



FIRST AVENUE
real estate development
الجادة الأولى للتطوير العقاري

Mini Prospectus

الجادة الأولى للتطوير العقاري



Offering period: (5) days
from Tuesday 1446/03/07H (Corresponding 2024/09/10G)
to Monday 1446/03/13H (Corresponding 2024/09/16G)



FIRST AVENUE
 real estate development
 الجادة الأولى للتطوير العقاري

Prospectus of First Avenue for Real Estate Development

A Saudi closed joint stock company established by Ministerial Resolution No. (Q/5332) dated 25/02/1442H (corresponding to 12/10/2020G) approving the license to transform First Avenue for Real Estate Development Company from a limited liability company to a closed joint stock company, and Ministerial Resolution No. (Q/5333) dated 16/05/1442H (corresponding to 31/12/2020G) approving the announcement of the company's transformation.

The company is registered in the Commercial Register for joint stock companies in Riyadh under Commercial Registration Certificate No. (1010894153) dated 02/12/1438H (corresponding to 24/08/2017G).

Offering sixteen million four hundred twenty-three thousand nine hundred fifty-three (16,423,953) ordinary shares representing 8.01% of the company's capital after the subscription (representing 8.7% of the company's capital before the increase), by offering the shares in the parallel market to qualified investors at an offer price of * Saudi Riyals per share.

