot predict whether the ZATCA will accept its Zakat assessments for the years mentioned above, for which final assessments have not yet been issued as of the date of this prospectus, or whether the ZATCA will request the Company to pay any future zakat differences. Should the ZATCA demand such differences (noting that as of the date of this prospectus, the Company made no provisions for such potential future claims, and that the Company would bear such costs), this would negatively and materially impact the Company's profits, results of operations, financial position, and future outlook.

2.1.11 Risks related to leased properties

As of the date of this Prospectus, the Company has one (1) lease contract registered on Ejar platform, whereby the leased property includes the Company's headquarters, with a total annual rent of SR 150,000. It is worth noting that the lessor is a related party, Al-Sulaiman Real Estate Company (a substantial shareholder). The lease term starts from 01/07/1446H (corresponding to 01/01/2025G) and ends on 11/07/1447H (corresponding to 31/12/2025G), for a duration of one year. (For more information, please refer to Section (3.16) "List of properties leased by the Company" of this Prospectus).

Failure by the Company to comply with the lease terms with lessors or inability to renew such leases may lead the Company into legal disputes and eviction from leased properties, which will materially and adversely affect the Company's business, operating results, financial performance, and future outlook.

2.1.12 Risks related to reliance on non-Saudi employees

As of 30 September 2024G, the percentage of non-Saudi employees in the Company accounted for (15.00%) of the total number of employees, which may affect the Company's business, financial position and operating results if it is unable to maintain the non-Saudi employees and find replacements with the same skills and experience, or if a change occurs in the policies and regulations of the Ministry of Human Resources and Social Development, resulting in an increase in the rate of Saudization of the sector. If this occurs, the Company will find difficulty in maintaining its non-Saudi employees. This leads to an increase in the costs incurred by the Company, which negatively and significantly affects its business, profits and results of operations.

The number of non-Saudi employees was (1), (3), and (3) as of 31 December 2022, 2023G, and as of 30 September 2024G, respectively. The total value of the financial consideration fees for non-Saudi employees amounted to (SR 12,500), (SR 43,700), and (SR 42,500) as of 31 December 2022G, 2023G, and as of 30 September 2024G, respectively.

Moreover, the government also approved fees for issuance and renewal of residence for the dependents and companions of the non-Saudi employees (fees for companions), which entered into force as of 01/07/2017G. It is worth noting that these fees gradually increased from one hundred (100) Saudi Riyals monthly for each dependent in 2017G to become SAR (400) monthly for each dependent in 2020G. Thus, increase in the fees for issuance and renewal of residency, which will be paid by the non-Saudi employee for his family can lead to increase in his costs of living. This will eventually urge the employees to search for work in other countries where the costs of living are less. If this occurs, the Company will find difficulty in maintaining its non-Saudi employees; and will eventually be urged to pay these costs for the non-Saudi employees or part thereof, directly, or indirectly, by raising the salaries of the non-Saudis. This will lead to an increase in the Company's costs; and will adversely affect the Company's business, financial performance, and results of operations.

It is also worth noting that on 18/03/1442H (corresponding to 04/11/2020), the Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia launched the contractual relationship improvement initiative, which came into effect on 01/08/1442H (corresponding to 14/03/2021). This initiative aims to support the Ministry's vision for building an attractive labor market, empowering and developing human capital, improving the work environment, and abolishing the sponsorship (Kafala) system. The initiative offers three main services, namely: the job mobility service, the development of re-entry mechanisms, and final exit. The initiative's services cover all expatriate workers in private sector entities, under specific regulations that safeguard the rights of both parties in the contractual relationship and the terms of employment between the employer and the expatriate worker. The job mobility service allows expatriate workers to transfer to another job upon the expiration of their employment contract without the employer's consent. The initiative also outlines mechanisms for job transfers during the contract term, provided that notice periods and specified conditions are met. Accordingly, the Company cannot guarantee retention of its non-Saudi workforce or renewal of their contracts on terms satisfactory to them, which may prompt them to transfer to other employers under the mechanisms mentioned above. If the Company fails to retain its non-Saudi workforce or find suitable replacements with comparable skills and experience, this would lead to increased financial costs and materially and adversely affect the Company's operations, financial results, and future outlook.

2.1.13 Risks related to Saudization requirements

Compliance with the Saudization requirements is a legal requirement issued by the Ministry of Human Resources and Social Development in the Kingdom, whereby all companies operating in the Kingdom, including the Company, are obligated to employ a certain percentage of Saudi employees among their total employees and to maintain that percentage. According to the Nitaqat Program issued by the MHRSD, the Saudization rate as of the date of this Prospectus, is 72% and the Company is classified within the "High Green" range. However, in the event that the MHRSD decides to impose more stringent Saudization policies in the future, and the Company is unable to comply with the requirements of the MHRSD, the Company will be subject to penalties imposed by government agencies, such as suspension of applications for work visas and sponsorship transfer for non-Saudi workers, which will have negative and significant impact on the Company's business, financial condition, results of operations and prospects. (For more information, please refer to Section (3.18) "Employees and Saudization" of this Prospectus).

2.1.14 Risks related to the concentration of revenues by activities

The Company's revenues consist of: 1) auction revenues, 2) estate liquidation revenues, and 3) real estate marketing revenues (please refer to Section (3.11.1) "Revenue Breakdown by Activity" in this prospectus). The Company's revenues are primarily concentrated in auction revenues, which amounted to SR 43,445,935, SR 70,730,098, SR 56,483,706, and SR 30,786,339, accounting for 99.87%, 86.72%, 88.80%, and 72.28% as of 31 December 2022G and 2023G, and 30 September 2023G and 2024G, respectively.

If the Company fails to deliver its services to customers in accordance with the required standards and specifications, or if it fails to maintain the optimal level of service delivery, the services provided by the Company will result in a decline in its revenues and profits, thereby negatively and materially affecting its business, financial position, operating results, and future outlook.

2.1.15 Risks related to customer concentration

The Company relies on a number of customers to provide integrated services in auction organization and management, estate liquidation, and real estate marketing activities. The Company's revenues from its major five customers amounted to SR 30,077,068, SR 59,008,876, and SR 24,484,163, accounting for 69.14%, 72.35%, and 57.48% of the total revenues as of 31 December 2022G and 2023G, and 30 September 2024G, respectively (for more details, please refer to Section (3.12) "Company Customers" of this prospectus).

It is worth noting that revenues from the Entrustment and Liquidation Center (Infath) amounted to SR 7,226,895, SR 30,943,002, and SR 18,182,838, representing 16.61%, 37.94%, and 42.69% of the total revenues as of 31 December 2022G and 2023G, and 30 September 2024G, respectively. Meanwhile, revenues from contracts with private sector customers amounted to SR 36,274,692, SR 50,622,925, and SR 24,409,896, accounting for 83.39%, 62.06%, and 57.31% of the total revenues, respectively (for more information, please refer to Section (33.1) "Revenue by Customer Category" in this prospectus).

Therefore, any adverse change in the Company's operations, dealings with customers, or failure to continue serving them adequately would materially and negatively impact the Company's revenues, and consequently, its business operations, financial results, financial position, and future outlook.

2.1.16 Risks related to the Company's revenue concentration on the Entrustment and Liquidation Center (Infath)

The Company acts as a judicial sales agent classified under Category (A) at the date of preparing this prospectus, which enables it to accept entrustment from the Infath across all liquidation categories conducted by the Center. The Company receives notifications from Infath containing property details subject to liquidation (location, area, property type, property usage) via a dedicated electronic system for sales agents, where the entrustment letter is directed to a single judicial sales agent. Upon receiving the notification, the Company accepts agrees to the direct entrustment letter sent by the Infath, accordingly, the Infath provides all related information and data regarding the entrustment.

The Company's revenues from auctions entrusted by the Infath amounted to SR 7,226,895, SR 30,943,002, and SR 18,182,838, representing 16.61%, 37.94%, and 42.69% of the total revenues as of 31 December 2022G and 2023G, and 30 September 2024G, respectively. (For more details, please see Section (33.1) "Revenue by Customer Category" of this Prospectus).

It is worth noting that the classification of judicial sales agent is based on several criteria approved by the Infath, with four levels of classification (A, B, C, and D) specific to judicial sales service providers. The highest classification is (A), and the lowest is (D). Assets entrusted for liquidation by the Center are also classified into four categories (A, B, C, and D), where Category (A) includes the highest-value assets with premium attributes in terms of location, area, nature, and usage, while Category (D) assets are lower in value and less attractive. Infath periodically evaluates judicial sales agents, taking into account their compliance with the required standards and requirements in conducting auctions and liquidation tasks. A negative evaluation result would lead to a downgrade in classification, which would have a material adverse effect on the Company's operations and financial performance.

The Company may also face risks due to overlaps in auction or estate liquidation schedules with other agents operating in the same city or governorate, or delays by the competent judicial authority in issuing the award or transferring ownership to buyers. These situations may negatively impact on the Company's (A) classification, and based on performance assessments, Infath may downgrade the agent's classification. If the classification is downgraded, the Company would no longer be eligible for direct entrustment of high-value assets by Infath.

2.1.17 Risks related to the impairment of fair value of investment properties

As of 31 December 2023G, the Company had its investment properties appraised by a real estate valuer certified by the Saudi Authority for Accredited Valuers, as detailed below:

Table No. (6): Summary of investment properties as of 30 September 2024G

Nature of the Invested Asset	Cost as of 30 September 2024* (in Saudi Riyals)	Location	Area (square meters)	Accredited valuer information	Accredited valuer licenses No.	Valuation method	Fair value as of 30 September 2024G (in Saudi Riyals)
Land	5,318,004	Al Narges District, Riyadh	1,169	Abdulaziz Ibrahim Abdulaziz	121000167	Market value method	10078896

Source: The Company's audited financial statements for the year ended 31 December 2023G and the reviewed financial statements for the nine-month period ended 30 September 2024G.

The investment properties were valued at fair value, which was determined by an independent, professionally qualified appraiser licensed by the Saudi Authority for Accredited Valuers. The fair value was estimated using the income approach. Management believes that there has been no material change in the fair value of these investment properties as of June 30, 2024G.

The Company may, however, face risks of changes in the market value of the invested land due to declining comparable sales prices for land in the property's location. If this occurs, appraisers' valuations would reflect a lower fair market value.

2.1.18 Risks related to supplier concentration

The Company relies on a number of suppliers and service providers, all located within the Kingdom of Saudi Arabia, to carry out its operations and activities. Relationships with all suppliers are based on direct purchase orders. The Company's purchases from its major five suppliers amounted to SR 2,568,000, SR 1,636,916, and SR 1,188,508, accounting for 8.47%, 3.94%, and 5.44% of the total cost of revenues as of 31 December 2022G and 2023G, and 30 September 2024G, respectively. The credit period granted by suppliers does not exceed 30 days (for more information, please refer to Section (3.13) "Major Suppliers" in this prospectus).

Accordingly, any disruption, breakdown, sudden interruption, termination of a supplier relationship, or changes in terms or obligations would materially and adversely affect the Company's operations and, consequently, its financial performance.

2.1.19 Risks related to accrued expenses and other payables

The accrued expenses and other payables mainly consist of (auction commission payables, accrued remunerations, value-added tax, dividend payables, etc.). The Company's trade payables amounted to SR 14,046,996, SR 8,881,968, and SR 10,555,996 as of 31 December 2022G and 2023G, and 30 September 2024G, respectively, representing 97.81%, 49.57%, and 84.81% of the total current liabilities, and 97.15%, 48.93%, and 82.70% of the total liabilities, respectively, on those dates.

If trade payables become overdue, the Company may be unable to settle its obligations fully or within agreed terms, which could hinder its ability to secure favorable future credit purchase agreements or expose it to potential legal claims, thereby materially and adversely affecting its operations, financial position, operating results, and future outlook.

2.1.20 Risks related to working capital management

The risks related to working capital management are associated with the Company's potential inability to meet its financial liabilities as they fall due. The current ratio was 1.16 times, 2.15 times, and 2.30 times as of 31 December 2022G and 2023G, and 30 September 2024G, respectively. The Company's current liabilities consist of accrued expenses and other payables, amounts due to related parties, advances from customers, and zakat payable.

Should the Company fail to meet its obligations on time, it could materially and adversely affect its business operations and financial performance.

2.1.21 Risks related to the protection of trademarks and property rights

The Company's ability to market its services and expand its business depends on the use of its name, logos and trademarks, which support its products and competitive position and give it a clear distinction in the market among customers. The Company has registered its trademarks with the competent authorities. (Please refer to Section (3.17) "Trademarks" of this Prospectus).

Any breach of equity or unlawful use of the Company's trademark will affect the Company's reputation, and bring lawsuits before the competent courts to protect these rights. It's costly and time-consuming, and require efforts by the management in pursuing them. If the Company fails to protect its trademark effectively when renewing the registration certificate or track similar marks, this will adversely affect its value, and will negatively affect the Company's business, results of operations, financial condition and prospects.

2.1.22 Risks related to insurance coverage

The Company provides healthcare, preventive, and treatment services to all its employees and their dependents through insurance coverage arranged with Tawuniya Insurance Company, which is licensed by the Saudi Central Bank to operate in the Kingdom of Saudi Arabia. In the event that the medical insurance policy with the insurer expires and the Company wishes to renew it, changes in premiums may occur. If healthcare coverage costs increase, this could materially and adversely affect the Company's business, operating results, financial position, and prospects.

2.1.23 Risks related to the Company's inability to secure the workforce needed for future expansion

The Company's ability to expand its operations and future performance depends on several factors, including its ability to secure sufficient manpower to meet its business needs and future plans. If the Company fails to provide adequate manpower to support its operations and needs, this would materially and adversely affect the Company's success in executing its future expansion plans and consequently impact its results of operations and prospects.

2.1.24 Risks related to operating systems and information technology

The Company relies on IT systems to manage its business and facilities, which exposes the Company to the risks of failure of such systems, e.g. system collapse, failure of antivirus systems, hacking Company's systems, electronic viruses, natural disasters, fires, communication errors, or lack of skilled labors necessary to operate and manage these systems. If the Company fails to maintain and develop IT systems or in the event of any malfunctions in their functions, occurrence of major defect or frequent failure, this will adversely affect the Company's business and financial and operating results.

2.1.25 Risks related to non-compliance with Capital Market Law and its executive regulations

After offering in the parallel market, the Company will be subject to the Capital Market Law and the laws, regulations and circulars issued by the Capital Market Authority. In the event that the Company is unable to comply with any of the regulations and laws to which it is subject, it will bear costs and penalties such as temporarily suspending trading on shares or de-listing the Company's shares in the event of non-compliance, which will adversely and materially affect the Company's business, results of its operations, financial performance and profitability.

2.1.26 Risks related to the recent conversion into a joint stock company and lack of experience in managing listed companies

The Company was converted from a limited liability Company into a closed joint-stock Company pursuant to the shareholders' conversion resolution issued on 05/16/1446H (corresponding to 11/18/2024G). Consequently, senior executives have limited or no experience in managing a listed joint-stock Company and adhering to the rules and regulations. Senior executives will be required to exert more efforts to ensure the Company's compliance with the Capital Market Law, its implementing regulations, and related disclosure requirements. This may reduce the time senior executives devote to managing the Company's day-to-day operations, which in turn could impact the Company's operating results. Furthermore, if the Company's management makes incorrect business decisions or fails to comply with relevant laws, regulations, and disclosure requirements, the Company will be subject to regulatory penalties and fines that could materially adversely affect the Company's operations, financial position, results of operations, and future prospects.

2.1.27 Risks related to lawsuits

As of the date of this Prospectus, the Company is not a party to any lawsuit as a plaintiff. However, the Company is a party as a defendant in one lawsuit filed against it on 02/24/1446H (corresponding to 08/28/2024G). A lawsuit was filed against the Company by a Saudi citizen (individual) in his personal capacity. The subject of the lawsuit is document request. The lawsuit is still under consideration. The lawsuit does not include a financial claim other than a claim to bear the expense of attorneys' fees in the event that a judgment is issued against the Company. The Company has not made any provisions to address any financial impact that may result from this lawsuit in the event that a judgment is issued against the Company (for more information, please see subsection (3.19) "Lawsuits" of section (2) "Background of the Company and the Nature of its Business").

The Company may also find itself a party to other lawsuits, whether as a plaintiff or defendant, and any negative outcome regarding litigation and regulatory procedures could negatively impact the Company's business, financial condition, results of its operations, and future expectations. The Company cannot accurately anticipate the cost of these cases or judicial proceedings that may be filed by or against it, or the final results of such cases or judgments, which are handed down therein in addition to the compensations and penalties therein. These cases may include, but are not limited to, zakat and tax issues, Labor Law, errors, complaints and other damages that may arise from negligence or fraud by persons or institutions. Therefore, any negative consequences of such cases will negatively and materially affect the Company business, results of operations, financial position and future prospects.

As of the date of this Prospectus, the Company acknowledges that there are no lawsuits filed by and/or against the Company other than the one referred to in this and Sub-Section (3.19) "Lawsuits" of Section No. (2) "Overview of the Company and the nature of its business."

2.1.28 Risks related to service quality and positive reputation

The Company depends on its reputation in the market to provide services. The Company's reputation may deteriorate as a result of disputes with service beneficiaries, deficiencies in internal controls, failure to meet obligations, or penalties due to non-compliance with applicable regulations or poor financial performance. Likewise, the Company's reputation may be harmed by the actions or statements of existing or former clients, employees, competitors, suppliers, adversaries in legal proceedings, regulatory authorities, members of the investment community, or media. Negative information about the Company, even if based on rumors or misunderstandings, could adversely affect its business. Rebuilding a damaged reputation may be difficult, costly, and time-consuming, which may influence potential or current customers to avoid choosing the Company's services or products. This could result in customer loss and negatively impact business. Additionally, reputational damage may reduce the value and effectiveness of the Company's brand and decrease trust among investors and customers, materially and adversely affecting its business, financial condition, operating results, and future prospects.

2.1.29 Risks related to the outbreak of infectious diseases or other threats to public health, including the ongoing global spread of the Coronavirus (Covid-19) pandemic

Early 2020G, an infectious viral disease known as Coronavirus or “Covid-19”, began to spread early 2020G in most countries of the world, including the Kingdom of Saudi Arabia, and as a result, the World Health Organization declared Covid-19 to be a global pandemic, and called for taking the necessary preventive measures to combat and limit its spread. Saudi Arabia imposed precautionary measures and preventive measures to address and limit the spread of the virus, which require, for example, a partial or complete curfew in some cities and governorates of the Kingdom, the closure of airports, shopping centers and retail exhibitions, and a reduction in the number of working hours for some sectors or obliging some of them to work remotely.

The outbreak of any infectious diseases such as, for example, Coronavirus (COVID-19), Middle East Respiratory Syndrome (MERS), influenza virus (H1N1), and severe acute respiratory syndrome (SARS) in the Middle East and other region, would have a negative and significant impact on the Kingdom's economy and the Company's operations. Also, if the infection spreads and the Company's employees are infected with any of these diseases, this will lead to a shortage in the number of employees of all Company departments, including Company branches, or a reduction in the number of work shifts or working hours, which would disrupt the Company's operations and negatively and materially affect the Company's financial condition, results of operations and prospects.

2.1.30 Risks related to changes in accounting standards and new standards

The Company's audited financial statements for the year ended 31 December 2023G and reviewed interim condensed financial statements reissued for the nine-month period ended 30 September 2024G, along with the accompanying notes, have been prepared in accordance with the IFRSs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). It's mandatory for the Company to apply amendments or changes to standards from time to time. Any changes in these standards or mandatory adoption of new standards could materially and adversely affect the financial statements and, consequently, the Company's financial results, financial position, and future outlook. As for the financial statements for the year ended 31 December 2022G, the Company prepared its financial statements in accordance with the IFRS for SMEs as endorsed in the Kingdom of Saudi Arabia.

Accordingly, the Company has prepared the financial statements, in compliance with the IFRSs that are endorsed in KSA, applicable as at 31 December 2023G, together with the comparative period data for the year ended 31 December 2022. Certain amendments have been made to the previously issued financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (“IFRS for SMEs”) that is endorsed in the Kingdom of Saudi Arabia upon transition to International Financial Reporting Standards, including the statement of financial position as of 31 December 2022G, and the statement of financial position as of January 1, 2022G.

(2) Impact of adoption of IFRS on the Statement of Financial Position as at 1 January 2022 (date of transition to IFRS)

Table No. (7): Impact of adoption of IFRS on the statement of Financial Position as of 1 January 2022G

Item (SR)	Amounts previously reported under IFRS for SMEs	Reclassification and Remeasurement	Amounts reported under IFRS as of 1 January 2022
Assets			
Non-current assets			
Properties and equipment	88014	-	88,014
Intangible assets	2,744	-	2,744
TOTAL NON-CURRENT ASSETS	90758	-	90,758
Current assets			
Cash and Cash Equivalents	329,755	-	329,755
Trade receivables	48,631	(31,200)	17,431
Prepayments and other receivables	132,659	-	132,659
Due from related parties	227,214	-	227,214
TOTAL CURRENT ASSETS	738,259	(31,200)	707,059
TOTAL ASSETS	829,017	(31,200)	797,817
Equity and liabilities			
Equity			
Share capital	100,000	-	100,000
Accumulated losses	(1,369,929)	(18,682)	(1,388,611)
TOTAL EQUITY	(1,269,929)	(18,682)	(1,288,611)
NON-CURRENT LIABILITIES			
Employees' benefit liabilities	71,271	(12,518)	58,753
Total non-current liabilities	71,271	(12,518)	58,753
CURRENT LIABILITIES			
Trade payables and other current liabilities	453,509	-	453,509
Due to related parties	1,566,728	-	1,566,728
Provision for zakat	7,438	-	7,438
TOTAL CURRENT LIABILITIES	2,027,675	-	2,027,675
TOTAL LIABILITIES	2,098,946	(12,518)	2,086,428

(3) Impact of adoption of IFRS on the statement of Financial Position as at of 31 December 2022G

Table No. (8): Impact of adoption of IFRS on the statement of Financial Position as of 31 December 2022G

Item (SR)	Amounts previously reported under IFRS for SMEs	Reclassification and Remeasurement	Amounts reported under IFRS as of 31 December 2022G
Assets			
Non-current assets			
Properties and equipment	156,882	-	156,882
Intangible assets	6,088	-	6,088
TOTAL NON-CURRENT ASSETS	162,970	-	162,970
Current assets			
Cash and Cash Equivalents	5,700,338	-	5,700,338
Work in progress	1,300,156	-	1,300,156
Investments at fair value through profit or loss	390,240	(390,240)	0
Trade receivables	9,086,021	-	9,086,021
Prepayments and other receivables	252,538	390,240	642,778
TOTAL CURRENT ASSETS	16,729,293	-	16,729,293
TOTAL ASSETS	16,892,263	-	16,892,263
Equity and liabilities			
Equity			
Share capital	100,000	-	100,000
Statutory reserve	30,000	-	30,000
Actuarial reserve	-	(11,596)	(11,596)
Retained earnings / (Accumulated losses)	2,314,877	38	2,314,915
Total equity	2,444,877	(11,558)	2,433,319
NON-CURRENT LIABILITIES			
Employees' benefit liabilities	85,992	11,558	97,550
Total non-current liabilities	85,992	11,558	97,550
CURRENT LIABILITIES			
Trade payables and other current liabilities	14,046,996	-	14,046,996
Due to related parties	-	-	-
Provision for zakat	314,398	-	314,398
TOTAL CURRENT LIABILITIES	14,361,394	-	14,361,394
TOTAL LIABILITIES	14,447,386	11,558	14,458,944
Total equity and liabilities	16,892,263	-	16,892,263

Source: Audited financial statements for the year ended 31 December 2023G

(4) Impact of adoption of IFRS on total equity as of 31 December 2022G

Table No. (9): Impact of adoption of IFRS on total equity as of 31 December 2022G

Item (SR)	31 December 2022	1 January 2022
Total equity reported under IFRS for SMEs	2,444,877	(1,269,929)
Provision for credit risk	-	(31,200)
Restatement of employees' defined benefit liabilities – IAS 19	38	12,518
Actuarial results of employees' defined liabilities - IAS 19	(11,596)	-
Total equity under IFRS	2,433,319	(1,288,611)

Source: Audited financial statements for the year ended 31 December 2023G

Impact of IFRS adoption on the statement of profit or loss and other comprehensive income for the year ended 31 December 2022G

Table No. (10): Impact of IFRS adoption on the statement of profit or loss and other comprehensive income for the year ended 31 December 2022G

Item (SR)	Amounts previously reported under IFRS for SMEs	Reclassification and Remeasurement	Amounts reported under IFRS as of 31 December 2022G
Activity revenue	43,501,587	-	43,501,587
Cost of activity revenue	(30,329,447)	-	(30,329,447)
Total profit	13,172,140	-	13,172,140
Administrative and general expenses	(1,247,363)	(10,829)	(1,258,192)
Selling and marketing expenses	(1,635)	-	(1,635)
Income from main operations	11,923,142	(10,829)	11,912,313
Finance costs	-	(1,650)	(1,650)
Doubtful revenues	(31,200)	31,200	-
Investment at FVOCI	90,000	-	90,000
Other income	39,823	-	39,823
Net income for the year before Zakat	12,021,765	18,721	12,040,486
Provision for Zakat	(306,960)	-	(306,960)
Net profit (loss) for the year after zakat	11,714,805	18,721	11,733,526

Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Re-measurement of employees' defined benefit liabilities	-	(11,596)	(11,596)
Total other comprehensive income	-	(11,596)	(11,596)
TOTAL INCOME FOR THE YEAR	11,714,805	7,125	11,721,930

Source: Audited financial statements for the year ended 31 December 2023G

(5) Impact of adoption of IFRS on the statement of cash flows for the year ended 31 December 2022G

Table No. (11): Impact of adoption of IFRS on the statement of cash flows as of 31 December 2022G

Item (SR)	Amounts previously reported under IFRS for SMEs	Reclassification and Remeasurement	Amounts reported under IFRS as of 31 December 2022G
Profit before Zakat	12,021,766	18,720	12,040,486
Adjustments to reconcile profit or loss			
Depreciation of property, plant and equipment	41,859	-	41,859
Depreciation of intangible assets	2,334	-	2,334
Employee benefit obligation, provided	22,223	10,828	33,051
Gains on investments at FVPL	(90,000)	-	(90,000)
Finance costs	-	1,650	1,650
	11,998,182	31,198	12,029,380
Cash flows from operating activities			
Prepayments and other debit balances	(9,157,271)	8,647,152	(510,119)
Due from related parties	227,214	-	227,214
Due to related parties	(1,566,728)	-	(1,566,728)
Trade receivables	-	(9,068,590)	(9,068,590)
Work in progress	(1,300,156)	-	(1,300,156)
Trade payables and other current liabilities	9,591,154	-	9,591,154
Employee benefit obligations, paid	(7,500)	-	(7,500)
Net cash flows generated from operating activities	9,784,895	(390,240)	9,394,655
Cash flows from investing activities			
Payments for acquisition of properties, plant and equipment	(110,727)	-	(110,727)
Payments for acquisition of intangibles	(5,678)	-	(5,678)
Proceeds (payments) from investments at fair value through profit or loss	(300,240)	390,240	90,000
Net cash flows generated from investing activities	(416,645)	390,240	(26,405)
Cash flow from financing activities			
Dividends	(3,997,667)	-	(3,997,667)
Net cash flows used in financing activities	(3,997,667)	-	(3,997,667)
Net change in cash and cash equivalents during the year	5,370,583	-	5,370,583
Cash and cash equivalents at the beginning of the year	329,755	-	329,755
Cash and cash equivalents during the year	5,700,338	-	5,700,338

Source: Audited financial statements for the year ended 31 December 2023G

(6) IFRS (19) – Employee Benefits

In accordance with the international standard for small and medium-sized enterprises, the Company recorded defined benefit obligations to employees in accordance with the statutory requirements of the labor law. In order to determine the liability under IFRS as endorsed in KSA, the Company used the projected unit method in calculating the liability. Consequently, a change in the liability for the prior year has been recorded in the opening retained earnings and the statement of comprehensive income for the year ended 31 December 2022G and on the retained earnings and other comprehensive income for the year ended 31 December 2022G.

(7) IFRS 9 - Financial Instruments

International Financial Reporting Standard (9) – Financial Instruments replaces International Accounting Standard (39) – Financial Instruments: Recognition and measurement, effective for annual periods beginning on or after 1 January 2018, combines all three aspects of accounting for financial instruments: Classification, measurement, and impairment.

In the current year, the Company applied International Financial Reporting Standard (9) and related consequential amendments to other International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia. IFRS (9) introduces new requirements on (1) the classification and measurement of financial assets and financial liabilities, (2) impairment of financial assets, and (3) general risk hedge accounting. Details of these new requirements and their resulting impact on the Company's financial statements are detailed below.

A) Classification and measurement of financial assets

According to International Financial Reporting Standard (9), debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through other comprehensive income. The classification is based on two criteria: The Company's business model for managing the assets and whether the contractual cash flows of the financial instrument represent solely payments of principal and interest on the principal amount outstanding. The Company's business model was evaluated on the date of initial application of the standard, January 1, 2022G, and it was subsequently applied retrospectively to those financial assets that were not derecognized before January 1, 2022G. An assessment has been made as to whether the contractual cash flows of debt instruments consist solely of principal and interest based on the facts and circumstances prevailing at the date of initial recognition of the assets. The classification and measurement requirements of IFRS (9) did not have a material impact on the Company.

B) decline in the value of financial assets

The application of International Financial Reporting Standard (9) fundamentally changed the Company's accounting for impairment losses on financial assets by replacing the incurred loss method contained in International Accounting Standard (39) with the future expected credit losses method. IFRS 9 requires the Company to recognize a provision for expected credit losses on all debt instruments not held at fair value through profit or loss and contract assets.

Upon application of International Financial Reporting Standard (9), the statement of financial position as of 1 January 2022G and 31 December 2023G was amended, so that the provision for expected credit losses and a decrease in trade receivables was recorded.

2.1.31 Risks related to work-in-progress activities

As of the date of this Prospectus, the Company does not have any work in progress. The Company may be required in the future to cover operating expenses to provide its services, commensurate with the nature of the services it provides. Therefore, it is exposed to numerous challenges, including, but not limited to, delays in completing the service or failure to obtain the necessary approvals.

Therefore, the Company cannot guarantee that any work in progress to cover its operational activities will have a positive impact on revenue generation, covering operating expenses, and other costs, which could have a material adverse effect on the Company's business, results of operations, financial performance, and future prospects.

2.1.32 Risks related to related party transactions

In the ordinary course of business, the Company transacts with related parties, including shareholders, board members, and companies owned by shareholders or board members. These transactions include fees for listing auctions on the Som Platform, salaries and bonuses of senior management, and dividends.

During 2022G, transactions with related parties amounted to SR 12,462,224, accounting for 16.88% of the total business and contracts, and consisting of (1) withdrawals of SR 2,999,332, accounting for 4.06%; (2) salaries and remunerations for key management personnel amounting to SR 1,462,892, accounting for 1.98% ; and (3) dividends of SR 8,000,000, accounting for 10.84%.

During 2023G, transactions with related parties amounted to SR 22,008,730, accounting for 17.88% of the total business and contracts, which are (1) fees for listing auctions on the Som Platform amounting to SR 1,128,900, accounting for (0.92%) and (6.22%) of the total liabilities, (2) salaries and remunerations for key management personnel amounting to SR 7,313,272, accounting for 5.94%, and (3) dividends of SR 13,566,558, accounting for (11.02%).

During the nine-month period ended 30 September 2024G, transactions with related parties amounted to (30,032,939) Saudi Riyals, accounting for (46.60%) of the total business and contracts, which are: (1) fees for listing auctions on the Som Platform in the amount of (1,535,829) Saudi Riyals, accounting for (2.38%) and (12.03%) of the total liabilities; (2) dividends of (23,713,085) Saudi Riyals, accounting for (36.80%); (3) salaries and remunerations of key management personnel in the amount of (4,704,025) Saudi Riyals, accounting for (7.30%); and (4) professional services of (80,000) Saudi Riyals, accounting for (0.12%) and (0.63%) of the total liabilities.

There are no amounts due from related parties for the years ended 31 December 2022G and 2023G, and for the nine-month period ended 30 September 2023G. The balance of due to related parties amounted to (0) Saudi Riyal, (1,128,900) Saudi Riyal, and (1,535,829) Saudi Riyal as of 31 December 2022G and 2023G, and as of 30 September 2024G, respectively.

The following tables show the transactions with related parties as of 31 December 2022G and 2023G, and as of 30 September 2024G:

Table No. (12): Transactions with related parties during the year ended 31 December 2022G

As at 31 December 2022						
Transactions with related parties during 2022G						Due from related parties
Related parties	Nature of the relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to the total assets	Balance as at 31 December 2022
	Withdrawals		2,999,332	4.06%	N/A	-
	Total		2,999,332	4.06%	N/A	-
Transactions with related parties during 2022G						Due to related parties
Related parties	Nature of the relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to the total liabilities	Balance as at 31 December 2022
	Salaries and remunerations of key management personnel		1,462,892	1.98%	N/A	-
	Dividends		8,000,000 ⁽¹⁾	10.84%	N/A	-
	Total		9,462,892	12.82%	N/A	-

Source: Audited financial statements for the year ended 31 December 2022G and Management Information.

On 07/06/1444H (corresponding to 31/12/2022G), the partners agreed to distribute cash dividends in the amount of (8,000,000) Saudi Riyal. As of 31 December 2023G, part of the dividends of (3,997,667) Saudi Riyal has been paid to the partners, while the Company, based on the partners' approval, has recognized an amount of (4,002,333) Saudi Riyal as dividends payable. It is worth mentioning that the Company has paid dividends payable of (4,002,333) Saudi Riyal to the partners during 2023G.

Table No. (13): Transactions with related parties during the year ended 31 December 2023G

As at 31 December 2023						
Transactions conducted during 2023G						Due from related parties
Related parties	Nature of the relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to total assets	Balance as at 31 December 2023G
			-			-
Transactions conducted during 2023G						Due to related parties
Related parties	Nature of the relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to total liabilities	Balance as at 31 December 2023G
Som Platform Company	Company in which the shareholder and Chairman/ Mohammed Al Olayan has ownership	Fees for listing auctions on Som Platform	1,128,900	0.92%	6.22%	1,128,900 ⁽¹⁾
	Salaries and remunerations of key management personnel		7,313,272	5.94%	N/A	-
	DIVIDEND		13,566,558	11.02%	N/A	-
	Total		22,008,730	17.88%	6.22%	1,128,900

Source: The Company's audited financial statements for the year ended 31 December 2023G and the reviewed financial statements for the nine-month period ended 30 September 2024G and Management information

Certain comparative figures for the year ended 31 December 2023G have been reclassified to conform to the presentation for the current period ended 30 September 2024G, to enhance comparability and be more appropriate to the users of the financial statements. This reclassification resulted in the presentation of an amount due to a related party, Som Platform, of (1,128,900) Saudi Riyals. This balance was previously classified in the audited financial statements report for the year ended 31 December 2023G, as follows: (1) Suppliers: In the amount of (874,866) Saudi Riyals and (2) accrued expenses and other payables: In the amount of (254,034) Saudi Riyal.

Table No. (14): Transactions with related parties during the nine-month period ended 30 September 2024G

As of 30 September 2024G						
Transactions conducted during the nine-month period ended 30 September 2024G						Due from related parties
Related parties	Nature of the relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to total assets	Balance as of 30 September 2024G
						-
Transactions conducted during the nine-month period ended 30 September 2024G						Due to related parties
Related parties	Nature of the relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to total liabilities	Balance as of 30 September 2024G
Som Platform Company	Company in which the shareholder and Chairman/ Mohammed Al Olayan has ownership	Fees for listing auctions on Som Platform	1,535,829	2.38%	12.03%	1,535,829
Dividends			23,713,085 ⁽¹⁾	36.80%	N/A	-
Salaries and remunerations of key management personnel			4,704,025	7.30%	N/A	-
Nalkom For Law And Legal Advice Co	A Company owned by Mr. Abdullah Al-Askar and Mr. Badr Al-Sulaiman. Mr. Abdullah Al-Askar is a member of its Board of Directors.	Professional services	80,000	0.12%	0.63%	-
Total			30,032,939	46.60%	12.66%	1,535,829

Source: Reviewed financial statements for the the nine-month period ended 30 September 2024G and Management information.

⁽¹⁾ On 24/11/1445H (corresponding to 01/06/2024G), the partners agreed to distribute cash dividends in the amount of (23,713,085) Saudi Riyal. As of 30 December 2024G, part of dividends of (18,713,085) Saudi Riyal has been paid to the partners, while the Company, based on the partners' approval, has recognized an amount of (5,000,000) Saudi Riyal as dividends payable. It is worth mentioning that the Company has paid dividends payable of (5,000,000) Saudi Riyal to the partners during 2024G.

The Extraordinary General Assembly, held on 06/14/1446H (corresponding to 15/12/2024G), approved all transactions with related parties that took place during 2023G. The Company's Extraordinary General Assembly, held on 14/06/1446H (corresponding to 15/12/2024G), also approved all transactions with related parties that took place during the period ended 30 September 2024G. (For more information, please see subsection (3.20) "Transactions with Related Parties" of Section ⁽²⁾ "Overview of the Company and the nature of its business").

All commercial transactions with related parties must be approved by the Company's General Assembly of Shareholders. If the General Assembly does not approve these transactions, the Company will have to look for other non-related parties to engage in the execution of the work assigned to related parties. Furthermore, if future transactions with related parties are not conducted on a purely commercial basis, this will have a material adverse impact on the Company's business, financial position, results of operations, and prospects.

According to the Companies Law, Paragraph (1), Article (27), neither the Company's manager nor a member of its board of directors may have any direct or indirect interest in the business or contracts concluded for the Company's account, except with an authorization from the partners, the General Assembly, or the shareholders, or their authorized representatives. Accordingly, the Company is exposed to violations of the mandatory provisions and rules of the Companies Law and consequently, fines and penalties, which, according to the current Companies Law (Article 262), may reach up to (500,000) Saudi Riyals. The Company may also be exposed to the risk of such transactions being challenged or invalidated. The occurrence of any of these risks referred to above may have a negative and material impact on the Company's business, financial position, results of operations and future prospects.

2.2 Risks related to the market and sector in which the Company operates

2.2.1 Risks related to real estate appraisal and valuation

It is difficult to predict the value of real estate assets due to the unique nature of each property and the local and regional market characteristics, which are subject to change over time and influenced by multiple factors, including the valuation and appraisal methods used. Additionally, real estate valuation estimates are subject to material uncertainty as they are based on assumptions that may prove incorrect. Accordingly, the Company's valuation and independent appraisers' valuations could significantly impact the market value of the Company's properties, which would materially and adversely affect the Company's business, operating results, financial performance, and future prospects.

2.2.2 Risks related to the Kingdom economic performance

The Company's expected future performance depends on a number of factors related to the economic conditions in the Kingdom in general, including, but not limited to, inflation factors, domestic product growth, average per capita income, etc. The Kingdom's macro and micro economy depends mainly on oil and oil industries, which still control a large share of the gross domestic product. Accordingly, any unfavorable fluctuations in oil prices will have a direct and significant impact on the plans and growth of the Kingdom's economy in general and on government spending rates, which would negatively impact the Company's financial performance, as it operates within the Kingdom's economic system and is affected by the government spending rates. The continued growth of the Kingdom's economy also depends on several other factors, including continued population growth and public and private sector investments in infrastructure. Therefore, any negative change in any of these factors will have a significant impact on the economy and will therefore have a negative and material impact on the Company's business, financial results, and prospects.

2.2.3 Risks related to Competition

The Company operates in a market that is highly competitive, and there is no guarantee that the Company will be able to compete effectively against other competitors in the market. The pricing policies of the competitors also greatly affect its financial performance, and the Company may be unable to continually compete with those companies, which leads to a reduction in the Company's market share and thus negatively and materially affects the Company's business, results of operations, financial position, and future prospects.

2.2.4 Risks related to political and economic instability in the Middle East

The Company's financial performance depends on the economic and political conditions prevailing in the Kingdom, in addition to global economic conditions, which in turn affect the Kingdom's economy. The oil sector continues to constitute the largest share of the Kingdom's gross domestic product. Fluctuations in oil prices may occur, which could materially and adversely affect the Kingdom's economy. It is also noteworthy that the Kingdom's economic growth rate has slowed in recent years. Additionally, the Kingdom faces challenges related to relatively high population growth rates. All these factors could materially and adversely impact the Kingdom's economy, which would, in turn, materially and adversely affect the Company's business, operating results, financial position, and future prospects.

Moreover, several Middle East countries are currently experiencing political and security instability, and there is no assurance that economic and political conditions in those countries or others will not materially and adversely affect the Kingdom's economy, foreign direct investment, or its financial markets, all of which could also negatively impact the Company's business, and financial performance and future prospects.

Major unforeseen changes in the political, economic, or legal environment in the Kingdom and/or other Middle East countries - including but not limited to normal market fluctuations, economic recessions, insolvencies, high unemployment rates, technological shifts, and other developments - could materially and adversely affect the Company's business, operating results, financial position, and future outlook.

2.2.5 Risks related to the Companies' Law

The Companies Law imposes certain regulatory requirements that the Company must adhere to. This will require the Company to take procedures and measures to comply with such requirements, which could affect its business plan or take a long time. The Companies Law also imposed more stringent penalties for violating its mandatory provisions and rules, as stipulated in (Article 260), which may reach up to (5,500,000) Saudi Riyals. These penalties are doubled if the violations are repeated within three years from the date of sentencing a Company for such violations as per the existing Companies Law (Article 263). Therefore, the Company will be subject to such penalties if it does not comply with these rules and provisions, which would adversely and materially affect the Company's business, financial condition and operating results.

2.2.6 Risks related to the application of corporate governance regulations

The CMA Board issued a new Corporate Governance Regulation by virtue of 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 28/01/1437H (corresponding to 11/11/2015G), as amended by the CMA Board Resolution No. (8-5-2023G) dated 25/06/1444H (corresponding to 18/01/2023G) based on the Companies Law issued by the Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30/06/2022G) and the amendments thereto. It is worth mentioning that the Corporate Governance Regulations obligated the companies listed in the parallel market with certain paragraphs and articles contained therein, which are as follows (paragraph (C) of Article (13), paragraph (B) of Article (50), paragraph (A) of Article (51), Article (52), Article (56), and Article (88), which the Company has applied and adhered to all of them as of the date of this Prospectus. Although the rest of the articles in the Corporate Governance Regulations are considered indicative for companies listed in the parallel market as of the date of this Prospectus, if they are applied mandatorily, the success of the Company in implementing governance properly depends on the extent to which the Board of Directors, its committees, the executive management and the Company's employees understand these rules and procedures. In the event that the Company does not comply, it will be subject to penal violations by the Capital Market Authority, which will have a negative and material impact on the Company's business, financial position and operating results.

2.2.7 Risks related to non-compliance with existing regulations and laws and/or the issuance of new laws and regulations

The Company is subject to the supervision of a number of government agencies in the Kingdom, including but not limited to, the Ministry of Municipalities and Housing, CMA, Ministry of Commerce, ZATCA, and Infath. Therefore, the Company is subject to the risks of changes in laws, regulations, circulars, and policies in the Kingdom. The legislative and regulatory environment in the Kingdom is witnessing the issuance of many laws and regulations, which are continuously developed and improved. Costs of abiding by these laws are considered to be high. In the event of changes to the existing laws or regulations or the issuance of new laws or regulations, this will lead to the Company incurring additional unexpected financial expenses for the purposes of complying with those regulations and meeting the requirements of these laws, or it may be subject to penalties and fines imposed by the competent supervisory authorities in the event of non-compliance with these laws and regulations on an ongoing basis. This will adversely affect the Company's business, results of operations, financial position and prospects.