First Avenue for Real Estate Development Company (hereinafter referred to as "Company" or "Issuer" or "First Avenue") is a Saudi closed joint stock company established by Ministerial Resolution No. (Q/5332) dated 25/02/1442H (corresponding to 12/10/2020G) approving the license to transform First Avenue for Real Estate Development Company from a limited liability company to a closed joint stock company, and Ministerial Resolution No. (Q/5333) dated 16/05/1442H (corresponding to 31/12/2020G) approving the announcement of the company's transformation. The company's head office is located on Prince Turki bin Abdulaziz Al-Awwal Road - Hittin District, Building 6957 - Unit No. 3, Riyadh, Postal Code: 13512-2447, Kingdom of Saudi Arabia. The company was initially established as a limited liability company with a capital of five hundred thousand (500,000) Saudi Riyals divided into five hundred (500) cash shares with a value of one thousand (1,000) Saudi Riyals per share; the capital was distributed to two (2) partners as follows: (1) First Avenue Investment Company (owning 250 shares, i.e. 70% of the shares) and (2) Construction and Planning Company (owning 150 shares, i.e. 30% of the shares). The company's articles of association were audited by the Ministry of Commerce and authenticated by the notary public under No. (381681773) dated 02/12/1438H (corresponding to 24/08/2017G). On 19/12/1441H (corresponding to 09/08/2020G), the partners decided to amend the articles of association by increasing the company's capital from five hundred thousand (500,000) Saudi Riyals to five million (5,000,000) Saudi Riyals divided into five thousand (5,000) cash shares with a value of one thousand (1,000) Saudi Riyals per share. Some shares were also transferred between the partners, under the same amended articles of association, whereby Construction and Planning Company waived part of its shares, numbering one thousand (1,000) shares with a total value of one million (1,000,000) Saudi Riyals in favor of First Avenue Investment Company. After the increase and transfer of shares, the capital was distributed to partners as follows: (1) First Avenue Investment Company (owning 4,500 shares, i.e. 90% of the shares) and (2) Construction and Planning Company (owning 500 shares, i.e. 10% of the shares), according to the amended articles of association authenticated by the Ministry of Commerce in Riyadh under contract No. (41659) dated 19/12/1441H (corresponding to 09/08/2017G). On 25/02/1442H (corresponding to 12/10/2020G), both partners decided to transform the company from a limited liability company to a closed joint stock company, with its rights and obligations, and with the same capital of five million (5,000,000) Saudi Riyals, while maintaining the number, name, and date of the commercial registration of the head office. The capital was determined to be five million (5,000,000) Saudi Riyals divided into five hundred thousand (500,000) nominal shares of equal value, with a value of ten (10) Saudi Riyals per share, all of which are ordinary shares, and the shares were distributed to the partners as follows: (1) First Avenue Investment Company (owning 450,000 shares, i.e. 90% of the shares) and (2) Construction and Planning Company (owning 50,000 shares, i.e. 10% of the shares). The partners' decision to transform the company was approved by the Ministry of Commerce (Riyadh branch) under No. (144238). On 25/02/1442H (corresponding to 12/10/2020G), Ministerial Resolution No. (Q/5332) was issued approving the license to transform First Avenue from a limited liability company to a closed joint stock company. On 16/05/1442H (corresponding to 31/12/2020G), Ministerial Resolution No. (Q/5333) was issued approving the announcement of transformation of First Avenue Company (closed joint stock company). On 22/09/1442H (corresponding to 04/05/2021G), the Board of Directors recommended increasing the company's capital by capitalizing an amount of forty million (40,000,000) Saudi Riyals transferred from a related party account (First Avenue Investment Company and Mr. Nader bin Hassan Alalmi). On 18/11/1442H (corresponding to 28/06/2021G), the first Extraordinary General Assembly approved the Board of Directors' recommendation to increase the company's capital from five million (5,000,000) Saudi Riyals to forty-five million (45,000,000) Saudi Riyals, by capitalizing an amount of forty million (40,000,000) from a related party account (First Avenue Investment Company and Mr. Nader bin Hassan Alalmi), with 6,000,000 Saudi Riyals capitalized from First Avenue Investment Company's account and 34,000,000 Saudi Riyals from Nader bin Hassan Alalmi's account). Based on this capital increase, the company granted six hundred thousand (600,000) shares to First Avenue Investment Company and granted (3,400,000) shares to Mr. Nader bin Hassan Alalmi, in exchange for the transferred amount, bringing the company's capital to forty-five million (45,000,000) to be distributed among the shareholders as follows: (1) Mr. Nader bin Hassan Alalmi (owning 3,400,000 shares, approximately 75.56% of the shares), (2) First Avenue Investment Company (owning 1,050,000 shares, approximately 23.33% of the shares) and (3) Construction and Planning Company (owning 50,000 shares, approximately 1.11% of the shares). On 02/02/1443H (corresponding to 09/09/2021G), the Board of Directors recommended increasing the company's capital from forty-five million (45,000,000) Saudi Riyals to one hundred million (100,000,000) Saudi Riyals and increasing the number of shares from four million five hundred thousand (4,500,000) shares to ten million (10,000,000) shares by issuing new shares numbering five million five hundred thousand (5,500,000) shares with a total value of fifty-five million (55,000,000) Saudi Riyals. The Extraordinary General Assembly held on 06/02/1443H (corresponding to 13/09/2021G) approved the issuance of new cash shares with a nominal value of ten (10) Saudi Riyals per share and a total value of fifty-five million (55,000,000) Saudi Riyals to be subscribed by the current shareholders registered in the company's records on the day of Extraordinary General Assembly meeting. On 28/04/1444H (corresponding to 22/11/2022G), the (Extraordinary) General Assembly approved the Board of Directors' recommendation issued on 26/04/1444H (corresponding to 20/11/2022G) to issue one million three hundred sixty-two thousand seven hundred and eight (1,362,708) shares representing (11.99%) of the company's capital after the capital increase, when the capital increased through the issuance of new shares in exchange for acquiring units in Al Shorfa Investment Fund (a closed private real estate investment fund), and the increase shares were allocated to: (1) Dar Al Majed Real Estate Company, (2) Shurfa Real Estate Development and Investment Company, (3) Ammar Investment Company and (4) Mohammed Bashir bin Abdullah Qarqourl (in their capacity as owners of units in the fund). On 18/11/1444H (corresponding to 07/06/2023G), the Extraordinary General Assembly approved the split of the company's shares to make the nominal value of each share one (1) Saudi Riyal instead of ten (10) Saudi Riyals per share, bringing the company's capital to one hundred thirteen million six hundred twenty-seven thousand and eighty (113,627,080) Saudi Riyals divided into one hundred thirteen million six hundred twenty-seven thousand and eighty (113,627,080) shares. The Extraordinary General Assembly also approved increasing the company's capital by issuing bonus shares for every two shares owned on the date of the assembly, by transferring an amount of seventy-four million nine hundred forty-eight thousand nine hundred sixty-seven (74,948,967) Saudi Riyals from the share premium account to the capital account, including the allocation of eighteen million one hundred thirty-five thousand four hundred twenty-seven (18,135,427) Saudi Riyals to issue eighteen million one hundred thirty-five thousand four hundred twenty-seven (18,135,427) treasury shares for the company.

The company's current capital is one hundred eighty-eight million five hundred seventy-six thousand and forty-seven (188,576,047) Saudi Riyals divided into one hundred eighty-eight million five hundred seventy-six thousand and forty-seven (188,576,047) nominal shares with a value of one (1) Saudi Riyal per share. All of the company's shares are ordinary shares of one class and do not give their holders any preferential rights. Every shareholder in the company (hereinafter referred to as "Shareholder"), regardless of the number of shares they own, has the right to attend and vote at the meetings of the General Assemblies of Shareholders ("General Assembly"). Each share gives its holder the right to one vote; each shareholder also has the right to delegate another person, other than the board members, to act on his behalf in attending General Assembly meetings. The Offer Shares will be entitled to receive dividends declared by the Company after the date of their listing in the parallel market and for the subsequent financial years.

The offering will be directed to qualified investor categories ("Offering"), with sixteen million four hundred twenty-three thousand nine hundred fifty-three (16,423,953) ordinary shares (collectively referred to as "Offer Shares" and individually as "Offer Share") with a nominal value of one (1) Saudi Riyal per share, and the offer price will be (*) Saudi Riyals. The Offer Shares collectively represent 8.01% of the company's capital after the offering and 8.7% of the company's capital before the offering. The company's shares will be ordinary shares of one class. No shareholder is given any preferential rights, and each shareholder, regardless of the number of shares they own, has the right to attend and vote at the meetings of the General Assembly of Shareholders.

As of the date of this prospectus, the company has seventy-seven (77) shareholders, all of whom are Saudi (natural and legal persons) collectively forming 100% ownership of the company's shares. As of the date of this prospectus, the company has three (3) shareholders who own 5% or more of its shares (hereinafter referred to as "Substantial Shareholders"), and they are: (1) Nader bin Hassan bin Attallah Alalmi (owning 68,808,915 shares representing about 36.49% of the total shares directly and 12,757,500 shares representing about 6.77% of the total shares indirectly through First Avenue Investment Company and through Dar Al Majed Real Estate Company), (2) Dar Al Majed Real Estate Company (owning 29,771,925 shares, i.e. 15.79% of the total shares) and (3) First Avenue Investment Company (owning 15,750,000 shares representing 8.35% of the total shares) (for more information, please refer to Section 3 "Ownership Structure of the Company Before the Offering"). Substantial Shareholders shall not dispose of their shares for twelve (12) months (lock-up period) as of the date of the start of trading the company's shares in the parallel market; they may dispose of their shares after the end of the lock-up period without obtaining prior approval from the Capital Market Authority ("CMA").

Subscription in the parallel market is limited, according to the requirements of the Rules on the Offer of Securities and Continuing Obligations. To qualified investor categories as defined in the list of terms used in CMA regulations and rules and in the list of terms used in the rules of the Saudi Tadawul Company. In Chapter Eight of the Rules on the Offer of Securities and Continuing Obligations, it means any of the following:

- Capital Market Institutions acting on their own behalf.
- Clients of a Capital Market Institution authorized to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to make 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.
- The Kingdom's Government, any governmental entity, or any international body recognized by the Capital Market Authority in the Kingdom (the "CMA"), the Saudi Exchange (the "Exchange"), or any other stock exchange recognized by the CMA, or the Securities Depository Center Company (Eadaa).
- Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution authorized to perform management activities.
- Companies and funds established in GCC countries.
- Investment funds.
- Any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center.
- Natural persons who may open an investment account in the Kingdom and an account with the Depository Center and who:
 - have made transactions in the securities market with a total value of not less than forty million Saudi Arabian Riyals (SAR 40,000,000) 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 Saudi Arabian Riyals (SAR 5,000,000).
 - are working or have worked in the financial segment for at least three (3) years.
 - have a CME-1 approved by the CMA.
 - hold a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity.
- Any other persons defined by the CMA.

The company's current shareholders (collectively referred to as "Current Shareholders") listed on page (*) own all the company's shares before the offering. After completing the offering process, the current shareholders will own 91.99% of the company's shares, whereas the current shareholders will retain a controlling stake in the company after the offering. The company will use the net offering proceeds, after deducting the offering expenses, to finance its expansion plan over the next three years and its working capital, and the current shareholders will not receive any amount from the offering proceeds.