It is worth noting that the Company has received a number of violations issued by supervisory and regulatory authorities, with which the Company is required to comply in accordance with applicable laws, regulations, and circulars. Below are the details of the violations received by the Company from its establishment to the date of this Prospectus:

- 1) During 2023G, the Company received a violation from the ZATCA due to the delay in submitting the VAT return for April 2023G. The delay fine was (10,183.39) Saudi Riyal, which has been paid by the Company.
- 2) During 2023G, the Company received a violation from Riyadh Municipality due to obstruction of pedestrian sidewalks. The penalty amount was (10,000) Saudi Riyals, which has also been paid by the Company.

2.2.8 Risks related to negative changes in interest rates

As of the date of this Prospectus, the Company has no loan agreements or credit facilities in place; however, should the Company enter into any loan agreements or credit facilities in the future, the cost of such loans and facilities would be linked to interest rates, which are subject to fluctuation due to local or global economic, political, or regulatory changes. Accordingly, this may lead to an increase in financial obligations and financing costs required for the Company's operating activities, which could materially and adversely affect the Company's financial position, cash flows, operations, operating results and future outlook.

2.2.9 Risks related to value added tax (VAT)

The Kingdom issued a VAT system, which came into effect on 1 January 2018G. This system imposes an added value of (5%) on a number of products and services. The Kingdom government resolved to increase the VAT rate from (5%) to (15%), which began to be applied from 1 July 2020G. Accordingly, the respective entities must comply with the payment of value-added tax and submit their reports to the relevant government authorities. As of the date of this Prospectus, the Company has no current claims or appeals relating to VAT. However, any violation or wrong application of the tax system by the Company's management will expose the Company to fines, penalties or damage to their reputation. This will also increase costs and operating expenses, which could reduce the competitive position of the Company and the level of demand for their products, which will have a negative and material impact on the Company's financial condition, results of operations and prospects.

2.2.10 Risks related to consumer spending due to poor economic conditions

Fluctuations may affect economic elements, which fall beyond the Company's control, including consumers' ability to borrow, interest rates, unemployment rates, salary levels, tax levels (including VAT, which was increased from 5% to 15%, effective 1 July 2020G), water consumption costs and electricity, and the cancellation of Saudi government subsidy, whether wholly or partially, for certain materials, which in turn negatively affect the level of income available for spending and the levels of consumer spending (including discretionary spending on various products) and thus negatively affect the demand for the Company's products. The Company's business success also depends on its ability to continually develop its products and quickly keep pace with changes in the market and consumer behavior. Any decline in the number of consumers or their spending levels will have a negative and material impact on the Company's business, results of operations, financial position, and future expectations.

2.2.11 Risks related to the imposition of new taxes or fees

Although the Company is not currently subject to any type of tax other than Zakat and VAT, it is likely that the government will impose other fees or new taxes on companies in the future. In the event that other fees or new taxes are imposed on companies other than what is currently applied, this will adversely and materially affect the Company's business, results of operations and future expectations.

2.2.12 Risks related to the Competition Law and its executive regulations

If the Company holds a dominant position in the market or is classified as such by the General Authority for Competition (GAC), the Company will be subject to the terms and conditions of the Competition Law issued by the Royal Decree No. (M/75) dated 29/06/1440H (corresponding to 06/03/2019G) and its executive regulations issued by the GAC pursuant to Resolution No. (327) dated 25/01/1441H (corresponding to 24/09/2019G). The Competition Law aims to protect fair competition in Saudi markets and encourage and consolidate market rules and free and transparent prices. In the event that the Company violates the provisions of the Competition Law and a ruling is issued against the Company, the Company is likely to be exposed to large fines at the discretion of the GAC, not exceeding (10%) of the value of the annual sales (returns), subject of contract, or not exceeding SR10 million if the annual return cannot be calculated. In addition, the GAC has the right to request the suspension and cessation of the Company's activities temporarily or permanently (partially or wholly) in the event of repeated violations by the Company. Moreover, the procedures for filing lawsuits may be financially costly to the Company and may take a long time to decide. The occurrence of any of these risks referred to above may have a negative and material impact on the Company's business, financial position, results of operations and future prospects.

2.3 Risks related to the offered shares

2.3.1 Risks related to possible fluctuations in the share price

The market price of the Company shares after offering may not be stable, and may be affected significantly due to many factors, including but not limited to: stock market conditions, poor performance of the Company, inability to implement the Company's future plans, entry of new competitors to the market, change in the vision or estimates of experts and analysts of the stock market, and any announcement of the Company or any other of its competitors related to mergers and acquisitions or strategic alliances.

2.3.2 Risks related to future data

The Company's future results and performance data cannot be actually anticipated and may differ from those provided herein. The Company's achievements and ability to develop will determine the actual results, which cannot be expected or identified. The inaccuracy of data and results is one of the risks that the shareholder should know in order not to affect their investment decision.

2.3.3 Risks related to the potential issue of new shares

In the event that the Company decides to increase its capital by issuing new shares, this will negatively affect the market price of the shares. It will also lead to a decrease in the percentage of shareholders' ownership in the Company if they do not subscribe to the new shares issued at that time.

2.3.4 Risks related to effective control by existing shareholders after the Offering

After completing the Offering process, the existing shareholders, either collectively or with other shareholders, may gain control over the decisions and actions that require shareholders' approval, including but not limited to, mergers and acquisitions, asset sales, election of Board members, increasing or decreasing capital, issuing or not issuing additional shares, distributing dividends, or any changes in the Company. In cases where the interests of current shareholders conflict with the interests of minority shareholders, this may place minority shareholders in an unfavorable position, and existing shareholders may exercise their control over the Company in a manner that negatively and substantially impacts the Company's business, financial position, results of operations or future prospects.

2.3.5 Risks related to lack of previous market of the Company's Shares

There has been no previous public market for offering or trading the Shares, and there can be no assurance that an effective and continuous market for trading the Company's Shares after listing. The Offering may result in limited supply or demand, which will impact the Share price. If there is no active and liquid market for trading Shares, this may significantly and negatively impact the trading price of Shares.

2.3.6 Risks related to selling a large number of shares in the market after the offering

Sales of substantial number of the Shares on the market after the completion of the Offering, could adversely affect the market price of the Shares. Upon the successful completion of the Offering, the Substantial Shareholders will be subject to a Lock-up Period of twelve (12) months from the date of trading the Company's Shares. Substantial shareholder selling for a large number of shares after the end of the Lock-up Period may adversely affect the Company's share market, and consequently may result in a decrease in the market price of the shares, which will adversely and materially affect the Company's business and financial condition and the results of its operations and future expectations.

2.3.7 Risks related to the Company failure to meet the Requirements for the transition to the Main Market or any future regulatory requirements

The Company may submit an application for listing in the main market after the lapse of the statutory period (two years according to the existing Capital Market Law) following the listing in the parallel market, after fulfilling all the statutory requirements issued by the Capital Market Authority and the Saudi Tadawul Company based on the OSCO Rules and Listing Rules regarding the transition of listed companies in the Parallel Market to the Main Market. If the Company is unable to meet such requirements or any additional future regulatory requirements that the regulatory authorities may impose on the Company or the Exchange, it will not be able to move to the Main Market. As trading in the Parallel Market, as of the date of this Prospectus, is restricted to Qualified Investors only, the daily trading volume and liquidity will be less than the Main Market, which would affect the market value and liquidity of the Shares as well as the Company's business and financial position, results of operations and future expectations.

2.3.8 Risks related to the liquidity of the offer shares

There is currently no public market for trading the Company's Shares, and there is no guarantee that an active and continuous market for trading the Company's shares after the Offering develops. If an active market for the Shares does not develop, it will significantly and adversely affect the liquidity and trading price of the Shares, which will adversely and materially affect the Company's business, financial position, results of operations and future expectations.

2.3.9 Risks related to the Company's desire to remain in the parallel market

After offering in the parallel market, and after the expiry of the statutory period under the relevant rules, the Company may be compliant with the regulatory requirements for the transition to the Main Market. However, the Company may desire to continue as a listed Company in the Parallel Market instead of moving to the Main Market. As trading in the Parallel Market is restricted to Qualified Investors only, as of the date of this Prospectus, the daily trading volume and liquidity will be less than the Main Market, which would affect the market value and liquidity of the Shares.

2.3.10 Risks related to dividends

The future distribution of dividends will depend on, inter alia, the future earnings, financial position, cash flows, working capital requirements, capital expenditures and the Company's reserves available for distribution. Moreover, the Company may not be able to pay dividends and the Board of Directors may not recommend, and the Shareholders may not approve the payment of dividends. In addition, in the event that the Company enters into any future financing agreements, the Company may become subject to the terms of its future credit financing agreements further restricting dividend payments except after obtaining a written approval from the financing authority.

On the other hand, the Company may incur unforeseen new expenses or obligations that may result in a decrease in the Company's profits or affect the level of cash liquidity, which may result in a decrease in or absence of dividends. Therefore, this may lead to a decrease in the expected return on the Company's shares, which will adversely and materially affect the expected returns to shareholders. It is worth mentioning that the Company does not provide any guarantee regarding the dividends to be paid in any given year, and the distribution of dividends is subject to certain conditions and controls as stipulated in the Company's Bylaws. For further details regarding the Dividends Policy, (please see Section (5) "Dividend Distribution Policy") in this Prospectus. Based on the above, these factors will adversely and materially affect the Company's business, financial condition, results of operations and future expectations.

2.3.11 Risks related to restricting trading to Qualified Investors

The Company's Shares will be listed in the Parallel Market, and since the Parallel Market until the date of this Prospectus, is a market where trading is restricted to Qualified Investors only, the daily trading volume and liquidity will be less than the Main Market, which would affect the market value and liquidity of the Shares. That will have a material adverse effect on the Company's business, financial position, results of operations and prospects.



Overview Of The
Company And The
Nature Of Its Business

3 Overview of the Company and the nature of its business

3.1 Overview of the Company

Hawyia Auctions Company was established as a limited liability Company under Commercial Registration No. (1010584375) dated 22/10/1440H (corresponding to 25/06/2019G), issued in Riyadh.

As of the date of this Prospectus, the Company's current capital before Offering is twenty million (20,000,000) Saudi Riyals, divided into twenty million (20,000,000) ordinary shares of equal value, of one (1) Saudi riyal each, fully paid.

The address of the Company's head office is located at 3494 Mohammed bin Abdulaziz Al-Ajaji Road, 7815 Al-Qairawan District, 13532, Riyadh, Kingdom of Saudi Arabia.

3.2 Company's history and major developments in its share capital structure

- Hawyia Auctions Company was established as a limited liability Company under Commercial Registration No. (1010584375) dated 10/22/1440H (corresponding to 06/25/2019), issued in Riyadh, with a share capital of one hundred thousand (100,000) Saudi Riyals, divided into one hundred thousand (100,000) shares of equal value, fully paid, with nominal value of one (1) Saudi Riyal each. The share capital is owned by (1) Partner/ Badr Mohammed Abdulaziz Al-Sulaiman, holding ninety thousand (90,000) shares with a nominal value of ninety thousand (90,000) Saudi Riyals, which accounts for (90.00%) of the total shareholding of the Company, and (2) Partner/ Mohammed Abdullah Mohammed Al-Alyan, holding ten thousand (10,000) shares with a nominal value of ten thousand (10,000) Saudi Riyals, which accounts for (10.00%) of the total shareholding of the Company.
- On 07/29/1444H (corresponding to 20/02/2023G), the partners resolved to approve the following: (1) Amendment of the nominal value of each share from "one (1) Saudi Riyal" to "one hundred (100) Saudi Riyals"; and (2) the waiver by the partner/ Badr Mohammed Abdulaziz Al-Sulaiman, of five hundred sixty seven (567) shares, at a total nominal value of fifty-six thousand seven hundred (56,700) Saudi Riyals — including all rights and obligations and without compensation — in favor of: (1) Partner/ Mohammed Abdullah Mohammed Al-Alyan, one hundred and two (102) shares with a nominal value of ten thousand two hundred (10,200) Saudi Riyals, making his total shareholding 20.20% of the Company's ownership; (2) the new partner/ Abdullah Emad Hamad Al-Askar, four hundred and forty (440) shares with a nominal value of forty four thousand (44,000) Saudi Riyals, representing 44.00% of the Company's total ownership; (3) the new partner/ Mohammed Ibrahim Hamad Al-Tuwaijri, twenty five (25) shares with a nominal value of two thousand five hundred (2,500) Saudi Riyals, representing 2.50% of the Company's total ownership. As a result, the total ownership of partner/ Badr Mohammed Abdulaziz Al-Sulaiman reached 33.30% of the Company's total ownership.
- On 01/11/1444H (corresponding to 21/05/2023G), the partners decided to approve the following: (1) Amendment of the nominal value of each share from "one hundred (100) Saudi Riyals" to "ten (10) Saudi Riyals"; and (2) the waiver by Partner, Badr Mohammed Abdulaziz Al-Sulaiman, of five (5) shares, with a nominal value of fifty (50) Saudi Riyals, including all rights and obligations and without compensation, in favor of Partner/ Mohammed Abdullah Mohammed Al-Alyan, resulting in his total shareholding becoming 20.25% of the Company's ownership, and the total ownership of partner/ Badr Mohammed Abdulaziz Al-Sulaiman becoming 33.25% of the Company's ownership.
- On 21/12/1445H (corresponding to 27/06/2024G), the partners decided to approve the following: (1) Partner/ Abdullah Emad Hamad Al-Askar waived two thousand four hundred and forty (2,440) shares, with a nominal value of twenty-four thousand four hundred (24,400) Saudi Riyals, including all underlying rights and obligations, and without compensation; (2) Partner/ Mohammed Ibrahim Hamad Al-Tuwaijri waived fifty (50) shares, with a nominal value of five hundred (500) Saudi Riyals, including all underlying rights and obligations, and without compensation, in favor of: (1) Partner/ Mohammed Abdullah Mohammed Al-Alyan, with four hundred and fifteen (415) shares with a nominal value of four thousand one hundred and fifty (4,150) Saudi Riyals, bringing his total ownership to 24.40% of the total ownership of the Company; (2) the New partner/ Ibrahim Mohammed Abdulaziz Al-Sulaiman, with two thousand seventy-five (2,075) shares, with a nominal value of twenty thousand seven hundred and fifty (20,750) Saudi Riyals, representing 20.75% of the total ownership of the Company. Accordingly, the ownership of both partner/ Abdullah Imad Hamad Al-Askar represents (19.60%) of the total ownership of the Company, and partner/ Mohammed Ibrahim Hamad Al-Tuwaijri represents (2.00%) of the total ownership of the Company.
- On 16/3/1446H (corresponding to 19/09/2024G), the partners decided to approve the waiver by both 1) partner/ Badr Mohammed Abdulaziz Al-Sulaiman of all shares owned by him, amounting to three thousand three hundred and twenty-five (3,325) shares, with a nominal value of thirty-three thousand two hundred and fifty (33,250) Saudi Riyals, including all underlying rights and obligations (and without compensation), and 2) the partner/ Ibrahim Mohammed Abdulaziz Al-Sulaiman of all the shares owned by him, amounting to two thousand seventy-five (2,075) shares, with a nominal value of twenty thousand seventy-five (20,075) Saudi Riyals, including the underlying rights and obligations (and without compensation), to the new partner/ Al-Sulaiman Real Estate Company (a closed joint-stock Company), thus the total ownership of Al-Sulaiman Real Estate Company represents (54.00%) of the total ownership of the Company.
- On 02/05/1446H (corresponding to 04/11/2024G), the partners resolved to approve the following: (1) Increasing the Company's capital from "one hundred thousand (100,000) Saudi Riyals" to "twenty million (20,000,000) Saudi Riyals."

The increase amounting to nineteen million nine hundred thousand (19,900,000) Saudi Riyals was made by transferring nineteen million nine hundred thousand (19,900,000) Saudi Riyals from the retained earnings account to the capital account; and (2) Amending the nominal value of each share from “ten (10) Saudi Riyals” to “one (1) Saudi Riyal.”

- On 16/05/1446H (corresponding to 18/11/2024G), all partners resolved to approve the conversion of the Company from a “limited liability Company” to a “closed joint-stock Company” with a capital of twenty million (20,000,000) Saudi Riyals, divided into twenty million (20,000,000) ordinary shares of one (1) Saudi Riyal each.

As of the date of this Prospectus, the Company’s current capital before Offering is twenty million (20,000,000) Saudi Riyals, divided into twenty million (20,000,000) ordinary shares of equal value, of one (1) Saudi riyal each, fully paid. All shares of the Company are ordinary shares of one class, and no shares give its holders preferential rights. Each share shall entitle its holder to one vote. No shareholder shall have any preferential rights. Each shareholder, regardless of the number of their shares, shall have the right to attend and vote at the General Assembly meetings. Each shareholder may delegate another person, who is not a member of the Board of Directors or an employee of the Company, to attend and vote at the General Assembly meetings on their behalf.

3.3 Substantial Shareholders of the Company

The following table shows the Substantial Shareholders of the Company, each of whom owns five percent (5%) or more of the Company’s Shares:

Table No. (15): Substantial Shareholders of the Company

Name of Shareholder	Pre-Offering*		Post-Offering*	
	Number of Shares (Share)	Ownership (%)	Number of Shares (share)	Ownership (%)
Al-Sulaiman Real Estate Company	10,800,000	54.00%	9,504,000	47.52%
Mohammed Abdullah Mohammed Al-Alyan*	4,880,000	24.40%	4,294,400	21.47%
Abdullah Imad Hamad Al-Askar**	3,920,000	19.60%	3,449,600	17.25%
Total	19,600,000	98.00%	17,248,000	86.24%

Source: The Company

* The Chairman, Mohammed Abdullah Mohammed Al-Alyan, has an indirect ownership in the Issuer, resulting from his direct ownership of (0.22%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) of the issuer. Accordingly, his indirect ownership in the Issuer accounts for 0.12% of the share capital before the Offering and 0.11% after the Offering.

** The Vice-Chairman, Abdullah Imad Hamad Al-Askar, has an indirect ownership in the Issuer, resulting from his direct ownership of (4.18%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership accounts for 2.25% of the issued share capital before the Offering and 1.98% after the Offering.

3.4 Shareholding Structure Pre-Offering and Post-Offering

The following table shows the shareholding Structure pre-offering and post-offering:

Table No. (16): Shareholding Structure Pre-Offering and Post-Offering

Name of Shareholder	Pre-Offering*		Post-Offering*	
	Number of Shares (Share)	Ownership (%)	Number of Shares (share)	Ownership (%)
Al-Sulaiman Real Estate Company	10,800,000	54.00%	9,504,000	47.52%
Mohammed Abdullah Mohammed Al-Alyan*	4,880,000	24.40%	4,294,400	21.47%
Abdullah Imad Hamad Al-Askar**	3,920,000	19.60%	3,449,600	17.25%
Mohammed Ibrahim Hamad Al-Tuwaijri***	400,000	2.00%	352,000	1.76%
Qualified Investors (Offering Shares)	-	-	2,400,000	12.00%
Total	20,000,000	100.00%	20,000,000	100.00%

Source: The Company

* The Chairman, Mohammed Abdullah Mohammed Al-Alyan, has an indirect ownership in the Issuer, resulting from his direct ownership of (0.22%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) of the issuer. Accordingly, his indirect ownership in the Issuer accounts for 0.12% of the share capital before the Offering and 0.11% after the Offering.

**** The Vice-Chairman, Abdullah Imad Hamad Al-Askar, has an indirect ownership in the Issuer, resulting from his direct ownership of (4.18%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the

issuer. Accordingly, his indirect ownership accounts for 2.25% of the issued share capital before the Offering and 1.98% after the Offering.

*** The shareholder, Mohammed Ibrahim Hamad Al-Tuwaijri, has an indirect ownership in the issuer, , resulting from his direct ownership of 0.10% of Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership in the Issuer accounts for 0.06% of the issued share capital before the Offering and 0.05% after the Offering.

3.5 General Nature of the Company's Business

The Company carries out its activities under Commercial Registration No ((1010584375), dated 22/10/1440H (corresponding to 25/06/2019), issued in Riyadh.

The Company's activities, as stated in its Commercial Registration, are as follows:

- 1) Real Estate activities
 - Purchase, sale and division of lands and properties, and off-plan sale activities
 - Management and leasing of owned or leased of residential properties
 - Management and leasing of owned or leased of non-residential properties
 - Real estate brokerage
 - Property management
 - Marketing of tourist real estate units under a timeshare system
 - Real Estate auctions
- 2) Professional, scientific and technical activities
 - Providing marketing services on behalf of third parties
- 3) Wholesale and retail trade and repair of motor vehicles and motorcycles
 - Vehicle and equipment auctions
 - Auctioneers and brokers for all goods
 - Sale of fixed and movable assets

The Company, as stated in its by-laws, is engaged in, and carries out the following:

- 1) Real estate activities
 - Real estate activities involving owned or leased properties
 - Real estate activities on a fee or contract basis
- 2) Professional, scientific and technical activities:
 - Advertising
- 3) Wholesale and retail trade and repair of motor vehicles and motorcycles
 - Sale of motor vehicles

Wholesale for a fee or on a contract basis. The Company shall carry out its activities in accordance with applicable laws and regulations and upon obtaining the necessary licenses from the relevant competent authorities, if any.

The Company has obtained all the statutory licenses required for the current activities, all of which are valid, except for the licenses of vehicle and equipment auctions where the Company has not yet engaged in this activity as of the date of this Prospectus. (for more information about the licenses under which the Company carries out its activities, please refer to section (3-15) "Government licenses and certificates" of this Prospectus).

As of the date of this Prospectus, the Company's actual current activity consists of providing services related to organizing and managing auctions, estate liquidation, and exclusive real estate marketing. (For more information about the Company's activity, please refer to Section (3.10) "Company's Business Model" of this Prospectus).

As of the date of this Prospectus, the Company has no significant new products or activities.

3.6 Definition of the Company "Making Opportunities"

A specialized group in asset and property marketing, with strategic focus and expertise, delivering services that bring out the true value of every asset.

3.7 The Company's Vision

To be the leading Company in asset and property marketing, leveraging best-in-class practices and methodologies.

3.8 The Company's Mission

We build long-term strategic relationships with our partners, clients, and employees, rooted in trust and transparency. These relationships are strengthened by collaborative engagement and the use of advanced tools and effective technologies.

3.9 Values

- Transparency and integrity.
- Quality.
- Efficiency and professionalism
- Beneficiary service.
- Continuous improvement.

3.10 Company's Objectives

1) Strategic Objectives:

- **Leadership in Marketing and Sales Practices**
 - Striving to implement the most effective sales methods in the field of showcasing and marketing high-value products to targeted clients.
 - Marketing exclusive and high-value assets that meet market demands and distinctly stand out from competitors.
- **Strengthening Strategic Relationships with Partners and Investors:**
 - Establish strong, sustainable partnerships based on mutual trust and transparency.
 - Develop practices and policies that protect the interests of both sellers and buyers, while ensuring the achievement of common goals.
- **Enhancing the Experience of Asset Owners and Managers:**
 - Providing a seamless and exceptional experience for asset owners and managers through modern, user-friendly marketing and presentation methods.
 - Promoting partner communication by providing accurate, actionable product information and guidance on optimal usage.
- **Maintaining market value of assets:**
 - Developing effective marketing strategies that enhance the positioning of assets and products and increase awareness of their value in the market.
 - Developing compelling media content that highlights optimal use of assets and their benefits to targeted clients.
- **Ensuring Quality and Service Excellence:**
 - Applying clear and transparent standards and procedures across all stages of product showcasing and marketing.
 - Continuously monitoring to improve operations and ensure the delivery of the most effective marketing solutions.
- **Achieving Sustainable Financial Growth:**
 - Increasing revenue through income stream diversification, broadening the investor base, and adopting multiple sales channels.

2) Operational Objectives:

- **Building a Competitive Brand:**

- Maintaining and enhancing brand positioning among partners, business leaders, and target segments.

- **Enhancing Team Capabilities:**

- Developing human resources through training programs aimed at enhancing employee competencies in marketing, relationship management, and partnership development.

- **Utilizing Advanced Digital Marketing Technologies:**

- Adopting modern digital marketing strategies to ensure innovative and effective outreach to targeted customers.

- **Rapid Response to Market Needs:**

- Monitoring market and demand changes and adjusting marketing and showcasing strategies in line with market developments.

Asset and Property Marketing Journey:

- **Studying the Products and Goods Intended for Marketing.**

- Conducting market analysis and determining the best use of the goods or products.
- Designing the optimal sales strategy and developing the marketing and operational plans.
- Planning event management and providing the appropriate sales personnel.

- **Managing the assets under marketing.**

- Preparing and qualifying assets and properties for sale or liquidation.
- Enhancing asset value, increasing income, and developing pricing strategies to improve market competitiveness.
- Supervising the assets directly or on behalf of others.
- Overseeing properties and assets and managing liquidation committees.
- Following up on the appointment of project operators.

- **Managing marketing and selling.**

- Providing preliminary studies, disclosures, and necessary field surveys.
- Managing the end-to-end marketing process.
- Overseeing the technical and commercial processes related to the goods for sale.
- Producing advertising and media materials.
- Digital marketing and enabling online access to the listed assets.

Growth and Expansion Strategy:

- Since the Issuer's slogan targets "Making Opportunities," through its mission and vision regarding the marketing of assets and properties using the best methods and practices, questions about growth and expansion across sectors and activities arose within the Board of Directors and the Executive Management. The answer to these questions took two dimensions:

Dimension I: Vertical Growth and Expansion

As the Company focuses on marketing assets and properties, research and development has served as a core internal driver to enable specialization in large-scale markets with high growth potential. This approach supports the Company in effectively marketing such assets while exploring and applying the most effective strategies and best practices. Given the significant share of the real estate sector as a primary area of focus and marketing, Hawiyah Auctions Company has targeted vertical expansion through the following approaches:

- **Marketing through Public Auction Sales**

Real estate auctions are witnessing consistent growth, driven by investor interest and stakeholder preference for this method, which offers advantages such as acquiring large-scale or high-volume assets within a unified timeframe.

The competitive advantage of auctions lies in their ability to generate impactful execution and achieve optimal pricing by applying several factors that are difficult to combine within other sales methods, including:

- **Demand for Goods:** During auctions, as the number of bidders increases, the potential buyer becomes more interested and in demand for their item, which reassures them that they will be able to sell and trade it once they own it.
- **Progressive Pricing:** Auctions typically begin with a base price that increases incrementally until the final award price is reached by the highest bidder. These competitive dynamics highlight the scarcity and value of premium assets, all within a highly transparent and governed framework that maximizes sale proceeds.

- Localization and Investor Segmentation: The selection of assets, timing, and location of the auction contributes to the method's effectiveness in addressing the diversity of asset types and geographic locations based on investor categories.
- **Private Deals and Direct Sales Marketing:**
The Company data shows that a number of marketed assets and properties were sold via direct marketing or private deals between buyers and sellers. Trust and knowledge of the target audience played a key role in closing these transactions. The Issuer views this channel as a strong vertical growth opportunity, especially as the Company's operations, brand recognition, and market experience expand. This method is also highly competitive due to its lower cost structure and higher profit margins, especially compared to other methods that incur administrative or operational expenses, such as auction hosting, event management, or promotional campaigns.
- **Marketing Units for Real Estate Developers:**
The real estate development sector in Saudi Arabia continues to experience robust growth, fueled by banking facilities and government initiatives under the Housing Program of Vision 2030.

Residential, commercial, office, and hospitality development continues to empower market supply. Hawiya's specialization in asset marketing, along with its extensive investor network, in-depth market knowledge, and trusted brand presence, positions it well to expand into this segment. This would be achieved by entering exclusive agreements with developers to market and sell their units through direct sale or off-plan sales. Such activities require specific licensing either related to the project or to the Company itself. Hawiya is actively exploring the opportunities with the goal of securing a share of this segment to drive growth, maintain profitability, and ensure revenue sustainability through long-term, forecastable partnerships with developers for future projects.

Dimension II: Horizontal Expansion:

Horizontal Growth refers to the Company's ability to leverage its existing resources, strengths, and surrounding investment opportunities to expand horizontally into sectors or activities that align or intersect with its core business of asset and property marketing. These areas present stand-alone growth potential, whether as new arm, track, or independent business. Based on its experience, the Company believes there are opportunities for both organic growth through internal development and inorganic growth through the acquisition of existing companies or entities across the following sectors, which represent areas of horizontal expansion:

- **Event Management Sector:**
An auction is, by nature, an event that requires coordination across logistical, administrative, financial, and technical functions. Given its close connection to auction operations, the Company believes there is a horizontal growth opportunity in this sector. This sector is experiencing steady growth in the Kingdom, supported by numerous global conferences and initiatives aligned with Saudi Vision 2030.
- **Advertising Sector:**
The marketing of assets and properties, as outlined in the journey above, begins with a study, followed by management, and culminates in execution. This process involves various activities related to brand creation, marketing files for auctions, assets, or properties, naming them, and creating buzz through marketing and advertising in all its forms, from design, content creation, publication, advertising, and execution of boards and printed materials. This could provide an opportunity for the Company to expand horizontally, as it could operate independently on behalf of third parties, serving as an additional revenue stream and diversifying income sources.
- **Digital Marketing Sector:**
Digital transformation is a key pillar for any modern Company. Given that Hawiya already has a specialized team with proven experience in digital marketing—particularly in real estate sales—this positions the Company to capitalize on expansion opportunities within the digital marketing sector. This includes, but is not limited to, social media marketing, search engine optimization (SEO), content marketing, and other forms of digital marketing. Such a move presents a viable horizontal growth opportunity, enabling the Company to leverage its existing expertise and capabilities to enter a new sector without incurring substantial additional costs. Furthermore, this expansion would serve as a new revenue stream and contribute to income diversification.

The Company's strengths and competitive advantages

- **Trusted Brand:**

The Issuer places a strong emphasis on investing in brand marketing campaigns to enhance its presence across all relevant marketing channels. Hawiya Auctions owns a registered trademark with the Saudi Authority for Intellectual Property under registration number (1444041761), dated 18/03/1445H, and another registered trademark under number (1444041767), dated 18/03/1445H. These trademarks today represent true intangible assets and brand value in the asset and property marketing sector. The following paragraphs illustrate how the brand contributes to readiness and effectiveness in organizing and conducting auctions, reinforcing market confidence in the assets marketed by the Company. Moreover, Hawiya brand has played a key role in stimulating demand for these assets and properties and promoting them among potential buyers.

- **Ability to Close Private Real Estate Deals:**

Given that the real estate market heavily relies on relationships and the alignment between buyer and seller needs in a vast, complex marketplace—where access to information, market knowledge, and strong networks are essential—Hawiya has played a pivotal role in closing private real estate transactions valued at hundreds of millions. Through its mission of building long-term strategic relationships with partners and clients—founded on trust, transparency, and a firm belief in its role as a trusted intermediary—Hawiya has successfully facilitated high-value asset acquisitions and sales.

- **Extensive Investor Network and Segmented Databases:**

The Company maintains well-established, long-term relationships with a wide range of clients and investors, supported by scientifically structured databases. These databases categorize investors according to sectors, and shared interests, enabling the Company to present opportunities and market assets or properties that align with each investor group's specific focus and location. This competitive advantage is evident in the Company's ability to strategically allocate and market certain assets based on the diverse interests of its investor base across regions.

Moreover, the Company has successfully marketed properties in Riyadh, Makkah, and the Eastern Province, which are key urban growth hubs driven by real estate development and population attraction, whether for work, residence, or leisure.

Knowledge and information play a critical role in driving profitability and growth within the real estate sector. Key factors such as property usage, required licensing, and residential growth in targeted sales areas significantly impact the success of real estate marketing—whether through auctions or direct sales.

Hawiya has specialized expertise and a team of seasoned professionals and partners, enabling it to develop a deep understanding of the market. This expertise directly impacts key elements such as auction timing, property pricing, and optimal strategies to enhance the attractiveness and marketability of the assets, strengthening their position and trading among interested parties.

- **Operational Transparency and Credibility:**

The Company has a leading reputation in the sector, largely attributed to the information disclosed during auctions—even when such information involves potential weaknesses in the asset being sold. While such transparency may initially appear to deter interest in the property, practical experience has shown that transparency and integrity are core principles at Hawiya, and they have significantly contributed to the success of its auctions. Transparency has attracted a segment of investors willing to take on higher risk in exchange for more favorable pricing on assets with fully disclosed information, including all material advantages and disadvantages, as required in fair sale practices.

Moreover, this level of disclosure has contributed to the stability of transactions and sales, as prospective buyers are provided with comprehensive and accurate information, reducing potential uncertainty or misrepresentation.

- **Company Classification by Entrustment and Liquidation Center (Infath)**

The Entrustment and Liquidation Center (Infath) is a government entity with legal personality that specializes in the liquidation and sale of assets assigned to it by judicial and other authorities. The Center delegates these tasks to technically specialized service providers and supervises their execution, aiming to preserve asset value, expedite rights settlement, and fulfill its judicial and economic mandates.

Hawiya Auctions Company has obtained an “A” rating by Infath, as of the date of this Prospectus, which reflects the Company's strong performance and classification among competitors, and is the highest possible rating by Infath for companies and service providers.

This rating and evaluation are carried out periodically based on the Center's standards and the governance adopted in evaluating companies and various service providers. This rating contributes to the allocation and award of high-value projects to the Company.

Furthermore, the Company holds a valid execution service provider license (Sales Agent) under license number (42020055), dated 21/01/1445H (corresponding to 08/08/2023G), allowing it to operate across all regions of the Kingdom.

- **Supportive Regulations for Sale Methods:**

Auction-based sales are currently supported by several legal provisions, most notably the waiver of the right of pre-emption. The Civil Transactions Law introduced a legal advantage for auction sales by negating the application of the pre-emption right, thereby enhancing the finality and security of such transactions. Article (665) of the Law explicitly states: "No pre-emption right shall apply in the following cases: C. If the property is sold at auction in accordance with statutory provisions." This reinforces the legal standing of joint asset sales, ensuring that buyers are protected from claims by co-owners. Furthermore, auctions conducted by judicial or administrative authorities are exempt from liability for defects, misrepresentation, or unfair pricing. As stated in Article (339) of the Civil Transactions Law: "The seller shall not be liable for defects in the following cases: ... (I) If the auction-based sale was conducted by judicial or administrative authorities."

The real estate industry today benefits from a range of legislative developments that have streamlined sale and transfer processes, such as the Real Estate Exchange and the Real Estate Registry. These frameworks provide assets and properties with greater transactional security and marketability, while also facilitating the role and emergence of licensed professional marketers in delivering real estate marketing services.

In addition, the Real Estate Brokerage Law, issued in 1443H, aims to regulate brokerage and real estate services and safeguard transactions in the sector. The Company has obtained "FAL" real estate brokerage and marketing license number (1200010283), dated 26/07/2023G, and the "FAL" real estate auctions license number (4200000008), dated 06/09/2023G.

- **Ability to Adapt to Market Changes:**

The Company demonstrates a high level of flexibility in adjusting its strategy and positioning within the asset and property marketing sector in response to market and economic changes. This adaptability enables the Company to effectively navigate economic cycles. With its real estate brokerage and marketing licenses, alongside its judicial sales agency license, the Company is well-positioned to maintain consistent demand for asset and property marketing services even during periods of economic downturn. The Company's ability to secure various licenses enhances its responsiveness to market fluctuations while maintaining a strategic focus on asset and property marketing as a core business activity. This capability allows the Company to ensure liquidity during both market upswings and downturns, thereby empowering all classes of investors and clients to benefit from its services and resources.

- **Focus on Data Analytics and Market Trends:**

A key strength of the Company lies in its emphasis on data-driven analysis and understanding of market trends. By adopting a structured, data-centric approach to decision-making, the Company conducts in-depth analytics to gain insights into customer behavior and anticipate future market directions. This enables the Company to innovate swiftly and deliver solutions that align with evolving market and client needs. Such a focus also enhances the Company's ability to identify new opportunities and adapt flexibly to market shifts, ensuring a leading market position and the ability to consistently meet client expectations.

- **Client Trust and Ability to Build Alliances:**

Client trust and the ability to forge strategic alliances are among the Company's core strengths. The Company has a strong market reputation due to its consistent commitment to transparency and high-quality service delivery, resulting in a broad and loyal customer base. As a result, the Company is well-positioned to establish long-term relationships and impactful partnerships with key players in the sector. These alliances enhance the Company's ability to deliver added value to its clients and open new avenues for growth and expansion through collaboration with strategic partners. Such positioning further solidifies the Company's status as a trusted and leading service provider in the market.

- **Asset and Property Screening to Ensure Efficiency:**

The Company has a competitive advantage in its strong ability to screen and assess properties and assets for performance efficiency. Leveraging advanced analytical methodologies and specialized

teams, the Company conducts thorough and accurate evaluations to ensure that the assets deliver optimal performance and value. This enables the Company to offer clients high-quality, value-added investment options, thereby strengthening client trust and loyalty towards the Company as a distinguished and expert provider in the asset and property marketing.

3.11 Description of the Company's activities

A) Customer Journey

The Company possesses extensive and specialized expertise in providing and modeling asset and property marketing services in a manner that reflects its technical and administrative capabilities. Below is a description of the Company's business model:

Phase I: Preparation and Study:

At this phase, the Company undertakes the preparation, planning, and design of services and products that align with the client's aspirations regarding the sale, liquidation, and utilization of assets and properties. In this regard, the Company carries out the following:

1) Analysis of Assets and Properties:

During this stage, the Company conducts detailed analyses and studies of the assets and properties intended for marketing, aiming to build a comprehensive understanding based on the nature of these assets and prevailing market trends. The objective is to achieve the highest possible efficiency for the asset and effectively showcase its strengths and advantages. In this phase, the Company undertakes the following:

- Conducting market analysis and determining the best use of the goods or products.
- Designing the optimal sales strategy and developing the marketing and operational plans.
- Planning event management and providing the appropriate sales personnel.

2) Utilization of Assets and Properties:

The Company has effective procedures that cover the technical and detailed aspects of the assets and properties being marketed, with the aim of enhancing the efficiency of managing and utilizing these assets and properties to achieve the highest possible returns for owners and managers. At this phase, the Company undertakes the following:

- Preparing and qualifying assets and properties for sale or liquidation.
- Enhancing asset value, increasing income, and developing pricing strategies to improve market competitiveness.
- Supervising and monitoring the assets directly or on behalf of others.
- Following up on the appointment of asset operators.

3) Managing marketing and selling:

The Company develops marketing strategies for the assets and properties being marketed through a practical methodology, setting up a professional marketing management team, preparing advertising and promotional materials, and leveraging technological tools to market and sell the assets and properties. At this stage, the Company undertakes the following:

- Providing preliminary studies, disclosures, and necessary field surveys.
- Managing the end-to-end marketing process.
- Overseeing the technical and commercial processes related to the assets and properties intended for sale.
- Producing advertising and media materials.
- Digital marketing and enabling online access to the listed assets.

Phase II: Determining the Optimal Sales Method:

Once the Company verifies the readiness of the assets and properties and the effectiveness of the marketing strategy, it proceeds to execute the sales services using several methods, most notably:

- A) Selling by physical or online public auctions.
- B) Direct sales method.
- C) Sealed bid sales method.

3.12 Detailed Description of the Company's Services

The Company delivers all or some of its services directly, depending on the client's needs and preferences. Each part of the service journey may also represent an area for the Company's growth and expansion. Below is a specific description of the main services that are typically requested by clients:

1) Auction Management and Execution Services:

Table No. (17): Description of the business model for providing public auction management and execution services.

Client category	Description of Service	Steps of service provision
Private customers	The private sector entities make their decision to sell or liquidate assets and properties through the authorized body, whether it is a decision by the Board of Directors, the partners, the owners, or their equivalent. Based on the analysis of the assets to be marketed, the Company provides the owners or managers with its opinion regarding the direct organization of the auction, accompanied by the necessary studies and technical details related to the auction and the assets intended for sale.	The Company provides auction management and execution services through the following steps: <ul style="list-style-type: none"> Assigning the work to the Company based on a written agreement, a memorandum, or a board decision, as applicable, the client category, and the authority given. The Company presents a plan and technical details for marketing the assets and properties in consultation with the client, specifying the auction's timing, venue, and target audience.
Government and Semi-Government Sector or Equivalent Entities	Government and semi-government entities, or their equivalents such as state-owned companies and semi-governmental organizations, may decide to sell and liquidate assets under their authority or assets they are authorized to sell, through a professional public auction conducted before potential buyers. Public auctions are chosen to ensure the highest level of transparency and to achieve the best possible value for the assets, or to liquidate the assets within a specific timeframe in a manner that ensures reaching a wide range of targeted categories within that period.	<ul style="list-style-type: none"> Managing and executing the auction, and organizing the reception of interested parties and potential buyers. Supervising and monitoring the sales procedures and the transfer of ownership to the buyer, according to the relevant authority responsible for such processes.
Entrustment and Liquidation Center (Infath)	The Company manages and executes the auctions assigned or offered to it by Infath. The management and execution of auctions are aimed at selling and liquidating the assets and properties entrusted to the Company by Infath, in accordance with Infath's procedures and instructions. Infath periodically issues rules, processes, standards, policies, and procedures, which are published or attached to the related documents or communications concerning the auction, to enable the Company to adhere to and implement them.	<ul style="list-style-type: none"> Submitting a marketing plan to Infath for the assets to be sold and liquidated, as well as a plan for organizing and managing the auction, and obtaining the necessary approvals. Managing and executing the auction. Submitting the required related reports.
Courts	The Company manages and executes auctions entrusted to it directly by the courts, whether by agreement of the interested parties or pursuant to a final judgment for the sale and liquidation of the assets subject to the ruling, with the Company appointed to carry out the auction.	The Company provides auction management and execution services through the following steps: <ul style="list-style-type: none"> Assigning the work to the Company based on the court's ruling, a reconciliation minutes, or the final judgment, as applicable. Upon request - the Company submits a marketing plan and technical details for the assets in consultation with the relevant department or the parties involved, and notifies them of the auction's timing, venue, and target audience, in accordance with applicable regulations as appropriate. Supervising and monitoring the sale procedures and the transfer of ownership to the buyer, based on the competent authority's directives and in accordance with the court's ruling.

2) Estate Management and Asset Liquidation Services

Given the Company's specialization in auctions and the marketing of assets and properties, its journey has an added value by creating an integrated value chain for assets and properties. This positioned the Company as an active partner in many estate liquidation alliances. Liquidation activities typically require alliances among several licensed and specialized entities, each according to their expertise, through partnerships between auction companies and accounting and legal firms to execute liquidation activities. Below is a description of the Company's business model for providing estate liquidation management services:

Table No. (18): Description of the business model for providing estate liquidation management services

Item	Description of Service
Services	<ul style="list-style-type: none"> Studying, analyzing, and evaluating the assets and properties through specialized expert firms, and compiling the necessary reports on those assets. Enhancing the value of estate assets and properties by supervising and following up on the work of property managers or the specialized Company. Assisting in the disclosure of ownership documents for the assets and properties, ensuring their readiness for sale, and following up on the appointment of service providers if updating title deeds or similar documents is required. Providing the necessary technical and advisory support to the stakeholders to maximize the rental returns of the assets and properties, aiming to achieve the greatest benefit and return for the estate.
Category and type of customers	<p>The Company provides estate liquidation services for private estates that fall under the jurisdiction of the court, where the decision results in the appointment of the Company, as part of a coalition or alone, for part or all of the estate liquidation process, consisting of preparation, sale, and liquidation.</p> <ul style="list-style-type: none"> Disputed estates, where the Company is appointed by the liquidator, the competent court, or the Entrustment and Liquidation Center (Infath): Disputed estates are liquidated under an entrustment by the liquidator or the competent court, by appointing the Company as a licensed selling agent. The Company provides the necessary services to sell and liquidate the assets and properties associated with the estate, to the benefit of the estate, in accordance with the powers granted in the decision or judgment. Specific assets and properties in certain private estates that are consensual: A number of assets and properties associated with a particular estate are marketed and sold pursuant to an appointment by the interested parties to the Company to provide the necessary services to sell, liquidate, and organize the assets and properties in the estate, to the benefit of the estate.