The offering period starts on Tuesday 07/03/1446H (Corresponding 10/09/2024G) and continues for (5) days including the last day of closing the subscription, which is the end of Monday 13/03/1446H (Corresponding 16/09/2024G) ("Offering Period") where subscription applications for the Offer Shares can be submitted through the electronic subscription system of the financial advisor and lead manager (*) through which investors will be able to subscribe to the Offer Shares during the Offering Period (for more details on contact information please refer to Table (2) of this prospectus). The offering will be to qualified investors during the Offering Period, and each of them will be allowed to study the investment opportunity and review any additional information available through a data room where all documents. The minimum subscription will be One hundred (100) shares for each investor, noting that the maximum subscription for each is Ten million two hundred forty-nine thousand nine hundred ninety-nine (10,249,999) shares for each investor.

Subscription to the Offer Shares will be made by submitting the Subscription Application and transferring the funds directly to the escrow account related to the Offering, as specified in the Subscription Application Form. The final allocation of the Offer Shares will be announced no later than Monday 20/03/1446H (Corresponding 23/09/2024G) ("Allocation Date") and the surplus will be refunded within (3) business days from the Allocation Date, and there will be no commissions or deductions from the entity receiving the offering proceeds or the lead manager or the company and the surplus will be refunded no later than Thursday 23/03/1446H (Corresponding 26/09/2024G) (for more details on the terms, conditions and instructions of the offering). The company has one class of ordinary shares, and no share gives its holder preferential rights. Each share gives its holder the right to one vote and every shareholder has the right to attend and vote at the general assembly meeting (whether ordinary or extraordinary), and each shareholder has the right to delegate another person, other than the board members, to represent them in attending general assembly meetings. The Offer Shares will be entitled to receive dividends declared by the Company as of the date of this prospectus.

The company's shares have never been listed or traded in any stock market either inside or outside the Kingdom of Saudi Arabia before this offering. The company has submitted an application to the CMA to register and offer its shares in the parallel market in accordance with the Rules on the Offer of Securities and Continuing Obligations, and has also submitted an application to Tadawul to list its shares in the parallel market in accordance with the Listing Rules. All supporting documents requested by CMA and Tadawul have been submitted and all requirements have been met and all approvals related to the offering process have been obtained, including approval of publishing this prospectus. Trading of the shares is expected to begin on Tadawul - Parallel Market - soon after the completion of the share allocation process and refund of surplus and fulfillment of all relevant regulatory requirements (for more details, please refer to Table (2) of this prospectus "Important Dates for Subscribers"). After registering the shares in the parallel market, qualified investors who meet the conditions, whether inside or outside the Kingdom, will be allowed to trade in the company's shares. Investment in the Offer Shares involves risks and uncertain matters.

Financial Advisor and Lead Manager

الذخير كابيتال
 ALKHAIR CAPITAL



This Prospectus is an unofficial translation of selected sections extracted from the Official Arabic Language Prospectus and is provided for information purposes only. The Arabic Language Prospectus published on the CMA website (www.cma.org.sa) remains the only official, legally binding version and shall prevail in the event of any conflict between the two texts.

The company's board members, whose names appear on page (*), collectively and individually bear full responsibility for the accuracy of the information contained in this prospectus, and they confirm, to the best of their knowledge and belief, after conducting all possible studies and to the reasonable extent, that there are no other facts that could make any statement contained therein misleading if omitted from the prospectus. Neither the Authority nor the Saudi Tadawul Company (Saudi Tadawul) bear any responsibility for the contents of this prospectus, nor do they give any assurances regarding its accuracy or completeness, and they expressly disclaim any responsibility whatsoever for any loss resulting from what is contained in this prospectus or reliance on any part thereof. Those wishing to purchase the shares offered under this prospectus must investigate the validity of the information related to the shares being offered, and if it is difficult to understand the contents of this prospectus, a licensed financial advisor should be consulted.

The Arabic Language Official Prospectus was issued on 28/11/1445H (corresponding to 05/06/2024G).