3) Real Estate Marketing Services

The Company provides real estate marketing services to its clients, based on marketing strategies for various properties across the Kingdom, as well as specialized advisory support. The Company contracts with property owners, similar asset managers or authorized individuals for a specific period of time to market and sell properties through the Company for a specified percentage or amount. Invoicing and payment are made by the buyer, and the brokerage commission for real estate sales is determined at a variable percentage based on the agreement and the services provided by the Company, which is usually calculated as a percentage of the property's sale value.

3.13 Company Revenues

As of the date of this Prospectus, the Company generates its revenues through auction and real estate marketing activities, and its current actual activity consists of holding, organizing, and managing auctions, liquidating estates, and exclusive real estate marketing. (For more information about the Company's activity, please refer to Section (3.10) "Company's Business Model" of this Prospectus).

3.13.1 Distribution of Revenues by Activities

Table No. (19): Distribution of the Company's revenues by activities as of 31 December 2022G and 2023G, and as of 30 September 2023G and 2024G

ACTIVITIES	31 December 2022		31 December 2023		30 September 2023		30 September 2024	
	Amount (SR)	Percentage of total revenue (%)	Amount (SR)	Percentage of total revenue (%)	Amount (SR)	Percentage of total revenue (%)	Amount (SR)	Percentage of total revenue (%)
Auction activity	43,445,935	99.87%	70,730,098	86.72%	56,483,706	88.80%	29,642,419	69.60%

Estate liquidation activities	55,652	0.13%	1,294,909	1.59%	701,532	1.10%	6,644,918	15.60%
Exclusive real estate marketing activity	-	-	9,540,920	11.70%	6,420,383	10.09%	6,305,398	14.80%
Total	43,501,587	100.00%	81,565,927	100.00%	63,605,621	100.00%	42,592,735	100.00%

Source: The Company

3.13.2 Revenues by Customer Category

Table No. (20): The following table detail revenues by customer category, whether government or private, for the two years ended 31 December 2022G and 2023G, and the nine-month period ended 30 September 2024G

Customer Name	31 December 2022		31 December 2023		30 September 2024	
	Amount (SR)	Percentage of total revenue (%)	Amount (SR)	Percentage of total revenue (%)	Amount (SR)	Percentage of total revenue (%)
Entrustment and Liquidation Center (Infath)	7,226,895	16.61%	30,943,002	37.94%	18,182,839	42.69%
Private customers	36,274,692	83.39%	50,622,925	62.06%	24,409,896	57.31%
Total revenues	43,501,587	100.00%	81,565,927	100.00%	42,592,735	100.00%

Source: The Company

3.13.3 Distribution of auction activity revenues

The following table indicate the distribution of revenues from auction activities for the years ended 31 December 2022G, and 2023G, and for the nine-month period ended 30 September 2024G:

Table No. (21): Distribution of revenues from auction activities as of 31 December 2022G

Customer Name	Type of Relationship	31 December 2022	
		Amount (SR)	Percentage of total revenue (%)
Client No. (13)	Independent	17,681,040	40.64%
Client No. (2)	Independent	8,494,113	19.53%
Client No. (14)	Independent	4,474,599	10.29%
Client No. (4)	Independent	4,080,497	9.38%
Entrustment and Liquidation Center (Infath)	Independent	3,011,370	6.92%
Client No. (15)	Independent	1,488,791	3.42%
Entrustment and Liquidation Center (Infath)	Independent	1,459,580	3.36%
Entrustment and Liquidation Center (Infath)	Independent	1,230,961	2.83%
Entrustment and Liquidation Center (Infath)	Independent	1,137,391	2.61%
Entrustment and Liquidation Center (Infath)	Independent	136,758	0.31%
Entrustment and Liquidation Center (Infath)	Independent	105,548	0.24%
Entrustment and Liquidation Center (Infath)	Independent	55,766	0.13%
Entrustment and Liquidation Center (Infath)	Independent	51,000	0.12%
Entrustment and Liquidation Center (Infath)	Independent	23,295	0.05%
Entrustment and Liquidation Center (Infath)	Independent	15,226	0.04%
Total		43,445,935	99.87%

Source: The Company

Table No. (22): Distribution of revenues from auction activities as of 31 December 2023G

Customer Name	Type of Relationship	31 December 2023	
		Amount (SR)	Percentage of total revenue (%)
Entrustment and Liquidation Center (Infath)	Independent	12,832,916	15.73%
Client No. (2)	Independent	10,638,677	13.04%
Client No. (16)	Independent	7,512,500	9.21%
Client No. (17)	Independent	6,514,698	7.99%
Entrustment and Liquidation Center (Infath)	Independent	3,666,304	4.49%
Client No. (18)	Independent	3,500,000	4.29%
Client No. (19)	Independent	3,294,008	4.04%
A group of buyers of assets of an estate that has been liquidated by court order	Independent	3,005,879	3.69%
Entrustment and Liquidation Center (Infath)	Independent	2,735,543	3.35%
Entrustment and Liquidation Center (Infath)	Independent	2,381,957	2.92%
Client No. (20)	Independent	1,893,360	2.32%
Entrustment and Liquidation Center (Infath)	Independent	1,513,913	1.86%
Client No. (21)	Independent	1,400,000	1.72%
A group of buyers of assets of an estate that has been liquidated by court order	Independent	1,137,125	1.39%
Entrustment and Liquidation Center (Infath)	Independent	812,663	1.00%
Entrustment and Liquidation Center (Infath)	Independent	805,676	0.99%
Entrustment and Liquidation Center (Infath)	Independent	786,866	0.96%

Client No. (22)	Independent	727,500	0.89%
Entrustment and Liquidation Center (Infath)	Independent	715,878	0.88%
Entrustment and Liquidation Center (Infath)	Independent	664,409	0.81%
Entrustment and Liquidation Center (Infath)	Independent	647,826	0.79%
Entrustment and Liquidation Center (Infath)	Independent	552,174	0.68%
Entrustment and Liquidation Center (Infath)	Independent	399,935	0.49%
Entrustment and Liquidation Center (Infath)	Independent	346,824	0.43%
Entrustment and Liquidation Center (Infath)	Independent	317,022	0.39%
Entrustment and Liquidation Center (Infath)	Independent	280,391	0.34%
Entrustment and Liquidation Center (Infath)	Independent	269,511	0.33%
Entrustment and Liquidation Center (Infath)	Independent	255,380	0.31%
Entrustment and Liquidation Center (Infath)	Independent	250,217	0.31%
Entrustment and Liquidation Center (Infath)	Independent	149,117	0.18%
Entrustment and Liquidation Center (Infath)	Independent	139,391	0.17%
Client No. (23)	Independent	122,500	0.15%
Entrustment and Liquidation Center (Infath)	Independent	103,696	0.13%
Entrustment and Liquidation Center (Infath)	Independent	72,785	0.09%
Entrustment and Liquidation Center (Infath)	Independent	56,141	0.07%
Entrustment and Liquidation Center (Infath)	Independent	55,761	0.07%
Entrustment and Liquidation Center (Infath)	Independent	54,957	0.07%
Client No. (4)	Independent	40,850	0.05%
Entrustment and Liquidation Center (Infath)	Independent	33,891	0.04%
Entrustment and Liquidation Center (Infath)	Independent	33,348	0.04%
Entrustment and Liquidation Center (Infath)	Independent	8,511	0.01%
Total		70,730,098	86.72%

Source: The Company

Table No. (23): Distribution of revenues from auction activities as of 30 September 2024G

Customer Name	Type of Relationship	30 September 2024	
		Amount (SR)	Percentage of total revenue (%)
Client No. (24)	Independent	8,503,580	19.96%
Entrustment and Liquidation Center (Infath)	Independent	7,186,957	16.87%
Entrustment and Liquidation Center (Infath)	Independent	3,546,391	8.33%
Entrustment and Liquidation Center (Infath)	Independent	2,543,587	5.97%
Entrustment and Liquidation Center (Infath)	Independent	2,303,261	5.41%
A group of buyers of assets of an estate that has been liquidated by court order	Independent	2,156,000	5.06%
Entrustment and Liquidation Center (Infath)	Independent	1,492,391	3.50%
Client No. (25)	Independent	800,000	1.88%
Entrustment and Liquidation Center (Infath)	Independent	615,652	1.45%
Entrustment and Liquidation Center (Infath)	Independent	348,804	0.82%
Entrustment and Liquidation Center (Infath)	Independent	145,795	0.34%
Total		29,642,418	69.60%

Source: The Company

3.13.4 Distribution of revenues from estate liquidation activities

The following tables indicate the distribution of revenues from estate liquidation activities for the years ended 31 December 2022G, and 2023G, and for the nine-month period ended 30 September 2024G:

Table No. (24): Distribution of revenues from estate liquidation activities as of 31 December 2022G

Customer Name	Project Name	Type of Relationship	31 December 2022	
			Amount (SR)	Percentage of total revenue (%)
A group of buyers of assets of an estate that has been liquidated by court order	Estate (4)	Independent	55,652	0.13%
Total			55,652	0.13%

Source: The Company

Table No. (25): Distribution of revenues from estate liquidation activities as of 31 December 2023G

Customer Name	Project Name	Type of Relationship	31 December 2023	
			Amount (SR)	Percentage of total revenue (%)
A group of buyers of assets of an estate that has been liquidated by court order	Estate (4)	Independent	1,294,908	1.59%
Total			1,294,908	1.59%

Source: The Company

Table No. (26): Distribution of revenues from estate liquidation activities as of 30 September 2024G

Customer Name	Project Name	Type of Relationship	30 September 2024	
			Amount (SR)	Percentage of total revenue (%)
A group of buyers of assets of an estate that has been liquidated by court order	Estate (4)	Independent	6,644,918	15.60%
Total			6,644,918	15.60%

Source: The Company

3.13.5 Distribution of revenues from exclusive real estate marketing activity

The following tables show the distribution of revenues from exclusive real estate marketing activities for the years ended 31 December 2023G and the nine-month period ended 30 September 2024G:

Table No. (27): Distribution of revenues from exclusive real estate marketing activity as of 31 December 2023G

Customer Name	Sale Process	Type of Relationship	31 December 2023	
			Amount (SR)	Percentage of total revenue (%)
Land	Private brokerage deal	Independent	6,704,548	8.22%
Land	Private brokerage deal	Independent	2,098,956	2.57%
Land	Private brokerage deal	Independent	375,000	0.46%
Land	Private brokerage deal	Independent	262,416	0.32%
Land	Private brokerage deal	Independent	100,000	0.12%
Total			9,540,920	11.70%

Source: The Company

Table No. (28): Distribution of revenues from exclusive real estate marketing activity as of December 30, 2024G

Project Name	Sale Process	Type	30 September 2024G	
			Amount (SR)	Percentage of total revenue (%)
Land	Private brokerage deal	Independent	4,553,105	10.69%
Land	Private brokerage deal	Independent	1,143,921	2.69%
Land	Private brokerage deal	Independent	505,978	1.19%
Land	Private brokerage deal	Independent	102,395	0.24%
Total			6,305,398	14.80%

Source: The Company

* Definition of private brokerage deal: The Company manages private sale deals between the seller and the buyer, and upon completion of the sale, the Company receives a commission of (2.50%) of the deal value.

3.13.6 Company's Clients

Table No. (29): Classification of revenues from Company's customers as of 31 December 2022G

Customer Name	Nature of services provided to the client	Type of Relationship	Nature of the relationship	31 December 2022	
				Amount (SR)	Percentage of total revenue (%)
Client No. (1)	Auction	Independent	Contractual	17,681,000	40.64%
Entrustment and Liquidation Center (Infath)	Auction	Independent	Direct entrustment	7,226,895	16.61%
Client No. (2)	Auction	Independent	Contractual	4,474,599	10.29%
Client No. (3)	Auction	Independent	Contractual	499,162	1.15%
Client No. (4)	Auction	Independent	Contractual	195,412	0.45%
Total revenues of major five customers as of 31 December 2022G				30,077,068	69.14%

Source: The Company

Table No. (30): Classification of revenues from Company's customers as of 31 December 2023G

Customer Name	Nature of services provided to the client	Type of Relationship	Nature of the relationship	31 December 2023	
				Amount (SR)	Percentage of total revenue (%)
Entrustment and Liquidation Center (Infath)	Auction	Independent	Direct award	30,943,002	37.94%
Client No. (5)	Auction	Independent	Contractual	10,638,677	13.04%
Client No. (6)	Auction	Independent	Contractual	7,512,500	9.21%
Client No. (7)	Auction	Independent	Contractual	6,514,698	7.99%
Client No. (8)	Auction	Independent	Contractual	3,400,000	4.17%
Total revenues of major five customers as of 31 December 2023G				59,008,876	72.35%

Source: The Company

Table No. (31): Classification of revenues from Company's customers as of 30 September 2024G

Customer Name	Nature of services provided to the client	Type	Nature of the relationship	30 September 2024	
				Amount (SR)	Percentage of total revenue (%)
Entrustment and Liquidation Center (Infath)	Auction	Independent	Direct award	18,182,839	42.69%
Client No. (9)	Auction	Independent	Contractual	1,841,235	4.32%
Client No. (10)	Liquidation of estates	Independent	Contractual	1,603,800	3.77%
Client No. (11)	Exclusive marketing	Independent	Contractual	1,437,539	3.38%
Client No. (12)	Liquidation of estates	Independent	Contractual	1,418,750	33.3%
Total revenues of major five customers as of 30 September 2024G				24,484,163	57.48%

Source: The Company

3.14 Major Suppliers

The following tables show a list of the Company's five largest suppliers for the years ended 31 December 2022G and 31 December 2023G and for the nine months ended 30 September 2024G. All major suppliers for all years and periods below are independent and the relationship with them is based on direct purchase orders and requests:

Table No. (32): List of major five suppliers as of 31 December 2022G

Supplier Name	Nature of Procurement	Description of relationship		As at 31 December 2022	
		Type of Relationship	Nature of the relationship	Value (SR)	Cost-revenue ratio (%)
Supplier No. (1)	Advertising campaign management services	Independent	Direct purchase orders	1,809,000	5.96%
Supplier No. (2)	Billboard installation services	Independent	Direct purchase orders	305,000	1.01%
Supplier No. (3)	Printing services	Independent	Direct purchase orders	183,000	0.60%
Supplier No. (4)	Hall rental	Independent	Direct purchase orders	169,000	0.56%
Supplier No. (5)	Design services	Independent	Direct purchase orders	102,000	0.34%
Total purchases of major five suppliers as of 31 December 2022G				2,568,000	8.47%

Source: The Company

Table No. (33): List of major five suppliers as of 31 December 2023G

Supplier Name	Nature of Procurement	Description of relationship		As at 31 December 2023	
		Type of Relationship	Nature of the relationship	Value (SR)	Cost-revenue ratio (%)
Supplier No. (6)	Auction hall preparation services	Independent	Direct purchase orders	864,588	2.08%
Supplier No. (2)	Billboard installation services	Independent	Direct purchase orders	359,228	0.86%
Supplier No. (7)	Media coverage services	Independent	Direct purchase orders	150,500	0.36%
Supplier No. (8)	Photographing services	Independent	Direct purchase orders	143,000	0.34%
Supplier No. (9)	Advertising campaign management services	Independent	Direct purchase orders	119,600	0.29%
Total purchases of major five suppliers as of 31 December 2023G				1,636,916	3.94%

Source: The Company

Table No. (34): List of major five suppliers as of 30 September 2024G

Supplier Name	Nature of Procurement	Description of relationship		As of 30 September 2024G	
		Type of Relationship	Nature of the relationship	Value (SR)	Cost-revenue ratio (%)
Supplier No. (1)	Advertising campaign management services	Independent	Direct purchase orders	609,328	2.79%
Supplier No. (10)	Real estate appraisal service	Independent	Direct purchase orders	193,775	0.89%
Supplier No. (11)	Media coverage services	Independent	Direct purchase orders	138,023	0.63%
Supplier No. (12)	Billboard installation and printing services	Independent	Direct purchase orders	126,736	0.58%
Supplier No. (13)	Media coverage services	Independent	Direct purchase orders	120,646	0.55%
Total purchases of major five suppliers as of 30 September 2024G				1,188,508	5.44%

Source: The Company

3.15 Real estate Investments

The Company has a plot of land located in Riyadh, Al Narjis District, with a total area of 1,169 square meters designated for commercial use. As of 30 September 2024G, the book value amounted to (5,318,004) Saudi Riyals. As of 31 December 2023G, the Company conducted a real estate investment appraisal by a real estate valuer accredited by the Saudi Authority for Accredited Valuers, namely Abdulaziz Ibrahim Abdulaziz Office, License No. (121000167). The market value method was adopted, and the fair value as of 30 September 2024G, amounted to (10,078,896) Saudi Riyals. The table below shows the details of the Company's owned properties as follows:

Table No. (35): The Company's Owned Properties

Nature of the Invested Asset	Cost as of 30 September 2024* (in Saudi Riyals)	Location	Area (square meters)	Accredited valuer information	Accredited valuer licenses No.	Valuation method	Fair value as of 30 September 2024G (in Saudi Riyals)
Land	5,318,004	Al Narges District, Riyadh	1,169	Abdulaziz Ibrahim Abdulaziz	121000167	Market value method	10,078,896 SR

Source: The Company

3.16 Government Certificates and Licenses

As of the date of this Prospectus, the Company holds the commercial registration certificate, regulatory licenses to conduct its activities, and other certificates related to its continuous obligations, such as the Zakat certificate, VAT registration certificate, social insurance certificate, and Saudization certificate. The table below outlines the commercial registration details, activity licenses, and certificates related to the Company's ongoing obligations, as follows:

Table No. (36): Government Certificates and Licenses

M	License/certificate holder	Nature of license	License No.	Issuing Entity	Date of issue/renewal	Expiry date
Commercial Registers						
1	Hawya Auctions Company	Commercial Registration	1010584375	Ministry of Commerce	02/05/1446H (Corresponding to 04/11/2024G)	06/12/1449H (Corresponding to 01/05/2028G)
Branch commercial registrations						
1	Hawya Auctions Company	Company branch registration certificate	1010737029	Ministry of Commerce	26/01/1446H (Corresponding to 01/08/2024G)	07/02/1447H (Corresponding to 01/08/2025)
License to practice activities						
1	Hawya Auctions Company	(Execution service provider license – sales agent)	42020055	Ministry of Justice	23/01/1445H (Corresponding to 10/08/2023G)	28/01/1448H (Corresponding to 13/07/2026G)
2	Hawya Auctions Company	("FAL" Real Estate Brokerage and Marketing License)	1200010283	Real Estate General Authority	08/01/1445H (Corresponding to 26/07/2023G)	14/03/1451H (Corresponding to 26/07/2029G)
3	Hawya Auctions Company	("FAL" Real Estate Auctions License)	4200000008	Real Estate General Authority	21/02/1445H (Corresponding to 06/09/2023G)	16/04/1450H (Corresponding to 06/09/2028G)
Other certificates and licenses						
1	Hawya Auctions Company	Zakat and income certificate	1022231870	ZATCA	22/10/1445H (Corresponding to 01/05/2024G)	02/11/1446H (Corresponding to 30/04/2025)
2	Hawya Auctions Company	GOSI certificate	580995519	General Organization for Social Insurance (GOSI)	10/08/1446H (Corresponding to 09/02/2025)	10/09/1446H (Corresponding to 10/03/2025)
3	Hawya Auctions Company	Saudization certificate	166114-82409821	The Ministry of Human Resources and Social Development	25/12/1445H (Corresponding to 01/07/2024G)	12/11/1446H (Corresponding to 10/05/2025G)

Source: The Company

3.17 List of properties rented by the Company

As of the date of this Prospectus, the Company has (1) lease contract and the Company uses the leased property as its head office to carry out its activities and business, as the table below shows:

Table No. (37): List of properties rented by the Company


Location	Area	Nature of the property	Lessor	Annual rental value	Lease commencement date	Lease end date
Riyadh	75m ²	Commercial building	Al-Sulaiman Real Estate Company (Substantial Shareholder)	SR 150,000	01/07/1446H (corresponding 01/01/2025G)	11/07/1447 H (corresponding 31/12/2025G)

Source: The Company

3.18 Trademarks

The Company has secured its intellectual property rights by registering its trademarks with the Saudi Authority for Intellectual Property in Saudi Arabia, as detailed in the following table:

Table No. (38): Company's trademarks

Brand	Owner name	Country of registration	Protection expiration date
 المزادات Hawyia Auctions	Hawyia Auctions Company	Kingdon of Saudi Arabia	19/11/1454H (Corresponding to 19/02/2033G)



Hawyia Auctions Company

Kingdon of Saudi Arabia

18/11/1454H
(Corresponding to 18/02/2033G)

Source: The Company

3.19 Litigation

As of the date of this Prospectus, the Company is not a party to any legal proceeding as a plaintiff. However, the Company is a defendant in one case filed on 24/02/1446H (corresponding to 28/08/2024G) by a Saudi citizen in his personal capacity. The subject of the case is a request for documents, and the case is currently under review. The case does not include any financial claims except for the request to cover attorney fees in the event a judgment is issued against the Company. (For further information, please refer to subsection (2.1.25) “Risks Related to Lawsuits” under Section (2) “Risk Factors”).

3.20 Related Party Transactions

In the ordinary course of business, the Company transacts with related parties, including shareholders, board members, and companies owned by shareholders or board members. These transactions include withdrawals, payment of expenses on behalf of the Company, auction listing fees on the Som Platform, salaries and remunerations of senior management, and dividends. (For more information, please see Subsection No. (2.1.25) “Risks Related to the Lawsuits” of Section (2) “Risk Factors”).

Table No. (39): Transactions with related parties during the year ended 31 December 2022G

As at 31 December 2022						
Transactions with related parties during 2022G						Due from related parties
Related parties	Nature of relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to the total assets	Balance as at 31 December 2022
	Withdrawals		2,999,332	4.06%	N/A	-
	Total		2,999,332	4.06%	N/A	
Transactions with related parties during 2022G						Due to related parties
Related parties	Nature of relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to the total liabilities	Balance as at 31 December 2022
	Salaries and remunerations of key management personnel		1,462,892	1.98%	N/A	-
	Dividends		8,000,000 ⁽¹⁾	10.84%	N/A	-
	Total		9,462,892	12.82%	N/A	-

Source: Audited financial statements for the year ended 31 December 2022G and Management Information.

On 07/06/1444H (corresponding to 31/12/2022G), the partners agreed to distribute cash dividends in the amount of (8,000,000) Saudi Riyal. As of 31 December 2023G, part of the dividends of (3,997,667) Saudi Riyal has been paid to the partners, while the Company, based on the partners' approval, has recognized an amount of (4,002,333) Saudi Riyal as dividends payable as of 31 December 2023G. It is worth mentioning that the Company has made payment of dividends of (4,002,333) Saudi Riyal to the partners during 2023G.

Below are the details of the related party transactions between the Company and related parties as of 31 December 2022G, which were approved by the Extraordinary General Assembly held on 14/06/1446H (corresponding to 15/12/2024G), as follows:

- Approval of the transactions and contracts between the Company and Director (Badr bin Mohammed Al-Sulaiman), in which the Director (Badr bin Mohammed Al-Sulaiman) has a direct interest, involving withdrawals in the amount of (1,573,015) Saudi Riyals.
- Approval of the transactions and contracts between the Company and Director (Badr bin Mohammed Al-Sulaiman), in which the Director has a direct interest, involving payment of expenses on behalf of the Company in the amount of (928,397) Saudi Riyals.
- Approval of the transactions and contracts between the Company and Director (Badr bin Mohammed Al-Sulaiman), in which the Director (Badr bin Mohammed Al-Sulaiman) has a direct interest, involving dividends in the amount of (1,573,015) Saudi Riyals.
- Approval of the transactions and contracts between the Company and Director (Mohammed bin Abdullah Al-Alyan), in which the Director (Mohammed bin Abdullah Al-Alyan) has a direct interest, involving withdrawals in the amount of (2,390,316) Saudi Riyals.
- Approval of the transactions and contracts between the Company and Director (Mohammed bin Abdullah Al-Alyan), in which the Director (Mohammed bin Abdullah Al-Alyan) has a direct interest, involving payment of expenses on behalf of the Company in the amount of (35,492) Saudi Riyals.
- Approval of the transactions and contracts between the Company and Director (Mohammed bin Abdullah Al-Alyan), in which the Director (Mohammed bin Abdullah Al-Alyan) has a direct interest, involving dividends in the amount of (725,554) Saudi Riyals.
- Approval of the transactions and contracts between the Company and Director (Mohammed bin Abdullah Al-Alyan), in which the Director (Mohammed bin Abdullah Al-Alyan) has a direct interest, involving end-of-service benefits of (25,007) Saudi Riyals.

- Approval of the transactions and contracts between the Company and Director (Mohammed bin Abdullah Al-Alyan), in which the Director (Mohammed bin Abdullah Al-Alyan) has a direct interest, involving dividends of (2,424,182) Saudi Riyals.
- Approval of the transactions and contracts between the Company and Director (Abdullah Emad Hamad Al-Askar), in which the Director (Abdullah Emad Hamad Al-Askar) has a direct interest, involving salaries and wages of (267,000) Saudi Riyals.
- Approval of the transactions and contracts between the Company and Director (Abdullah Emad Hamad Al-Askar), in which the Director (Abdullah Emad Hamad Al-Askar) has a direct interest, involving remunerations of (443,838) Saudi Riyals.

Table No. (40): Transactions with related parties during the year ended 31 December 2023G

As at 31 December 2023						
Transactions conducted during 2023G						Due from related parties
Related parties	Nature of relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to total assets	Balance as at 31 December 2023
						-
Transactions conducted during 2023G						Due to related parties
Related parties	Nature of relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to the total liabilities	Balance as at 31 December 2023
Som Platform Company	Company in which the shareholder and Chairman/ Mohammed Al Abdullah Al-Alyan has ownership	Fees for listing auctions on Som Platform	1,128,900	0.92%	6.22%	1,128,900 ⁽¹⁾
	Salaries and remunerations of key management personnel		7,313,272	5.94%	N/A	-
	DIVIDEND		13,566,558	11.02%	N/A	-
Total			22,008,730	17.88%	6.22%	1,128,900

Source: The Company's audited financial statements for the year ended 31 December 2023G and the reviewed financial statements for the nine-month period ended 30 September 2024G and Management information.

Certain comparative figures for the year ended 31 December 2023G have been reclassified to conform to the presentation for the current period ended 30 September 2024G, to enhance comparability and be more appropriate to the users of the financial statements. This reclassification resulted in the presentation of an amount due to a related party, Som Platform, of (1,128,900) Saudi Riyals. This balance was previously classified in the audited financial statements report for the year ended 31 December 2023G, as follows: (1) Suppliers: In the amount of (874,866) Saudi Riyals and (2) accrued expenses and other payables: In the amount of (254,034) Saudi Riyal.

Below are the details of the related party transactions between the Company and related parties as of 31 December 2023G, which were approved by the Extraordinary General Assembly held on 14/06/1446H (corresponding to 15/12/2024G), as follows:

- Approval of the transactions and contracts between the Company and the Director (Mohammed bin Abdullah Al-Alyan) and the Director (Abdullah Emad Al-Askar), in which Director (Mohammed bin Abdullah Al-Alyan) and Director (Abdullah Emad Al-Askar) have a direct interest, involving salaries and remunerations of key management personnel of (7,313,272) Saudi Riyals.
- Approval of the transactions and contracts between the Company and the Director (Mohammed bin Abdullah Al-Alyan), (Director (Abdullah Emad Al-Askar) and Director (Badr bin Mohammed Al-Sulaiman) in which Director (Mohammed bin Abdullah Al-Alyan), Director (Abdullah Emad Al-Askar) and Director (Badr bin Mohammed Al-Sulaiman) have a direct interest, involving dividends of (13,566,558) Saudi Riyals.

On 06/09/1446H (corresponding to 06/03/2025G), the Ordinary General Assembly approved the transactions and contracts between the Company and (Soom Platform Company), in which Director (Mohammed bin Abdullah Al-Alyan) has an indirect interest. The transactions relate to fees for listing auctions on the Soom platform, amounting to (1,128,900) Saudi Riyals.

Table No. (41): Transactions with related parties during the nine-month period ended 30 September 2024G

As of 30 September 2024G						
Transactions conducted during the nine-month period ended 30 September 2024G						Due from related parties
Related parties	Nature of relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to total assets	Balance as of 30 September 2024G
-						
Transactions conducted during the nine-month period ended 30 September 2024G						Due to related parties
Related parties	Nature of relationship	Nature of Transaction	Volume of transactions	Transaction ratio to the Company's total transactions	Transaction ratio to total liabilities	Balance as of 30 September 2024G
Som Platform Company	Company in which the shareholder and Chairman/ Mohammed Al Olayan has ownership	Fees for listing auctions on Som Platform	1,535,829	2.38%	12.03%	1,535,829
Dividends			23,713,085 ⁽¹⁾	36.80%	N/A	-
Salaries and remunerations of key management personnel			4,704,025	7.30%	N/A	-
Nalkom For Law And Legal Advice Co	A Company owned by Mr. Abdullah Al-Askar and Mr. Badr Al-Sulaiman. Mr. Abdullah Al-Askar is a member of its Board of Directors.	Professional services	80,000	0.12%	0.63%	-
Total			30,032,939	46.60%	12.66%	1,535,829

Source: Reviewed financial statements for the nine-month period ended 30 September 2024G and Management information.

⁽¹⁾ On 24/11/1445H (corresponding to 01/06/2024G), the partners agreed to distribute cash dividends of (23,713,085) Saudi Riyal. As of 30 December 2024G, part of dividends of (18,713,085) Saudi Riyal has been paid to the partners, while the Company, based on the partners' approval, has recognized an amount of (5,000,000) Saudi Riyal as dividends payable. It is worth mentioning that the Company has paid dividends of (5,000,000) Saudi Riyal to the partners during 2024G.

Below are the details of the related party transactions between the Company and related parties as of 30 December 2024G, which were approved by the Extraordinary General Assembly held on 14/06/1446H (corresponding to 15/12/2024G), as follows:

- The Ordinary General Assembly approved the transactions and contracts between the Company and (Soom Platform Company), in which Director (Mohammed bin Abdullah Al-Alyan) has an indirect interest. The transactions relate to fees for listing auctions on the Soom platform, amounting to (1,535,829) Saudi Riyals.
- Approval of the transactions and contracts between the Company and the Director (Mohammed bin Abdullah Al-Alyan), (Director (Abdullah Emad Al-Askar) and Director (Badr bin Mohammed Al-Sulaiman) in which Director (Mohammed bin Abdullah Al-Alyan), Director (Abdullah Emad Al-Askar) and Director (Badr bin Mohammed Al-Sulaiman) have a direct interest, involving dividends of (23,713,085) Saudi Riyals.
- Approval of the transactions and contracts between the Company and the Director (Mohammed bin Abdullah Al-Alyan) and the Director (Abdullah Emad Al-Askar), in which Director (Mohammed bin Abdullah Al-Alyan) and

Director (Abdullah Emad Al-Askar) have a direct interest, involving salaries and remunerations of key management personnel of (4,704,025) Saudi Riyals.

- Approval of the transactions and contracts between the Company and Nalkom For Law And Legal Advice Co, in which Director (Abdullah Emad Al-Askar) and Director (Badr bin Mohammed Al-Sulaiman), have an indirect interest, involving professional and consultancy fees of (80,000) Saudi Riyals.

3.21 Employees and Saudization

As of 31 December 2023G, the Company has (8) employees, including (7) Saudi employees and (1) non-Saudi employee. As of 31 December 2023G, the Company has (12) employees, including (9) Saudi employees and (3) non-Saudi employee. As of 30 September 2024G, the Company has (20) employees, including (17) Saudi employees and (3) non-Saudi employee. As of the date of this Prospectus, according to the Nitaqat Program, the Saudization rate is (72%), and the Company falls under the «high green» category.

The following tables show the numbers of employees and their distribution according to the Company's departments during 2022G, 2023G and 30 September 2024G.

Table No. (42): Number of employees in the Company during the years 2022G, 2023G and 30 September 2024G.

Employees	As at 31 December 2022		As at 31 December 2023		As of 30 September 2024G	
	Number	Percentage (%)	Number	Percentage (%)	Number	Percentage (%)
Saudis	7	87.50%	9	75.00%	17	85.00%
Non-Saudis	1	12.50%	3	25.00%	3	15.00%
Total	8	100.00%	12	100.00%	20	100.00%

Source: The Company

Table No. (43): Distribution of employees to departments during the years 2022G, 2023G and 30 September 2024G.

Management	2022		2023		30 September 2024	
	Saudis	Non-Saudis	Saudis	Non-Saudis	Saudis	Non-Saudis
Financial Department	-	1	-	1	-	1
Legal Department	-	-	2	-	1	-
Project Department	3	-	3	1	3	-
Business Development Department	2	-	2	-	11	-
Supporting Services Department	-	-	-	1	-	2
Executive Management	2	-	2	-	2	-
Total	7	1	9	3	17	3
	8		12		20	

Source: The Company

As of the date of this Prospectus, the Company has no commercial activity or assets outside the Kingdom.

The Company's management continuously monitors the market, both inside and outside the Kingdom, to stay informed about developments, ideas, and innovations relevant to the Company's line of business. Except for this, the Company does not have any specific or written policies regarding research and development for new products.

The Directors declare that there has been no disruption in the Company's operations that could affect or has had a material impact on its financial position during the past twelve (12) months up to the date of this Prospectus.

The Directors also declare that there is no intention to make any significant change in the nature of the Company's business.



Shareholding
Structure And
Organizational

4 Shareholding Structure and Organizational Structure

4.1 Shareholding Structure Pre-Offering and Post-Offering

The following table shows the shareholding Structure pre-offering and post-offering

Table No. (44): Shareholding Structure Pre-Offering and Post-Offering

Name of Shareholder	Pre-Offering*		Post-Offering*	
	Number of Shares (Share)	Ownership (%)	Number of Shares (share)	Ownership (%)
Al-Sulaiman Real Estate Company	10,800,000	54.00%	9,504,000	47.52%
Mohammed Abdullah Mohammed Al-Alyan*	4,880,000	24.40%	4,294,400	21.47%
Abdullah Imad Hamad Al-Askar**	3,920,000	19.60%	3,449,600	17.25%
Mohammed Ibrahim Hamad Al-Tuwaijri***	400,000	2.00%	352,000	1.76%
Qualified Investors (Offering Shares)	-	-	2,400,000	12.00%
Total	20,000,000	100.00%	20,000,000	100.00%

Source: The Company

* The Chairman, Mohammed Abdullah Mohammed Al-Alyan, has an indirect ownership in the Issuer, resulting from his direct ownership of (0.22%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) of the issuer. Accordingly, his indirect ownership in the Issuer accounts for 0.12% of the share capital before the Offering and 0.11% after the Offering.

** The Vice-Chairman, Abdullah Imad Hamad Al-Askar, has an indirect ownership in the Issuer, resulting from his direct ownership of (4.18%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership accounts for 2.25% of the issued share capital before the Offering and 1.98% after the Offering.

*** The shareholder, Mohammed Ibrahim Hamad Al-Tuwaijri, has an indirect ownership in the issuer, resulting from his direct ownership of 0.10% of Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership in the Issuer accounts for 0.06% of the issued share capital before the Offering and 0.05% after the Offering.

4.2 Al-Sulaiman Real Estate Company (Substantial Shareholder)

Al-Sulaiman Real Estate Company is a closed joint stock company under Commercial Registration No. (1010277500) dated 12/20/1430H (corresponding to 12/07/2009G) issued in the city of Riyadh with a capital of one hundred million (100,000,000) Saudi Riyals divided into one hundred million (100,000,000) ordinary shares of equal value, one (1) Saudi Riyal each, fully paid. The following is a description of the shareholding structure:

Table No. (45): Shareholding structure of Al-Sulaiman Real Estate Company (Substantial Shareholder)

Name of Shareholder	Number of Shares (Share)	Ownership (%)
Badr Mohammed Abdulaziz Al-Sulaiman	22,930,880	22.93%
Ibrahim Mohammed Abdulaziz Al-Sulaiman	22,094,840	22.09%
Albassar Investment Company	15,459,390	15.46%
Ahalil Investment Company	9,582,260	9.58%
Abdullah Imad Hamad Al-Askar	4,175,690	4.18%
Mohammed Abdullah Hamad Al-Askar	4,118,450	4.12%
Abdulaziz Badr bin Mohammed Al-Sulaiman	3,901,480	3.90%
Abdullah Ibrahim bin Mohammed Al-Sulaiman	3,470,830	3.47%
Abdulaziz Ibrahim bin Mohammed Al-Sulaiman	3,208,130	3.21%
Muaaz Sulaiman Mohammed Al Sulaiman	977,460	0.98%
Hesham Hamad Nasser Al-Majed	932,440	0.93%
Abdulatif Sulaiman bin Ahmed Al-Humin	808,480	0.81%
Sulaiman Mohammed Abdulaziz Al-Sulaiman	686,490	0.69%
Saud Hamad Nasser Al-Majed	608,120	0.61%

Name of Shareholder	Number of Shares (Share)	Ownership (%)
Fahd Mohammed Abdulaziz Al-Ferih	608,110	0.61%
Abdullah Sulaiman Abdulaziz Al-Sulaiman	540,560	0.54%
Sultan Hamad Sulaiman Al Askar	405,410	0.41%
Mohammed Badr Mohammed Al-Sulaiman	285,690	0.29%
Imad Hamad Sulaiman Al Askar	278,380	0.28%
Abdelrahman Abdullah Abdelkareem Al-Mayouf	270,290	0.27%
Abdullah Mohammed Ali Al-Alyan	270,290	0.27%
Mashari Mohammed Abdulaziz bin Muammar	270,290	0.27%
Hanan Mohammed bin Abdulaziz Al-Sulaiman	270,280	0.27%
Sulaiman Abdelrahman bin Othman Al-Sulaiman	270,280	0.27%
Khaled Mutlaq Saad bin Tany	257,500	0.26%
Mohammed Abdullah Mohammed Al-Alyan	221,580	0.22%
Abdulmalik Hamad Faris Al-Faris	216,230	0.22%
Mohammed Abdo Hassan Hamzi	171,170	0.17%
Khaled Abdullah Mohammed Al-Shathri	135,150	0.14%
Ali Amer Mohammed Al-Shehri	135,150	0.14%
Majid bin Saad bin Hamoud Al-Usaimi	135,150	0.14%
Hamad Nasser Hamad Al-Majed	135,140	0.14%
Abdulmohsen Mohammed Abdulmohsen Al-Rashid	135,140	0.14%
Othman Abdelrahman bin Othman Al-Sulaiman	135,140	0.14%
Mohammed Abdulmajeed bin Badr Al-Askar	135,140	0.14%
Nasser Hamad Nasser Al-Majed	135,140	0.14%
Mohammed Abdulaziz Sulaiman Al-Sulaiman	110,000	0.11%
Omar Mohammed Saad Al-Saadan	108,110	0.11%
Mohammed Ibrahim Hamad Al-Tuwaijri	104,160	0.10%
Saleh Mohammed Saleh Al-Mishari	100,000	0.10%
Sarah Mohammed Abdulaziz Al-Sulaiman	90,000	0.09%
Munther Sulaiman Abdelrahman Al-Faraj	81,090	0.08%
Abdullah Nasser Abdullah Al-Basri	59,480	0.06%
Hamad bin Abdullah bin Hamad Al-Mousa	59,450	0.06%
Khaled Mohammed bin Sulaiman Al-Ayed	54,070	0.05%
Mohammed Abdullah Abdulaziz Al-Jaryan	54,070	0.05%
Amr Abdulmajeed Badr Al-Askar	54,060	0.05%
Wael bin Sulaiman bin Ibrahim Al-Khunaizan	54,060	0.05%
Hamad bin Sulaiman bin Abdulrahman Al-Anqari	40,550	0.04%
Saeed Abdulaziz Misfer Al-Ghamdi	40,550	0.04%
Manal Mohammed Ali Al-Daghim	35,140	0.04%
Jawhara Abdelrahman Abdullah Al-Majed	27,840	0.03%
Sulaiman Abdullah Sulaiman Al-Sulaiman	27,040	0.03%
Abdulaziz Mohammed Abdulmohsen Al-Rashid	27,040	0.03%
Hussein bin Saleh bin Mansour Al-Qadi	27,030	0.03%
Khaled Saad bin Abdulaziz Al-Khamis	27,030	0.03%
Ziad Hamad Ahmed Al-Amer	27,030	0.03%

Name of Shareholder	Number of Shares (Share)	Ownership (%)
Sultan bin Saud bin Saleh Al-Khatib	27,030	0.03%
Abdelrahman Mohammed Saleh Al-Hamad	27,030	0.03%
Mohammed Abdullah Sulaiman Al-Eid	27,030	0.03%
Mohammed Abdullah Mohammed Al-Sultan	27,030	0.03%
Mansour bin Saad bin Ibrahim bin Atiq	27,030	0.03%
Nasser Obaid Saeed Al-Dosari	27,030	0.03%
Maha Mohammed Abdulaziz Al-Sulaiman	22,450	0.02%
Ahmed bin Abdelrahman bin Mohammed Al-Omerah	16,230	0.02%
Ahmed bin Abdelrahman bin Saleh Al-Suwailem	13,530	0.01%
Hassan bin Mohammed bin Khaled Al-Fadhel	13,530	0.01%
Sami Abdullah Mohammed Al-Rashid	13,530	0.01%
Saud Nasser Abdullah Al-Masoud	13,530	0.01%
Sultan Mohammed Abdulrazzaq Al-Duwaish	13,530	0.01%
Adel Abdullah Mohammed Al-Sultan	13,530	0.01%
Abdelrahman Abdullah Saad Al-Rashid	13,530	0.01%
Abdullah Saud Abdelrahman Al-Duaij	13,530	0.01%
Abdullah Mutab Jazaa Al-Otaibi	13,530	0.01%
Abdullah Mohammed Abdulaziz bin Kanaan	13,530	0.01%
Mohammed Saud Mohammed Al-Ghazwani	13,530	0.01%
Mohammed Suleiman Mohammed Al-Asqa	13,530	0.01%
Walid bin Abdelrahman bin Suleiman Al-Jaber	13,530	0.01%
Walid Saud bin Abdulaziz Al-Rashoud	13,530	0.01%
Khaled Saleh Abdulaziz Al-Haqbani	13,510	0.01%
Abdullah Mohammed Abdullah Al-Munaie	8,150	0.01%
Fahd bin Abdulkarim bin Abdulaziz Al-Jabri	8,110	0.01%
Total	100,000,000	100.00%

Source: Al-Sulaiman Real Estate Company's shareholder register, issued by the Ministry of Commerce, dated 17/06/1446H (corresponding 18/12/2024G).