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Company Directory

Table No (1): Board members and Secretary*

No.	Name	Position	Nationality	Age	Membership status**	Independence***	Date of Membership	Owned shares							
								Before the offering				After the offering			
								Direct		Indirect		Direct		Indirect	
								No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
1	Hassan bin Attallah Alamri	Chairman of Board of Directors	Saudi	61	Non - Executive	Non-Independent	17/04/1442H (corresponding to 02/12/2020G)	750,000	0.40%	--	--	750,000	0.37%	--	--
2	Nader bin Hassan Alamri	Vice Chairman	Saudi	39	Executive	Non-Independent	17/04/1442H (corresponding to 02/12/2020G)	68,808,915	36.49%	12,897,719	6.84%	68,808,915	33.57%	12,897,719	6.29%
3	Faisal bin Talal Bouzo	Board Member	Saudi	38	Non - Executive	Non-Independent	17/04/1442H (corresponding to 02/12/2020G)	--	--	833,333	0.44%	--	--	833,333	0.41%
4	Tarek bin Fawaz Al Ajlani	Board Member	Saudi	41	Non - Executive	Non-Independent	17/04/1442H (corresponding to 02/12/2020G)	--	--	833,333	0.44%	--	--	833,333	0.41%
5	Abdulsalam bin Abdulrahman Almajed	Board Member	Saudi	36	Non - Executive	Non-Independent	17/04/1442H (corresponding to 02/12/2020G)	--	--	3,680,591	1.95%	--	--	3,680,591	1.8%
Secretary of Board of Directors															
6	Asrar bint Atiyan Aljahdali	Secretary of Board of Directors	Saudi	29	Executive	Non-Independent	20/10/1444H (corresponding to 10/05/2023G)	75,000	0.04%	--	--	75,000	0.037%	--	--

Source: The Company

* On 17/04/1442H (corresponding to 02/12/2020G), the Transformational Assembly of First Avenue was held, and approved the appointment of the first Board of Directors consisting of five (5) members for a period of four (4) years starting from the date of the Transformational Assembly on 17/04/1442H (corresponding to 02/12/2020G) and ending on 28/05/1446H (corresponding to 01/12/2024G). On 18/07/1442H (corresponding to 02/03/2021G), the company's Board of Directors resolution No. (1-1-2021) was issued, and it was decided to appoint Mr. Hassan bin Attallah Alamri as its Chairman and Mr. Nader bin Hassan Alamri as Vice Chairman. On 20/10/1444H (corresponding to 10/05/2023G), the Board of Directors decided to appoint Ms. Asrar bint Atyan Aljahdali as Secretary of the Board.

** A Board member acquires the status of "Executive Member" when he is a member of the company's executive management and participates in its daily management activities or receives a salary from it for that. As for the "Non-Executive Member", he is a Board member who does not work full-time to manage the company or does not receive a salary from it, except for the membership remuneration for the Board and committees.

*** As for the Independent Member, he is a non-executive Board member who enjoys complete independence in his position and decisions, and none of the independence obstacles stipulated in the following shall apply to him:

- (1) Owning 5% or more of the Company's shares or shares of another Company from its group, or having a kinship relationship with someone owning this percentage.
- (2) Having a kinship relationship with any Board member in the Company or another Company from its group.
- (3) Having a kinship relationship with any senior executives in the Company or another Company from its group.
- (4) Being a Board of Directors member of another company within the group nominated for its Board membership.
- (5) Being an employee during the past two years at the Company or another Company from its group, or owning controlling shares in the Company or any party dealing with the Company or another Company from its group, such as auditors and major suppliers during the past two years.
- (6) Having a direct or indirect interest in the business and contracts made for the Company's account.
- (7) Receiving financial amounts from the Company in addition to the Board membership remuneration or any of its committees exceeding (200,000) Saudi Riyals or 50% of their remuneration for the previous year received for Board or committee membership, whichever is less.
- (8) Involved in a business that would compete with the company or trading in one of the activities practiced by the company.
- (9) Having served more than nine consecutive or non-consecutive years on the Company's Board of Directors.