4.2.1 Albassar Investment Company

Albassar Investment Company is a limited liability Company, under Commercial Registration No. (1010688224) dated 03/07/1442H (corresponding to 15/02/2021G), issued in the city of Riyadh with a capital of one hundred million (100,000,000) Saudi Riyals divided into one hundred million (100,000,000) ordinary shares of equal value, one thousand (1,000) Saudi Riyal each, fully paid. Following is a description of the shareholding structure:

Table No. (46): Albassar Investment Company's Shareholding Structure

Name of Shareholder	Number of Shares (Share)	Ownership (%)
Badr Mohammed Abdulaziz Al-Sulaiman	99	99.00%
Abdulaziz Badr bin Mohammed Al-Sulaiman	1	1.00%
Total	100	100.00%

Source: Albassar Investment Company's articles of association

4.2.2 Ahalil Investment Company

Ahalil Investment Company is a limited liability Company, under Commercial Registration No. (1010688225), dated 04/07/1442H (corresponding to 16/02/2021G), issued in the city of Riyadh, with a capital of twenty five thousand (25,000) Saudi Riyals divided into one hundred (100) shares of equal value, two hundred fifty (250) Saudi Riyal each, fully paid. Following is a description of the shareholding structure:

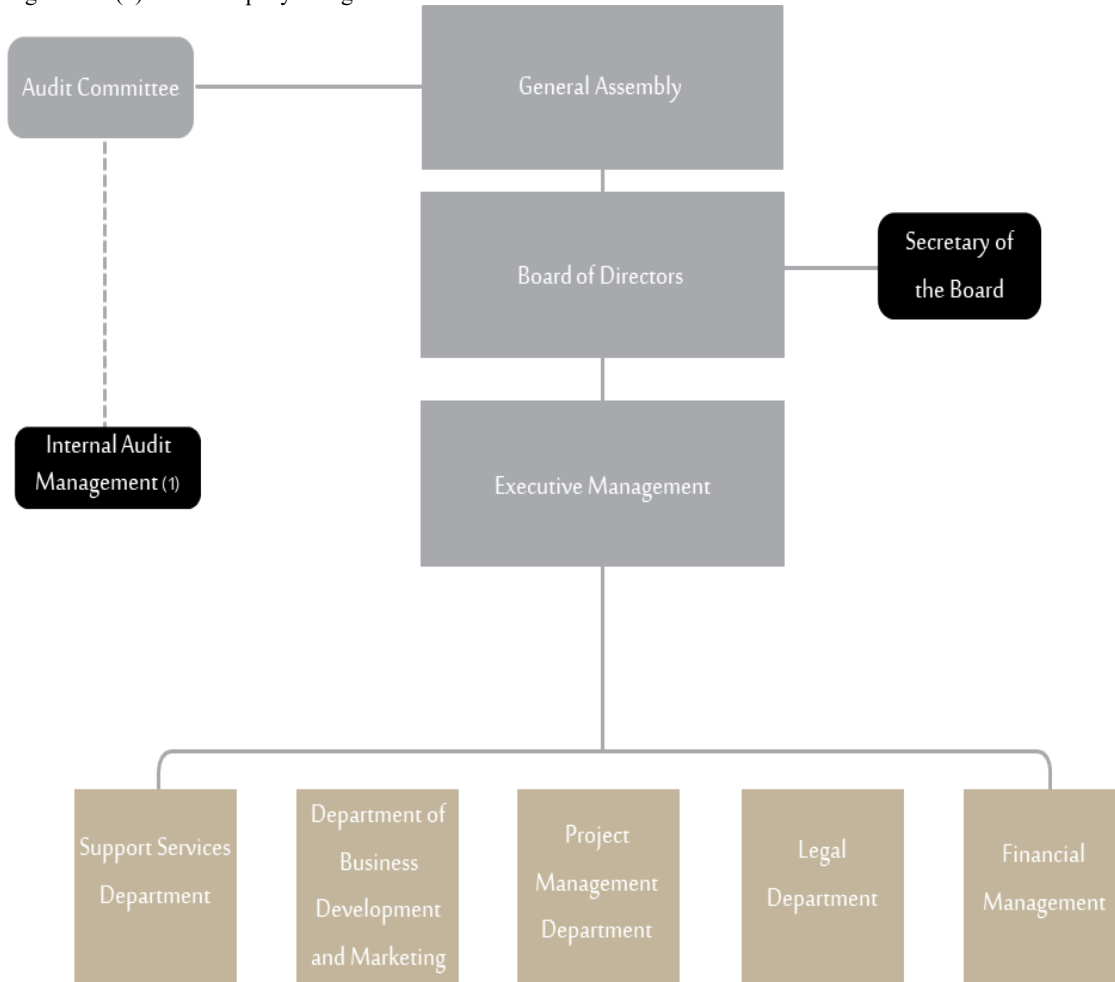
Table No. (47): Ahalil Investment Company's Shareholding Structure

Name of Shareholder	Number of shares (Share)	Ownership (%)
Ibrahim Mohammed Abdulaziz Al-Sulaiman	99	99.00%
Abdulaziz Ibrahim Mohammed Al-Sulaiman	1	1.00%
Total	100	100.00%

Source: Ahalil Investment Company's articles of association

4.3 Orhganizational Structure

Figure No. (1): The Company's Organizational Structure



⁽¹⁾ On 23/09/1446H (corresponding to 16/02/2025G), Raqem Chartered accountants & auditors, Accountants and Auditors was appointed as an external party to perform internal audit services for the year 2025.

Source: The Company

4.4 Board of Directors

4.4.1 Directors and Secretary of the Board

The following table shows the Directors and Secretary of the Board:

Table No. (48): Board of Directors and its Secretary

Board of Directors													
Name	Position	Capacity	Independence***	Nationality	Age	Direct Ownership				Indirect Ownership			
						Pre-Offering		Post-Offering		Pre-Offering		Post-Offering	
						Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Mohammed Abdullah Mohammed Al-Alyan	Chairman*	Non-executive	Non-independent	Saudi	36	4,880,000	24.40%	4,294,400	21.47%	23,931	0.12%	21,059	0.11%
Abdullah Imad Hamad Al-Askar	Vice-Chairman and CEO**	Executive	Non-independent	Saudi	31	3,920,000	19.60%	3,449,600	17.25%	450,975	2.25%	396,858	1.98%
Badr Mohammed Abdulaziz Al-Sulaiman	Director	Non-executive	Non-independent	Saudi	48	-	-	-	-	4,129,453	20.65%	3,633,919	18.17%
Walid Mohammed Hamad Al-Bassam	Director	Non-executive	Independent	Saudi	47	-	-	-	-	-	-	-	-
Nader Hassan Atallah Al-Omari	Director	Non-executive	Independent	Saudi	41	-	-	-	-	-	-	-	-

Board Secretary**

Abdullah Khaled Bajnaid	Board Secretary**			Yemeni	24	-	-	-	-	-	-	-	-
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Source: The Company

* On 16/05/1446H (corresponding to 18/11/2024G), the shareholders agreed to elect the above-mentioned Directors as the first Board of Directors of the Company for a term of four (4) years, starting from the date of the Company's Assembly, and ending on 01/07/1450H (corresponding to 18/11/2028G).

** The Board of Directors, in their meeting held on 11/06/1446H (corresponding to 12/12/2024G), resolved to appoint Mr. Mohammed Abdullah Mohammed Al-Alyan as Chairman; appointment of Abdullah Imad Hamad Al-Askar as Deputy Chairman and CEO; and Mr. Abdullah Khaled Bajnaid as the Secretary of the Board, for the current board term ending on 01/07/1450H (corresponding to 18/11/2028G).

*** The Corporate Governance Regulations issued by the Capital Market Authority were used as a basis to determine the parameters of independence of the Directors. The issues affecting independence of the Company's the Directors are as follows:

- If he/she holds five percent or more of the shares of the Company or any other company within its group; or is a relative of who owns such percentage.
- If he/she is a relative of any member of the Board of the Company, or any other company within the Company's group;
- If he/she is a relative of any Senior Executive of the Company, or of any other company within the Company's group;
- If he/she is a Board member of any company within the group of the Company for which he/she is nominated to be a Board member.
- If he/she is an employee or used to be an employee, during the past two years, of the Company or a Company within its group, or if he/she held a controlling interest in the Company or any party dealing with the Company or any company within its group, such as external auditors or main suppliers during the past two years.
- If he/she has a direct or indirect interest in the businesses and contracts executed for the Company's account.

- If the member of the Board receives financial consideration from the Company in addition to the remuneration for his/her membership of the Board or any of its committees exceeding an amount of (SR 200,000) or 50% of his/her remuneration of the last year for the membership of the board or any of its committees, whichever is less.
- If he/she engages in a business where he/she competes with the Company or conducting businesses in any of the Company's activities.
- If he/she served for more than nine years, consecutive or inconsecutive, as a Board member of the Company.

**** The Chairman, Mr. Mohammed Abdullah Mohammed Al-Alyan, has an indirect ownership in the Issuer, arising from his direct ownership of (0.22%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) of the Issuer. Accordingly, his indirect ownership thereby represents 0.12% of the Issuer's share capital before the Offering and 0.11% after the Offering.

**** The Vice-Chairman, Abdullah Imad Hamad Al-Askar, has an indirect ownership in the Issuer, resulting from his direct ownership of (4.18%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership accounts for 2.25% of the issued share capital before the Offering and 1.98% after the Offering.

**** The Director, Mr. Badr Mohammed Abdulaziz Al-Sulaiman, holds an indirect ownership in the Issuer arising from: (1) A direct ownership of 22.93% of the share capital of Al-Sulaiman Real Estate Company (a Substantial Shareholder), and (2) A direct ownership of 99% of the share capital of Al-Bassar Investment Company, which owns 15.46% of Al-Sulaiman Real Estate Company (a Substantial Shareholder), which holds 54.00% of the share capital of the Issuer. Accordingly, his indirect ownership in the Issuer accounts for 20.65% of the share capital before the Offering and 18.17% of the share capital after the Offering.

4.4.2 Mandates of the Board of Directors

The mandates of the Board of Directors are as follows:

1. Developing and regularly reviewing the Company's main plans, policies, strategies, and objectives, overseeing their execution, and ensuring adequate human and financial resources are in place to support them. This includes:
 - A) Developing, reviewing, and directing the Company's full strategy, key business plans and risk management policy.
 - B) Determining the optimal capital structure of the Company, its strategies, and financial objectives, and approve annual budgets.
 - C) Supervising the Company's major capital expenditures and owning and disposing of assets.
 - D) Setting performance goals and monitoring implementation and overall performance of the Company.
 - E) Periodic review and approval of organizational and functional structures of the Company.
2. Establishing systems and controls for internal control and general supervision, including a written policy that regulates conflicts of interest and addresses potential conflicts between the members of the Board of Directors, the executive management and the shareholders, and addresses any potential conflict of interest, etc.
3. Establishing and supervising corporate governance rules for the Company, in a manner that does not conflict with the Governance Regulations issued by the Capital Market Authority, monitoring their effectiveness, and amending them if required.
4. Establishing clear and specific policies, standards and procedures for membership in the Board of Directors and put them into effect after their approval by the General Assembly.
5. Developing a written policy to regulate this relationship with the stakeholders in order to protect them and preserve their rights.
6. Develop policies and procedures that ensure the Company's respect for laws and regulations and its obligation to disclose material information to partners, investors, creditors and other stakeholders. and verify the executive management's commitment.
7. Supervising the Company's financial management, cash flows, and financial and credit relationships with third parties.
8. Submitting proposals to the ordinary and extraordinary general assemblies as deemed appropriate, in accordance with the Company's bylaws and relevant laws and regulations.
9. Establishing procedures for introducing new Directors to the Company's operations and activities, especially financial and legal aspects, and training them when necessary.
10. Ensuring that the Company provides comprehensive information on its affairs to all Directors generally and to non-executive Directors in particular to enable them to perform their duties effectively.
11. Preparing and approving the Company's interim and annual financial statements before publishing.
12. Ensuring the accuracy and integrity of information to be disclosed in accordance with disclosure and transparency policies and regulations.
13. Establishing effective communication channels that keep partners and investors to continuously and periodically updated on the various activities of the Company and any material developments.
14. Forming specialized committees derived from the Board by resolutions that determine the duration of the committee, its powers, responsibilities, and how the Board monitors it. The resolution must include naming members and defining their tasks, rights, and obligations, along with evaluating the performance and work of these committees and their members.
15. Determining the types of remunerations provided to the Company's employees, such as fixed remunerations, performance-based remunerations, and share-based remunerations, without violating the applicable regulatory controls and procedures.
16. Establishing the values and standards that govern the Company's operations.

4.4.3 Mandates of the Chairman of the Board of Directors

The Chairman shall be responsible for ensuring effective communication channels with partners and conveying their opinions to the Board of Directors. The Chairman shall also be responsible for the optimal management of the Board's work. His key duties and responsibilities include:

1. Chairman's duties related to the effectiveness of the Board:
 - A) Ensuring that the Board has sufficient resources to support its activities, and has been provided with information as requested.
 - B) Managing discussions and deliberations during the Board meetings, and ensuring that decisions made are clear, understood by all Board members, and recorded in the meeting minutes.
 - C) Ensuring mechanisms are in place to evaluate the performance of the Board, its Directors, committees, and executive management.
 - D) Fostering a culture of openness and constructive discussion by strengthening relationships among members, encouraging effective participation between the Directors and executive management, and promoting active engagement between non-executive and independent Directors.
2. Chairman's duties related to the management of the Board:
 - A) Preparing the Board of Directors' meeting agenda at the beginning of the financial year, taking into consideration any matters raised by Board members or the external auditor, and consulting with Board members and the CEO during the preparation of the agenda.
 - B) Enabling all Board members to actively participate in Board meetings.
 - C) Ensuring that controls are in place to support the Board in performing its duties effectively and efficiently.
 - D) Holding periodic meetings with non-executive Board members.
 - E) Ensuring that, where responsibilities have been delegated to committees or Company executives, they are carried out in accordance with the Board's delegation, and that the outcomes are communicated to the Board.
 - F) Ensuring that the Board shall receive adequate support.
 - G) Approving the Board resolutions and issuance of resolutions thereof.
 - H) Overseeing the formation of all Board committees and submitting recommendations to the Board for approval of nominated members, in consultation with the Nomination and Remuneration Committee.
 - I) Continuously working on the development of the Board by selecting the most qualified candidates for membership.
 - J) Calling for Board meetings and presiding over the Board sessions.
3. Chairman's Responsibilities Towards Shareholders:
 - A) Presiding over the Company's General Assembly meetings.
 - B) Informing the General Assembly, upon its convening, of any activities or contracts in which a Board member has a direct or indirect interest. This disclosure must include all information provided by the concerned member to the Board and be accompanied by a special report from the Company's external auditor.
 - C) Ensuring effective communication with shareholders.
4. Any other responsibilities stipulated in the Company's by-laws.

4.4.4 Mandates of the Secretary of the Board of Directors

The duties and responsibilities of the Board Secretary are as follows:

1. Documenting Board meetings and preparing their minutes, which include discussions and deliberations, the place, date, start and end times of these meetings; recording the Board's decisions and voting results and keeping them in a special, organized register, with the names of the present members and any reservations they expressed (if any); obtaining the signature of all present members on those minutes.
2. Maintaining reports submitted to the Board and reports prepared by it.
3. Providing the Board members with the Board meeting agenda, related working papers, documents, information, and any additional information related to the topics included in the agenda items, which may be requested by any Board member.
4. Verifying that the Directors comply with the procedures approved by the Board.
5. Preparing the annual meeting agenda for the Board and its committees in accordance with the governance rules and regulations approved by the General Assembly or the Board, and notifying Directors of the dates of the Board meetings well in advance.
6. Presenting the draft minutes to the Directors for their comments before signing.
7. Ensuring that Board members receive full and prompt access to copies of the Board meeting minutes, information, and documents related to the Company.
8. Coordinating among Board members.
9. Organizing the disclosure register of Directors and executive management, in coordination with the Governance and Compliance Officer, in accordance with the Corporate Governance Regulations.
10. Providing assistance and advice to the Directors.

11. Coordinating with the Governance and Compliance Officer regarding governance requirements related to the Board of Directors and its committees (where applicable), their composition, responsibilities, and operating procedures.

4.4.5 Following is a summary of the biographies of the Directors and Secretary

Table No. (49): Biography of Mohammed Abdullah Mohammed Al-Alyan

Mohammed Abdullah Mohammed Al-Alyan	
Age	36 years old
Nationality	Saudi
Position	Chairman
Qualifications	He holds a master's degree in business systems from the College of Sharia from Imam Muhammad bin Saud Islamic University, in 2009G.
Practical Experiences	<ul style="list-style-type: none"> Served as Secretary of the Shariah Committee at Qimah Financial Company (a closed joint stock company operating in securities trading) from 2009G to 2012G. Served as Executive Director at Al-Sulaiman Real Estate Company (a closed joint stock company engaged in real estate development and investment) from 2012G to 2019G. Currently serves as General Manager at Al-Ikhtiyar Al-Wa'ed Company (a limited liability Company operating in financial and insurance activities) since 2022G to date. Currently serves as General Manager at Rasw Al-Oula Investment Company (a limited liability Company operating in financial, insurance, and real estate activities) since 2024G to date.
Memberships in other Boards of Directors	<ul style="list-style-type: none"> Currently serves as a member of the Board of Trustees at Muzn Charitable Foundation (a registered charitable organization under the Department of Charitable Associations and Foundations at the Ministry of Human Resources and Social Development, supporting foundational projects and initiatives in the non-profit sector) since 2016G to date. Currently serves as a Director at Al-Sulaiman Real Estate Company (a closed joint stock company engaged in real estate development and investment) since 2016G to date. Currently serves as a Member of the Board of Managers at Aseel Financial Company (a limited liability Company engaged in financial technology solutions) since 2020G to date. Currently serves as a Director at Soom Platform Company (a simplified joint stock company, engaged in digitizing the auction market in the Kingdom) from 2021G to 2024G. Currently serves as Director at Hayat Al-Nathafa Company (a closed joint stock company engaged in deep cleaning of household furniture) since 2022G to date. Currently serves as Director of Tilal Al-Malqa Fund, BLME Capital Company, since the fund's establishment in 2024G to date.

Source: The Company

Table No. (50): Biography of Abdullah Imad Hamad Al-Askar

Abdullah Imad Hamad Al-Askar	
Age	31 years old
Nationality	Saudi
Position	Vice-Chairman and CEO
Qualifications	<ul style="list-style-type: none"> • He holds a Bachelor's degree in Sharia and Law from Imam Muhammad ibn Saud Islamic University, 2016G. • He holds a master's degree in regulations from the Higher Judicial Institute, in 2019G.
Practical Experiences	<ul style="list-style-type: none"> • Currently serves as CEO at Hawyia Auctions Company (a closed joint stock company, engaged in asset and property marketing) since 2021G to date. • Served as a Judge at the Ministry of Justice from 2017G to 2021G. • Served as a Researcher at Almaqasid Economic Advisory in 2016G. • Served as Managing Director at Al-Bassar Investment Company (a limited liability Company operating in the investment sector) from 2022G to 2024G.
Memberships in other Boards of Directors	<ul style="list-style-type: none"> • Currently serves as Vice Chairman of the Board of Managers at NAL Lawyers (a professional limited liability Company operating in legal services and consultancy) since 2021G to present. • Currently serves as Director of Numo Real estate Fund 1, since the fund's establishment in 2022G to present. • Currently serves as Chairman of the Board of Managers at Future Training Hub Company (a limited liability Company operating in training) since 2024G to present. • Served as Managing Director at Al-Bassar Investment Company (a limited liability Company operating in the investment sector) from 2022G to 2024G. • Currently serves as a Member of the Board of Managers at Al-Hamat Al-Oula Trading Company (a limited liability Company engaged in trading) since 2024G to present.

Source: The Company

Table No. (51): Biography of Badr Mohammed Al-Sulaiman

Badr Mohammed Abdulaziz Al-Sulaiman	
Age	48 years old
Nationality	Saudi
Position	Director
Qualifications	He holds a Bachelor's degree in Sharia and Law from Imam Muhammad ibn Saud Islamic University, 1998G.
Practical Experiences	<ul style="list-style-type: none"> • Currently serves as Managing Director and Vice-Chairman of Al-Sulaiman Real Estate Company (a closed joint stock company engaged in real estate development and investment) since 1998G to date. • Currently serves as General Manager of Badr Contracting Company (a limited liability Company operating in the contracting field) since 2009G to date. • Currently serves as General Manager at Hawyia Advertising Company (a limited liability Company operating in advertising) since 2011G to date. • Currently serves as General Manager at Al-Bassar Investment Company (a limited liability Company operating in the investment sector) from 2021G to date. • Currently serves as General Manager at Kateeb Investment Company (a limited liability Company operating in the investment sector) from 2022G to date. • Currently serves as General Manager of Managam Katheeb Investment Company (a limited liability Company operating in investment) since 2023G to date. • Currently serves as Founder and General Manager of Rafadah Qadirin Facilities Management Company (a limited liability Company operating in utilities management) since 2024G to date.
Memberships in other Boards of Directors	<ul style="list-style-type: none"> • Currently serves as Director of Al-Sulaiman Investment Fund since the fund's establishment in 2022G to date. • Currently serves as Chairman of Numo Real estate Fund 1, since the fund's establishment in 2022G to date. • Currently serves as Director of Tharawat Al-Sulaiman Fund, since the fund's establishment in 2022G to date. • Currently serves as Director of Al-Sulaiman Business Compound Fund since the fund's establishment in 2024G to date.

Source: The Company

Table No. (52): Biography of Nader Hassan Atallah Al-Omari

Nader Hassan Atallah Al-Omari	
Age	41 years old
Nationality	Saudi
Position	Director
Qualifications	<ul style="list-style-type: none"> • He holds a Bachelor's degree in Commerce with Honors, majoring in Economics, Saint Mary's University, Canada, 2006. • He also holds a Master's degree in Economics, University of Waterloo, Canada, 2007.
Practical Experiences	<ul style="list-style-type: none"> • Financial Advisor at Dar Al-Majed Real Estate Company (a closed joint stock company engaged in real estate development and marketing), since 2019G to date. • Member of the Real Estate Committee at the Riyadh Chamber of Commerce (a government body overseeing business sectors), since 2020 to date. • Advisor to HE the President of the Education and Training Evaluation Commission for Investment Affairs (a governmental authority supervising education and training), since 2020G to date. • Chief Operating and Real Estate Investment Officer at the General Authority for Awqaf (a public authority regulating and enabling the endowment sector), from 2018G to 2019G. • Chief Operating Officer and Deputy CEO at Anfas Al-Raha Company (a closed joint stock company operating in the healthcare sector), from 2016G to 2018G. • Secretary of the Board of Directors at Anfas Al-Raha Company (a closed joint stock company operating in the healthcare sector), from 2016G to 2018G. • Certified Real Estate Appraiser by the Saudi Authority for Accredited Valuers, in 2018G. • Senior Portfolio Manager at Al-Muhaidib Group (a closed joint stock company operating in the investment sector), from 2015G to 2016G. • Head of Real Estate Assets at Hasana Investment Company (a limited liability Company operating in investment), from 2014G to 2015G. • Secretary of the Board of Directors at Hasana Investment Company (a limited liability Company operating in investment), from 2014G to 2015G. • Investment Analyst at the General Organization for Social Insurance (a governmental institution providing social protection and insurance coverage for citizens), from 2007G to 2014G. • Director at Dhakher Real Estate Development Company (a closed joint stock company engaged in real estate development and marketing), from 2022G to 2024G. • Director at SHL Finance Company, (a closed joint stock company operating in real estate financing), from 2012G to 2019G. • Director at Arab National Bank (a Saudi joint stock company operating in the banking sector), from 2011G to 2015G. • Director at Dar Al-Tamleek Financing Company (a Saudi joint stock company operating in real estate financing), from 2008G to 2011G.
Memberships in other Boards of Directors	<ul style="list-style-type: none"> • Director and CEO at Al Jadah Al Oula Real Estate Development Company (a publicly listed joint stock company engaged in real estate development), since 2019G to date. • Director at Al-Shurfah Investment Fund (an investment fund operating in the investment sector), since 2020G to date. • Director at Jaddat Al-Diriyah Investment Fund (an investment fund operating in the investment sector), since 2020G to date. • Director at National Tri-generation Company (NTCC) (a closed joint stock company operating in energy services), since 2018G to date. • Member of the Board of Managers at Durat Ishbilyah Investment Company (a limited liability Company engaged in investment), since 2022G to date. • Member of the Board of Managers at Awqaf Real Estate Management and Services Company (a limited liability Company operating in real estate services), since 2022G to date.

Source: The Company

Table No. (53): Biography of Walid Mohammed Hamad Al-Bassam

Walid Mohammed Hamad Al-Bassam	
Age	47 years old
Nationality	Saudi
Position	Director and member of the Audit Committee
Qualifications	<ul style="list-style-type: none"> • He holds bachelor's degree in accounting, King Saud University, Riyadh, 2000G. • He holds master's degree in accounting, King Saud University, 2006G. • He holds a PhD in accounting and governance from the University of Glasgow, UK, in 2014G.
Practical Experiences	<ul style="list-style-type: none"> • Currently serves as Partner at Khaled Al Bassam Co. CPA (a limited liability Company operating in audit and advisory services), since 2023G to date. • Served as Chief Financial Officer at Saudi Ceramic Company (a publicly listed joint stock company operating in construction solutions), from 2019G to 2024G. • Served as a Budget Advisor at the Vision Realization Office – Ministry of Municipalities and Housing, in 2019G. • Member of the Training Committee for the Transition from Cash to Accrual Accounting Basis Program (one of the Financial Balance Programs under Saudi Vision 2030), from 2018G to 2019G. • Served as a Part-time Advisor at the Saudi Organization for Chartered and Professional Accountants (a government body overseeing the audit and accounting profession), from 2016G to 2019G. • Served as Partner at Al-Kharashi & Partners CPA (a limited liability Company providing audit and consulting services), from 2013G to 2015G. • Served as Chief Financial Officer at National Glass Industries Company (a publicly listed joint stock company operating in the glass manufacturing industry), from 2006G to 2009G. • Served as Auditor at Ernst & Young (a limited liability Company providing audit and advisory services), from 2005G to 2006G. • Served as Auditor at the Accounting Department, General Organization for Social Insurance (a governmental institution providing social protection and insurance coverage), from 2003G to 2006G. • Served as Accountant at Saudi Pharmaceutical Industries & Medical Appliances Company (a publicly listed joint stock company operating in the pharmaceutical sector), from 1999G to 2001G. • Served as Dean of the Community Service and Continuing Education Center (CSCEC) (Self-Funded Programs) at Imam Muhammad bin Saud Islamic University (a public education institution operating in education and training), from 2018G to 2019G. • Served as Vice Dean of the College of Economics and Administrative Sciences at Imam Muhammad bin Saud Islamic University, from 2016G to 2018G. • Served as Faculty Member, Department of Accounting, and Head of Banking Department, at Imam Muhammad bin Saud Islamic University, from 2015G to 2018G. • Served as Faculty Member, Department of Accounting at Imam Muhammad bin Saud Islamic University (a public institution operating in education and training) from 2015G to 2021.
Memberships in Other Boards of Directors	<ul style="list-style-type: none"> • Currently serves as Director and Chair of Audit Committee at Shumou' Al Madi Company (a closed joint stock company operating in the food industry), since 2024G to date. • Currently serves as a member of the Audit Committee at the Saudi Paper Manufacturing Company (a publicly listed Company operating in the paper industry), since 2024G to date. • Currently serves as a member of the Audit Committee at the Natural Gas Distribution Company (a publicly listed Company operating in the gas distribution), since 2024 G to date. • Currently serves as Chair of the Audit Committee at Al Rajhi Endowment Trading and Industrial Company "Binaa" (a waqf Company operating in trade and endowment industry), since 2023G to date. • Currently serves as a member of the Audit Committee at Arabian Contracting Services Company (a listed joint-stock Company operating in setting up and operating outdoor billboards), since 2023G to date. • Currently serves as a Member of the Audit Committee at Alshathri Engineering Consultancy Company (a listed joint-stock Company operating in engineering consultancy), since 2021G to date. • Currently serves as a Director and Member of the Audit Committee at Al Khazaf Pipe Company (a closed joint-stock Company engaged in the production and sale of ceramic products), since 2021G to date.

Source: The Company

Table No. (54): Biography of Abdullah Khaled Bajnaid

Abdullah Khaled Bajnaid	
Age	24 years old
Nationality	Yemeni
Position	Board Secretary
Qualifications	He holds high school certificate from Abu Ismail Al-Harawi School, Riyadh, 2018G.
Practical Experiences	<ul style="list-style-type: none"> • Currently serves as manager of the executive management office at Hawyia Auctions Company (a closed joint stock company, engaged in asset and property marketing) since 2023G to date. • Served as Administrative Assistant at Mohammed Salem Badaoud Trading Establishment (a sole proprietorship engaged in import and export), from 2020G to 2022G. • Served as Administrative Supervisor and Accounting Data Entry Clerk at Royal East Factory (a limited liability Company operating in the jewelry industry), from 2020G to 2022G. • Served as Crowd Management and Safety Officer for Sela Sports Company (a limited liability Company engaged in entertainment, tourism, and sports), from 2018G to 2020G.

Source: The Company

4.5 Executive Management

Table No. (55): Members of the Executive Management

Name	Position	Nationality	Age	Date of appointment	Direct Ownership ⁽²⁾			
					Pre-Offering		Post-Offering	
					Number	Percentage (%)	Number	Percentage (%)
Abdullah Imad Hamad Al-Askar ⁽¹⁾	CEO	Saudi	31	29/08/2021G	3,920,000	19.60%	3,449,600	17.25%
Moaz Mohammed Abdullah Al-Tuman	Director of Business Development and Marketing	Saudi	34	11/10/2020G	-	-	-	-
Mohammed Al-Toum Al-Zubair Ali	Chief Financial Officer	Sudanese	31	22/08/2022G	-	-	-	-
Abdelbari Abdelrahman Abdullah Al-Nusayan	Director of the Legal Department	Saudi	25	01/01/2025G	-	-	-	-
Yasser Saad Khaled Al-Fawzan	Director of Project Management	Saudi	35	01/01/2025G	-	-	-	-
Mohammed Mohammed Ali Al-Ansari	Director of Support Services Department	Mali	54	14/07/2024G	-	-	-	-
Raqeem Chartered accountants & auditors				Department of Internal Audit				

Source: The Company

⁽¹⁾ Vice-Chairman, Abdullah Imad Hamad Al-Askar, has an indirect ownership, resulting from his direct ownership of (4.18%) in Al-Sulaiman Real Estate Company (Substantial Shareholder), which owns (54.00%) in the issuer. Accordingly, his indirect ownership accounts for 2.25% of the Issuer's capital before the Offering and 1.98% after the Offering.

⁽²⁾ On 23/09/1446H (corresponding to 16/02/2025G), Raqeem Chartered accountants & auditors was appointed as an external party to perform internal audit services for the year 2025.

Following are summary biographies of the members of the Executive Management

Abdullah Imad Hamad Al-Askar (CEO)
Please refer to the Section 4.4.5 of Directors and Secretary of the Board, table No. (30)

Table No. (56): Biography of Moaz Mohammed Abdullah Al-Tuman

Moaz Mohammed Al-Tuman	
Age	34 years old
Nationality	Saudi
Position	Director of Business Development and Marketing
Date of appointment	11/10/2020G
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in industrial engineering, King Saud University, 2016G.
Practical Experiences	<ul style="list-style-type: none"> Currently serves as manager of the business development department at Hawyia Auctions Company (a closed joint stock company, operating in asset and property marketing) since 2020G to date. Served as Project Manager and Business Relationship Manager at TOP100 for Nafoud Holding Company, and the founder of TOP100 Company from 2016G to 2020G.

Source: The Company

Table No. (57): Biography of Mohammed Al-Toum Al-Zubair Ali

Mohammed Al-Toum Al-Zubair Ali	
Age	31 years old
Nationality	Sudanese
Position	Chief Financial Officer
Date of appointment	22/08/2022G
Qualifications	<ul style="list-style-type: none"> • He holds a Bachelor's degree in Accounting and Finance, Al-Neelain University, Khartoum, 2014G. • He holds a Master's degree in Accounting, University of Sudan for Banking and Financial Sciences, Khartoum, 2018G.
Practical Experiences	<ul style="list-style-type: none"> • Currently serves as a financial director at Hawyia Auctions Company (a closed joint stock company, operating in asset and property marketing) since 2022G to date. • Served as Accountant at the Agricultural Bank of Sudan (a government institution overseeing public financing in the agricultural sector), from 2016G to 2017G. • Served as Accounts Manager at Nabta Petroleum Company (a limited liability Company operating in the petroleum sector), from 2017G to 2019G. • Served as Accounts Manager at Yasser Mohammed Al-Hassan Trading Establishment (a sole proprietorship engaged in spare parts trading), from 2019G to 2021G.

Source: The Company

Table No. (58): Biography of Yasser Saad Al-Fawzan

Yasser Saad Khaled Al-Fawzan	
Age	35 years old
Nationality	Saudi
Position	Director of Project Management
Date of appointment	01/01/2025G
Qualifications	<ul style="list-style-type: none"> • He holds a Bachelor's degree in Management Information Systems, College of Business, King Abdulaziz University, 2016G.
Practical Experiences	<ul style="list-style-type: none"> • Currently serves as Director of Project Management at Hawyia Auctions Company (a closed joint stock company, operating in asset and property marketing) since 2025G to date. • Served as Project Manager at Hawyia Auctions Company (a closed joint stock company, operating in asset and property marketing) since 2022G to 2024G. • Served as administrative manager at Asoas Al-Aqar Company (a limited liability Company operating in investment and real estate development sector) from 2021G to 2022G. • Served as Project Manager at Adl Company (a limited liability Company operating in legal and training field), from 2018G to 2021G. • Served as Customer Accounts Manager at Digital Data Company (a limited liability Company operating in contracting), from 2015G to 2018G.

Source: The Company

Table No. (59): Biography of Abdelbari Abdelrahman Abdullah Al-Nusayan

Abdelbari Abdelrahman Abdullah Al-Nusayan	
Age	25 years old
Nationality	Saudi
Position	Acting Director of the Legal Department
Date of appointment	01/01/2025G
Qualifications	<ul style="list-style-type: none"> • He holds a Bachelor's degree in Law from the Saudi Electronic University, Riyadh, 2024G.
Practical Experiences	<ul style="list-style-type: none"> • Currently serves as Director of Legal Department at Hawyia Auctions Company (a closed joint stock company, operating in asset and property marketing) since 2025G to date. • Served as legal specialist at Hawyia Auctions Company (a closed joint stock company, operating in asset and property marketing) since 2023G to 2025G. • Served as assistant manager at Wojooh Publishing Company (a limited liability Company operating in books and publishing) from 2020G to 2022G.

Source: The Company

Table No. (60): Biography of Mohammed Mohammed Ali Al-Ansari

Mohammed Mohammed Ali Al-Ansari	
Age	54 years old
Nationality	Mali
Position	Acting manager of Supporting Services Department
Date of appointment	01/01/2025G
Qualifications	<ul style="list-style-type: none"> • He holds high school diploma, Mali, 1996G
Practical Experiences	<ul style="list-style-type: none"> • Currently serves as Director of Supporting Services Department at Hawyia Auctions Company (a closed joint stock company, operating in asset and property marketing) since 2025G to date. • Served as administrative assistant at Hawyia Auctions Company (a closed joint stock company, operating in asset and property marketing) since 2022G to 2025G. • Served as Administrative Assistant at Khairat Association for Food Preservation (a sole proprietorship operating in preserving surplus food from hotels, restaurants, palaces, rest houses, and homes), from 2016G to 2022G. • Social Research Officer at Al-Mulawwan Endowment Foundation (a charitable organization engaged in restoring village mosques, providing essential supplies, relieving distress, and offering food aid), from 2014G to 2016G. • General Secretary at Sahm Al-Maram Advertising and Media Establishment (a sole proprietorship providing advertising and marketing services), from 2009G to 2014G. • Logistics Coordinator and Data Entry Clerk at Al-Usailan Hajj and Umrah Campaign, from 2005G to 2009G.

Source: The Company

4.6 The Company's Board Committees

The Company is in compliance with all mandatory corporate governance requirements stipulated in the Companies Law, as well as the mandatory provisions applicable to companies listed on the Parallel Market, as outlined in the Corporate Governance Regulations. The Company's policy is to adopt high level standards of corporate governance, including the clear separation of responsibilities and duties between the Board of Directors and executive management, and the implementation of policies that ensure the Board operates in a manner that serves the best interests of shareholders.

The Company has formed an Audit Committee in response to its needs and circumstances to enable it to perform its duties effectively and to meet the relevant regulatory requirements. Below is a description of the Audit Committee, its responsibilities, and current members:

4.6.1 Audit Committee

The Ordinary General Assembly, in its meeting held on 28/03/1444H (corresponding to 23/10/2022G), approved the formation of the Audit Committee, and identified its responsibilities, the rules governing its operations, the remuneration of its members, and the duration of their membership for the first term, which began on the date of the Assembly and will end at the conclusion of the current Board of Directors' term.

Audit Committee's Mandates

The Audit Committee shall be responsible for monitoring the Company's business and verifying the integrity of its reports, financial statements and internal control systems. The Committee's duties include, in particular, the following:

Financial Reporting:

- Reviewing, expressing opinions on, and making recommendations to the Board regarding the interim and annual financial statements of the Company prior to their presentation to the Board to ensure integrity, fairness and transparency.
- Expressing a technical opinion, upon the request of the Board, as to whether the Board's report and the Company's financial statements are fair, balanced, and understandable, and include information that allows shareholders and investors to evaluate the Company's financial position, performance, business model, and strategy.
- Reviewing any important or unusual issues included in the financial reports.
- Reviewing carefully any issues raised by the Company's chief financial officer, whoever assumes his duties, compliance officer, or the auditor.
- Verifying accounting estimates on the fundamental issues contained in the financial reports.
- Reviewing the accounting policies in force and advising the Board of its opinion and any recommendations regarding the same.

Internal Audit:

- Considering the Company's internal audit, finance systems and risk management.
- Reviewing the reports of Internal Audit Department and pursuing the implementation of corrective measures in the comments included therein.
- Overseeing and supervising the activities of the internal auditor or Internal Audit Department, if any, to ensure they have access to the necessary resources and ensuring their effectiveness in performing the tasks and duties assigned to them. If the Company does not have an internal auditor, the Committee must submit its recommendation to the Board regarding the need to appoint an internal auditor.
- Submitting recommendations to the Board regarding the appointment and remuneration of the manager of the Internal Audit Department or internal auditor.

Auditor:

- Submitting recommendations to the Board regarding the appointment, dismissal, and fees of the external auditors after verifying their independence and reviewing their scope of work and terms of engagement.
- Verifying the independence, objectivity and fairness of the external auditor, and the effectiveness of audit, taking into account the relevant rules and standards.
- Reviewing the Company's auditor's plan and work and verifying it does not submit technical or administrative work that falls outside the scope of audit work, and expressing its opinions thereupon.
- Answering the inquiries made by the Company's auditor.
- Reviewing the external auditors' reports and comments in relation to the Company's financial statements, and following up on the actions taken in respect thereof.

Ensuring Compliance:

- Reviewing the results of the regulatory authorities' reports and verifying that the Company has taken the necessary measures in relation to the same.
- Verifying the Company's compliance with the relevant laws, regulations, policies and instructions.
- Reviewing the contracts and transactions to be entered into by the Company with related parties and making recommendations to the Board in relation to the same.
- Submitting any matters it deems necessary to take action on to the Board of Directors and providing its recommendations on the appropriate measures to be taken.

The following table shows the Audit Committee Members:

Table No. (61): Audit Committee Members

Name	Position
Walid Mohammed Hamad Al-Bassam	Committee Chair
Yazid Khaled Mohammed Al-Khawitir	Committee Member
Khaled Saleh Abdulaziz Al-Haqbani	Committee Member

Source: The Company

Below are the biographies of the Audit Committee members:

Table No. (62): Biography of Walid Mohammed Hamad Al-Bassam

Walid Mohammed Hamad Al-Bassam (Audit Committee Chair) Date of appointment 11/06/1446 H (corresponding 12/12/2024G)
Please refer to the Section 4.4.5 of Directors and Secretary of the Board, table No. (33)

Source: The Company

Table No. (63): Biography of Yazid Khaled Mohammed Al-Khawitir

Yazid Khaled Mohammed Al-Khawitir	
Age	34 years old
Nationality	Saudi
Position	Audit Committee member
Date of appointment	12/12/2024G
Qualifications	<ul style="list-style-type: none"> • He holds a Bachelor's degree in Sharia, Imam Muhammad ibn Saud Islamic University, 2016G. • He holds a master's degree in regulations, Higher Judicial Institute, 2016G. • He holds a master's degree in commercial law, Sultan Prince University, 2024G.
Practical Experiences	<ul style="list-style-type: none"> • Currently serves as a lawyer at ASH Clifford Chance (a law firm operating in legal services and consultancy), since July 2024G – present. • Mohammed Al-Dhaban Law Firm in cooperation with Eversheds Sutherland (a global law firm) from 2022G to 2024G. • Served as Director of Project Management at the Saudi Data and Artificial Intelligence Authority (a government agency operating in IT, data, and AI) from 2020G to 2022G. • Zakat, Tax and Customs Authority (a government agency responsible for the collection of zakat, taxes, and customs) from 2018G to 2020G. • BMSK Law Firm (a law firm specializing in legal services) from 2017G to 2018G. • Abdullah Al-Harbi Law Office (a law office practicing legal services) from January 2017G to June 2017G. • Al-Mustaqbal Investment Company for Endowments and Wills from August 2016G to November 2016G.

Source: The Company

Table No. (64): Biography of Khaled Saleh Abdulaziz Al-Haqbani

Khaled Saleh Abdulaziz Al-Haqbani	
Age	33 years old
Nationality	Saudi
Position	Audit Committee member
Date of appointment	12/12/2024G
Qualifications	<ul style="list-style-type: none"> • He holds a Bachelor's degree in Sharia with honors, Imam Muhammad ibn Saud Islamic University, 2016G. • He holds a master's degree in Sharia Politics with first-class honors, Imam Muhammad bin Saud Islamic University, 2019G.
Practical Experiences	<ul style="list-style-type: none"> • Worked as a lawyer at Al-Marzouq Lawyers and Legal Consultants in cooperation with GOVINGTON International (a professional limited liability Company operating in legal services and consultancy) from 2018 to 2020. • Practiced as a licensed lawyer at various law firms during 2020G. • Served as Executive Director at Dr. Ibrahim bin Mohammed Al-Sulaiman Law Firm (a legal consultancy firm) from 2020 to 2021G. • Currently serving as a Member of the Board of Managers at Nalkom Law Firm and Legal advice (a professional limited liability Company operating in legal services and consultancy) since 2021G – present. • Currently serving as a Member of the Board of Managers at Future Training Hub Company (a limited liability Company operating in training) since 2024G – present.

Source: The Company



Dividend Distribution Policy

5 Dividend Distribution Policy

The Company's By-laws, Article (39) "Formation of Reserves", states:

The Ordinary General Assembly may, when determining the share of net profits to be distributed to shareholders, decide to form reserves to the extent that serves the Company's interest or ensures, as much as possible, the distribution of consistent dividends to shareholders. The said Assembly may also allocate amounts from the net profits to serve social purposes for the Company's employees.

2. The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting the reserves, if any.

The Company's By-laws, Article (40) "Distribution of Interim Dividends", states:

1. The Company may distribute interim dividends on a semi-annual or quarterly basis after fulfilling the following requirements:
 - A) The General Assembly may authorize the Board to distribute interim dividends by a resolution to be renewed annually.
 - B) The Company should have good and consistent profitability.
 - C) The Company has adequate liquidity and can reasonably predict its profits.
 - D) The Company has distributable profits, according to the most recent audited financial statements, sufficient to cover the proposed dividends after deducting any amounts previously distributed or capitalized from such profits subsequent to the date of these financial statements.
2. Distributable profits consist of the retained earnings as stated in the latest statement of financial position preceding the period during which the distribution decision is made, in addition to any distributable reserves.
3. Reserves formed from profits and not allocated for specific purposes—or for which the original purpose has been canceled—are considered distributable reserves.
4. The Board of Directors must include in its annual report submitted to the General Assembly the percentages of dividends distributed during the year, the proposed year-end dividend percentage, and the total of such dividends.
5. When deciding to distribute interim dividends, the Company must promptly disclose and announce the decision and submit a copy to the Authority immediately upon issuance, if the Company is listed on the Stock Exchange Market.

The Company's By-laws, Article (41) "Entitlement to Dividends", states:

The shareholder shall be entitled to their share of the dividends in accordance with the relevant resolution issued by the General Assembly. The resolution shall specify the entitlement and distribution dates. Dividend entitlement shall be limited to shareholders registered in the shareholders' register at the end of the record date. The Board of Directors must implement the General Assembly's resolution regarding the distribution of dividends to shareholders.

The following table show the dividends distributed by the Company during the years ended 31 December 2022G, and 2023G, and for the nine-month period ended 30 September 2024G. It is worth noting that no other dividends have been declared or distributed as of the date of this Prospectus:

Table No. (65): Dividends Distribution

Description	31 December 2022	31 December 2023G**	30 September 2024
Net profit for the year/ period	11,733,526	37,075,854	19,232,015
Dividends declared during the year/period	8,000,000 ⁽¹⁾	13,566,558 ⁽²⁾	23,713,085 ⁽³⁾
Dividends declared during the year/period	3,997,667	17,568,891	18,713,085
Earnings per share from net profit for the year/ period ⁽⁴⁵⁾	0.59	1.85	0.96
Declared dividends to net profit ratio for the year/ period	68.18%	36.66%	123.30%

Source: The Company

⁽¹⁾ On 07/06/1444H (corresponding to 31/12/2022G), the partners agreed to distribute cash dividends in the amount of (8,000,000) Saudi Riyal. As of 31 December 2022G, part of the dividends of (3,997,667) Saudi Riyal has been paid to the partners, while the Company, based on the partners' approval, has recognized an amount of (4,002,333) Saudi Riyal as dividends payable. It is worth mentioning that the Company has made payment of dividends of (4,002,333) Saudi Riyal to the partners during 2023G.

⁽²⁾ On 18/06/1445H (corresponding to 31/12/2023G), the partners agreed to distribute cash dividends of (13,566,558) Saudi Riyal. The dividends were paid to the partners.

⁽³⁾ On 24/11/1445H (corresponding to 01/06/2024G), the partners agreed to distribute cash dividends of (23,713,085) Saudi Riyal. As of 30 December 2024G, part of dividends of (18,713,085) Saudi Riyal has been paid to the partners, while the Company, based on the partners' approval, has recognized an amount of (5,000,000) Saudi Riyal as dividends payable. It is worth mentioning that the Company has paid dividends of (5,000,000) Saudi Riyal to the partners during 2024G.

⁽⁴⁾ Earnings per share were calculated based on the number of the Company's issued shares as of the date of this Prospectus, amounting to twenty million (20,000,000) ordinary shares.

Although the Company has distributed dividends during the years ended 31 December 2022G, and 2023G, and for the nine-month period ended 30 September 2024G, it does not provide any guarantee regarding the dividends to be paid in the future.

The Offering Shares shall be entitled to their portion of any dividends declared by the Company from the date of this Prospectus and for subsequent financial years.



Use Of Offering Proceeds

6 Use of Offering Proceeds

The total Offering Proceeds are estimated at approximately Thirty-one million, two hundred thousand (31,200,000) Saudi Riyals, from which approximately three million five hundred fifty-one thousand (3,551,000) Saudi Riyals will be allocated to cover all costs and expenses for the Offering, which include the fees of the Financial Advisor, Lead Manager, other consultants, as well as printing, distribution, marketing, and other Offering-related expenses.

The net proceeds of the Offering, estimated at approximately Twenty-seven million, six hundred forty-nine thousand (27,649,000) Saudi Riyals, will be distributed to the selling shareholders in proportion to their respective ownership percentages in the Company's capital. The Company will not receive any amount from the net proceeds of the Offering.



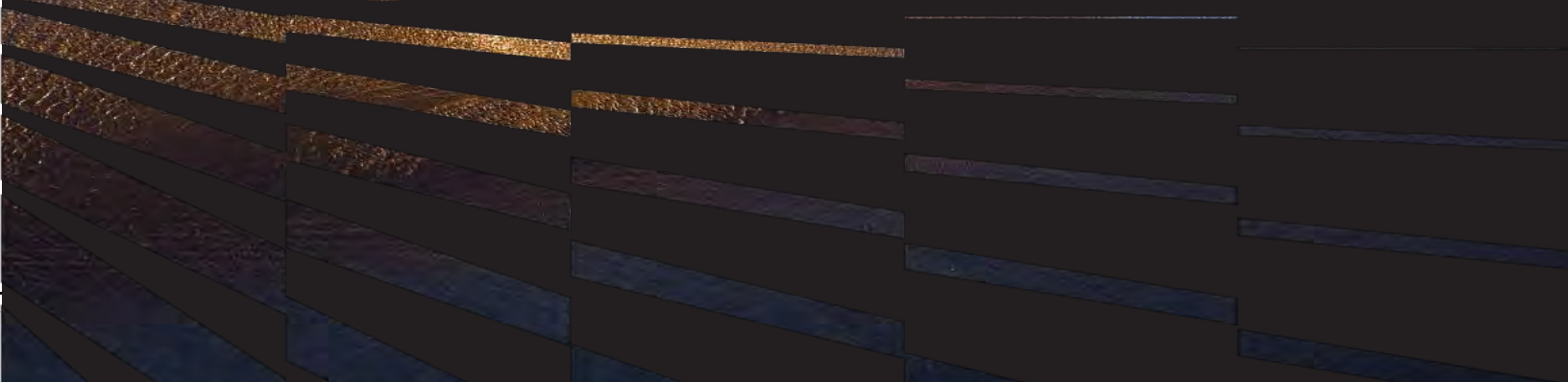
Directors' Declarations

7 Directors' Declarations

The Directors of the Company declare the following:

- 1- There has been no interruption in the Issuer's business during the 12-month period preceding the date of this Prospectus, which may have, or has had, significant impact on its financial position.
- 2- No commissions, discounts, brokerage fees, or any non-monetary consideration were granted by the Issuer during the year immediately preceding the date of the application for registration and the offering of shares in connection with the issue or offering of any share.
- 3- There has been no adverse and material change in the financial and commercial position of the Issuer during the year immediately preceding the date of application for registration and offering of shares.
- 4- Contrary to what is stated on pages (C, 41) of this Prospectus, the directors or any of their relatives do not have any shares or interest of any kind in the Issuer.
- 5- Except as disclosed in Risk No. (2.1.26) "Risks related to lawsuits" in Section (2) "Risk Factors" in this Prospectus, the Company is not subject to any lawsuits or legal proceedings that may materially affect the Company's business or financial position.
- 6- There are no other facts that could affect the application for registration of securities that are not included in this Prospectus.
- 7- The Company holds all the basic licenses and approvals required to carry out its activities.
- 8- The Company has obtained all the necessary approvals to register and offer its shares in the parallel market.
- 9- Except as stated in "Risk Factors", the Directors are not aware of any other material risks that could affect the decision of prospective investors to invest in the shares of the Company.
- 10- The Directors are not subject to any lawsuits or legal proceedings that may, individually or collectively, have material impact on the Company's business or financial position.
- 11- There is no power to give a director or CEO the right to vote on remuneration granted to them.
- 12- There is no power for directors or senior executives to borrow from the Issuer.
- 13- No member of the Board of Directors of the Company or any member of the Executive Management of the Company or the Secretary of the Board of Directors has been declared bankrupt and has not been subject to any bankruptcy procedures.
- 14- The Company is in compliance with all the provisions of the Companies Law as of the date of this Prospectus.
- 15- As of the date of this Prospectus, no Director is involved in any rival activities to the Company.
- 16- Except as disclosed in Risk No. (2.1.36) "Risks related to related parties' transactions" in Section (2) "Risk Factors" and the Sub-section "related party transactions" in this Prospectus, the Company does not have any dealings with related parties as of the date of this Prospectus.
- 17- Except as disclosed in Risk No. (2.1.36) "Risks related to related parties' transactions" in Section (2) "Risk Factors" in this Prospectus, there is no conflict of interest related to the members of the Board of Directors regarding contracts or transactions concluded with the Company.
- 18- Directors shall be required to notify the Board of their direct or indirect personal interests in the transactions and contracts made in favor of the Company.
- 19- Except as disclosed in Risk No. (2.1.9) "Risks related to potential Zakat dues and additional claims" in Section (2) "Risk Factors" in this Prospectus, the Company does not have any disputes or claims for Zakat differences by the Zakat, Tax and Customs and Authority.
- 20- Except as disclosed in Section (2) "Risk Factors" in this Prospectus, the Company has no information about any governmental, economic, financial, monetary or political policies or any other factors that have affected or could materially (directly or indirectly) impact the Company's operations.
- 21- The Company pledges to appoint an external party to conduct the internal audit activities during the first quarter of 2025G.
- 22- The Company shall undertake to submit its latest annual financial statements, to be attached to the preliminary prospectus prior to the commencement of the Company's Share Offering, in accordance with the periods stipulated under the Rules of Offering Securities and Continuing Obligations.

Offering Expenses



8 Offering Expenses

All costs related to the offering, which are expected to be approximately three million five hundred and fifty-one thousand (3,551,000) Saudi Riyals, will be borne by the Selling Shareholders and will be fully deducted from the total subscription proceeds of Thirty-one million two hundred thousand (31,200,000) Saudi Riyals.

The offering expenses include the fees of the financial advisor and Lead Manager, printing, marketing costs, and other expenses related to the Offering.

It is worth mentioning that the Company will not bear any of the expenses related to the Offering but will be fully deducted from the total proceeds of the subscription, and the selling shareholders will pay all the expenses of the offering incurred by the Company once the offering process is completed, each according to the percentage they own in the Company's capital.



Information On Shares And Offering Terms And Conditions

9 Information on Shares and Offering Terms and Conditions

The Company has applied to the Capital Market Authority to register and offer the Shares in the Parallel Market in accordance with the requirements of the Rules on the Offer of Securities and Continued Obligations issued by the Capital Market Authority. This Prospectus was approved, all the supporting documents requested by the Authority were submitted, and all the official approvals necessary for the process of Offering Shares in the Parallel Market were obtained.

All Qualified Investors wishing to participate in this Offering must read the Offering terms and conditions carefully before submitting the subscription application, through the websites and platforms of the Lead Manager or through any other means provided by the Lead Manager and Receiving Entities, as submitting the subscription application to the Lead Manager and Receiving Entities constitutes an acknowledgment of acceptance and approval of the mentioned terms and conditions of the Offering.

9.1 Subscription

Two million four hundred thousand (2,400,000) new ordinary shares with a nominal value of One (1) Saudi Riyals per share, representing (12.00%) of the Company's shares, will be offered for subscription in the Parallel Market at a price of Thirteen (13) Saudi Riyals per share, with a total value of Thirty-one million, two hundred thousand (31,200,000) Saudi Riyals.

limited to the following categories of Qualified Investors:

1. Capital Market Institutions acting on their own behalf.
2. Clients of a Capital Market Institution licensed to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to take decisions to accept participation in the Offering and to invest in the parallel market on the client's behalf without the need for his/her prior approval.
3. The Kingdom's Government, any government entity, or any international body recognized by the Capital Market Authority, the Saudi Exchange, or any other stock exchange recognized by the CMA, or the Securities Depository Center Company (Edaa);
4. Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution authorized to perform management activities.
5. Companies and funds established in the Gulf Cooperation Council (GCC) countries.
6. Investment funds.
7. Any other legal persons may open an investment account in the Kingdom and an account with the Depository Center.
8. Natural persons who may open an investment account in the Kingdom and an account at the Depository Center, and who meet any of the following criteria:
 - A. have made transactions in the securities market with a total value of not less than forty million (40,000,000) Saudi Riyals and not less than ten (10) transactions per quarter during the past 12 months.
 - B. have assets whose net value is not less than five million (5,000,000) Saudi Riyals.
 - C. are working or have worked in the financial sector for at least three (3) years.
 - D. Holds the General Securities Qualification Certificate which is approved by the Authority.
 - E. hold a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity; or
9. Any other persons determined by CMA.

9.2 How to Apply for Subscription

Subscription to the Offer Shares can be made through the Lead Manager's and Receiving Entities websites and platforms that provide this service to subscribers or through any other means provided by the Lead Manager, and Receiving Entities through which the Qualified Investors will be able to subscribe to the Offer Shares of the Company during the Offering Period. The Subscriber shall fulfill subscription requirements as described in the subscription form and this Prospectus. The Subscriber shall agree to all terms and conditions and complete all relevant sections of the subscription form. The Company reserves the right to reject any subscription application, in part or in full, in the event that any of the terms and

conditions of the subscription is not met or the necessary instructions are not followed. Any amendments to the subscription application form may not be made or withdrawn after its submission except after the approval of the Lead Manager, as the subscription application form once submitted represents a legally binding agreement between the Subscriber and the Company.

Investors may obtain an electronic copy of this Prospectus and the subscription application form from the Financial Advisor and the Lead Manager through the contact information set out below:

Financial Advisor

Estidamah Capital
7313 Prince Mohammed bin Saad Road, 2301 Al Malqa District, 13524 I
Kingdon of Saudi Arabia
Tel: +966 11 2267576
E-mail: info@estidamahcapital.com
Website: www.estidamahcapital.com



Lead Manager

Derayah Financial
Riyadh, Al-Takhassusi Street, Prestige Center, Third Floor
Kingdon of Saudi Arabia
Tel: +966 11 299 8000
Fax: 5498 11419 +966
E-mail: support@derayah.com
Website: www.derayah.com



9.3 Offering Period and Conditions

Subscription Application Forms will be received by the Lead Manager starting on Monday 28/11/1446 H (corresponding to 26/05/2025G) until Thursday 02/12/1446 H (corresponding to 29/05/2025 G). In the event that the Subscription Application is incomplete, or the information provided therein is incorrect, the Subscription Application shall be considered null and void.

Each Subscriber shall specify the number of Offer Shares applied for in the Subscription Application Form, and the total subscription

amount will be equal to the number of Offer Shares applied for multiplied by the Offer Price of thirteen (13) Saudi Riyals per Share. Each Qualified Investor who subscribes for the Offer Shares must apply for a minimum of ten (10) Offer Shares and a maximum of Nine hundred ninety-nine thousand nine hundred ninety (999,990) Offer Shares.

Subscription Application Form must be submitted during the Offering Period with the following documents, as applicable: Table No. (66): List of Documents Required for Subscription to the Offer Shares

Type of Investor	Documents Required for Subscription to the Offer Shares
Saudi Individual Investors	
Individual	<ul style="list-style-type: none"> • Copy of national identity card. • Copy of power of attorney (when submitting the Subscription Application by the agent on behalf of the Investor). (if applicable) • A copy of the inheritance certificate, if there are heirs. (if applicable) • Letter or document that proves that the Subscriber is qualified for investment in the Parallel Market (Nomu).
Investment portfolio managed by a financial institution	<ul style="list-style-type: none"> • Copy of national identity card. • A letter from the financial institution confirming the authority of the financial institution to invest on behalf of the investor's portfolio.
Non-Saudi Individual	
Individual	<ul style="list-style-type: none"> • Copy of Iqama • Letter or document that proves that the Subscriber is qualified for investment in the Parallel Market (Nomu).
Investment portfolio managed by a financial institution	<ul style="list-style-type: none"> • Copy of Iqama • A letter from the financial institution confirming the authority of the financial institution to invest on behalf of the investor's portfolio.
Companies	
Saudi Company	<ul style="list-style-type: none"> • Copy of the commercial registration • A copy of the By-laws, Articles of Association, Partners' Resolution, or a Resolution issued by the Shareholders' Assembly stating that the Company may invest in securities (for non-listed companies). • Copy of the signed power of attorney or the authorization resolution from the partners or the board of directors that states authorization to submit the Subscription Application.
Financial Institution	<ul style="list-style-type: none"> • Copy of the commercial registration • Copy of the ID of the authorized signatory • Copy of the CMA licenses (if the investor is a Company licensed by the CMA).
Investment portfolio owned by a Saudi Company and managed through a financial institution	<ul style="list-style-type: none"> • Copy of the commercial registration • Copy of the signed power of attorney or the authorization resolution from the partners or the board of directors that states authorization to submit the Subscription Application. • A letter from the financial institution confirming the authority of the financial institution to invest on behalf of the investor's portfolio.
Investment Fund	
Investment Fund	<ul style="list-style-type: none"> • Copy of the signed power of attorney or the authorization resolution from the fund's board of directors that states authorization to submit the Subscription Application. • Fund terms and conditions. • Letter from the fund manager confirming its compliance with the applicable CMA regulations in connection with the maximum number of Shares to be subscribed to.
GCC National	
GCC Company	<ul style="list-style-type: none"> • Copy of the applicant's commercial registration certificate (or its equivalent). • Copy of the bylaws or articles of association, as needed and any other documents that may be required to prove (in the case of companies) that the majority of the capital is owned by citizens of the GCC countries or by their government.

GCC Individual	<ul style="list-style-type: none"> • Copy of the signed power of attorney or the authorization resolution from the partners or the board of directors that states authorization to submit the Subscription Application.
	<ul style="list-style-type: none"> • Copy of national identity card. • Letter or document that proves that the Subscriber is qualified for investment in the Parallel Market (Nomu).
GCC Investment Fund	<ul style="list-style-type: none"> • Copy of the signed power of attorney or the authorization resolution from the fund's board of directors that states authorization to submit the Subscription Application. • Fund terms and conditions. • Copy of any documents that prove that the majority of the fund's unit holders are citizens of the GCC countries or their government. • Letter from the fund manager confirming its compliance with the applicable CMA regulations in connection with the maximum number of Shares to be subscribed to.
	<ul style="list-style-type: none"> • Copy of the commercial registration (for companies) or copy of national identity card (for individuals).
Investment portfolio managed by a financial institution	<ul style="list-style-type: none"> • Copy of the signed power of attorney or the authorization resolution from the partners or the board of directors that states authorization to submit the Subscription Application (if the subscriber is a Company). • A letter from the financial institution confirming the authority of the financial institution to invest on behalf of the investor's portfolio.

Source: Estidamah Capital

The full value of the subscribed shares shall be paid, and the Lead Manager has the right to reject the subscription application form in whole or in part if it does not meet the terms and conditions of the offering, and the subscriber will accept the number of shares allocated to him unless these shares exceed the shares for which he requested to subscribe.

9.4 Notification of Allocation and Refund

The Lead Manager shall open a trust account for depositing and holding the subscription amounts, collected from Receiving Entities on behalf the subscribers. Qualified Investors must submit the Subscription Applications through the websites and platforms of the Lead Manager and Receiving Entities or through any other means provided by the Lead Manager and Receiving Entities, through which the Qualified Investors will be able to subscribe to the Offer Shares of the Company during the Offering Period, and no later than 04:00 [pm] of the Closing Date. The Subscription Applications to the Offer Shares must be accompanied by all the supporting documents required as per the relevant instructions. Each investor, by completing the Subscription Application, acknowledges that he has received and read this Prospectus, and accordingly wishes to subscribe to the Offer Shares as specified in the Subscription Application Form.

The allocation of Offer Shares will be determined at the discretion of the Financial Advisor and Lead Manager in consultation with the Company. Announcement of the final allotment will be made no later than Monday 06/12/1446 H (corresponding to 02/06/2025 G). The excess will be refunded within two (2) business days from the allocation date. Excess subscription amounts will be refunded without any charge or commission being withheld on the Offering Proceeds by the Lead Manager or Receiving Entities or the Company.

The Lead Manager and Receiving Entities will notify the Subscribers informing them of the final number of Offer Shares allocated together with the amounts to be refunded, if any. Subscribers should communicate with the Financial Advisor and Lead Manager or Receiving Entities for any further information.

Miscellaneous

1. 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 assigns, executors, administrators and heirs. Neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto shall be assigned or delegated by any of the parties to the subscription without the prior written consent of the other party.
2. These instructions, terms and the receipt of any Subscription Application Forms or related contracts shall be governed, construed and enforced in accordance with the laws of the Kingdom.
3. This Prospectus is published in Arabic after obtaining the CMA approval.
4. In accordance with Article (97) of the OSCO Rules, the Company will submit a supplementary prospectus to the CMA if, at any time after this Prospectus has been published and before the Offering is completed, the Company becomes aware that:
 - A. there has been a significant change in material matters contained in this Prospectus;
 - B. additional significant matters that should have been included in this Prospectus have become known.

It's worth mentioning that the Subscriber, who submitted the Subscription Application to the Offer Shares prior to the publishing of the supplementary prospectus, shall be entitled to rescind or amend his subscription for such Shares prior to the end of the Offering Period, in accordance with paragraph (d) of Article (97) of the OSCO Rules.

9.5 Times and Circumstances Where the Offering May be Suspended

- A. The CMA may suspend trading or cancel the listing of the Shares at any time as it deems fit, in any of the following circumstances:
 - 1- If the CMA deems it necessary to protect investors or maintain a regular market.
 - 2- If the Issuer fails, in a manner which the CMA considers material, to comply with the Capital Market Law, its Implementing Regulations or the Exchange rules.
 - 3- If the Issuer fails to punctually pay any fees due to the CMA or the Exchange or any fines due to the CMA.
 - 4- If the CMA deems that the Issuer, its business, level of operations or assets are no longer suitable to warrant the continued listing of its securities on the Exchange.
 - 5- When a reverse acquisition announcement does not contain sufficient information about the proposed transaction. If the Issuer has provided sufficient information regarding the target and the CMA is convinced, following the Issuer's announcement that sufficient public information is available on the proposed transaction of the reverse acquisition, the CMA may decide not to suspend trading at this stage.
 - 6- When information about a proposed acquisition is leaked and the Issuer cannot accurately assess its financial position and the Exchange cannot be informed accordingly.
 - 7- If the liquidity requirements specified in paragraph (b) of Article (41) of the Listing Rules are not met after the lapse of the period established in subparagraph (1) of paragraph (d) of Article (43) of the Listing Rules.
 - 8- When an application for the financial reorganization of the Issuer is registered with a court in accordance with the Bankruptcy Law, if its losses exceed (50%) of its share capital.
 - 9- When an application for liquidation or administrative liquidation of the Company is registered with the court in accordance with the Bankruptcy Law.
 - 10- When a court issues a final ruling to terminate a financial reorganization procedure and commence a bankruptcy proceeding or administrative liquidation procedure of the Issuer in accordance with the Bankruptcy Law.
 - 11- Upon the issuance of a final court ruling to commence a bankruptcy proceeding or administrative liquidation procedure of the Issuer in accordance with the Bankruptcy Law.
- B. The lifting of a trading suspension imposed under paragraph (a) above is subject to the following:

- 1- The events which led to the suspension have been sufficiently remedied, and the suspension is no longer necessary for the protection of investors.
 - 2- The lifting of the suspension is unlikely to affect the normal activity of the Exchange.
 - 3- The issuer is in compliance with any other conditions that the CMA may require.
 - 4- Upon the issuance of a final judgment initiating the financial restructuring of the Issuer under the Bankruptcy Law, unless it was suspended from its activities by the relevant competent authority, in the event that the suspension was imposed in accordance with paragraph a(8) of Article (36) of the listing rules.
 - 5- Upon the issuance of a final court judgment dismissing the initiation of a liquidation procedure or administrative liquidation procedure under the Bankruptcy Law, unless it was suspended from carrying out its activities by the relevant competent authorities, if the suspension was enforced in accordance with paragraph (a)(14) of Article (36) of the listing rules.
- C. The Exchange shall suspend the trading of the Issuer's securities in any of the following cases:
- 1- The Issuer does not comply with the deadlines specified for disclosing its periodic financial information in accordance with the relevant implementing regulations.
 - 2- The Auditor's Report on the Issuer's financial statements contains an adverse opinion or disclaimer of opinion.
 - 3- The liquidity requirements of Chapters (2) and (8) of the Listing Rules are not met after the lapse of the period set by the Exchange for the Issuer to rectify its conditions, unless the CMA agrees otherwise.
 - 4- The Issuer's Extraordinary General Assembly issues a decision to reduce its capital, for the two trading days following the issuance of the decision.
- D. The Exchange shall remove the suspension referred to in Paragraph (1), (2) and (3) of the Paragraph (C) , Article (36), the Listing Rules, following one trading session after the cause of suspension is eliminated. In the event that the over-the-counter trade of the Issuer's Shares is allowed, the Exchange shall remove the suspension within a period of no more than five (5) trading sessions after the cause of suspension is eliminated.
- E. The Exchange may at any time suggest that the CMA suspend the trading of any listed security or cancel its listing if, in its opinion, any of the circumstances of paragraph (a) of this Article are likely to occur.
- F. An issuer whose securities are subject to a trading suspension must continue to comply with the Capital Market Law, its Implementing Regulations and the Exchange Rules.
- G. In the event that the listing suspension continues for six (6) months with no appropriate procedure adopted by the Issuer to correct such suspension, the CMA may cancel the Issuer's listing.
- H. When the Issuer completes a reverse acquisition, the Issuer's Shares shall be de-listed. If the Issuer wishes to re-list its Shares, it must submit a new application to list its Shares in accordance with the Listing Rules and fulfil the relevant requirements stipulated in the OSCO Rules.
- I. These Articles shall not prejudice the suspension of trading and the cancellation of listing resulting from the Company's losses pursuant to the relevant Implementing Regulations and the Exchange Rules.

9.5.1 Voluntary Cancellation of Listing

- A. An issuer whose securities have been admitted to listing may not cancel such listing on the Exchange without the prior approval of the CMA. In order to obtain such approval, the Issuer must submit an application for the cancellation to the CMA, with concurrent notification to the Exchange, which must include the following:
 - 1- The specific reasons for the request for the cancellation.
 - 2- A copy of the disclosure described in Paragraph (D) below.
 - 3- A copy of the relevant documentation and a copy of each related communication to the Shareholders if the cancellation is to take place as a result of an acquisition or other corporate action by the issuer.
 - 4- The names and contact information of the financial and legal advisors appointed in accordance with the relevant regulations.
- B. The CMA may, at its full discretion, accept or reject the request for cancellation.
- C. The Issuer must obtain the consent of its Extraordinary General Assembly to cancel a listing, but only after the CMA has approved such cancellation.
- D. Where a cancellation is made at the Issuer's request, it must make a disclosure to the public as soon as possible. This disclosure must include at least the reason for cancellation, the nature of the event resulting in the cancellation and the extent to which it affects the Issuer's activities.

9.5.2 Temporary Trading Suspension at the Issuer's Request

- A. The Issuer may request a temporary trading suspension if an event occurs during trading hours, which requires immediate disclosure under the CML, its Implementing Regulations or the Exchange Rules, where the issuer cannot maintain the confidentiality of this information until the end of the trading period. The Exchange shall suspend the trading of the Issuer's securities immediately upon receipt of the request.
- B. When a temporary trading suspension is made at the Issuer's request, the Issuer must announce the reason for the trading suspension, the anticipated period of the trading suspension and the event affecting the Issuer's activities as soon as possible.
- C. The CMA may impose a temporary trading suspension without a request from the Issuer if it becomes aware of information or circumstances affecting the Issuer's activities, which the CMA considers would be likely to interrupt the operation of the Exchange or the protection of investors. An issuer whose securities are subject to temporary trading suspension must continue to comply with the CML and its implementing regulations and the Exchange Rules.
- D. The Exchange may propose that the CMA exercise its powers in accordance with paragraph (c) above if it is found to have information about circumstances that may affect Issuer's activities and potentially affect the Exchange activity or the protection of investors.
- E. A temporary trading suspension will be lifted following the lapse of the period referred to in the announcement specified in paragraph (b) above, unless the CMA or the Exchange decides otherwise.

9.5.3 Re-listing and Admission of Previously Cancelled Securities

If the issuer wishes to re-list its Shares after a cancellation, it must submit a new application for the listing of its Shares in accordance with the Listing Rules and comply with the applicable requirements under the OSCO Rules.

9.6 Resolutions and approvals under which the shares will be offered

All necessary formal approvals have been obtained for the Share Offering, including:

- 1) The Company's Board of Directors resolution, dated 11/06/1446H (corresponding 12/12/2024G), recommending the Company's General Assembly to offer two million four hundred thousand (2,400,000) new ordinary shares in the Parallel Market, representing (12.00%) of the Company's shares, after obtaining the necessary regulatory approvals.
- 2) The approval by the extraordinary General Assembly, held on 14/06/1446H (corresponding to 15/12/2024G), of the Board of Directors' recommendation to register and offer the Company's shares in the Parallel Market after obtaining the necessary regulatory approvals.
- 3) The approval by the Saudi Exchange "Tadawul" of the application for Listing on 21/08/1446H (corresponding to 20/02/2025G), and this approval is subject to obtaining the approval of the CMA.
- 4) The CMA's approval of this Prospectus and all supporting documents requested by the Authority on the date of its announcement on its official website on 17/09/1446H (corresponding to 17/03/2025G).

9.7 Statements on Current Arrangements to Prevent the Disposal of Certain Shares

The Substantial Shareholders, who own (5%) or more of the Company's shares and whose names appear herein (please refer to Section 3. "Substantial Shareholders" in this Prospectus), may not dispose of their shares before the lapse of a period of twelve (12) months from the date of registration and listing of the Company's shares in the Parallel Market (Lock-up Period). Other than the Lock-up Period imposed by the CMA on the Substantial Shareholders, there are no other existing arrangements that prevent the disposal of certain Shares.



Subscription Undertakings

10 Subscription Undertakings

10.1 Subscribers Declarations

By filling in and submitting the Subscription Application Form, the subscriber declares the following:

- Having approved of his subscription to the Company with the number of shares as shown in the Subscription Application Form.
- Having read, carefully studied and understood the Prospectus and its contents.
- Having approved of the Company's Bylaws and all conditions contained in the Prospectus.
- Not having waived his right to claim and refer to the Company for any damage directly caused by the Prospectus comprising incorrect or insufficient material information, or as a result of the omission of material information that directly affects his acceptance of the subscription if it was contained in the Prospectus.
- Having not submitted, neither any of his family members included in the Subscription Application Form, an application to subscribe to the Offer Shares and having agreed that the Company has the right to refuse double subscription applications.
- Having accepted the shares allocated pursuant to the Subscription Application and all Subscription terms and instructions contained in the Application and this Prospectus.
- Having guaranteed not cancelling or amending the Subscription Application after completion and submission.

10.2 Share Registry and Trading Arrangements

Tadawul maintains a registry of shareholders containing their names, nationalities, addresses, occupations, the shares they own, and the amounts paid out for these shares.

10.3 Overview of Saudi Exchange (Tadawul)

Tadawul was established in 2001 as an alternative system to the electronic securities information system, and electronic stock trading began in the Kingdom in 1990. The trading process is carried out through an integrated electronic system from the execution of the trade to its settlement. Every working day of the week from Sunday to Thursday is traded on one period from 10 am to 3 pm, during which orders are executed. Outside of these times, it is permitted to enter, modify and cancel orders from 9:30 am to 10 am.

Trades are executed through automatic matching of orders, and orders are received and prioritized according to price. In general, market orders are executed first, which are orders with the best prices, followed by orders with a specific price. In the event that several orders are entered at the same price, they are executed according to the timing of the entry.

Tadawul distributes a comprehensive range of information through various channels, most notably the Tadawul website. Market data is provided instantly to well-known information providers such as "Reuters". Trades are settled automatically within two working days according to (T+2).

The Company should disclose all decisions and information that are important to investors through the Tadawul system. A trading system is responsible for monitoring the market, with the aim of ensuring fair trading and efficient market operations.

10.4 Trading of Shares on the Parallel Market

An application was submitted to the CMA to register and offer the Company's Shares on the Parallel Market, and an application was submitted to the Exchange to list the Company's Shares on the Parallel Market.

It is expected that trading in the Company's Shares will commence upon the final allocation of those Shares and after all relevant statutory procedures are met. The dates and times included in this Prospectus are only indicative and may be changed or extended subject to the approval of the CMA.

Trading in the Offered Shares is not permitted until the allocation of shares is approved in the accounts of subscribers in "Tadawul", and the Company is registered and its shares are listed in the Parallel Market. Trading in the Company's shares is strictly prohibited prior to official trading, and subscribers engaging in such prohibited activities bear full responsibility. The Company or any of its advisors will not assume any legal liability in such cases.

Trading in shares listed on the Parallel Market is limited to Qualified Investors (please refer to section (1) "Definitions and Terms").

10.5 The Company's Undertakings After Listing

The Company undertakes that, after its listing and during the first General Assembly of shareholders to be held in 2025, it will update the Company's legal status in the statutory documents (including the Commercial Registration and By-laws) to become a public joint stock company."



Procedures In Case Of Incomplete Offering

11 Procedures in Case of Incomplete Offering

If the offering is not completed by the specified date for the completion of the Offering as outlined in this prospectus (please refer to “Key Dates and Subscription Procedures” on page (L) of this Prospectus), the financial advisor will, within ten (10) days after the end of the Offering Period, notify the Capital Market Authority in writing of the incomplete offering. Subsequently, investors will be notified, and in coordination with the Lead Manager, any amounts collected from subscribers (if any) will be refunded without deduction of any commissions or fees.

The Company reaffirms its commitment to any decisions, instructions, or measures issued by the Capital Market Authority in case of an incomplete offering.



Documents Available
For Inspection

12 Documents Available for Inspection

All Company's documents, related to the Offering of the Company's Shares and admission of its listing in the Parallel Market, shall be available for through a virtual data room that will be made available by the Financial Advisor "Estidamah Capital" via email (IPO@estidamahcapital.com), during the working days (Sunday to Thursday) between 9am and 4pm, starting from 17/11/1446H (corresponding to 15/05/2025 G) until 02/12/1446H (corresponding to 29/05/2025G), and this period shall not be less than (7) days prior to the end of the offering period. These documents include, but not limited to:

- The Company's Bylaws and Articles of Association.
- The Company's commercial registration.
- The Company's Board of Directors resolution recommending to the General Assembly of the Company's Shareholders to register and offer the Company's shares on the Parallel Market, after obtaining the necessary regulatory approvals.
- The Extraordinary General Assembly's approval of the Board of Directors' recommendation on the registration and offering of the Company's shares in the Parallel Market.
- Saudi Exchange's approval of the application for listing in the Parallel Market.
- The CMA approval of the application for registration and offering of the Company's shares in the Parallel Market.
- The financial valuation report prepared by the Financial Advisor.
- Letters of consent of:
 - A. The Financial Advisor of "Estidamah Capital" to include their name, logo and statement in the Prospectus.
 - B. The Lead Manager of "Derayah Financial" to include their name, logo and statement in the Prospectus.
 - C. The Auditor of "Alzoman, Alfahad & Alhajjaj Professional Services" to include their name, logo and statement in the Prospectus.
 - D. All Receiving Entities for the subscription shall be referred to in this Prospectus as the Receiving Entities for the offering of the Company's shares on the Parallel Market. Their names, logos, and confirmations shall be included in this Prospectus.
- Audited financial statements for the year ended 31 December 2023G and accompanying notes
- Audited financial statements for the year ended 31 December 2024G and accompanying notes
- The reissued interim condensed financial statements for the nine-month period ended at 30 September 2024G and accompanying notes



Auditor's Report

13 Auditor's Report

13.1 Audited Financial Statements for the year ended 31 December 2023G

HAWIYA FOR AUCTIONS COMPANY

A Limited Liability Company

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

HAWIYA FOR AUCTIONS COMPANY
LIMITED LIABILITY COMPANY
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

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INDEPENDENT AUDITOR'S REPORT

To HAWYIA AUCTIONS COMPANY

Limited Liability Company
Riyadh, Kingdom of Saudi Arabia

Opinion

We have audited the financial statements of Hawyia Auctions Company (the "Company") (a Limited Liability Company), which comprise the statement of financial position as at 31 December 2023, and the statement of profits or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in KSA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code") that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with Code requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants, and the provisions of Companies' Law and the Company's by-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

شركة باسر الزومان وخالد الفهد وزاهر الحجاج

محاسبون وفراخمون قانونيون

رأب مضمونة محدودة مهنية رأس مال ٢٥٠,٠٠٠

+966556088008

+966554001114

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رقم السجل التجاري:

355471

أشراك القرعة التجارية

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الرياض

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الرياض - حي البساتين - طريق النسيم برك - مجمع الباعث التجاري - الدور الثاني - مكتب رقم ١

الدمام جدة

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Member of LEA

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To HAWYIA AUCTIONS COMPANY

Limited Liability Company
Riyadh, Kingdom of Saudi Arabia

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Alzoman, Alfahad & Alhajjaj CPA

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No. (562)



Riyadh, Kingdom of Saudi Arabia

Date: 24 Dhul Hijjah 1445H
Corresponding to: 30 June 2024

HAWIYA FOR AUCTIONS COMPANY

LIMITED LIABILITY COMPANY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

	Notes	31 December 2023	31 December 2022 Restated (Note 5)	1 January 2022 Restated (Note 5)
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	6	208,012	156,882	88,014
Intangible assets	7	16,975	6,088	2,744
Investment properties	8	5,318,004	-	-
TOTAL NON-CURRENT ASSETS		5,542,991	162,970	90,758
CURRENT ASSETS				
Cash and cash equivalents	9	29,483,117	5,700,338	329,755
Work in process	10	1,292,454	1,300,156	-
Trade receivables	11	7,108,862	9,086,021	17,431
Prepaid Expenses and other debit balances	12	592,018	642,778	132,659
Due from related parties	13	-	-	227,214
TOTAL CURRENT ASSETS		38,476,451	16,729,293	707,059
Total assets		44,019,442	16,892,263	797,817
OWNERS' EQUITY AND LIABILITIES				
OWNERS' EQUITY				
Share capital	14	100,000	100,000	100,000
Statutory reserve	15	30,000	30,000	-
Actuarial reserve		(85,912)	(11,596)	-
Retained earnings/accumulated (losses)		25,824,211	2,314,915	(1,388,611)
TOTAL OWNERS' EQUITY		25,868,299	2,433,319	(1,288,611)
LIABILITIES				
NON-CURRENT LIABILITIES				
Employee defined benefit obligations	16	234,048	97,550	58,753
TOTAL NON-CURRENT LIABILITIES		234,048	97,550	58,753
CURRENT LIABILITIES				
Advances from customers		1,101,158	-	-
Trade payables		6,981,262	-	-
Due to related parties	13	-	-	1,566,728
Accrued expenses and other payables	17	8,881,968	14,046,996	453,509
Zakat payable	18	952,707	314,398	7,438
TOTAL CURRENT LIABILITIES		17,917,095	14,361,394	2,027,675
TOTAL LIABILITIES		18,151,143	14,458,944	2,086,428
TOTAL OWNERS' EQUITY AND LIABILITIES		44,019,442	16,892,263	797,817

The accompanying notes 1 to 30 form an integral part of these financial statements.

HAWIYA FOR AUCTIONS COMPANY

LIMITED LIABILITY COMPANY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

	Notes	31 December 2023	31 December 2022 Restated (Note 5)
Revenue	19	81,565,927	43,501,587
Cost of revenue	20	(41,546,981)	(30,329,447)
GROSS PROFIT FOR THE YEAR		40,018,946	13,172,140
General and administrative expenses	21	(2,431,805)	(1,258,192)
Selling and marketing expenses	22	-	(1,635)
Expected credit loss		(17,556)	-
NET OPERATING PROFIT FOR THE YEAR		37,569,585	11,912,313
Finance costs	23	(4,390)	(1,650)
Gains on investments at fair value through profit and loss (FVTPL)		-	90,000
Other income	24	463,366	39,823
PROFIT BEFORE ZAKAT		38,028,561	12,040,486
Zakat	18	(952,707)	(306,960)
NET PROFIT FOR THE YEAR		37,075,854	11,733,526
OTHER COMPREHENSIVE INCOME:			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:			
Re-measurement of employees defined benefit liabilities		(74,316)	(11,596)
TOTAL OTHER COMPREHENSIVE LOSS FOR THE YEAR		(74,316)	(11,596)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		37,001,538	11,721,930

The accompanying notes 1 to 30 form an integral part of these financial statements.

HAWIYA FOR AUCTIONS COMPANY

LIMITED LIABILITY COMPANY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

	Share Capital	Statutory reserve	Retained earnings	Re-measurement of employees defined benefit obligations	Total Equity
Balance as at 1 January 2022 (IFRS for SME)	100,000	-	(1,369,929)	-	(1,269,929)
Impact of adoption of full IFRS	-	-	(18,682)	-	(18,682)
Balance as at 1 January 2022 (as restated)	100,000	-	(1,388,611)	-	(1,288,611)
Dividends	-	-	(8,000,000)	-	(8,000,000)
Profit for the year	-	-	11,733,526	-	11,733,526
Total other comprehensive loss for the year	-	-	-	(11,596)	(11,596)
Total comprehensive income	-	-	11,733,526	(11,596)	11,721,930
Transfer to statutory reserve	-	30,000	(30,000)	-	-
Balance as at 31 December 2022 (restated)	100,000	30,000	2,314,915	(11,596)	2,433,319
Dividends	-	-	(13,566,558)	-	(13,566,558)
Profit for the year	-	-	37,075,854	-	37,075,854
Total other comprehensive loss for the year	-	-	-	(74,316)	(74,316)
Total comprehensive income	-	-	37,075,854	(74,316)	37,001,538
Transfer to statutory reserve	-	-	-	-	-
Balance as at 31 December 2023	100,000	30,000	25,824,211	(85,912)	25,868,299

The accompanying notes 1 to 30 form an integral part of these financial statements.