**** Indirect ownership means shares owned by Board members or shareholders indirectly in the company through their ownership in companies that own shares in the company. As of the date of this prospectus, some Board members have indirect ownership through companies contributing to First Avenue, as follows: (1) Nader bin Hassan Alamri (owns (12,600,000) shares, i.e. 6.68% of the total shares before the offering and 6.15% of the total shares after the offering indirectly through First Avenue Investment Company and owns (297,719) shares, i.e. 0.16% of the total shares before the offering and 0.15% of the total shares after the offering through Dar Al Majed Real Estate Company, (2) Faisal bin Talal Bouzo (owns (833,333) shares, i.e. 0.44% of the total shares before the offering and 0.41% of the total shares after the offering) indirectly through Construction and Planning Company, (3) Tarek bin Fawaz Al Ajlani (owns (833,333) shares, i.e. 0.44% of the total shares before the offering and 0.41% of the total shares after the offering) indirectly through Construction and Planning Company and (4) Abdulsalam bin Abdulrahman Almajed (owns (3,680,591) shares, i.e. 1.95% of the total shares before the offering and 1.8% of the total shares after the offering) indirectly through Dar Al Majed Real Estate Company.

Company's Address and Representatives

Company's Address

First Avenue for Real Estate Development

Prince Turki bin Abdulaziz Al-Awwal Road - Hittin District
Building 6957 - Unit No. 3
Riyadh
Postal Code: 13512-2447
Kingdom of Saudi Arabia
Tel: +966 11 2033116
Website: www.the1stavenue.com.sa
E-mail: info@the1stAvenue.com



Company's Representatives

Statement	First representative	Second representative
Name	Nader bin Hassan Alamri	Asrar bint Atiyan Aljahdali
Capacity	Vice Chairman	Director of investment and business development
Address	6957 Prince Turki bin Abdulaziz Al-Awwal Road	6957 Prince Turki bin Abdulaziz Al-Awwal Road
Tel	+966 11 203 3116 (Ext 102)	+966 11 203 3116 (Ext 104)
Fax		None
E-mail	nalamri@the1stavenue.com	aaljahdali@the1stavenue.com
Website	www.the1stavenue.com.sa	

Stock Exchange

Saudi Tadawul Company (Saudi Exchange)

King Fahd Road, Olaya 6897
Unit No.: 15
Riyadh 12211 - 3388
Kingdom of Saudi Arabia
Tel: +966 11 920001919
Fax: +966 11 218 9133
Website: www.saudiexchange.sa
E-mail: csc@saudiexchange.sa



Advisors

Financial Advisor and Lead Manager

Alkhair Capital

King Abdul Aziz Road - Ministries District - Madarat Towers
P.O 69410-Riyadh 11547
Kingdom of Saudi Arabia
Tel: +966112155678
Fax: +966112191270
Website: www.alkhaircapital.com.sa
E-mail: info@alkhaircapital.com.sa

الخير كابيتال
ALKHAIR CAPITAL 

Legal Advisor

Khaligyoun Legal Advisors (KLA)

King Fahad Road, Sahafa District
M7 Tower- 8th floor
Postal Code: 11321
Kingdom of Saudi Arabia
Tel: +966 11 263 7458
E-mail: info@klafirm.com
Website: www.klafirm.com



Auditor for fiscal year ended 31 December 2022G and fiscal year ended 31 December 2023G

RSM Allied Accountants

Al Olaya District - Al Orouba Road - Building No. 3193
Riyadh 12333 - 8335
Kingdom of Saudi Arabia
Tel: +966 11 1639614
Fax: +966 11 9439614
Website: www.rsm.global
E-mail: info@rmsaudi.com



Note: All the aforementioned advisors and auditor have provided their written consents to the reference of their names and logos, and to the inclusion of their statements in the form and content contained in this prospectus. None of them has withdrawn this consent as of the date of publishing this prospectus. None of the advisors, auditor, or their employees - among the work team - or any of their relatives own any shares or interest of any kind in the Company that may affect their independence.

Receiving Entities

Al Rajhi Capital (Al Rajhi Capital)

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

الراجحي المالية
alrajhi capital 

SNB Capital

Kingdom of Saudi Arabia,
King Saud Street, Al-Murabba District - Building No. 7347
P.O. Box 2575 Riyadh 12624
Tel: +966 920000232
International Call Center: +966 11 4060052
Email: snbc.cm@alahlicapital.com.sa
Website: www.alahlicapital.com

كابيتال
SNB 

Saudi Fransi Capital

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P.O. Box 23454 Riyadh 12313-3735
Kingdom of Saudi Arabia
Tel: +966 11 2826666
Fax: +966 11 2826823
Email: Zalfaddagh@FransiCapital.com.sa
Website: www.Sfc