HAWIYA FOR AUCTIONS COMPANY

LIMITED LIABILITY COMPANY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

	31 December 2023	31 December 2022 Restated (Note 5)
Profit before Zakat	38,028,561	12,040,486
Adjustments to profit (loss) before zakat		
Depreciation of property and equipment	63,820	41,859
Amortization of intangible assets	6,742	2,334
Gains on investments at FTVPL	-	(90,000)
Expected credit loss	17,556	-
Finance costs	4,390	1,650
Employee benefit obligation - provided	57,792	33,051
	38,178,861	12,029,380
Cash flows from operating activities		
Prepaid expenses and other debit balances	50,760	(510,119)
Due from related parties	-	227,214
Due to related parties	-	(1,566,728)
Trade receivables	1,959,603	(9,068,590)
Work in process	7,702	(1,300,156)
Accrued expenses and other payables	(1,162,695)	9,591,154
Advances from customers	1,101,158	-
Trade payables	6,981,262	-
Employee benefit obligations paid	-	(7,500)
Zakat paid	(314,398)	-
Net cash flows generated from operating activities	46,802,253	9,394,655
Cash flows from investing activities		
Payments for acquisition of property and equipment	(115,450)	(110,727)
Proceeds from sale of property and equipment	500	-
Payments for acquisition of intangibles	(17,629)	(5,678)
Payments for acquisition of investment properties	(5,318,004)	-
Proceeds from investments at FVTPL	-	90,000
Net cash flow (used in) investing activities	(5,450,583)	(26,405)
Cash flow from financing activities		
Dividends paid	(17,568,891)	(3,997,667)
Net cash flows (used in) financing activities	(17,568,891)	(3,997,667)
Change in cash and cash equivalents during the year	23,782,779	5,370,583
Cash and cash equivalents at the beginning of the year	5,700,338	329,755
Cash and cash equivalents at the end of the year	29,483,117	5,700,338
Non-Cash Transactions:		
Remeasurement gains / (losses) on employees defined benefit obligations	(74,316)	(11,596)

The accompanying notes 1 to 30 form an integral part of these financial statements.

1. ORGANIZATION AND ACTIVITY

Hawya Auctions Company, a Limited Liability Company, is established under commercial registration No. 1010584375 dated 24 Shawwal 1440AH, and sub-commercial registration No. 1010737029 dated 14 Shawwal 1443H, in Riyadh, and its head office is located in Al Qairawan district, Riyadh.

The Company is engaged in real estate auction activities, buying and selling lands and real estate, dividing them, off-plan sales activities, managing and leasing owned or leased properties, judicial storage for preserving money, real estate brokerage, property management, money management and preservation for commercial establishments, selling fixed and movable assets, vehicle and equipment auctions, and providing marketing services on behalf of third parties.

2. FINANCIAL YEAR

The financial year begins on January 1 and ends on December 31 of each financial year.

3. BASIS OF PREPERATION

These financial statements have been prepared for the first time in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as endorsed by Saudi Organization for Chartered and Professional Accountants (collectively referred to "IFRS as endorsed in KSA"). These financial statements represent the first-time adoption of IFRS for all years up to 31 December 2023, including the transition date as of 1 January 2022. The financial statements for previous years were prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Enterprises as endorsed in the Kingdom of Saudi Arabia.

These financial statements have been prepared under the historical cost principle, except for defined benefit plans that are measured at the present value of future obligations using the projected unit credit method. Otherwise, the financial statements are prepared using the accrual basis of accounting and on the going concern basis.

A. First time adoption of IFRS

The impact of the transition to IFRS on the statement of financial position as of 31 December 2022 and 1 January 2022, the statement of profit or loss and other comprehensive income, and the statement of cash flows for the year ended 31 December 2022, is explained in Note No. (5), including the nature and results of the significant changes resulting from the change in the company's accounting policies.

The accompanying financial statements have been prepared on the basis of the Company's ability to continue its business in the near future for a period exceeding twelve months from the reporting date.

B. Basis of measurement

The accompanying financial statements have been prepared under the historical cost principle, using the accrual basis of accounting and the going concern concept.

C. Functional and presentation currency

These financial statements are presented in Saudi Riyal, which is the Company's functional and presentation currency. All amounts are rounded to the nearest Saudi Riyal, unless otherwise stated.

D. Use of estimates, assumptions and judgements

The preparation of financial statements requires management to use judgments, estimates and assumptions that affect the reported amounts of revenues, costs, assets and liabilities, and the accompanying disclosures and disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that require material adjustments to the carrying amount of the assets and liabilities affected in future periods.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be appropriate under the circumstances.

Revisions to the accounting estimates are recognized in the period in which the estimates are revised or in the period of the revision and future periods if the revised estimates affect both current and future periods.

Information about assumptions and estimation uncertainties as of 31 December 2023 that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year is as follows:

3. BASIS OF PREPERATION (CONTINUED)

Useful Lives of Property and Equipment

The Company's management determines the estimated useful life of property and equipment for the purpose for the calculation of depreciation. This estimate is made after taking into account the expected use of the asset or actual obsolescence. Management periodically reviews the estimated useful lives on an annual basis at a minimum and the depreciation method to ensure that the depreciation method and periods are consistent with the expected pattern of economic benefits of the assets.

Assumptions related to employee benefit obligations

Short-term Obligations

Liabilities for salaries and wages, including non-cash benefits, accrued vacation, travel tickets and children's education allowances, that are expected to be settled wholly within twelve months after the end of the period in which the employees provide the related service, are recognised in respect of employee services up to the end of the financial period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented in accounts payable, accruals and other current liabilities in the statement of financial position.

Post-employment obligation

Defined Benefit Plans:

The Company primarily has end of service benefits, which qualify as defined benefit plans.

Defined benefit obligation is re-measured on a periodic basis by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss and other comprehensive income.

Post-employment obligation

Defined benefit obligation costs for periods are calculated on a year-to-date basis using the actuarially determined plan cost rate at the end of the prior year, adjusted for significant market fluctuations and for any significant one-off events, such as plan amendments, curtailments and settlements. In the absence of such significant market fluctuations and one-off events, the actuarial liabilities are rolled forward based on the assumptions as at the beginning of the year. If there are significant changes to the assumptions or arrangements during the period, consideration is given to re-measure such liabilities.

Current and past service costs related to post-employment benefits are recognised immediately in the statement of profit or loss and other comprehensive income while unwinding of the liability at discount rates used are recorded as a finance cost. Any changes in net liabilities resulting from actuarial valuations and changes in assumptions are included as a re-measurement in other comprehensive income.

With regard to the end-of-service benefit obligation for employees in the Kingdom of Saudi Arabia, the actuarial valuation process takes into account the provisions of the Saudi Labor and Workers Law as well as the Company's policy.

Fair Value of Financial Instruments

If the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation methods that include a discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

3. BASIS OF PREPERATION (CONTINUED)

E. New standards and issued amendments

New standards, amendments and revised IFRSs issued but not yet effective

The Company has not applied the following new and revised International Financial Reporting Standards and amendments to IFRS that have been issued but are not yet effective.

Amendments to Standards	Description	Effective for annual periods beginning on or after	Summary of Amendments
IFRS (1)	Amendments	1 January 2024	<p>The adoption is effective for annual periods beginning on or after 1 January 2024.</p> <p>Amendments to (IAS 1) - non-current liabilities with covenants, the amendments introduce the requirements for classifying liabilities as current or non-current regarding how an entity classifies debt and other financial liabilities as current or non-current in certain circumstances: Covenants that an entity must comply with only on or before the reporting date would affect the classification of a liability as current or non-current. In addition, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the non-current liability could become payable within twelve months of the reporting period</p>

Management expects that these new standards interpretations and amendments will be adopted in the Company's financial statements when applicable, and the adoption of these interpretations and amendments may not have any material impact on the Company's financial statements in the period of initial adoption.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied in the preparation of these financial statements:

Classification of assets and liabilities as Current and non-current

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is current when it:

- A) expects to realise the asset, or intends to sell or consume it, in the entity's normal operating cycle;
- B) holds the asset primarily for the purpose of trading;
- C) expects to realize the asset within twelve months after the reporting date; or
- D) is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period,

All other assets are classified as non-current.

A liability is current when:

- A) it expects to settle the liability in normal operating cycle;
- B) it is held primarily for trading;
- C) it is due to be settled within twelve months after the reporting period, or
- D) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

The Company classifies all other liabilities as non-current.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) Property and Equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Such costs include all costs necessary for the acquisition other than the borrowing costs. When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items that are major components of property and equipment. The cost of replacing a significant part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the underlying future economic benefits will flow to the company and when those costs can be measured reliably, the carrying amount of the replaced item is derecognized. The costs of day-to-day servicing of property and equipment are recognized in the statement of profit or loss and comprehensive income. When significant parts of property and equipment are required to be replaced at intervals, these parts are capitalized and depreciated according to the useful lives and depreciation methods of the related asset. Other repair and maintenance costs that do not meet the capitalization criteria are recognized in the statement of profit or loss and comprehensive income as incurred. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from the item. Any gain or loss on the disposal of an asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of comprehensive income when the asset is derecognized.

Depreciation

Depreciation is calculated over the depreciable value, which is the cost of an asset or other amount substituted for its cost, less its residual value. Depreciation is calculated on a straight-line basis over the useful lives of the relevant assets. Lands are not depreciated. Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

Straight-Line Method

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Depreciation charged is recognized in the statement of profit or loss and other comprehensive income. Lands are not depreciated.

The estimated useful lives of the principal items of property and equipment are as follows:

Assets	Useful Life (percentage per annum)
Leasehold improvements	50%
Vehicles	10%
Furniture and furnishings	10%
Computer and accessories	25%

Any item of property and equipment and any significant component thereof shall be derecognized when it is initially recognized or when no future benefits are expected from its use or disposal. Any gain or loss on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the cost of revenue, selling and distribution expenses and general and administrative expenses when the asset is derecognised.

The residual value, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B) Intangible Assets

Intangible assets acquired separately are measured at cost upon initial recognition. After initial (subsequent) recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any). Internally generated intangible assets are not capitalized, and the related expenses are stated in the statement of comprehensive income in the period in which they are incurred. Intangible assets with finite lives are amortized over their useful lives and are assessed for impairment whenever there is an indication that they may be impaired. The amortization period and amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of the economic benefits embodied in the asset are considered to modify the amortization period or method as appropriate and are treated as changes in accounting estimates. Amortization expenses on intangible assets with finite useful lives are recognized in comprehensive income under the expense item consistent with the function of these intangible assets. For intangible assets with indefinite useful lives, the useful life is determined based on management's best estimates, but the useful life may not exceed ten years. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognised in the statement comprehensive income when the asset is derecognized. Factors such as a change in the way an intangible asset is used, technological advances, or changes in market prices may indicate a change in the intangible asset's residual value or useful life. Previous estimates are considered and a change in the residual value, amortization method, or useful life is treated as a change in accounting estimates. Amortization is calculated on a straight-line basis over the useful life.

Software	25%
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The useful lives of intangible assets with finite lives are reviewed regularly at each reporting date to determine whether there is any indication that their current useful life assessment is correct. If not, the useful life assessment is changed. Intangible assets with indefinite useful lives are not amortized, but are tested annually for impairment whenever there is an indication that the intangible asset may be impaired, either individually or at the cash-generating unit level.

Gains or losses on the disposal of an intangible asset are recognised as the difference between the net disposal proceeds and the carrying amount of the asset. The gain or loss on disposal is recognized in the statement of income in the year in which disposal is made.

C) Investment Properties

These are properties held to earn rentals and/or for capital appreciation, including properties under construction for these purposes.

Investment properties are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. The cost includes expenses directly attributable to the acquisition of these items.

Lands are not depreciated. Capital work in progress is transferred to the relevant category within investment properties upon completion and depreciated from the point in time at which it will be ready for use. Significant parts of investment property are also depreciated separately.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. If the investment property becomes owner-occupied, it is reclassified as property and equipment.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit or loss and other comprehensive income in the period of derecognition.

The residual values, useful lives and methods of depreciation of investment properties are reviewed at each financial year end and adjusted prospectively when appropriate.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Leases

The Company assess whether a contract contains a lease, at inception of the contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

E) Right of Use Asset and Lease Liabilities

1) Right of Use Assets

The Company recognizes the right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Leases, which require mutual consent between the lessor and the Company for annual renewal of the lease term, are considered by the company as short-term, and expensed in the statement of profit or loss.

2) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) that depend on a rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Company as a lessee

At the commencement or upon reassessment of an arrangement that contains a lease component, the Company allocates the consideration in the lease to each lease or non-lease component on the basis of their appropriate stand-alone prices. However, for property leases, the Company has elected not to separate the non-lease components and to account for the lease and non-lease components as a single lease component.

The Company recognizes the right-of-use assets and lease liabilities at the lease commencement date. Right-of-use assets are initially measured at cost, consisting of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset and the cost of restoring the underlying asset or the site on which it is located (if any), less any lease incentives received.

Right-of-use assets are subsequently depreciated substantially using the straight-line method from the commencement date of the lease until the end of the lease term.

The estimated useful lives of right-of-use assets are determined on the same basis as property and equipment. In addition, right-of-use assets are periodically reduced for impairment losses, if any, and adjusted for certain remeasurements of lease liabilities.

Lease liabilities are initially measured at the present value of the lease payments that are not made at the commencement date of the lease, discounted using the interest rate implicit in the lease, or if that rate cannot be reliably determined, the Company uses the incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E) Right of Use Asset and Lease Liabilities (Continued)

Company as a lessee (Continued)

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments; and
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Amounts expected to be paid under the residual value guarantee; and
- The exercise price under a call option if the Company is reasonably certain to exercise the option, lease payments within the optional renewal period if the Company is reasonably certain to exercise the extension option, and penalties payments for early termination of the lease unless the Company is reasonably certain not to exercise the option to terminate early.

Lease liabilities are measured at amortized cost using the effective interest rate method. They are remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount the lessee is expected to pay under residual value guarantees, or if the Company changes its assessment of whether to purchase, extend, or terminate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss and other comprehensive income if the carrying amount of the right-of-use asset is reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases of low-value assets. The Company recognizes lease payments associated with these leases as expenses using the straight-line method over the lease term in the statement of profit or loss and other comprehensive income.

F) Impairment of Non-Financial Assets

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are identifiable future cash flows that are largely independent of the cash flows from other assets or groups of assets (cash-generating unit). Non-financial assets other than goodwill that have been fully or partially impaired are reviewed for possible reversal of all or part of the impairment loss at the end of each reporting period.

Intangible assets with indefinite useful lives are not subject to amortization but are instead tested annually for impairment. Assets subject to amortization/depreciation are reviewed for impairment when events and changes in circumstances indicate that the carrying amount may not be recoverable.

G) Financial Instruments

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

Financial Assets

1) Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G) Financial Instruments (Continued)

1) Financial Assets (Continued)

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at the instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

- Financial assets at amortized cost (debt instruments).
- Financial assets at fair value through OCI with accumulated gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of accumulated gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI (debt instruments)

For debt instruments carried at fair value through other comprehensive income, commission income, foreign exchange revaluation and impairment losses are recognized in the statement of profit or loss and accounted for in the same way as financial assets measured at amortized cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have any debt instruments at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS (32) - Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains or losses on these financial assets are never recycled back into profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity investments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have equity instruments at fair value through OCI.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**G) Financial Instruments (Continued)****1) Financial Assets (Continued)****Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes financial assets which the Company had not irrevocably elected to classify at fair value through OCI.

Financial assets at fair value through other comprehensive income

Upon initial recognition of equity investments that are not held for trading, the Company may irrevocably elect to present subsequent changes in the fair value of the investment in other comprehensive income. This election is made on an investment-to-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at fair value through profit and loss and other comprehensive income.

This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as financial assets at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Subsequent Measurement and Profit and Loss

Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss and other comprehensive income.
Financial assets at amortized cost	These assets are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition of an investment is included in the statement of profit or loss and other comprehensive income.
Financial assets at fair value through other comprehensive income - (investments in debt instruments) are subsequently measured at fair value.	Interest income calculated using the EIR method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss and other comprehensive income. Other net gains and losses are recognized in the statement of OCI. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss. The Company has no such assets.
Financial assets at fair value through other comprehensive income - (investments in equity instruments)	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss and other comprehensive income. Any gains or losses on derecognition or recognition of an investment are recognized in the statement of changes in equity and may not be reclassified to the statement of profit or loss and other comprehensive income. The Company has no such assets.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G) Financial Instruments (Continued)

Financial Liabilities

Financial Liabilities - Classification, Subsequent Measurement, and profit and Loss

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss.

Liabilities are classified as at fair value through profit or loss if they are classified as held for trading, derivatives, or designated as such upon initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value. Net gains and losses, including any interest expense, are recognized in the statement of profit or loss and other comprehensive income. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss and other comprehensive income. Any gain or loss upon derecognition is recognised in the statement of profit or loss and other comprehensive income.

Derecognition

Financial Assets

A financial asset is derecognized by the Company when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset by either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. The Company enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset. In such cases, the transferred assets are not derecognized.

Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company derecognizes financial liabilities when their terms are modified and the cash flows of the modified liabilities are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of profit or loss and other comprehensive income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of Non-Financial Assets

The expected credit loss model applies to financial assets measured at amortized cost and investments in debt instruments at fair value through other comprehensive income, but not to investments in equity instruments.

Financial assets carried at amortised cost consist of trade receivables and financial assets mentioned above.

As per IFRS 9, loss provisions are measured on one of the following bases:

Expected credit losses over 12 months: These ECLs result from default events that are possible within 12 months after the reporting date.

Lifetime Expected Credit Losses (ECL): These ECLs arise from all default events over the expected lifetime of the financial instrument.

The impairment recognition methodology was reviewed to meet the requirements of IFRS 9 for each asset class.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G) Financial Instruments (Continued)

Impairment of Non-Financial Assets (Continued)

The impact of the change in the impairment methodology on the Company's equity is disclosed as follows:

Trade Receivables

For trade receivables, the Company applies the simplified approach to expected credit losses set out in IFRS 9.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive). Expected credit losses are discounted at the financial asset's effective interest rate.

H) Cash and Cash Equivalents

The statement of cash flows is prepared using the indirect method. For the purpose of the statement of cash flows, cash and cash equivalents are defined as cash balances on hand, current accounts at banks, and highly liquid investments that are subject to insignificant or minimal risk of changes in value, usually with original maturities of three months or less.

I) Employee Defined Benefit Obligations

Current Liabilities

Current benefits are amounts expected to be fully settled within 12 months of the end of the period in which employees render the service that gives rise to the benefits. Liabilities for wages and salaries, including non-cash benefits, accrued leave and benefits in kind, that are expected to be settled wholly within twelve months after the end of the period in which the related service is provided by the employees are recognised in respect of employee services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities are presented as current employee benefit liabilities under "Accrued expenses and other current liabilities" in the statement of financial position.

Post-employment obligations

The Company provides end-of-service benefits to its employees in accordance with the requirements of the Saudi Labor Law. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are recognised over the service period.

Employee benefit obligation plans are unfunded. Accordingly, independent actuaries evaluate the liabilities under these plans based on the projected unit credit method and the liability is recorded based on an actuarial valuation.

The liability recognised in the statement of financial position for defined benefit pension plans is the present value of the defined benefit obligations at the end of the reporting period. Defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Past service costs are recognized immediately in the statement of profit or loss and other comprehensive income.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligations. This cost is included in employee benefit expense in the statement of profit or loss and other comprehensive income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**J) Accrued Expenses and Other Current Liabilities**

Trade payables are obligations based on normal credit terms and do not bear interest. Trade payables in foreign currencies are translated into Saudi Riyals using the exchange rate at the reporting date. Currency exchange gains or losses are included in other income or expenses.

K) Related Party Transactions

Related party transactions include the transfer of resources, services, obligations or financing between the Company and the related party, irrespective of whether such transactions are conducted under terms equivalent to those that prevail in arm's length transactions.

A person is considered a related party to the Company if the person, or a close member of that person's family:

- is a member of the Company's key management personnel;
- has control or joint control over the Company;
- has significant influence over the Company's decisions and policies.

Key management personnel are those who have authority and responsibility for planning, directing and controlling the Company's activities, directly or indirectly, including any director, whether executive or otherwise.

An entity is considered related to the Company if:

- both the entity and the Company are members of the same group or are under common ownership;
 - the entity is an associate or subsidiary of the Company; or
 - the entity is controlled by the Company, or vice versa, or both are subject to common control.
- Transactions with related parties are conducted at arm's length, although certain specific arrangements exist, such as cash advances to cover certain Company obligations and services.

L) Zakat and VAT**Zakat**

The Zakat provision is recognized in the Company's financial statements in accordance with the regulations of the Zakat, Tax and Customs Authority of the Kingdom of Saudi Arabia, and Zakat is charged to the statement of comprehensive income. The Zakat provision related to assessments for previous years made by the ZATCA is recorded in the period in which the final assessments are issued.

Value-Added Tax (VAT)

Expenses and assets are recognised, net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; &
- Receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

M) Revenue from contract with customers

The Company has applied IFRS 15: "Revenue from Contracts with Customers", effective from 1 January 2018.

Revenue is measured based on the consideration specified in the contract with the customer, which includes unbilled revenue (contract assets) and excludes amounts collected on behalf of other parties. The Company recognizes revenue when it transfers control of the products or services to the customer.

The Company evaluates the services promised in the contract with the customer and recognises them as performance obligations if those services:

A. Distinct Service

B. A set of distinct but substantially similar services that are transferred to the customer in the same pattern (i.e. each distinct service is fulfilled over time and the same method is used to measure progress).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M) Revenue from contract with customers (Continued)

The Company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1: Identify the contract(s) with a customer; A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and set out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligation in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies the performance obligation and recognizes revenue over time if one of the following criteria is met:

(A) The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for the performance completed to date.

(B) The Company creates or improves an asset that the customer controls as the asset is created or enhanced;

(C) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations, if one of the above conditions is met, revenue is recognized at a point in time in which the performance obligation is satisfied.

When the company satisfies a performance obligation by delivering the promised services, it recognises a contract asset for the consideration earned through that performance. When the amount of consideration received from a customer exceeds the amount of revenue generated, this results in customer advances (a contract liability).

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue and costs can be measured reliably where appropriate.

The adoption of IFRS 15 require management to make the following judgements:

Revenues from security services:

Revenue from custody services is realized upon the execution of the sale of assets related to the estate under custody. The revenue becomes due immediately upon completion of the sale, amounting to 2.5% of the total sale value, in accordance with the ruling No. 421466418 issued by the competent court.

Auction Revenue:

Revenue from services related to private auctions and the Enforcement Support and Liquidation Center (Infath) is recognised upon the conclusion of the auction and the signing of the award minutes by the buyer. Revenue from auctions is recognised once all actions required have been completed, in accordance with the sales manual approved by the Infath. Furthermore, the following recognition criteria must be met before revenue from service can be recognised:

- 1- The amount of revenue can be measured reliably.
- 2- It is probable that the economic benefits associated with the transaction will flow to the entity.
- 3- The stage of completion of the transaction at the end of the reporting period can be measured reliably.
- 4- The costs incurred to complete the transaction can be measured reliably.

Exclusive Marketing Revenue: Revenue of exclusive marketing service is generated in the same way as auction revenues. In exclusive marketing, both the seller and the buyer are present, and the Company undertakes all tasks necessary to complete the sale between the two parties.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M) Revenue from contract with customers (Continued)

Fulfillment of Performance Obligations

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Company has assessed that based on the agreements entered into with customers, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. In these circumstances, the Company recognises revenue over time. If this is not the case, revenue is recognized at a point in time.

For the sale of goods, revenue is usually recognized at a point in time.

Determine Transaction Prices

The Company must determine the transaction price in its agreements with customers. In making such judgment, the Company assess the impact of any variable consideration in the contract, due to discount, penalties, or existence of any significant financing component in the contract and any non-cash consideration in the contract.

Transfer of control in contracts with customers

If the Company determines that performance obligations are satisfied at a point in time, revenue is recognized when control of the assets under contract is transferred to the customer.

In addition, the application of IFRS 15 resulted in the following estimation process:

Allocation of transaction price to performance obligation in contracts with customers

The Company has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. The Company considers that the use of the input method, which requires revenue recognition on the basis of the Company's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Company estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to customers, these estimates mainly include the time elapsed for services contracts.

N) Expenses

All operating and maintenance expenses for properties and equipment were charged to the statement of comprehensive income to determine profit or loss for the year. Allocation between revenue costs and general and marketing expenses is made when necessary on a consistent basis. Costs related to acquiring, improving, or expanding long-term assets that support or grow the business are capitalized.

O) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is expected that settling that obligation will result in an outflow of resources from the Company that include economic benefits, and the estimated costs of meeting those obligations are likely to occur and the value of the obligation can be reliably estimated.

The amount recognized as a provision represents the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties associated with the liability.

P) Foreign Currencies Translation

The company's financial results and position are presented in Saudi Riyals, which is the Company's functional currency. In preparing the financial statements, transactions in currencies other than the Saudi Riyal are recorded at the prevailing exchange rates at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated into Saudi Riyals at the prevailing exchange rates at the statement of financial position date, with the resulting exchange differences recognised in the statement of comprehensive income.

5. IMPACT OF ADOPTION OF IFRS AS ENDORSED IN KSA

As fully disclosed in Note 2, the Company issued its statutory financial statements for the year ended 31 December 2022 in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) as endorsed in Saudi Arabia. During 2022, the partners resolved to pursue listing on the Parallel Market, and the Capital Market Authority required the Company to prepare its financial statements for the year ended 31 December 2023 in accordance with full International Financial Reporting Standards (IFRS) as endorsed in Saudi Arabia. These financial statements for the year ended 31 December 2023 are the first, the Company has prepared in accordance with IFRS as endorsed in KSA. Accordingly, the Company has prepared financial statements that comply with IFRS as endorsed in KSA applicable as at 31 December 2023, together with the comparative period data for the year ended 31 December 2022, as described in the summary of significant accounting policies. In preparing the financial statements, these Company's opening statement of financial position was prepared as at 1 January 2022, the Company's date of transition to IFRS as endorsed in KSA. This note explains the principal adjustments made by the Company in restating its financial statements from IFRS for SMEs as endorsed in KSA to full IFRS as endorsed in KSA, including the statement of financial position as at 1 January 2022 and the financial statements as of, and for, the year ended 31 December 2022 and transition to IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 "Leases" that became effective.

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS as endorsed in KSA. The Company has not availed any exemption available at the first-time adoption.

5.1 Impact of adoption of IFRS on the statement of financial position as at 1 January 2022 (date of transition to IFRS)

	Amounts previously reported under IFRS for SMEs	Reclassification and Remeasurement	Amounts reported under IFRS as of 1 January 2022
ASSETS			
NON-CURRENT ASSETS			
Properties and equipment	88,014	-	88,014
Intangible assets	2,744	-	2,744
TOTAL NON-CURRENT ASSETS	90,758	-	90,758
CURRENT ASSETS			
Cash and cash equivalents	329,755	-	329,755
Trade receivables	48,631	(31,200)	17,431
Prepaid expenses and other receivables	132,659	-	132,659
Due from related parties	227,214	-	227,214
TOTAL CURRENT ASSETS	738,259	(31,200)	707,059
TOTAL ASSETS	829,017	(31,200)	797,817
OWNERS' EQUITY AND LIABILITIES			
OWNERS' EQUITY			
Share capital	100,000	-	100,000
Accumulated losses	(1,369,929)	(18,682)	(1,388,611)
TOTAL OWNERS' EQUITY	(1,269,929)	(18,682)	(1,288,611)
NON-CURRENT LIABILITIES			
Employee defined benefit obligations	71,271	(12,518)	58,753
TOTAL NON-CURRENT LIABILITIES	71,271	(12,518)	58,753
CURRENT LIABILITIES			
Trade payables and other current liabilities	453,509	-	453,509
Due to related parties	1,566,728	-	1,566,728
Provision for zakat	7,438	-	7,438
TOTAL CURRENT LIABILITIES	2,027,675	-	2,027,675
TOTAL LIABILITIES	2,098,946	(12,518)	2,086,428
TOTAL OWNERS' EQUITY AND LIABILITIES	829,017	(31,200)	797,817

5. IMPACT OF ADOPTION OF IFRS AS ENDORSED IN KSA (CONTINUED)

5.2 Impact of applying IFRS on the statement of financial position as of 31 December 2022

	Amounts previously reported under IFRS for SMEs	Reclassification and Remeasurement	As per IFRS as of 31 December 2022
ASSETS			
NON-CURRENT ASSETS			
Properties and equipment	156,882	-	156,882
Intangible assets	6,088	-	6,088
Total non-current assets	162,970	-	162,970
CURRENT ASSETS			
Cash and cash equivalents	5,700,338	-	5,700,338
Work in process	1,300,156	-	1,300,156
Investments at fair value through profit or loss	390,240	(390,240)	-
Trade receivables	9,086,021	-	9,086,021
Prepaid expenses and other receivables	252,538	390,240	642,778
TOTAL CURRENT ASSETS	16,729,293	-	16,729,293
TOTAL ASSETS	16,892,263	-	16,892,263
OWNERS' EQUITY AND LIABILITIES			
OWNERS' EQUITY			
Share capital	100,000	-	100,000
Statutory reserve	30,000	-	30,000
Actuarial reserve	-	(11,596)	(11,596)
Retained earnings / accumulated (losses)	2,314,877	38	2,314,915
TOTAL OWNERS' EQUITY	2,444,877	(11,558)	2,433,319
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee defined benefit obligations	85,992	11,558	97,550
TOTAL NON-CURRENT LIABILITIES	85,992	11,558	97,550
CURRENT LIABILITIES			
Trade payables and other current liabilities	14,046,996	-	14,046,996
Provision for zakat	314,398	-	314,398
TOTAL CURRENT LIABILITIES	14,361,394	-	14,361,394
TOTAL LIABILITIES	14,447,386	11,558	14,458,944
TOTAL OWNERS' EQUITY AND LIABILITIES	16,892,263	-	16,892,263

5. IMPACT OF ADOPTION OF IFRS AS ENDORSED IN KSA (CONTINUED)

5.3 Impact of adoption of IFRS on total Owners' equity

	31 December 2022	1 January 2022
Total Owners' equity reported under IFRS for SMEs	2,444,877	(1,269,929)
Expected credit losses	-	(31,200)
Restatement of employees defined benefits liabilities – IAS 19	38	12,518
Actuarial impact of employees defined liabilities - IAS 19	(11,596)	-
Total equity under IFRS	2,433,319	(1,288,611)

5.4 Impact of IFRS adoption on the statement of profit or loss and other comprehensive income for the year ended 31 December 2022

	Amounts previously reported under IFRS for SMEs	Reclassification and Remeasurement	As per IFRS as of 31 December 2022
Revenue	43,501,587	-	43,501,587
Cost of revenue	(30,329,447)	-	(30,329,447)
GROSS PROFIT FOR THE YEAR	13,172,140		13,172,140
General and Administrative expenses	(1,247,363)	(10,829)	(1,258,192)
Selling and marketing expenses	(1,635)	-	(1,635)
NET OPERATING PROFIT FOR THE YEAR	11,923,142	(10,829)	11,912,313
Finance costs	-	(1,650)	(1,650)
Doubtful revenues	(31,200)	31,200	-
Gains on investments at fair value through profit or loss	90,000	-	90,000
Other income	39,823	-	39,823
NET PROFIT BEFORE ZAKAT	12,021,765	18,721	12,040,486
Provision for Zakat	(306,960)	-	(306,960)
NET PROFIT FOR THE YEAR	11,714,805	18,721	11,733,526
OTHER COMPREHENSIVE INCOME:			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT AND LOSS:			
Re-measurement of employees defined benefit obligations	-	(11,596)	(11,596)
Total other comprehensive income	-	(11,596)	(11,596)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	11,714,805	7,125	11,721,930

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5. IMPACT OF ADOPTION OF IFRS AS ENDORSED IN KSA (CONTINUED)**5.5 Impact of adoption of IFRS on the statement of cash flows for the year ended 31 December 2022**

	Amounts previously reported under IFRS for SMEs	Reclassification and Remeasurement	As per IFRS as of 31 December 2022
Profit before Zakat	12,021,766	18,720	12,040,486
Adjustments to profit (loss) before zakat			
Depreciation of property and equipment	41,859	-	41,859
amortization of intangible assets	2,334	-	2,334
Employee benefit obligation, provided	22,223	10,828	33,051
Gains on investments at FVPL	(90,000)	-	(90,000)
Finance costs	-	1,650	1,650
	<u>11,998,182</u>	<u>31,198</u>	<u>12,029,380</u>
Cash flows from operating activities			
Prepaid Expenses and debit balances	(9,157,271)	8,647,152	(510,119)
Due from related parties	227,214	-	227,214
Due to related parties	(1,566,728)	-	(1,566,728)
Trade receivables	-	(9,068,590)	(9,068,590)
Work in progress	(1,300,156)	-	(1,300,156)
Accrued expenses and other payables	9,591,154	-	9,591,154
Employee benefits obligations, paid	(7,500)	-	(7,500)
Net cash flows generated from operating activities	<u>9,784,895</u>	<u>(390,240)</u>	<u>9,394,655</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of properties and equipment	(110,727)	-	(110,727)
Payments for acquisition of intangibles	(5,678)	-	(5,678)
Proceeds (payments) from investments at fair value through profit or loss	(300,240)	390,240	90,000
Net Cash (used in) investing activities	<u>(416,645)</u>	<u>390,240</u>	<u>(26,405)</u>
Cash flow from financing activities			
Dividends	(3,997,667)	-	(3,997,667)
Net cash flows (used in) financing activities	<u>(3,997,667)</u>	<u>-</u>	<u>(3,997,667)</u>
Net change in cash and cash equivalents during the year	<u>5,370,583</u>	<u>-</u>	<u>5,370,583</u>
Cash and cash equivalents at the beginning of the year	329,755	-	329,755
Cash and cash equivalents at the end of the year	<u>5,700,338</u>	<u>-</u>	<u>5,700,338</u>

5. IMPACT OF ADOPTION OF IFRS AS ENDORSED IN KSA (CONTINUED)

5.6. IFRS (19) – Employee Benefits

In accordance with IFRS for SMEs, the Company recorded employee defined benefit obligations based on the labor laws regulatory requirements. In order to determine the liability under IFRS as endorsed in KSA, the Company used the projected unit method in calculating the liability. Consequently, a change in the liability for the prior year has been recorded in the opening retained earnings and the statement of comprehensive income for the year ended 31 December 2022 and on the retained earnings and other comprehensive income for the year ended 31 December 2022

5.7 IFRS 9 - Financial Instruments

IFRS 9 - Financial Instruments replaces IAS 39 Financial Instruments: Recognition and measurement, effective for annual periods beginning on or after 1 January 2018, combines all three aspects of accounting for financial instruments: Classification, measurement, and impairment.

The Company has applied IFRS 9 retrospectively, in 31 December 2022 and adjusting the comparative information for the year beginning 1 January 2022.

In the current year, the Company has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRSs as endorsed in KSA. IFRS (9) introduces new requirements on (1) the classification and measurement of financial assets and financial liabilities, (2) impairment of financial assets, and (3) general risk hedge accounting. Details of these new requirements as well as their impact on the Company's financial statements are described below.

A) Classification and Measurement of Financial Assets

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: The Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. The assessment of the Company's business model was made as of the date of initial application, 1 January 2022, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2022. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. The classification and measurement requirements of IFRS 9 did not have a significant impact on the Company.

B) Impairment of Financial Assets

The application of International Financial Reporting Standard (9) fundamentally changed the company's accounting for impairment losses on financial assets by replacing the incurred loss method contained in International Accounting Standard (39) with the future expected credit losses method. IFRS 9 requires the Company to recognize a provision for expected credit losses on all debt instruments not held at fair value through profit or loss and contract assets.

Upon adoption of IFRS (9), the statement of financial position as of 1 January 2022 and 31 December 2022 was amended, so that the provision for expected credit losses and a decrease in trade receivables was recorded.

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6. PROPERTY AND EQUIPMENT

	Leasehold improvements	Vehicles	Furniture and furnishings	Computer and accessories	Total
Cost					
Balance at 1 January 2023	68,603	70,500	38,057	38,596	215,756
Additions	19,044	-	65,316	31,090	115,450
Disposals	-	-	(200)	(300)	(500)
Balance at 31 December 2023	87,647	70,500	103,173	69,386	330,706
Accumulated depreciation					
Balance at 1 January 2023	31,993	7,448	11,386	8,047	58,874
Depreciation during the year	36,682	7,050	7,067	13,021	63,820
Balance at 31 December 2023	68,675	14,498	18,453	21,068	122,694
Net Book Value:					
As at 31 December 2023	18,972	56,002	84,720	48,318	208,012
As at 31 December 2022	36,610	63,052	26,671	30,549	156,882

The depreciation charge for the year was distributed as follows:

	2023	2022
General and administrative expenses (Note 21)	63,820	41,859
	63,820	41,859

6. PROPERTY AND EQUIPMENT (CONTINUED)

	Leasehold improvements	Vehicles	Furniture and fixtures	Computer and accessories	Total
Cost					
Balance at 1 January 2022	58,586	-	38,057	8,386	105,029
Additions	10,017	70,500	-	30,210	110,727
Balance at 31 December 2022	68,603	70,500	38,057	38,596	215,756
Accumulated depreciation					
Balance at 1 January 2022	5,712	-	7,560	3,743	17,015
Depreciation during the year	26,281	7,448	3,826	4,304	41,859
Balance at 31 December 2022	31,993	7,448	11,386	8,047	58,874
Net Book Value:					
As at 31 December 2022	36,610	63,052	26,671	30,549	156,882
As of 1 January 2022	52,874	-	30,497	4,643	88,014

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7. Intangible Assets

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Cost at the beginning of the year	9,337	3,659	-
Additions during the year	17,629	5,678	3,659
Cost at the end of the year	26,966	9,337	3,659
Cost at the beginning of the year	3,249	915	-
Depreciation during the year	6,742	2,334	915
Accumulated Depreciation	9,991	3,249	915
Net book value as at the end of the year	16,975	6,088	2,744

8. Investment properties

The Company has a plot of land in Al Narjis district, Riyadh, with a total area of 1,169 m². As of 31 December 2023, the Company's management conducted a valuation of the land held for investment purposes, and generating profit from the appreciation of its market value. The valuation was performed by a certified real estate appraiser, Mr. Mohammed Malek Ibrahim Al-Ahmad, under license No. 1210000221, using the market value method.

There were no revenues or expenses recorded from investment properties. The fair value of the land, as determined by the valuation, amounted to SR 7,600,800. However, this amount was not recorded, as investment properties are measured using the cost model at initial recognition and subsequently at cost less accumulated depreciation and impairment losses, if any. Land is not depreciated. Investment properties as of 31 December 2023 were as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Investment properties	5,318,004	-	-
	5,318,004	-	-

9. CASH AND CASH EQUIVALENTS

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Cash at banks	29,483,117	5,700,338	329,755
	29,483,117	5,700,338	329,755

10. WORK IN PROCESS

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Auctions	42,454	420,785	-
Security	1,250,000	879,371	-
	1,292,454	1,300,156	-

The work in process consists of auction expenses for Al-Jarbou project, which will later be sold in several auctions.

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11. TRADE RECEIVABLES

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Auction expenses	7,126,418	9,086,021	48,631
Provision for expected credit loss	(17,556)	-	(31,200)
	<u>7,108,862</u>	<u>9,086,021</u>	<u>17,431</u>

The provision for expected credit losses of trade receivable is as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Balance at the beginning of the year	-	31,200	-
Added during the year	17,556	-	31,200
Utilized during the year	-	(31,200)	-
Balance at the end of the year*	<u>17,556</u>	<u>-</u>	<u>31,200</u>

The aging of receivables as of 31 December is as follows:

	<u>Total</u>	<u>Not yet due</u>	<u>91-180 days</u>	<u>181-365 days</u>	<u>>365 days</u>
31 December 2023	7,126,418	2,242,474	4,612,006	271,938	-
31 December 2022	9,086,021	9,086,021	-	-	-

12. PREPAID EXPENSES AND OTHER DEBIT BALANCES

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Employees receivables and advances	161,440	3,707	10,000
Prepaid medical insurance	133,831	86,325	-
Advances to suppliers	104,710	42,506	22,659
Letters of guarantee	100,000	100,000	100,000
Accrued income	54,957	-	-
Miscellaneous receivables	37,080	390,240	-
Prepaid rent	-	20,000	-
	<u>592,018</u>	<u>642,778</u>	<u>132,659</u>

13. RELATED PARTIES

Related parties represent major partners, directors and key management personnel of the Company. Due from/to the Company's related parties are as follows:

13.1 Due from related parties

Party Name	Type of Relationship	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Som Platform Company	Affiliated	-	-	227,214
		<u>-</u>	<u>-</u>	<u>227,214</u>

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13. RELATED PARTIES (CONTINUED)

13.2 The amount due to related parties consists of:

Party Name	Type of Relationship	31 December 2023	31 December 2022	1 January 2022
Mr. Badr Mohammed	Owner	-	-	1,208,429
Abdul Aziz Al-Sulaiman				
Mr. Mohammed Abdullah	Owner	-	-	234,099
Mohammed Al-Alyan				
Al Sulaiman Real Estate Company	Affiliated	-	-	124,200
		-	-	1,566,728

13.3 Related Party Transactions

Related party transactions primarily consist of salaries and compensation for key management personnel. Key management personnel are those who have the authority and power to plan, direct, and control the Company's activities, either directly or indirectly, including members of the Board of Directors and shareholders (whether executive or otherwise).

	31 December 2023	31 December 2022
Salaries and remunerations of key management personnel	7,313,272	1,462,892
Dividends	13,566,558	8,000,000
Withdrawals	-	2,999,332

14. SHARE CAPITAL

The Company's share capital is set at SR 100,000, divided into 100 shares, each with a nominal value of SR 1,000, fully paid and owned as of 31 December 2022. The capital ownership of shares are as follows:

Partner Name	Value per share	Number of Shares	31 December 2022	31 December 2021
Mr. Badr Mohammed Al-Sulaiman	1,000	90	90,000	90,000
Mr. Mohammed Abdullah Al-Alyan	1,000	10	10,000	10,000
		100	100,000	100,000

On May 21, 2023, the partners amended the share capital so that the Company's capital became SR 100,000, divided into 10,000 shares, each with a nominal value of SR 10, fully paid. The ownership of shares are as follows:

Partner Name	Value per share	Number of shares	Total
Mr. Abdullah Imad Hamad Al-Askar	10	4,400	44,000
Mr. Badr Mohammed Al-Sulaiman	10	3,325	33,250
Mr. Mohammed Abdullah Al-Alyan	10	2,025	20,250
Mr. Mohammed Ibrahim Hamad Al-Tuwaijri	10	250	2,500
		10,000	100,000

15. STATUTORY RESERVE

In accordance with the Saudi Company law, the Company must transfer 10% of its net income in each year to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve equals 30% of the capital. This reserve is not available for distribution.

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16. EMPLOYEE BENEFIT OBLIGATIONS

The Company has a defined end-of-service benefits plan in accordance with the Saudi Labor Law. These benefits are based on the employees' final salaries and allowances and the accumulated years of service, as stipulated in the laws of the Kingdom of Saudi Arabia.

The following table summarizes the components of the net benefits expenses recognized in the statement of profit or loss and the statement of comprehensive income:

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Service cost	57,792	33,051	53,771
Finance costs	4,390	1,650	-
	<u>62,182</u>	<u>34,701</u>	<u>53,771</u>

Movement in the provision for employee end-of-service benefits included in the statement of financial position is as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Balance at beginning of the year	97,550	58,753	17,500
Impact of first-time adoption of IFRS	-	-	(12,518)
Provided during the year	57,792	33,051	53,771
Finance charges (note 24)	4,390	1,650	-
Utilized during the year	-	(7,500)	-
Actuarial gains recognized in other comprehensive income	74,316	11,596	-
Total balance at the end of the year	<u>234,048</u>	<u>97,550</u>	<u>58,753</u>

The most recent actuarial valuation was performed by an independent, qualified actuary, using the projected unit credit method

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
	%	%	%
Discount rate	4.50%	4.50%	3.00%
Rate of salary increases	4.50%	4.50%	3.00%

All movements in the employees defined benefit liabilities are recognized in profit or loss, except for the actuarial gain, which is recognized in other comprehensive income.

Movement in actuarial gains reserve recognised in the OCI is as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
At the beginning of the year	11,596	-	-
Actuarial gain on the obligation	74,316	11,596	-
At the end of the year	<u>85,912</u>	<u>11,596</u>	<u>-</u>

A change in an actuarial assumption while holding other assumptions constant would affect the provision for employees' end-of-service benefits by the amounts shown below:

	<u>31 December 2023</u>		<u>31 December 2022</u>	
	<u>Increase (1%)</u>	<u>Decrease (1%)</u>	<u>Increase (1%)</u>	<u>Decrease (1%)</u>
Discount rate	218,200	252,087	90,642	105,454
Average annual salary increase	253,107	217,010	105,884	90,136

The above sensitivity analysis may not be representative of an actual change in the provision for employees' end of service benefits as it is unlikely that changes in assumptions would occur in isolation of one another.

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17. ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2023	31 December 2022	1 January 2022
Auction commission receivables	4,370,308	7,052,508	373,675
Accrued bonuses	4,109,509	1,067,140	-
Employee payables	221,026	74,050	51,916
Professional fees and consultations	112,500	37,000	-
Value-Added Tax (VAT)	35,593	1,715,262	8,000
GOSI	19,890	13,112	5,390
Miscellaneous payables	13,142	785	1,528
Medical insurance payable	-	76,146	-
Dividends payable	-	4,002,333	-
Advertising payable	-	8,660	13,000
	8,881,968	14,046,996	453,509

18. ZAKAT**18.1 Status of Assessment**

The Company has submitted its zakat return for the year ended 31 December 2022, and obtained a zakat certificate valid until 30 April 2023. However, no assessment has been made since incorporation.

18.2 A summary of the Zakat calculation for the year ended 31 December is shown below:

	2023	2022
Net accounting profit according to the financial statements	38,028,561	12,048,457
Adjust:		
Expenses and costs not related to the activity or not documented	17,556	31,200
Provision for employee benefits during the year	62,182	22,221
Net loss (restated)	38,108,299	12,101,878
Add:		
Share capital	100,000	100,000
Provisions brought forward	97,550	71,209
Reserves carried over from previous years	30,000	
Long-term loans and equivalents	-	1,555,779
Total zakat base added	38,335,849	13,828,866
(Deduct):		
Net property and equipment	5,526,016	179,763
Intangible assets	16,975	6,087
Losses carried forward at the beginning of the year	-	1,369,929
Total deducted zakat base	5,542,991	1,555,779
Net zakat base	32,792,858	12,273,087
Net adjusted profit	38,108,299	12,101,878
Zakat*	952,707	306,960

*Zakat expenses are calculated based on the higher of adjusted net income or the zakat base, according to the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). The zakat provision for the current year was calculated based on the zakat base. According to the new zakat regulations, in calculating zakat on the zakat base, the zakat rate of 2.5% is divided by the number of days of the Hijri year (354 days) and then multiplied by the number of days of the Gregorian year (365 days).

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18. ZAKAT (CONTINUED)**18.3 Zakat Payable**

The movement of the zakat payable for the years ended 31 December 2023, 2022, and 1 January 2022 is as follows:

	31 December	31 December	1 January 2022
Balance at the beginning of the year	314,398	7,438	2,293
Provided during the year	952,707	306,960	7,438
Payments during the year	(314,398)	-	(2,293)
Balance at the end of the year	<u>952,707</u>	<u>314,398</u>	<u>7,438</u>

19. REVENUE (AT A CERTAIN POINT OF TIME)

	2023	2022
Auctions	70,730,098	43,445,935
Exclusive marketing	9,540,920	-
Judicial custodianships and estate liquidation	1,294,909	55,652
	<u>81,565,927</u>	<u>43,501,587</u>

The Company conducts its business, and the revenues mentioned above are generated within the Kingdom of Saudi Arabia.

20. COST OF REVENUE

	2023	2022
Auctions*	24,932,620	28,942,940
Employee remunerations	8,445,619	1,067,140
Judicial custodianships and estate liquidation **	1,268,104	47,304
Exclusive Marketing ***	6,382,041	-
Miscellaneous expenses	518,597	272,063
	<u>41,546,981</u>	<u>30,329,447</u>

* Auction expenses include auction brokers' commissions and auction execution fees

** These are salaries for judicial custodianships, estate liquidations, electronic advertising, and others

*** Exclusive marketing expenses include advertising, salaries, and brokers.

21. GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
Wages, salaries and related expenses	1,586,660	802,970
GOSI	141,475	58,518
Professional fees and consultations	140,000	39,050
Medical insurance	124,948	51,434
Rent	108,000	97,000
Depreciation of property and equipment	63,820	41,859
Government fees	61,718	14,318
Employee benefits and services	57,792	33,051
Hospitality	57,156	11,418
Mail, phone and internet	29,913	10,316
Travel and transportation	19,613	5,401
Bank expenses	14,979	842
Depreciation of intangible assets	6,742	2,334
Other expenses	18,989	89,681
	<u>2,431,805</u>	<u>1,258,192</u>

22. SELLING AND MARKETING EXPENSES

	2023	2022
Maintenance and repair	-	1,635
	-	1,635

23. FINANCE COSTS

	2023	2022
Finance costs - employee defined benefit obligations	4,390	1,650
	4,390	1,650

24. OTHER INCOME

	2023	2022
Marketing services	-	33,000
Designs	-	6,823
Bank interest	463,366	
	463,366	39,823

25. OPERATING SEGMENTS

25.1 Operating Segments

The Company's activities consist of residential home auction sales, the purchase, sale, and subdivision of land and real estate, off-plan sales activities, the management and leasing of owned or leased properties, the management and operation of serviced apartments, and judicial custody for safekeeping of funds. Accordingly, the Company does not have separate operating segments to disclose.

25.2 Geographical Segment

A geographical segment relates to the provision of products or services within a specific economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The Company does not have geographical segments, as all of its revenues are generated within Riyadh, Kingdom of Saudi Arabia. Therefore, there are no geographical segments to be disclosed.

26. Dividends

Based on the Board of Directors' resolution, the Company paid out dividends amounting to SR 13,566,558 and SR 8,000,000 during the years ended 31 December 2023 and 2022, respectively, to the shareholders in proportion to their respective ownership interests in the Company's share capital

27. Financial Instruments

A) Financial Risk Management

Fair Values

The fair value of financial and non-financial assets and liabilities is determined for measurement/disclosure purposes based on the accounting policies disclosed in the financial statements. As of the reporting date, the carrying amounts of the financial assets and liabilities reasonably approximate their fair values

Financial risk management objectives

The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This item presents information about the Company's exposure to each of the above risks, and the Company's objectives, policies and processes for measuring and managing risks.

Risk management framework

Management has overall responsibility for the establishment and oversight of Company's risk management framework. Management is responsible for developing and monitoring the company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit Risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The company does not have any significant concentration of credit risk. Cash and cash equivalents are placed with local banks with sound credit ratings. Accounts and other receivables are due mainly from customers in the local market and are stated at their estimated recoverable amount.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>1 January 2022</u>
Cash and Cash Equivalents	29,483,117	5,700,338	329,755
Trade receivables	7,108,862	9,086,021	17,431
Work in progress	1,292,454	1,300,157	-
Prepaid Expenses and other receivables	592,018	642,778	132,659
Due from related parties	-	-	227,214
	<u>38,476,451</u>	<u>16,729,294</u>	<u>707,059</u>

The carrying amount of financial assets represents the maximum credit exposure. Credit risk on trade receivables, work in progress, other receivables, due from related parties, cash and cash equivalents is limited as follows:

Cash, cash equivalents and cash balances are held with banks with sound credit ratings.

Trade and other receivables are stated, net of impairment losses.

The Company manages credit risk with respect to its receivables from customers through monitoring in accordance with defined policies and procedures. The Company seeks to limit credit risk with respect to customers by setting up credit limits for customers and monitoring outstanding receivables on an ongoing basis.

27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk (Continued)

The ageing of unimpaired accounts receivable is as follows:

	Total	Neither past due nor impaired	91-180 days	181-365 days	>365 days
31 December 2023	7,108,862	2,242,474	4,612,006	254,382	-
31 December 2022	9,086,021	9,086,021	-	-	-

For all financial assets for which impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

Liquidity Risk

Liquidity risk is the risk that a Company will encounter difficulty in obtaining funds to meet obligations associated with the financial instruments, commitments and contingent liabilities. Liquidity risk may result from the inability to realise a financial asset quickly at an amount close to its fair value. Liquidity risk is managed through regular monitoring of the adequacy of available liquidity to meet the Company's financial obligations.

The table below analyzes the Company's financial liabilities by relevant maturities, based on the remaining period as of the reporting date until the contractual maturity date. The amounts shown in the table represent undiscounted contractual cash flows: -

	31 December 2023			
	Carrying amount	Less than 1 year	One to five years	Over 5 years
Advances from customers	1,010,158	1,010,158	-	-
Suppliers	6,981,262	6,981,262	-	-
Trade payables and other current liabilities	8,881,968	8,881,968	-	-
Provision for zakat	952,707			
Provision for end of service benefits	244,580	-	-	234,048

Market Risks

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect a company's income.

The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The Company has no outstanding loans.

Currency Risks

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is exposed to fluctuations in foreign exchange rates in the normal course of its business. However, the Company does not conduct any significant transactions in currencies other than the Saudi Riyal and the US Dollar. Foreign exchange risk related to the US Dollar is limited, as the US Dollar is pegged to the Saudi Riyal and the Company conducts its transactions in Saudi Riyals.

28. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As the accompanying financial statements are prepared on the basis of the historical cost method, differences can arise between the book value and fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

The table below analyzes financial instruments carried at fair value, by valuation method, where the different levels are determined as follows:

Level 1: Quoted prices (unadjusted) in an active market for identical financial assets and liabilities,

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices). These include quoted prices in active markets for similar instruments or valuation models that incorporate inputs observable in the market, whether directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable input).

29. SUBSEQUENT EVENTS

In the opinion of management, no significant events have occurred subsequent to the reporting date and before the issuance of these financial statements, which requires adjustment to, or disclosure thereto.

30. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 29 June 2024.

13.2 The reviewed interim condensed financial statements for the nine-month period ended at 30 September 2024G.

HAWYIA AUCTIONS COMPANY
LIMITED LIABILITY COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
INDEPENDENT AUDITOR'S REISSUED REPORT ON
REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

HAWYIA AUCTIONS COMPANY

(LIMITED LIABILITY COMPANY)

PERIOD ENDED 30 SEPTEMBER 2024

INTERIM FINANCIAL STATEMENTS AND REISSUED REVIEW REPORT THEREON

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**INDEPENDENT AUDITOR'S MODIFIED REPORT
ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS**

To: Partners
Hawyia Auctions Company
Limited Liability Company

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Hawyia Auction Company (a Limited Liability Company) (the "Company") as at 30 September 2024, and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standards 34, "Interim Financial Reporting" ("IAS 34") that are endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 endorsed in the Kingdom of Saudi Arabia.

Other Matter

We previously issued the unqualified review report on these condensed interim financial statements on 5 December 2024 (4 Jumada II 1446 H). Pursuant to the subsequent detection of post-event disclosures, as outlined in Note 20, the previously issued condensed interim financial statements and our review report thereon have been withdrawn. Accordingly, these modified condensed interim financial statements and our review report thereon have been reissued.

Alzoman, Alfahad & Alhajjaj Professional Services

Zaher Abdullah Al-Hajjaj
Certified Public Accountant
License number (562)



Riyadh, Kingdom of Saudi Arabia

Date: 4 Ramadan 1446H
Corresponding to: 4 March 2025

HAWYIA AUCTIONS COMPANY
LIMITED LIABILITY COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2024
(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

	Note	30 September 2024 Unaudited	31 December 2023 (Audited) (Restated)
ASSETS			
NON-CURRENT ASSETS			
Property and Equipment		226,583	208,012
Intangible assets		11,919	16,975
Investment properties	6	5,318,004	5,318,004
TOTAL NON-CURRENT ASSETS		5,556,506	5,542,991
CURRENT ASSETS			
Cash and cash equivalents		26,986,182	29,483,117
Work in process		-	1,292,454
Trade receivables	7	603,984	7,108,862
Prepayments and other receivables	8	984,063	592,018
TOTAL CURRENT ASSETS		28,574,229	38,476,451
TOTAL ASSETS		34,130,735	44,019,442
OWNERS' EQUITY AND LIABILITIES			
OWNERS' EQUITY			
Share capital	10	100,000	100,000
Statutory reserve		30,000	30,000
Actuarial reserve		(107,250)	(85,912)
Retained earnings		21,343,141	25,824,211
TOTAL EQUITY		21,365,891	25,868,299
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee defined benefit liabilities		318,459	234,048
TOTAL NON-CURRENT LIABILITIES		318,459	234,048
CURRENT LIABILITIES			
Advances from customers		30,000	1,101,158
Trade payables		10,735	6,106,396
Due to related parties	9	1,535,829	1,128,900
Accrued expenses and other payables	11	10,555,996	8,627,934
Zakat payable	12	313,825	952,707
TOTAL CURRENT LIABILITIES		12,446,385	17,917,095
TOTAL LIABILITIES		12,764,844	18,151,143
TOTAL OWNERS' EQUITY AND LIABILITIES		34,130,735	44,019,442

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.

HAWYIA AUCTIONS COMPANY

LIMITED LIABILITY COMPANY

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

	Notes	30 September 2024 Unaudited	30 September 2023 Unaudited
Revenue	13	42,592,735	63,605,621
Cost of revenue	14	(21,851,544)	(30,628,532)
GROSS PROFIT FOR THE PERIOD		20,741,191	32,977,089
Administrative and general expenses	15	(2,091,693)	(1,691,180)
Expected credit loss		-	(13,167)
NET OPERATING INCOME FOR THE PERIOD		18,649,498	31,272,742
Finance costs		(10,403)	(3,293)
Other income	16	969,066	7,927
NET PROFIT BEFORE ZAKAT		19,608,161	31,277,376
Zakat	12	(376,146)	(714,530)
NET PROFIT AFTER ZAKAT		19,232,015	30,562,846
OTHER COMPREHENSIVE INCOME:			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:			
Re-measurement of employee defined benefit liabilities		(21,338)	(55,737)
Total other comprehensive loss for the period		(21,338)	(55,737)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		19,210,677	30,507,109

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.

HAWYIA AUCTIONS COMPANY

LIMITED LIABILITY COMPANY

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024G

(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

	Share Capital	Statutory Reserve	Retained Earnings	Re-measurement of employee defined benefit liabilities	Total Equity
Balance at 1 January 2023	100,000	30,000	2,314,915	(11,596)	2,433,319
Dividends (note 17)	-	-	(1,266,556)	-	(1,266,556)
Profit for the period	-	-	30,562,846	-	30,562,846
Total other comprehensive loss for the period	-	-	-	(55,737)	(55,737)
Total comprehensive income	-	-	30,562,846	(55,737)	30,507,109
Transfer to statutory reserve	-	-	-	-	-
Balance at 30 September 2023	100,000	30,000	31,611,205	(67,333)	31,673,872
Balance at 1 January 2024	100,000	30,000	25,824,211	(85,912)	25,868,299
Dividends (note 17)	-	-	(23,713,085)	-	(23,713,085)
Profit for the period	-	-	19,232,015	-	19,232,015
Total other comprehensive income for the period	-	-	-	(21,338)	(21,338)
Total comprehensive income	-	-	19,232,015	(21,338)	19,210,677
Transfer to statutory reserve	-	-	-	-	-
Balance at 30 September 2024	100,000	30,000	21,343,141	(107,250)	21,365,891

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.

HAWYIA AUCTIONS COMPANY
LIMITED LIABILITY COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

	<u>30 September 2024</u>	<u>30 September 2023</u> Unaudited
Profit before Zakat	19,608,161	31,277,376
Adjustments to profit before zakat		
Depreciation of property and equipment	38,208	44,621
Amortization of intangible assets	5,056	5,057
Gains on disposal of property and equipment	(2,111)	-
Expected credit loss	-	13,167
Finance costs	10,403	3,293
Employee benefit obligations, provided	58,170	43,344
	<u>19,717,887</u>	<u>31,386,858</u>
Cash flows from operating activities		
Prepayments and other receivables	(392,045)	(178,418)
Due from related parties	-	(12,800,000)
Due to related parties	406,929	684,034
Trade receivables	6,504,878	(12,736,632)
Work in progress	1,292,454	1,300,156
Accrued expenses and other payables	(3,071,938)	1,743,981
Advances from customers	(1,071,158)	279,741
Trade payables	(6,095,661)	143,418
Employee benefit obligations, paid	(5,500)	-
Zakat paid	(1,015,028)	(314,398)
Net cash flows from operating activities	<u>16,270,818</u>	<u>9,508,740</u>
Cash flows from investing activities		
Payments for acquisition of properties and equipment	(108,670)	(84,511)
Proceeds from sale of property and equipment	54,002	-
Payments for acquisition of intangibles	-	(12,000)
Net cash flows used in investing activities	<u>(54,668)</u>	<u>(96,511)</u>
Cash flow from financing activities		
Dividends paid	(18,713,085)	(1,266,558)
Net cash flows used in financing activities	<u>(18,713,085)</u>	<u>(1,266,558)</u>
Net change in cash and cash equivalents during the period	<u>(2,496,935)</u>	<u>8,145,671</u>
Cash and cash equivalents at the beginning of the year	29,483,117	5,700,338
Cash and cash equivalents at the end of the period	<u>26,986,182</u>	<u>13,846,009</u>
Non-Cash Transactions:		
Remeasurement losses on employee defined benefit obligations	(21,338)	(55,737)
Unpaid dividends	5,000,000	-

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.

1. ORGANIZATION AND ACTIVITY

Hawyia Auctions Company, a Limited Liability Company, is established under commercial registration No. 1010584375 dated 24 Shawwal 1440H, and sub-commercial registration No. 1010737029 dated 14 Shawwal 1443H. in Riyadh, with its head office is located in Al Qairawan district, Riyadh.

The Company is engaged in real estate auction activities, buying, selling and dividing lands and properties, off-plan sales activities, managing and leasing owned or leased properties, custodial holding of funds by judicial mandate, real estate brokerage, property management, financial management and custody services for commercial entities, sale of fixed and movable assets, vehicle and equipment auctions, and providing marketing services on behalf of third parties.

2. BASIS OF PREPERATION

2.1 Statement of Compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard ("IAS"), "Interim Financial Reporting" ("IAS 34") as endorsed in KSA and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2023. Nonetheless, selected explanatory notes have been included to clarify significant events and transactions for understanding changes in the interim condensed statement of financial position and performance since the last annual financial statements. Furthermore, the results for the period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the year ended 31 December 2024.

2.2 Basis of Measurement

The accompanying interim condensed financial statements have been prepared under the historical cost convention, using the accrual basis of accounting and the going concern concept.

2.3 Functional and Presentation Currency

These interim condensed financial statements have been presented in Saudi Riyal (SR), which is the functional and presentation currency of the Company.

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

No new standards have been issued; however, several amendments to existing standards became effective as of 1 January 2024 and were explained in the Company's annual financial statements. These amendments have had no material impact on the Company's interim condensed financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective. Several amendments and interpretations apply for the first time in year 2024, but do not have an impact on the interim condensed financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2023.

5. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND POLICIES

The preparation of the Company's interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying notes. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods. The significant judgments, assumptions and estimates made by management in applying the Company accounting policies and the key sources of estimation uncertainty are the same as those that applied to the last annual audited financial statements for the Company.

HAWYIA AUCTIONS COMPANY

LIMITED LIABILITY COMPANY

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

6. INVESTMENT PROPERTIES

The Company has a plot of land in Al Narjis district, Riyadh, with a total area of 1,169 m². As of 30 September 2024, the Company's management conducted a valuation of the land held for investment purposes, and generating profit from the appreciation of its market value. The valuation was performed by a certified real estate appraiser, Mr. Abdulaziz Ibrahim Abdulaziz, under license No. 121000167, using the market value method. There were no revenues or expenses recorded from investment properties. The fair value of the land, as determined by the valuation, amounted to SR 10,078,896. However, this amount was not recorded, as investment properties are measured using the cost model at initial recognition and subsequently at cost less accumulated depreciation and impairment losses, if any. Land is not depreciated. Investment properties as of 30 September 2024 were as follows:

	30 September 2024	31 December 2023
	Unaudited	(Audited)
Investment properties	5,318,004	5,318,004
	5,318,004	5,318,004

7. TRADE RECEIVABLES

	30 September 2024	31 December 2023
	Unaudited	(Audited)
Auction clients	621,540	7,126,418
Provision for expected credit loss	(17,556)	(17,556)
	603,984	7,108,862

The provision for expected credit losses of trade receivable is as follows:

Party Name	30 September 2024	31 December 2023
Balance at the beginning of the year	17,556	-
Provided during the year	-	17,556
Balance at the end of the year*	17,556	17,556

8. PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2024	31 December 2023
	Unaudited	(Audited)
Letters of guarantee	600,000	100,000
Employees receivables and advances	186,900	161,440
Accrued Interest	100,726	-
Prepaid medical insurance	72,403	133,831
Advances to suppliers	-	104,710
Accrued income	-	54,957
Miscellaneous receivables	24,034	37,080
	984,063	592,018

HAWYIA AUCTIONS COMPANY

LIMITED LIABILITY COMPANY

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

9. RELATED PARTIES

The related parties represent major partners, directors, key management personnel and subsidiaries of the Company. Due from / to the Company's related parties are as follows:

9.1 The amount due to related parties consists of:

<u>Party Name</u>	<u>Type of Relationship</u>	<u>30 September 2024</u> Unaudited	<u>31 December 2023</u> (Audited) (Restated)
Som Platform Company	Affiliated	1,535,829	1,128,900

9.2 Related Party Transactions

Related party transactions include auction listing fees paid to Som Platform Company. These transactions are summarized as follows:

<u>Party Name</u>	<u>Nature of the relationship</u>	<u>30 September 2024</u> Unaudited	<u>31 December 2023</u> (Audited) (Restated)
Som Platform Company	Fees for listing auctions on Som Platform	1,535,829	1,128,900
		<u>1,535,829</u>	<u>1,128,900</u>

9.3 Related Party Transactions

Related party transactions primarily consist of salaries and compensation for key management personnel. Key management personnel are those who have the authority and power to plan, direct, and control the Company's activities, either directly or indirectly, including members of the Board of Directors and shareholders (whether executive or otherwise).

<u>Nature of the transaction</u>	<u>30 September 2024</u> Unaudited	<u>30 September 2023</u> Unaudited
Dividend distributions	23,713,085	1,266,556
Salaries and remunerations of key management personnel	4,704,025	6,257,321
Professional fees and consultations	80,000	-

10. SHARE CAPITAL

During the period, there was a change in the Company's shareholding. The updated number of shares, in accordance with the Company's by-laws, is as follows:

30 September 2024

<u>Partner Name</u>	<u>Value per share</u>	<u>Number of Shares</u>	<u>Total</u>
Mr. Abdullah Imad Hamad Al-Askar	10	1,960	19,600
Al-Sulaiman Real Estate Company	10	5,400	54,000
Mr. Mohammed Abdullah Al-Alyan	10	2,440	24,400
Mr. Mohammed Ibrahim Hamad Al-Tuwaijri	10	200	2,000
		<u>10,000</u>	<u>100,000</u>

31 December 2023

<u>Partner Name</u>	<u>Value per share</u>	<u>Number of Shares</u>	<u>Total</u>
Mr. Abdullah Imad Hamad Al-Askar	10	4,400	44,000
Mr. Badr Mohammed Al-Sulaiman	10	3,325	33,250
Mr. Mohammed Abdullah Al-Alyan	10	2,025	20,250
Mr. Mohammed Ibrahim Hamad Al-Tuwaijri	10	250	2,500
		<u>10,000</u>	<u>100,000</u>

11. ACCRUED EXPENSES AND OTHER PAYABLES

	30 September 2024	31 December 2023
	Unaudited	(Audited) (Restated)
Dividends payable	5,000,000	-
Remunerations payable	3,987,025	4,109,509
Auction commission receivables	802,191	4,116,274
Miscellaneous payables	264,264	13,142
Employee payables	204,132	221,026
Professional fees and consultations	124,375	112,500
Accrued rent	81,000	-
Value-Added Tax (VAT)	65,037	35,593
GOSI contributions payable	27,972	19,890
	10,555,996	8,627,934

12. ZAKAT

12.1 Zakat Assessment

The Company has submitted its zakat return for the year ended 31 December 2023, and obtained a zakat certificate valid until 30 April 2025. However, no assessment has been made since incorporation.

12.2 Zakat Payable

The movement of the zakat payable for the years ended 30 September 2024 and December 31, 2023, is as follows:

	30 September 2024	31 December 2023
	Unaudited	(Audited)
Balance at the beginning of the year	952,707	314,398
Provided during the year	376,146	952,707
Payments during the year	(1,015,028)	(314,398)
Balance at the end of the year	313,825	952,707

13. REVENUE (AT A CERTAIN POINT OF TIME)

	30 September 2024	30 September 2023
	Unaudited	Unaudited
Auctions	29,642,419	56,483,706
Exclusive marketing	6,305,398	6,420,383
Liquidation of estates	6,644,918	701,532
	42,592,735	63,605,621

The Company conducts its business, and the revenues mentioned above are generated within the Kingdom of Saudi Arabia.

HAWYIA AUCTIONS COMPANY

LIMITED LIABILITY COMPANY

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

14. COST OF REVENUE

	30 September 2024	30 September 2023
	Unaudited	Unaudited
Auctions*	8,908,487	18,302,366
Employee remunerations	3,984,025	6,257,321
Liquidation of estates **	5,205,768	1,360,400
Exclusive Marketing ***	3,422,313	4,237,433
Miscellaneous expenses	330,951	471,012
	21,851,544	30,628,532

* Auction expenses include auction brokers' commissions and auction execution fees

** Estate liquidation expenses include deed preparation, salaries, sale marketing, and other related costs.

*** Exclusive marketing expenses comprise advertising, salaries, and broker commissions.

15. Administrative and general expenses

	30 September 2024	30 September 2023
	Unaudited	Unaudited
Wages, salaries and related expenses	1,272,410	1,102,800
Professional fees and consultations	191,875	105,000
GOSI contribution	150,829	78,867
Medical insurance	136,091	80,338
Rent	81,000	81,000
Government fees	63,953	50,943
Employee benefits and services	58,170	43,344
Depreciation of property and equipment	38,209	44,623
Other expenses	99,156	104,265
	2,091,693	1,691,180

16. Other income

	30 September 2024	30 September 2023
	Unaudited	Unaudited
Marketing services	275,000	7,927
Gains on fixed assets	2,111	-
Bank interest	691,955	
	969,066	7,927

17. Dividends

Pursuant to a resolution by the partners, the Company distributed dividends amounting to SR 23,713,085 during the period ended 30 September 2024 (30 September 2023: 1,266,556).

18. FINANCIAL INSTRUMENTS**a) Financial Risk Management****Fair Values**

The fair value of financial and non-financial assets and liabilities is determined for measurement/disclosure purposes based on the accounting policies disclosed in the interim condensed financial statements. As of the reporting date, the carrying amounts of the financial assets and liabilities reasonably approximate their fair values

b) Financial Risk Management Objectives

The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This item presents information about the Company's exposure to each of the above risks, and the Company's objectives, policies and processes for measuring and managing risks.

Risk Management Framework

Management has overall responsibility for the establishment and oversight of Company's risk management framework. The management is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit Risk

Credit risk is the risk that one party will fail to discharge an liability and will cause the other party to incur a financial loss. The Company seeks to manage its credit risk with respect to customers by setting credit limits for individual customers, monitoring outstanding receivables and the Company deposits its funds in banks with good credit rating.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to necessary meet commitments associated with financial instruments. Liquidity risk may result from the inability to realise a financial asset quickly at an amount close to its fair value. The Company manages liquidity risk by maintaining cash balances with banks and ensuring the availability of adequate credit facilities, when necessary, to continuously meet its short-term liabilities.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect a company's income.

The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The Company has no outstanding loans.

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is exposed to fluctuations in foreign exchange rates in the normal course of its business. However, the Company does not conduct any significant transactions in currencies other than the Saudi Riyal and the US Dollar. Foreign exchange risk related to the US Dollar is limited, as the US Dollar is pegged to the Saudi Riyal and the Company conducts its transactions in Saudi Riyals.

HAWYIA AUCTIONS COMPANY

LIMITED LIABILITY COMPANY

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(ALL AMOUNTS ARE IN SAUDI RIYALS, UNLESS OTHERWISE STATED)

19. COMPARATIVE FIGURES

Certain comparative figures for the year ended 31 December 2023 have been reclassified to conform to the presentation for the current period, and to be more appropriate to the users of the financial statements, as follows:

	Impact of Reclassification		
	As previously reported	Reclassification	As classified
Statement of financial position			
Suppliers	6,981,262	(874,866)	6,106,396
Accrued expenses and other payables	8,881,968	(254,034)	8,627,934
Due to related parties	-	1,128,900	1,128,900

20. SUBSEQUENT EVENTS

The Company had not previously disclosed any subsequent events in the interim condensed financial statements for the nine-month period ended 30 September 2024, which were approved for issuance on 5 December 2024. Accordingly, the disclosure of subsequent events note has been amended to include the corrections required as described below:

On 02/05/1446H (corresponding to 4 November 2024), the partners resolved to increase the Company's share capital from SR 100,000 to SR 20 million through the capitalization of retained earnings. On 16/05/1446H (corresponding to 18 November 2024), the partners resolved to change the legal structure of the Company from a limited liability company to a closed joint stock company.

Moreover, the Company submitted an application to the Capital Market Authority (CMA) to conduct an initial public offering (IPO) and list its shares on the Nomu – Saudi Parallel Market.

No other significant subsequent events occurred after the reporting date and before the reissuance of these financial statements that would require further adjustment or disclosure.

21. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Board of Directors 28 Sha'aban 1446H (corresponding to 27 February 2025).

13.3 Audited Financial Statements for the year ended 31 December 2024G

HAWIYA FOR AUCTIONS COMPANY
A CLOSED JOINT STOCK COMPANY

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

HAWIYA FOR AUCTIONS COMPANY

A CLOSED JOINT STOCK COMPANY

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Hawiya Auctions Company
Closed Joint - Stock Company

Opinion

We have audited the accompanying financial statements of Hawiya Auctions Company ("A Closed Joint - Stock Company"), which comprise of the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code") that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with Code requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for Financial Statements

Management and those charged with governance are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by SOCPA and Regulation for Companies and the Article of Association and for such internal control as management and those charged with governance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and those charged with governance are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and those charged with governance either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the members of the Board of Directors, are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of
Hawiya Auctions Company
Closed Joint - Stock Company

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Alzoman, Alfahad & Alhajjaj Professional Services

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No. 562



Riyadh on 1 Dhul-Qi'dah 1446H
Corresponding to 29 April 2025

HAWIYA FOR AUCTIONS COMPANY

A CLOSED JOINT STOCK COMPANY

STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2024

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	31 December 2024	31 December 2023
Assets			
Non-current assets			
Investment property	7	5,318,004	5,318,004
Property and Equipment	5	213,450	208,012
Intangible assets	6	10,234	16,975
Total non-current assets		5,541,688	5,542,991
Current assets			
Work in process	9	83,560	1,292,454
Prepaid expenses and other debit balances	11	1,375,091	592,018
Trade receivables	10	7,703,538	7,108,862
Cash and cash equivalents	8	21,090,723	29,483,117
Total current assets		30,252,912	38,476,451
Total assets		35,794,600	44,019,442
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share Capital	12	20,000,000	100,000
Statutory reserve	13	30,000	30,000
Retained earnings		7,296,762	25,824,211
Actuarial reserve		(165,395)	(85,912)
Total Shareholders' Equity		27,161,367	25,868,299
Liabilities			
Non-current liability			
Employee defined benefit obligations	15	294,629	234,048
Current liabilities			
Advance from customers	16	-	1,101,158
Trade payables	17	3,772	6,106,396
Due to a related party	14	-	1,128,900
Accrued expenses and other payables	18	7,748,753	8,627,934
Zakat payable	19	586,079	952,707
Total current liabilities		8,338,604	17,917,095
Total liabilities		8,633,233	18,151,143
Total Shareholders' Equity and liabilities		35,794,600	44,019,442

Mohammed Abdullah Mohammed Al-Ulyan
Board Chairman

Abdullah Imad Hamad Al-Askar
Chief Executive Officer

Mohammed Abdullah Mohammed Al-Ulyan
Chief Financial Officer

The attached explanations from 1 to 32 form an integral part of these financial statements.

HAWIYA FOR AUCTIONS COMPANY

A CLOSED JOINT STOCK COMPANY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	31 December 2024	31 December 2023
Revenue	20	62,601,632	81,565,927
Cost of revenue	21	(35,186,443)	(41,546,981)
Gross profit		27,415,189	40,018,946
General and administrative expenses	22	(2,623,943)	(2,431,805)
Expected credit loss	10	-	(17,556)
Net operating profit for the year		24,791,246	37,569,585
Finance cost	23	(13,871)	(4,390)
Other income	24	956,661	463,366
Profit before zakat		25,734,036	38,028,561
Zakat	19	(648,400)	(952,707)
Net profit for the year		25,085,636	37,075,854
Other comprehensive loss:			
Items that will not be subsequently reclassified to profit or loss:			
Actuarial losses from remeasurement of defined benefit obligations	15	(79,483)	(74,316)
Total other comprehensive loss		(79,483)	(74,316)
Total comprehensive income		25,006,153	37,001,538
Earnings per share	25	1.25	1.85

Mohammed Abdullah Mohammed Al-Ulyan

Board Chairman

Abdullah Imad Hamad Al-Askar

Chief Executive Officer

Mohammed Abdullah Mohammed Al-Ulyan

Chief Financial Officer

The attached explanations from 1 to 32 form an integral part of these financial statements.

HAWIYA FOR AUCTIONS COMPANY

A CLOSED JOINT STOCK COMPANY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share capital	Statutory reserve	Retained earnings	Actuarial reserve for remeasurement of defined benefit obligations to employees	Total Equity
Balance as on 1st January, 2023	100,000	30,000	2,314,915	(11,596)	2,433,319
Dividends paid (Note 26)	-	-	(13,566,558)	-	(13,566,558)
Net profit for the year	-	-	37,075,854	-	37,075,854
Other comprehensive loss	-	-	-	(74,316)	(74,316)
Total comprehensive income	-	-	37,075,854	(74,316)	37,001,538
Balance as on 31 December 2023	100,000	30,000	25,824,211	(85,912)	25,868,299
Balance as on 1st January, 2024	100,000	30,000	25,824,211	(85,912)	25,868,299
Dividends paid (Note 26)	-	-	(23,713,085)	-	(23,713,085)
Net profit for the year	-	-	25,085,636	-	25,085,636
Other comprehensive loss	-	-	-	(79,483)	(79,483)
Total comprehensive income	-	-	25,085,636	(79,483)	25,006,153
Capital increase (Note 12)	19,900,000	-	(19,900,000)	-	-
Balance as on 31 December 2024	20,000,000	30,000	7,296,762	(165,395)	27,161,367

Mohammed Abdullah Mohammed Al-Ulyan

Board Chairman

Abdullah Imad Hamad Al-Askar

Chief Executive Officer

Mohammed Abdullah Mohammed Al-Ulyan

Chief Financial Officer

The attached explanations from 1 to 32 form an integral part of these financial statements.

HAWIYA FOR AUCTIONS COMPANY

A CLOSED JOINT STOCK COMPANY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	2024	2023
Net profit before zakat	25,734,036	38,028,561
Cash flows from operating activities:		
Adjustments for non-cash items:		
Depreciation on property and equipment	52,599	63,820
Amortization on Intangible assets	6,741	6,742
Provision for defined benefit obligations	77,560	57,792
Provision for expected credit loss	-	17,556
Finance charges	13,871	4,390
Gain on sale of property and equipment	(2,111)	-
	25,882,696	38,178,861
Changes in operational assets and liabilities:		
Prepaid expenses and other debit balances	(783,073)	50,760
Due to related parties	(1,128,900)	-
Trade receivables	(594,676)	1,959,603
Works in progress	1,208,894	7,702
Accrued expenses and other payables	(879,181)	(1,162,695)
Advance from customers	(1,101,158)	1,101,158
Trade payables	(6,102,624)	6,981,262
Cashflow generated from operating activities:	16,501,978	41,116,651
Defined benefit obligations-paid	(110,333)	-
Zakat paid	(1,015,028)	(314,398)
Net cashflow generated from operating activities:	15,376,617	46,802,253
Cash flows from investing activities		
Purchase of property and equipment	(109,930)	(115,450)
Proceeds from sale of property and equipment	54,004	500
Purchase of intangible assets	-	(17,629)
Purchase of investment properties	-	(5,318,004)
Net cash flows used in investing activities	(55,926)	(5,450,583)
Cash flows from financing activity		
Dividend paid	(23,713,085)	(17,568,891)
Net cash flows used in financing activity	(23,713,085)	(17,568,891)
Net change in cash and cash equivalents	(8,392,394)	23,782,779
Cash and cash equivalents at the beginning of the period	29,483,117	5,700,338
Cash and cash equivalents at the end of the period	21,090,723	29,483,117
Non-cash Transactions	2024	2023
Capital increase through converting from retained earnings	19,900,000	-

Mohammed Abdullah Mohammed Al-Ulyan
Board Chairman

Abdullah Imad Hamad Al-Askar
Chief Executive Officer

Mohammed Abdullah Mohammed Al-Ulyan
Chief Financial Officer

The attached explanations from 1 to 32 form an integral part of these financial statements.

HAWIYA FOR AUCTIONS COMPANY

A CLOSED JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. ORGANIZATION AND ACTIVITIES

Hawya Auctions Company was a Limited Liability Company established under commercial registration No. 1010584375 (unified Number: 7015435949) dated 24 Shawwal 1440 AH (corresponding: 27 June, 2019), and sub-commercial registration No. 1010737029 dated 14 Shawwal 1443 AH (corresponding: 15 May, 2022), in the city of Riyadh, and its headquarters is located at 3494 Mohammed Bin Al-Ajaji Road, 7815 Al-Qairawan District, 13532 Riyadh.

During the year, the shareholders of the Company decided to convert the legal form of the Company from Limited Liability Company to closed joint stock Company on 16 Jumada Al-Awwal 1446 AH (corresponding to: 18 November, 2024).

The Company's activity is represented in real estate auction activities, buying and selling lands and real estate, dividing them, off-plan sales activities, managing and leasing owned or leased properties, judicial storage for preserving money, real estate brokerage, property management, money management and preservation for commercial establishments, selling fixed and movable assets, car and equipment auctions, and providing marketing services on behalf of others.

2. FINANCIAL YEAR

The financial year begins on January 1 and ends on December 31 of each financial year.

3. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the historical cost principle, with the exception of defined employee benefit plans, which are measured at the present value of future obligations using the projected unit credit method. Otherwise, the financial statements are prepared using the accrual basis as a basis in accounting and in accordance with the going concern principle.

3.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

3.2 ACCOUNTING PRINCIPLE

The financial statements have been prepared under the historical cost convention and the accrual basis.

3.3 FUNCTIONAL AND PRESENTATION CURRENCY

These Financial Statements are presented in Saudi Riyals (SR), which is the Company's functional's currency. All amounts have been rounded to the nearest Saudi Riyal.

4.3 USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the financial statements in accordance with the International Standard for Financial Reporting approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Organization for Chartered and Professional Accountants requires the use of estimates, assumptions and judgments that affect the amounts of assets and liabilities presented and the disclosure of potential assets and liabilities at the date of preparing the financial reports and the value established of revenue and expenses during the financial reporting period. Estimates, assumptions, and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates, assumptions, and judgments regarding the future. The resulting accounting estimates are rarely equal to the actual results.

The significant assumptions and uncertainty of estimates as of 31 December 2024 is as follows:

A. Useful Lives of Property and Equipment:

The Company's management determines the estimated useful life of furniture and equipment for the purpose of calculating depreciation. This estimate is made after taking into account the expected use of the asset or actual obsolescence.

3. BASIS OF PREPARATION (CONTINUED)**4.3 USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)**

Management periodically reviews the estimated useful lives on an annual basis at a minimum and the depreciation method to ensure that the depreciation method and periods are consistent with the expected pattern of economic benefits of the assets.

B. Assumptions related to employees' terminal benefit obligations:**Short-term Obligations**

Liabilities for salaries and wages, including non-monetary benefits, accumulated leave, travel tickets, and children's education allowances, that are expected to be settled in full within twelve months after the end of the period in which the employees provide the relevant service are recognized in respect of employee services up to the end of the financial period, and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities are presented within accounts payable, amounts due to be paid, and other current liabilities in the statement of financial position.

Post-Employment Obligations**Defined Benefit Plans**

The Company mainly has an end-of-service benefit eligible for recognition as a defined benefit plan. The defined benefit plan is remeasured periodically by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the commission rates for high-quality corporate bonds registered in the currency in which the benefits will be paid, and has terms that approximate the terms of the related obligations. In countries where there are no deep markets for these bonds, market rates on government bonds are used. The net commission cost is calculated by applying the discount rate to the net balance of defined benefit obligations and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss and other comprehensive income.

Post-Employment Obligations

The costs of the defined benefit obligation for the periods are calculated on an annual basis using the actuarially determined defined plan cost rate at the end of the previous year, and adjusted for significant fluctuations in the market and for any significant one-time events, such as plan amendments, curtailments, and settlements. In the absence of such significant market fluctuations and one-time events, actuarial obligations are deferred based on the assumptions at the beginning of the year. In the event of significant changes in assumptions or arrangements during the period, a re-measurement of those obligations is taken into account.

The costs of current and past services related to post-employment benefits are recognized immediately in the statement of profit or loss and other comprehensive income, while the increase in the obligation at the discount rates used is recorded as a financing cost. Any changes in net liabilities resulting from actuarial valuations and changes in assumptions are included as a re-measurement in other comprehensive income.

With regard to the end-of-service benefit obligation for employees in the Kingdom of Saudi Arabia, the actuarial valuation process takes into account the provisions of the Saudi Labor and Workers Law as well as the Company's policy.

C. Fair Value of Financial Instruments

If the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on traded prices in active markets, their fair value is determined using valuation techniques that include a discounted cash flow model. The input to these models is through observable markets, if possible, and if this is not feasible, a degree of judgment must be used to determine fair value. Judgments include considerations relating to inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions regarding these factors may affect the recorded fair value of financial instruments.

D. Expected credit losses in trade receivables

The Company measures the lifetime provision for expected credit losses for trade receivables. The provision for expected credit losses on these trade receivables is estimated using the provision matrix by reference to the debtor's past experience of default, analysis of the debtor's current financial position, adjustment of debtors' special elements, general economic conditions of the industry in which the debtor operates and assessment of the current and future direction of conditions at the reporting date. Trade receivables are usually valued collectively unless a specific debit valuation is required on an individual basis.

HAWIYA FOR AUCTIONS COMPANY

A CLOSED JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3. BASIS OF PREPARATION (CONTINUED)**5.3 Issued New Standards and Amendments****(A) New amendments to the issued standards that have become effective**

The Company applied the following new standards and amendments for the first time in its annual reports starting from January 1, 2024.

Amendment	Description	Effective for annual periods beginning on or after	Brief for amendments
"International Accounting Standard No. 7" and "International Financial Reporting Standard No. 7"	Supplier finance arrangements	1 January 2024	This amendment addresses the disclosure of information related to an entity's supplier finance arrangements, which enables users of the financial statements to assess the effects of those arrangements on the entity's liabilities, cash flows, and exposure to liquidity risk.