BSF 

Riyadh Capital

Kingdom of Saudi Arabia, 2414 - Al Shuhada District, Unit No. 69
P.O. Box 13241 Riyadh 7279
Tel: +966 11 486 5649
Fax: +966 11 486 5908
Email: ask@riyadcapital.com
Website: www.riyadcapital.com

الرياض المالية
Riyad Capital 

Albilad Capital

Riyadh - King Fahd Road - Al-Ulaya - 12313 - 3701
Kingdom of Saudi Arabia
Tel: +966 11 920003636
Fax: +966 11 2906299
Email: investmentbanking@albilad-capital.com
Website: www.albilad-capital.com

البلاد المالية
Albilad Capital 

Aljazira Capital

Kingdom of Saudi Arabia, King Fahad Branch Road, Al-Rahmaniyah
P.O. Box 20438 Riyadh 11455
Tel: +966 11 225 6000
Fax: +966 11 225 6182
Email: contactus@aljaziracapital.com.sa
Website: www.aljaziracapital.com.sa

الجزيرة كابيتال
ALJAZIRA CAPITAL الجزيرة للأسواق المالية 

Alistithmar Capital

Kingdom of Saudi Arabia, Riyadh, King Fahd Road
P.O. Box: 6888, Postal Code: 11452
Tel: +966 11 2547666
Fax: +966 11 4896253
Email: WebEcare@icap.com.sa
Website: www.alistithmarcapital.com

الاستثمار كابيتال
Alistithmar Capital 

Receiving Entities

Derayah Financial Company

Riyadh, Al-Takhassusi Street - Prestige Center - Third Floor
Kingdom of Saudi Arabia
Tel: +966 11 299 8000
Fax: +966 11 419 5498
Email: support@derayah.com
Website: www.derayah.com



Alinma Investment Company

Kingdom of Saudi Arabia, Al Anoud Tower, 2 King Fahd Road
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Email: info@alinmainvestment.com
Website: www.alinmainvestment.com

الإئماء للاستثمار
alinma investment

ANB Capital

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P.O. Box 2200009 Riyadh 11311
Kingdom of Saudi Arabia
Tel: +966 11 406 2500
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Yaqeen

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الأول للاستثمار
SAB Invest

Offering Summary

This summary aims to provide an overview of the information contained in this prospectus. As such, this summary does not contain all information that may be important to potential investors. Therefore, this summary should be read as an introduction to this prospectus, and potential investors should read and review this prospectus in its entirety. Any decision related to investing in the offered shares by potential investors should be based on considering this prospectus as a whole.

Company's Name, Description and Information on its Incorporation

First Avenue for Real Estate Development Company (hereinafter referred to as "Company" or "Issuer" or "First Avenue") is a Saudi closed joint stock company by Ministerial Resolution No. (Q/5332) dated 25/02/1442H (corresponding to 12/10/2020G) approving the license to transform First Avenue for Real Estate Development Company from a limited liability company to a closed joint stock company, Ministerial Resolution No. (Q/5333) dated 16/05/1442H (corresponding to 31/12/2020G) approving the announcement of the company's transformation, and under Commercial Registration Certificate No. (1010894153) dated 02/12/1438H (corresponding to 24/08/2017G) issued by the Commercial Register Office in Riyadh. The company's head office is located in Riyadh (Prince Turki bin Abdulaziz Al-Awwal Road - Hittin District, Building 6957 - Unit No. 3). The company's current capital is one hundred eighty-eight million five hundred seventy-six thousand and forty-seven (188,576,047) Saudi Riyals divided into one hundred eighty-eight million five hundred seventy-six thousand and forty-seven (188,576,047) nominal shares with a value of one (1) Saudi Riyal per share.