* The application of this amendment had no material impact on the financial statements during the year

(B) Newly issued standards and amendments to standards that are not yet effective

The following is a list of standards and amendments to standards that are not yet effective and which the Company has not elected to apply early.

Standard /Amendment	Description	Effective for annual periods beginning on or after	Brief for amendments
International Financial Reporting Standard (IFRS) 18	Presentation and disclosure in the financial statements	1 January 2027	<p>This standard replaces International Accounting Standard (IAS) 1 "Presentation of Financial Statements," and the new standard focuses on updating the statement of profit or loss. The key new concepts introduced in IFRS 18 include:</p> <p>The structure of the statement of profit or loss;</p> <p>Required disclosures in the financial statements for certain performance measures of profit or loss reported outside the entity's financial statements (i.e., management-defined performance measures); and</p> <p>Enhancing aggregation and classification principles that apply to the primary financial statements and the notes in general.</p>
Amendments to IFRS 18 on other standards	Amendments related to presentation and disclosure in the financial statements	1 January 2027	This amendment addresses the presentation and disclosure topic in other standards.
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments	1 January 2026	This amendment covers the recognition and derecognition of financial instruments, as well as the classification of financial instruments and the related disclosures.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied in the preparation of these financial statements:

Classification of assets and liabilities as current and non-current

The Company presents assets and liabilities in the statement of financial position on a current/non-current basis. Assets are considered current if:

- They are expected to be realized or are intended to be sold or consumed during the normal operating cycle, or
- They are acquired primarily for trading purposes, or
- They are expected to be realized within twelve months after the financial period; or
- They are cash and cash equivalents unless there are restrictions on their exchange or use to settle any liabilities for a period of no less than twelve months after the financial period.

All other assets are classified as non-current assets.

Liabilities are considered current if:

- They are expected to be settled during the normal operating cycle, or
- They are acquired primarily for trading purposes, or
- They are due to be settled within twelve months after the financial period, or
- There is no unconditional right for the entity to defer settlement of the liabilities for a period of no less than twelve months after the financial period.

The Company classifies all other liabilities as non-current liabilities.

Property and Equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (if any). Such costs include all costs necessary for acquisition except for borrowing costs. When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items, major components of property and equipment. The cost of replacing a significant part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits inherent in the item will flow to the company and when those costs can be measured reliably, the carrying amount of the replaced item is derecognized. The costs of day-to-day servicing of property and equipment are recorded in the statement of profit or loss and other comprehensive income. When it is necessary to replace significant components of items of property and equipment at intervals, these components are capitalized and depreciated according to the useful lives and depreciation methods of the related asset. Other repair and maintenance costs that do not meet the capitalization criteria are included in the statement of profit or loss and other comprehensive income when incurred. The carrying amount of any item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from the item. Any gain or loss arising from the derecognition of an asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the statement of comprehensive income when the asset is derecognized.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset or another amount substituted for cost, less its residual value. Depreciation is calculated on a straight-line basis over the useful lives of the related assets. Land is not depreciated. Depreciation is calculated according to the straight-line method over the asset's useful life as follows:

Class	Depreciation %
Improvements to buildings	50%
Vehicles	20%
Furniture and Furnishings	10%
Computer and accessories	25%

Straight-Line Method

Depreciation is calculated to write off the cost of items of property, plant, and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Depreciation charged is recognized in the statement

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (CONTINUED)

Straight-Line Method (CONTINUED)

of profit or loss and other comprehensive income. Land is not depreciated. The estimated useful lives of the main items of property, plant, and equipment are as follows:

Any item of property, plant, and equipment and any significant part initially recognized are derecognized upon disposal or when no future benefits are expected from use or disposal. Any gains or losses resulting from the derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in profit or loss within the cost of revenues, selling and distribution expenses, and general and administrative expenses upon derecognition of the asset. The residual value, useful lives, and depreciation methods of property, plant, and equipment are reviewed at the end of each financial year, and adjusted prospectively, if appropriate.

Intangible assets

Intangible assets acquired separately are measured at cost upon initial recognition. After initial, (subsequent) recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any). Internally generated intangible assets are not capitalized, and the related expenditure is recognized in the in the statement of profit or loss and other comprehensive income in the financial period in which they are incurred. Intangible assets with finite lives are amortized over their useful lives and are assessed for impairment whenever there is an indication that they may have suffered an impairment loss. The amortization period and amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of economic benefits embodied in the asset are considered in order to adjust the amortization period or method as appropriate and are treated as changes in accounting estimates. Amortization expenses on intangible assets with finite useful lives are recognized in the statement of profit or loss and other comprehensive income as an expense in line with the function of these intangible assets. For intangible assets with indefinite useful lives, the useful life is determined based on management's best estimates, but the life should not exceed ten years. The gain or loss resulting from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income, when the asset is disposed of. Factors such as a change in the method used for the intangible asset, technological advances or changes in market prices may indicate a change in the residual value of the intangible asset or in its useful life. Previous estimates are considered and a change in the residual value, amortization method or useful life is treated as a change in an accounting estimate. Amortization is calculated using the straight-line method over the useful life.

Computer Programs	25%
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The useful lives of intangible assets with finite lives are reviewed regularly at each reporting date to determine whether there is any indication that the current useful life assessment is correct. If not, the useful life assessment is changed. Intangible assets with indefinite useful lives are not amortized, but are tested annually for impairment and whenever there is an indication that the intangible asset may be impaired, either individually or at the cash-generating unit level.

The gain or loss arising on the disposal of an intangible asset is recognized as the difference between the net disposal proceeds and the carrying amount of the asset. The gain or loss on disposal is recognized in the income statement in the year in which the asset is derecognized.

Investments property

Property investments are properties held to earn rentals and/or for capital appreciation, including properties under construction for these purposes.

Investment properties are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the items.

Land is not depreciated. Capital work-in-progress is transferred to the relevant category of investment property upon completion and depreciated from the point in time when it is ready for use. Significant portions of investment property are depreciated separately.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Investments property (CONTINUED)**

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. If an investment property becomes owner-occupied, it is reclassified as property and equipment.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit or loss and other comprehensive income in the period in which derecognition occurs.

The residual values, useful lives and methods of depreciation of investment properties are reviewed at each financial year end and adjusted prospectively when appropriate.

Lease contracts

The Company determines at inception whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a specified period in exchange for consideration.

Right of use assets and lease obligations.**1) Right of Use Assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and are adjusted for remeasurement of the lease liabilities. The cost of right-of-use assets comprises the amount of the recognized lease liabilities, lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets. For leases that require mutual agreement between the lessor and the Company for annual renewal of the lease term, the Company treats them as short-term leases and recognizes an expense in the statement of profit or loss.

2) Lease Obligations

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) that depend on a rate.

After the commencement date of the lease, the lease liability is increased to reflect the increase in commission and decreased to reflect the lease payments made. In addition, the carrying amount of the lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments (i.e. a change in future lease payments resulting from a change in the index or rate used to determine those payments) or a change in the valuation of the underlying asset.

Company as a lessee

At inception or on reassessment of an arrangement that includes a lease component, the Company allocates the consideration in the contract to each lease or non-lease component on the basis of their appropriate stand-alone prices. However, for real estate leases, the Company has elected not to separate the non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes right-of-use assets and lease liabilities at the commencement date of the lease. Right-of-use assets are initially measured at cost, which consists of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset and the cost of restoring the underlying asset or the site on which it is located (if any), less any lease incentives received.

Right-of-use assets are subsequently depreciated substantially using the straight-line method from the commencement date of the lease until the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as property and equipment. In addition, right-of-use assets are periodically reduced for impairment losses, if any, and adjusted for certain remeasurements of lease liabilities.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. The Company generally uses the incremental borrowing rate as the discount rate.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Right of use assets and lease obligations (CONTINUED)****Company as a lessee (CONTINUED)**

The lease payments included in measuring lease liabilities consist of the following:

- Fixed payments (including fixed payments in substance);
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease inception date;
- Amounts expected to be paid under the residual value guarantee; and
- The exercise price under a call option if the Company is reasonably certain to exercise the option, lease payments within the optional renewal period if the Company is reasonably certain to exercise the extension option, and payments of penalties for early termination of the lease unless the Company is reasonably certain not to exercise the option to terminate early.

Lease liabilities are measured at amortized cost using the effective interest rate method. They are remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be paid by the lessee under residual value guarantees, or if the Company changes its assessment of whether or not to buy, extend or terminate the agreement.

When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognized in profit or loss and other comprehensive income if the carrying amount of the right-of-use asset is reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases of low-value assets. The Company recognizes lease payments associated with these leases as an expense using the straight-line method over the lease term in the statement of profit or loss and other comprehensive income.

Impairment of non-financial assets

An impairment loss is recognized for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are identifiable future cash flows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit). Non-financial assets other than goodwill that have suffered a complete or partial impairment are reviewed for possible reversal of all or part of the impairment loss at the end of each reporting period.

Intangible assets with indefinite useful lives are not subject to amortization, but are instead tested annually for impairment. Assets subject to amortization/depreciation are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Financial instruments

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

Financial assets**Initial recognition and measurement**

Financial assets are classified, upon initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets upon initial recognition depends on the contractual cash flow characteristics of the financial asset and the entity's business model for managing them.

To be classified and measured at amortized cost or FVOCI, a financial asset must give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the "SPPI test" and is performed at the financial instrument level. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL regardless of the business model.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Financial assets (CONTINUED)****Initial recognition and measurement (CONTINUED)**

A company's business model for managing financial assets refers to how it manages these financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model of holding financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model of holding them in order to collect contractual cash flows and selling.

Purchases or sales of financial assets – which require delivery of assets within the time frame stipulated by regulations or that which is customary in the market (regular order transactions) – are recognized on the trade date, i.e. the date on which the company commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortized cost (Debt instruments).
- Financial assets at fair value through other comprehensive income with recycling of accumulated gains or losses (debt instruments).
- Financial assets at fair value through other comprehensive income with no recycling of cumulative gains or losses upon derecognition (Equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets carried at amortized cost

Financial assets are measured at amortized cost if they meet both of the following conditions and are not classified as at fair value through profit or loss:

- They are held within a business model whose objective is achieved by collecting contractual cash flows.
- The contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (Debt instruments)

For debt instruments carried at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses are recognized in profit or loss and accounted for in the same way as financial assets measured at amortized cost. Remaining fair value changes are recognized in other comprehensive income. When they are initially derecognized, the cumulative fair value changes recognized in other comprehensive income are recycled to profit or loss.

The Company does not have any debt instruments at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income (equity instruments)

On initial recognition, the Company may irrevocably elect to classify investments in equity instruments as held at fair value through other comprehensive income if they meet the criteria for the definition of equity instruments in IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

The Company does not have any equity instruments carried at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value, and net changes in fair value are included in the statement of profit or loss.

This category includes financial assets that the Company has not irrevocably designated at fair value through other comprehensive income.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (CONTINUED)

Subsequent measurement (CONTINUED)

Financial assets at fair value through other comprehensive income

On initial recognition of equity investments that are not held for trading, the Company may irrevocably elect to present subsequent changes in the fair value of the investment in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income as described above are measured at fair value through profit or loss and other comprehensive income.

This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate financial assets that otherwise meet the requirements to be measured at amortized cost or at fair value through other comprehensive income as financial assets at fair value through profit or loss, if this eliminates or eliminates any significant impairment in accounting determinants that would otherwise arise.

Financial Assets - Subsequent Measurement and Gains and Losses

Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. The net gain or loss, including interest income and dividend income, is included in the statement of profit or loss and other comprehensive income.
Financial assets carried at amortized cost	These assets are measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition of an investment is included in the statement of profit or loss and other comprehensive income.
Financial assets at fair value through other comprehensive income - (investments in debt instruments)	Subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss and other comprehensive income. Net other gains and losses are recognized in the statement of other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss. The Company has no such assets.
Financial assets at fair value through other comprehensive income - (investments in equity instruments)	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition or recognition of an investment is recognized in the statement of changes in equity and may not be reclassified to the statement of profit or loss and other comprehensive income. The Company has no such assets.

Financial Liabilities

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss.

Financial liabilities are classified as at fair value through profit or loss if they are classified as held for trading or are derivatives or are designated as such upon initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value.

Net gains and losses, including any interest expense, are recognized in the statement of profit or loss and other comprehensive income. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition is recognized in the statement of profit or loss and other comprehensive income.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

De-recognition

Financial assets

The company ceases to recognize financial assets when:

- The rights to receive cash flows from the asset have expired, or
- The Company transfers its rights to receive cash flows from the transaction through any of the following:
 - (a) the company has transferred substantially all the risks and rewards of the asset, or
 - (b) The Company has neither transferred nor retained substantially all the risks and rewards of ownership nor retained control of the financial asset. The Company enters into transactions whereby it transfers assets that are recognized in its statement of financial position, but retains either all or substantially all the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial obligations

The Company de-recognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value.

When a financial liability is derecognized, the difference between the carrying amount settled and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of profit or loss. Other comprehensive income.

Offsetting of financial instruments

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

Impairment in the financial assets

The expected credit loss model applies to financial assets measured at amortized cost and investments in debt instruments at fair value through other comprehensive income, but not to investments in equity instruments.

Financial assets carried at amortized cost consist of trade receivables and the financial assets mentioned above.

Under IFRS 9, loss provisions are measured on one of the following bases:

12-month expected credit losses: These expected credit losses result from default events that are possible within 12 months after the reporting date.

Lifetime expected credit losses: The expected credit losses that result from all default events over the expected life of a financial instrument.

The impairment recognition methodology has been revised to meet the requirements of IFRS 9 for each asset class.

The impact of the change in the impairment methodology on the Company's equity is disclosed as follows:

Trade receivables

For trade receivables, the Company applies the simplified expected credit loss approach set out in IFRS 9.

Expected credit losses represent estimates of the probability of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company under the contract and the cash flows that the company expects to receive). Expected credit losses are discounted at the financial asset's effective interest rate.

Cash and cash equivalents

The cash flow statement is prepared according to the indirect method. For the purpose of preparing the cash flow statement, cash and cash equivalents are defined as cash balances in the fund, current accounts in banks, and highly liquid investments that involve low or almost no risk of being converted into cash and often have an original maturity date of three months or less.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Defined employee benefit obligations****Short-term Benefits**

Short-term benefits are those amounts expected to be settled wholly within 12 months of the end of the period in which the employees render the service giving rise to the entitlement. Liabilities for wages and salaries, including non-cash benefits, accrued leave and benefits in kind, that are expected to be settled wholly within 12 months after the end of the period in which the related service is rendered by the employees are recognized in respect of employee services up to the end of the reporting period and are measured at the amounts expected to be paid when the obligations are settled. The liabilities are presented as current employee benefit obligations within the line item 'Accrued expenses and other current liabilities' in the statement of financial position.

Post-employment obligations

The Company provides end of service benefits to its employees in accordance with the requirements of the Saudi Labor Law. The entitlement to these benefits is based on the employees' basic salary and length of service, provided that a minimum service period is completed. The expected costs of these benefits are recognized over the period of service.

Employee benefit plans are unfunded. Accordingly, the obligations under these plans are valued by independent actuaries based on the planned unit credit method and the obligation is recorded on the basis of an actuarial valuation.

The liability recognized in the statement of financial position for defined benefit retirement plans represents the present value of the defined benefit obligations at the end of the reporting period. The defined benefit obligations are calculated annually by independent actuaries using the planned unit credit method.

The present value of defined benefit obligations is determined by discounting the estimated future cash outflows using the interest rates of high-quality bonds denominated in the currency in which the benefits will be paid and having terms to maturity that approximate those of the related pension obligations.

Past service costs are recognized immediately in the statement of profit or loss and other comprehensive income.

The interest expense is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit or loss and other comprehensive income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Trade payable, Accrued and other current liabilities

Trade payables, accrued liabilities, and other current liabilities represent obligations incurred in the normal course of business. These liabilities are non-interest-bearing and are settled under standard credit terms. Trade payables and other monetary liabilities denominated in foreign currencies are translated into Saudi Riyals at the exchange rate prevailing at the reporting date. Any resulting exchange gains or losses are recognized in other income or expenses.

Related party transactions

Transactions with related parties include the transfer of resources, services, obligations or financing between the Company and that related party regardless of whether such transactions are conducted on terms equivalent to those prevailing in transactions conducted on the basis of arm's length competition.

A person is considered to be related to the company if that person, or a close family member of that person:

- A member of the company's senior management, or
- has control or joint control over the company, or
- It has a significant impact on the company's decisions and directions.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of an organization, directly or indirectly, including any director, whether executive or otherwise.

An establishment is considered related to the company if:

- The establishment and the company are members of the same group or owned by common owners, or
- The establishment is an affiliate or owned by the company, or

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related party transactions (CONTINUED)

- The establishment is under the control of the company, or vice versa, or the establishment and the company are under common control.
- There are transactions with parties related to the company that are carried out in accordance with the principles of dealing with third parties, with the presence of some other transactions represented by cash pledges to pay some of the company's obligations and services.

Zakat and Value Added Tax

Zakat

The Zakat provision is recognized in the company's financial statements in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia and Zakat is charged to the statement of comprehensive income. The Zakat provision related to assessments for previous years is recognized by the Authority in the period in which the final assessments are issued.

Value Added Tax

Expenses and assets are recognized after deducting the value-added tax amount, except in the following cases:

- If the VAT incurred on the purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of purchasing the asset or as part of the expense of the item, where applicable, and
- When showing accounts receivable and accounts payable including the amount of VAT.

The net amount of VAT recoverable from or payable to the tax authorities is included as part of the receivables or creditors balances in the statement of financial position.

Revenue from contracts with customers

The company's activity is represented in the activities of auctioning residential houses, buying and selling lands and real estate and dividing them, and off-plan sales activities, managing and leasing owned or leased real estate, managing and operating hotel apartments, and judicial storage for preserving money.

Revenue is measured based on the consideration specified in the contract with the customer, which includes unbilled revenue (contract assets) and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of the products or services to the customer.

The Company evaluates the services promised in the contract with the customer and determines them as a performance obligation if those services:

- a- Distinct service
- b- It is a series of distinct services that are largely identical and have a similar pattern of delivery to the customer (i.e. each different service is completed over time and the same method is used to measure progress).

When a company satisfies a performance obligation by providing the services it promised, it creates a contract asset based on the amount of consideration received from the performance. When the amount of consideration received from a customer exceeds the amount of revenue generated, this results in advance payments from the customer (a contract liability).

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue and costs can be measured reliably where appropriate.

The application of IFRS 15 requires management to use the following judgements:

Estate Management and Asset Liquidation Services:

The revenue from custody services is realized when the assets under guardianship are sold. The revenue is due immediately upon completion of the sale, in accordance with the ruling of the competent court. The fee is calculated as a percentage of the total sale value, as outlined in the court's decision.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Auction Revenue:

Service revenues from private auctions and the Support and Liquidation Center (Infaz) are realized upon the conclusion of the auction and the signing of the award minutes by the buyer. Revenues for auctions are recognized upon completion of all work required of the company according to the sales guide approved by the Support and Liquidation Center (Infaz). The specific recognition criteria below must also be met before revenue from the provision of services is recognized:

- 1- The amount of revenue can be measured reliably.
- 2- It is probable that the economic benefits associated with the transaction will flow to the entity.
- 3- The stage of completion of a transaction at the end of the reporting period can be measured reliably.
- 4- The costs incurred in the transaction and the costs required to complete the transaction in a reliable manner.

Exclusive Marketing Revenue: The revenue from exclusive marketing services is achieved through the same mechanism as auction revenues, noting that in exclusive marketing services, the seller and buyer are present together and the company carries out all the tasks required to complete the sale process between the two parties.

Satisfaction of performance obligations

The Company must assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Company has assessed that, based on the agreement with the customer, the Company does not create an asset that has an alternative use for the Company and generally has an enforceable right to payment for performance completed to date. In these circumstances, the Company recognizes revenue over time. If this is not the case, revenue is recognized at a point in time. For the sale of goods, revenue is usually recognized at a point in time.

Determine the transaction prices

The Company must determine the transaction price in its agreements with customers. When using this judgment, the Company estimates the effect of any variable consideration in the contract due to discounts, penalties, the presence of any significant financing component in the contract, or any non-cash consideration in the contract.

Transfer of control in contracts with customers

If the Company determines that a performance obligation has been satisfied at a point in time, revenue is recognized when control of the assets subject to the contract is transferred to the customer.

Provisions

A provision is recognized when the company has a present obligation (legal or constructive) as a result of past events, and it is expected that settling that obligation will result in an outflow from the company in the form of resources that include economic benefits, and the estimated costs of meeting those obligations are likely to occur and the value of the obligation can be estimated reliably.

The amount recognized as a provision represents the best available estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding that obligation.

Foreign currency translation

The results of the business and the financial position of the company are presented in Saudi Riyals, which is the basic currency of the company. When preparing the financial statements, transactions made in currencies other than the Saudi Riyal are recorded according to the exchange rates in effect at the time of completion of the transaction, provided that the balances of assets and liabilities of a monetary nature in foreign currencies are translated into Saudi Riyals on the date of the financial position statement according to the exchange rates prevailing on that date, and the differences resulting from the valuation are included in the statement of comprehensive income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Segments

Operating Segment

An operating segment is a component of the company that engages in activities from which it may earn revenues and incur expenses, including revenues and expenses related to transactions with any of the company's other segments. The results of all segments are evaluated periodically by the chief operating decision maker to make decisions regarding the allocation of resources to each segment and to assess their performance, with the related financial information presented separately.

Geographical Segment

A geographical segment is a group of assets or operations engaged in similar activities within a specific economic environment, and that are subject to risks and returns that are different from those of segments operating in other economic environments.

The company does not have any geographical segments, as all its activities are conducted within the Kingdom of Saudi Arabia; therefore, there are no geographical segments to disclose.

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5. PROPERTY AND EQUIPMENT

	Leasehold improvements	Vehicles	Furniture and furnishings	Computer and accessories	Total
Cost					
Balance as of 1st January, 2024	87,647	70,500	103,173	69,386	330,706
Additions	-	103,350	-	6,580	109,930
Disposal	-	(70,500)	-	-	(70,500)
Balance at 31 December, 2024	87,647	103,350	103,173	75,966	370,136
Accumulated depreciation					
Balance as of 1st January, 2024	68,675	14,498	18,453	21,068	122,694
Disposal	-	(18,607)	-	-	(18,607)
Depreciation during the period	11,830	12,725	10,316	17,728	52,599
Balance at 31 December, 2024	80,505	8,616	28,769	38,796	156,686
Net book value:					
Balance at 31 December, 2024	7,142	94,734	74,404	37,170	213,450
Balance at 31 December, 2023	18,972	56,002	84,720	48,318	208,012

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5. PROPERTY & EQUIPMENT (CONTINUED)

	Leasehold improvements	Vehicles	Furniture and furnishings	Computer and accessories	Total
Cost					
Balance as of January 1, 2023	68,603	70,500	38,057	38,596	215,756
Additions	19,044	-	65,316	31,090	115,450
Disposals	-	-	(200)	(300)	(500)
Balance as of 31 December 2023	87,647	70,500	103,173	69,386	330,706
Accumulated depreciation					
Balance as of January 1, 2023	31,993	7,448	11,386	8,047	58,874
Depreciation during the period	36,682	7,050	7,067	13,021	63,820
Balance as of 31 December 2023	68,675	14,498	18,453	21,068	122,694
Net book value					
Balance as of 31 December 2023	18,972	56,002	84,720	48,318	208,012

* All depreciation expenses have been charged to general and administrative expenses (see Note 22).

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6. NTANGIBLE ASSETS

	<u>31 December 2024</u>	<u>31 December 2023</u>
Cost at the beginning of the year	26,966	9,337
Additions during the year	-	17,629
Cost at the end of the year	26,966	26,966
Accumulated amortization at the beginning of the year	9,991	3,249
Amortization during the year	6,741	6,742
Accumulated amortization at the end of the year	16,732	9,991
Net book value at year end	10,234	16,975

7. INVESTMENTS PROPERTY

The company owns a plot of land in Riyadh, Al-Nargis district, with a total area of 1691M where the Company's management evaluated the value of the lands held for investment purposes to achieve profits from the increase in their market value on 31 December, 2024 by certified real estate appraiser, Bassem Abdul Aziz Ibrahim Abdul Aziz, licensed under No. 121000167, using the market value method, and there are no revenues or expenses for real estate investments. The fair value of the land according to the evaluation amounted to SR 10,232,894(Cost: SR 5,318,004), which was not recorded in the books, as investments property are measured according to the cost model. At initial recognition and thereafter, at cost less accumulated depreciation and impairment losses, if any, as no depreciation is recognized for land. Investment properties at 31 December, 2024 as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Property Investments	5,318,004	5,318,004

8. CASH AND CASH EQUIVALENTS

	<u>31 December 2024</u>	<u>31 December 2023</u>
Cash in banks	21,090,723	29,483,117
	21,090,723	29,483,117

9. WORK IN PROCESS

	<u>31 December 2024</u>	<u>31 December 2023</u>
Auctions	83,560	42,454
Estate liquidation	-	1,250,000
	83,560	1,292,454

Work in process consist of auction expenses for the projects where the auction is scheduled at a future date.

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10. TRADE RECEIVABLES

	<u>31 December 2024</u>	<u>31 December 2023</u>
Trade receivables	7,721,094	7,126,418
Expected Credit Loss Allowance	(17,556)	(17,556)
	<u>7,703,538</u>	<u>7,108,862</u>

The movement of expected credit losses is as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Balance at the beginning of the year	17,556	-
Provision during the year	-	17,556
Balance at the end of the year	<u>17,556</u>	<u>17,556</u>

The following is an analysis of the aging of trade receivable as of December 31:

<u>Period end</u>	<u>Total</u>	<u>0 to 90 days</u>	<u>91 to 180 days</u>	<u>181 to 365 days</u>	<u>More than 365 days</u>
31-Dec-24	7,721,094	7,709,213	-	-	11,881
31-Dec-23	7,126,418	2,242,474	4,612,006	271,938	-

The outstanding amounts as of December 31 were collected during the subsequent period.

11. PREPAID EXPENSES AND OTHER DEBIT BALANCES

	<u>31 December 2024</u>	<u>31 December 2023</u>
Accrued revenues	362,550	54,957
Prepaid listing fees*	340,000	-
Prepaid billboard rental expenses	241,667	-
Fully covered letter of guarantee margin	100,000	100,000
Employee loans and advances	80,900	161,440
Accrued bank interest	71,702	-
Advance payments to suppliers	68,150	104,710
Prepaid Medical insurance	60,886	133,831
Other miscellaneous debtors	49,236	37,080
	<u>1,375,091</u>	<u>592,018</u>

* This item represents amounts paid to various consultants to assist in the Company's share offering on the Nomu market. The amounts will be recharged to related parties upon completion of the offering.

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12. SHARE CAPITAL

On 02/05/1446H (corresponding to 11/04/2024), the partners of Hawiah Auctions Company approved a resolution to increase the company's share capital. The capital increase was approved in accordance with the company's Articles of Association and applicable regulatory provisions.

The Company's capital was increased through the transfer from retained earnings to become SAR 20,000,000, distributed over 20,000,000 shares. Each share was split into ten shares, resulting in a share value of SAR 1 per share instead of SAR 10 per share.

Here are the number of shares and capital, updated according to the company's articles of association:

Shareholder Name	Share value	Number of shares	Total
Mr. Abdullah Imad Hamad Al-Askar	1	3,920,000	3,920,000
Al Sulaiman Real Estate Company	1	10,800,000	10,800,000
Mr. Mohammed Abdullah Al-Alyan	1	4,880,000	4,880,000
Mr. Mohammed Ibrahim Hamad Al-Tuwaijri	1	400,000	400,000
		<u>20,000,000</u>	<u>20,000,000</u>

31-December-2023

Shareholder Name	Share value	Number of shares	Total
Mr. Abdullah Imad Hamad Al-Askar	10	4400	44,000
Mr. Badr Mohammed Al Sulaiman	10	3325	33,250
Mr. Mohammed Abdullah Al-Alyan	10	2025	20,250
Mr. Mohammed Ibrahim Hamad Al-Tuwaijri	10	250	2,500
		<u>10,000</u>	<u>100,000</u>

13. STATUTORY RESERVE

According to the provisions of the former Companies Law, the company was required to transfer 10% of its annual net profit to the statutory reserve until it reached at least 30% of the company's share capital.

During the year 2024, the company's Articles of Association were updated in alignment with the provisions of the new Companies Law, and the company is no longer required to create a statutory reserve.

However, the company has not yet made a decision on how to treat the existing statutory reserve balance as of December 31, 2024.

14. RELATED PARTIES

Related parties represent the major shareholders, managers and senior management personnel of the company. The following is a statement of the payable to the company's related party:

14.1 Due to related party

Party name	Relationship type	31 December 2024	31 December 2023 (Restated)
Som Platform Company*	Affiliated company	-**	1,128,900

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14. RELATED PARTIES (CONTINUED)**14.2 Related party transactions**

Transactions with related parties include the fees of the Som Platform Company for listing auctions on its platform, And withdrawals made by the owners. These transactions are summarized as follows:

Nature of transaction	Nature of the relationship	31 December 2024	31 December 2023 (Restated)
Dividends	Shareholders	23,713,085	13,566,558
Electronic Auction Fees – Soom Platform Company	Affiliated company	1,166,975**	1,128,900
Rent payments	Shareholders	108,000	-
Professional fees and consultation -Nal Company	Affiliated company	80,000	-

* Soom Platform Company was considered a related party due to direct ownership by one of the shareholders. During November 2024, that shareholder relinquished their share in the company, reducing their ownership to less than 5%. Accordingly, Soom Platform Company is no longer considered a related party from the date of the ownership change.

** All transactions and balances with the affiliated Company up to the date of the end of the relationship have been disclosed in the related parties' disclosures. The outstanding balance as of the financial statements date has been classified under "Other Payables" (Note 18), rather than as a balance due from a related party.

Compensation of Key Management Personnel

Key management personnel represent the senior executive members responsible for planning, directing, and overseeing the Company's activities.

	31 December 2024	31 December 2023
Short-term benefits	4,903,980	7,178,939
Post-employment benefits	172,611	134,33
Total compensation paid to the Company's key management personnel	5,076,591	7,313,272

15. EMPLOYEE DEFINED BENEFIT OBLIGATIONS

The Company manages a defined post-employment benefits program for its employees in accordance with the Saudi Labor Law. These benefits are determined based on the employees' last salaries and allowances, as well as their accumulated years of service, in accordance with the provisions of the Saudi Labor Law.

The following table summarizes the components of net bonus expense recognized in the statement of profit or loss and statement of comprehensive income:

	31 December 2024	31 December 2023
Current service cost	77,560	57,792
Interest cost	13,871	4,390
	91,431	62,182

Movement of the end of service provision for employees included in the statement of financial position:

	31 December 2024	31 December 2023
Balance at the beginning of the year	234,048	97,550
Current Service costs	77,560	57,792
Interest cost	13,871	4,390
Benefits paid during the year	(110,333)	-
Actuarial loss recognized in other comprehensive income	79,483	74,316
Total balance at the end of the year	294,629	234,048

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15. EMPLOYEE DEFINED BENEFIT OBLIGATIONS (CONTINUED)

Latest evaluation has been made by an independent qualified actuary, using the projected unit credit method.

The following are the basic assumptions used for actuarial valuation purposes:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Discount rate	4.90%	4.50%
Salary increase rate	4.50%	4.50%

All changes in employee defined benefit obligations are recognized in profit or loss, except for actuarial gains, which are recognized in other comprehensive income.

The movement in the actuarial gains reserve is as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
At the beginning of the year	85,912	11,596
Actuarial gain (loss) from remeasurement of defined benefit obligations	79,483	74,316
At the end of the year	165,395	85,912

A change in one actuarial assumption while holding other assumptions constant would affect the provision for employees' end of service benefits by the following amounts:

	<u>31 December 2024</u>		<u>31 December 2023</u>	
	<u>Increase (1%)</u>	<u>Decrease (1%)</u>	<u>Increase (1%)</u>	<u>Decrease (1%)</u>
Discount rate	277,246	312,012	218,200	252,087
Average annual salary increase	297,575	291,683	253,107	217,010

The above sensitivity analysis may not be representative of the actual change in the provision for employees' end of service benefits as changes in the assumptions are unlikely to occur in isolation from each other.

16. ADVANCES FROM CUSTOMERS

	<u>31 December 2024</u>	<u>31 December 2023</u>
Advances from customers*	-	1,101,158

* These advances were received against purchase of land, however, the agreement was not confirmed, and these advances were returned to the relevant parties.

17. TRADE PAYABLES

	<u>31 December 2024</u>	<u>31 December 2023</u>
Trade payables*	3,772	6,106,396
	3,772	6,106,396

* Trade payable balances include amounts payable to suppliers for services provided. The balances from the prior period have been settled and paid in the current period.

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18. ACCRUED EXPENSES AND OTHER PAYABLES

	<u>31 December 2024</u>	<u>31 December 2023</u>
Due to brokers	4,338,958	4,116,274
Bonus payable	1,579,820	4,109,509
Value Added Tax	1,311,448	35,593
Accrued electronic auction fees	239,603	-
Salaries payable	123,942	221,026
Professional fees and consultations	81,936	112,500
Social Insurance payable	19,904	19,890
Other payables	53,142	13,142
	<u>7,748,753</u>	<u>8,627,934</u>

19. PROVISION FOR ZAKAT**a. Calculation of Zakat for the year.**

	<u>31 December 2024</u>	<u>31 December 2023</u>
Profit for the year	25,734,036	38,028,561
Adjustments	-	79,738
Adjusted net profit	<u>25,734,036</u>	<u>38,108,299</u>
Additions	27,976,255	26,095,849
Deductions	(5,541,690)	(5,542,991)
Net zakat base	<u>25,085,636</u>	<u>20,552,858</u>
Due Zakat	<u>648,400</u>	<u>952,707</u>

b. Movement summary of provision for zakat is as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Balance at the beginning of the year	952,707	314,398
Current zakat expense	648,400	952,707
Payments made during the year	(1,015,028)	(314,398)
Balance at the end of the year	<u>586,079</u>	<u>952,707</u>

c. Status of assessment:

The Company has agreed and finalized its zakat assessment with the General Authority for Zakat and Tax ("GAZT") up to the year ended 31 December 2023. The Company has not received any zakat assessments.

20. REVENUE

	<u>31 December 2024</u>	<u>31 December 2023</u>
Auctions	39,576,416	70,730,098
Real Estate marketing	14,225,218	9,540,920
Estate Liquidation Services	8,799,998	1,294,909
	<u>62,601,632</u>	<u>81,565,927</u>

The company conducts its business and the above revenues are generated within the Kingdom of Saudi Arabia and all revenues are recognized at a point in time.

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21. COST OF REVENUE

	<u>31 December 2024</u>	<u>31 December 2023</u>
Auctions*	14,346,337	24,932,620
Real Estate Marketing**	8,998,961	6,382,041
Estate Liquidation Services ***	6,184,125	1,268,104
Salaries, wages and other Benefits	5,657,020	8,964,216
	<u>35,186,443</u>	<u>41,546,981</u>

*The auction costs consist of auction brokers' commissions, advertising campaigns, auction execution fees, and electronic platform fees.

** Real estate marketing costs consist of brokers' commissions, advertising campaigns, and marketing offices.

*** Estate liquidation costs consist of salaries, advertising campaigns, and estate management expenses.

22. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>31 December 2024</u>	<u>31 December 2023</u>
Salaries, wages and other benefits	1,691,913	1,586,660
Social insurance	210,357	141,475
Insurance	184,894	124,948
Government fee	113,679	61,718
Rent	108,000	108,000
Employee Benefits	77,560	57,792
Professional fees	73,822	140,000
Depreciation on property and equipment	52,599	63,820
Phone and postage fees	46,076	29,913
Hospitality	39,627	57,156
Bank charges	8,849	14,979
Other expenses	8,125	18,989
Depreciation on intangible assets	6,742	6,742
Travel and transportation	1,700	19,613
	<u>2,623,943</u>	<u>2,431,805</u>

23. FINANCE COST

	<u>31 December 2024</u>	<u>31 December 2023</u>
Finance costs - employee benefits	13,871	4,390
	<u>13,871</u>	<u>4,390</u>

24. OTHER INCOME

	<u>31 December 2024</u>	<u>31 December 2023</u>
Gain on sale of property and equipment	2,111	-
Interest income on bank balance*	954,550	463,366
	<u>956,661</u>	<u>463,366</u>

* Interest income primarily includes interest earned on savings account (Hassad) maintained with Al Rajhi Bank is certified by the bank's Shariah Board.

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25. EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year by the weighted average number of shares during the year. In 2024, the company increased its share capital from SAR 100,000 to SAR 20,000,000 through a transfer from retained earnings, resulting in a total of 20,000,000 shares after the conversion. The number of shares has been retrospectively adjusted in the earnings per share calculation for all periods presented.

	<u>31 December 2024</u>	<u>31 December 2023</u>
Net profit attributable to the Company's shareholders	25,085,636	37,075,854
Weighted average number of outstanding shares during the year	20,000,000	20,000,000
Basic earnings per share	<u>1.25</u>	<u>1.85</u>

There are no dilutive instruments that affect the weighted average number of ordinary shares.

26. DIVIDENDS

According to the partners' resolution dated 24 Dhul-Qi'dah 1445H (corresponding to June 1, 2024), the company distributed dividends amounting to SAR 23,713,085 (December 31, 2023: SAR 13,566,558) during the year ended December 31, 2024.

27. COMPARATIVE FIGURES

Certain comparative figures for the year ended 31 December 2023 have been reclassified to conform to the presentation for the current period, to enhance comparability and to be more relevant to users of the financial statements, as follows:

		<u>Re-classification effect</u>	
	<u>As mentioned earlier</u>	<u>Reclassification</u>	<u>As classified</u>
Current liabilities			
Suppliers	6,981,262	(874,866)	6,106,396
Accrued expenses and other credit balances	8,881,968	(254,034)	8,627,934
Due to related parties	-	1,128,900	1,128,900

28. OPERATING SEGMENT

Management has evaluated the company's operating activities in accordance with IFRS 8 (Operating Segments) and concluded that there is no requirement to present separate activities as distinct operating segments. This assessment was based on the similarity of the economic characteristics across the company's activities, as all services rely on a unified revenue model based on commission income derived from the sale of real estate assets. Furthermore, all activities are influenced by the same economic factors, primarily changes in the real estate market, and revenue for all these activities is recognized upon the completion of the sale, in accordance with IFRS 15.

The nature of the services provided is also similar in terms of the core operational steps, which include attracting buyers, completing the sales process, and earning commissions. Additionally, all activities target the same customer group—real estate buyers—and operate within the same real estate market environment.

Based on the above, management has decided to combine auction services, real estate marketing services, and estate liquidation services into a single operating segment, as these activities represent interrelated operations aimed at selling real estate assets under a unified economic and operational model.

Detailed disclosures of revenues and costs for each activity have been provided in the notes accompanying the financial statements.

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29. FINANCIAL INSTRUMENTS

Financial risk management

Fair Values

The fair value of financial and non-financial assets and liabilities for measurement/disclosure purposes is determined on the basis of the accounting policies disclosed in the financial statements. As at the reporting date, the carrying amount of financial assets and liabilities was reasonably equal to their fair value.

Financial risk management objectives

The Company is exposed to the following risks as a result of its use of financial instruments:

- Credit risk
- Liquidity risk
- Market Risk

This note presents information about the Company's exposure to each of the above risks, and the Company's objectives, policies and processes for measuring and managing risks.

Risk Management Framework

Management has overall responsibility for establishing and overseeing the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are designed to identify and analyze the risks faced by the Company, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims, through its management procedures, standards and training, to develop a responsible control environment in which all employees understand their roles and obligations.

Credit risk

It is the risk that one party will fail to discharge an obligation causing a financial loss to the other party. The Company does not have a significant concentration of credit risk. Cash and cash equivalents are placed with local banks with good credit ratings. Trade receivables and other current assets are due primarily from customers in the local market and are stated at their estimated realizable value.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date as summarized below:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Cash and cash equivalents	21,090,723	29,483,117
Trade receivables	7,703,538	7,108,862
Work in process	83,560	1,292,454
Other receivables	664,338	592,018
	<u>29,542,159</u>	<u>38,476,451</u>

The book value of financial assets represents the maximum exposure to credit risk. Credit risk on trade receivables, work in progress, other receivables, due from related parties and cash and cash equivalents is limited as follows:

Cash and cash equivalents and cash balances held with banks with good credit ratings.

Trade and other receivables are stated net of impairment losses.

The Company manages credit risk with respect to receivables from customers through monitoring in accordance with defined policies and procedures. The Company seeks to limit its credit risk with respect to customers by setting credit limits for customers and monitoring outstanding receivables on an ongoing basis.

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29. FINANCIAL INSTRUMENTS (CONTINUED)

For all financial assets for which impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining the funds required to meet commitments associated with financial instruments, liabilities and contingencies. Liquidity risk may arise when a financial asset cannot be sold quickly at close to its fair value. Liquidity risk is managed by regularly monitoring the adequacy of liquidity available to meet the Company's financial commitments.

The table below analyses the Company's financial liabilities by relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the undiscounted contractual cash flows:

	31 December 2024			
	Book value	Less than one year	From one to five years	More than five years
Trade payables	3,772	3,772	-	-
Accrued Expenses and other payables	7,748,753	7,748,753	-	-
Defined benefit obligation	294,629	-	-	294,629

	31 December 2024			
	Book value	Less than one year	From one to five years	More than five years
Advances from customers	1,101,158	1,101,158	-	-
Trade payables	6,106,396	6,106,396	-	-
Accrued Expenses and other payables	8,627,934	8,627,934	-	-
Due to related party	1,128,900	1,128,900	-	-
Defined benefit obligation	234,048	1,101,158	-	234,048

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect a company's profit.

Market risk management aims to manage and control risk exposure within acceptable limits while achieving optimal return. The company has no outstanding loans.

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is exposed to fluctuations in foreign exchange rates in the normal course of its business. However, the Company does not conduct any significant transactions in currencies other than the Saudi Riyal and the US Dollar. Foreign currency risk with respect to the US Dollar is limited as the US Dollar is pegged to the Saudi Riyal and the Company's transactions are in Saudi Riyal.

30. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Since the accompanying financial statements are prepared on the historical cost basis, differences may arise between the estimates of carrying values and fair values. In the opinion of management, the fair values of financial assets and liabilities are not materially different from their carrying values.

The table below shows an analysis of financial instruments measured at fair value by valuation method, where the different levels are determined as follows:

Level 1: Quoted prices (unadjusted) in an active market for identical financial assets or liabilities,

30. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices), quoted prices in active markets for similar instruments or through the use of a valuation model that includes inputs that are attributable to the markets. These inputs may be directly or indirectly observable,

Level 3: Inputs for assets and liabilities that do not rely on observable market information (unobservable inputs).

31. SUBSEQUENT EVENTS

On 17 Ramadan 1446H (corresponding to March 17, 2025), the Capital Market Authority (CMA) announced the issuance of a resolution by its Board on the same date approving the application of Hawiya Auctions Company to register its shares and offer 2,400,000 shares, representing 12% of its total shares, on the Parallel Market (Nomu).

Management believes that there are no other material subsequent events from the date of preparation of the financial statements to the date of their issuance that require further adjustments or disclosures in these financial statements.

32. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 29 Shawwal 1446H (corresponding to 27 April 2025).