The company was initially established as a limited liability company with a capital of five hundred thousand (500,000) Saudi Riyals divided into five hundred (500) cash shares with a value of one thousand (1,000) Saudi Riyals per share; the capital was distributed to two (2) partners as follows: (1) First Avenue Investment Company (owning 350 shares, i.e. 70% of the shares) and (2) Construction and Planning Company (owning 150 shares, i.e. 30% of the shares). The company's articles of association were audited by the Ministry of Commerce and authenticated by the notary public under No. (381681773) dated 02/12/1438H (corresponding to 24/08/2017G). On 19/12/1441H (corresponding to 09/08/2020G), the partners decided to amend the articles of association by increasing the company's capital from five hundred thousand (500,000) Saudi Riyals to five million (5,000,000) Saudi Riyals divided into five thousand (5,000) cash shares with a value of one thousand (1,000) Saudi Riyals per share. Some shares were also transferred between the partners, under the same amended articles of association, whereby Construction and Planning Company waived part of its shares, numbering one thousand (1,000) shares with a total value of one million (1,000,000) Saudi Riyals in favor of First Avenue Investment Company. The capital was increased through capitalizing (4,150,000) from the account of First Avenue Investment Company in exchange for (4,150) shares, and through Construction and Planning Company paying (350,000) in cash in exchange for (350) shares. After the increase and transfer of shares, the capital was distributed to partners as follows: (1) First Avenue Investment Company (owning 4,500 shares, i.e. 90% of the shares) and (2) Construction and Planning Company (owning 500 shares, i.e. 10% of the shares), according to the amended articles of association authenticated by the Ministry of Commerce in Riyadh under contract No. (41659) dated 19/12/1441H (corresponding to 09/08/2017G). On 25/02/1442H (corresponding to 12/10/2020G), both partners decided to transform the company from a limited liability company to a closed joint stock company, with its rights and obligations, and with the same capital of five million (5,000,000) Saudi Riyals, while maintaining the number, name, and date of the commercial registration of the head office. The capital was determined to be five million (5,000,000) Saudi Riyals divided into five hundred thousand (500,000) nominal shares of equal value, with a value of ten (10) Saudi Riyals per share, all of which are ordinary shares, and the shares were distributed to the partners as follows: (1) First Avenue Investment Company (owning 450,000 shares, i.e. 90% of the shares) and (2) Construction and Planning Company (owning 50,000 shares, i.e. 10% of the shares). The partners' decision to transform the company was approved by the Ministry of Commerce (Riyadh branch) under No. (144238). On 25/02/1442H (corresponding to 12/10/2020G), Ministerial Resolution No. (Q/5332) was issued approving the license to transform First Avenue from a limited liability company to a closed joint stock company. On 16/05/1442H (corresponding to 31/12/2020G), Ministerial Resolution No. (Q/5333) was issued approving the announcement of the transformation of First Avenue Company (closed joint stock company). On 12/06/1442H (corresponding to 25/01/2021G), the company was registered in the Joint Stock Companies Register in Riyadh and registered under Commercial Registration Certificate No. (1010894153) dated 02/12/1438H (corresponding to 24/08/2017G), which expires on 01/08/1447H (corresponding to 20/01/2026G). On 22/09/1442H (corresponding to 04/05/2021G), the Board of Directors recommended increasing the company's capital by capitalizing an amount of forty million (40,000,000) Saudi Riyals transferred from a related party account (First Avenue Investment Company and Mr. Nader bin Hassan Alamri), with the aim of strengthening the company's financial position, supporting its business and negotiating position with financing entities, and in preparation for listing the company's shares on the Nomu market. On 18/11/1442H (corresponding to 28/06/2021G), the first Extraordinary General Assembly approved the Board of Directors' recommendation to increase the company's capital from five million (5,000,000) Saudi Riyals to forty-five million (45,000,000) Saudi Riyals, by capitalizing an amount of forty million (40,000,000) from a related party account (First Avenue Investment Company and Mr. Nader bin Hassan Alamri), with 6,000,000 Saudi Riyals capitalized from First Avenue Investment Company's account and 34,000,000 Saudi Riyals from Nader bin Hassan Alamri's account). Based on this capital increase, the company granted six hundred thousand (600,000) shares to First Avenue Investment Company and granted (3,400,000) shares to Mr. Nader bin Hassan Alamri, in exchange for the transferred amount, bringing the company's capital to forty-five million (45,000,000) to be distributed among the shareholders as follows: (1) Mr. Nader bin Hassan Alamri (owning 3,400,000 shares, approximately 75.56% of the shares), (2) First Avenue Investment Company (owning 1,050,000 shares, approximately 23.33% of the shares) and (3) Construction and Planning Company (owning 50,000 shares, approximately 1.11% of the shares). On 02/02/1443H (corresponding to 09/09/2021G), the Board of Directors recommended increasing the company's capital from forty-five million (45,000,000) Saudi Riyals to one hundred million (100,000,000) Saudi Riyals and increasing the number of shares from four million five hundred thousand (4,500,000) shares to ten million (10,000,000) shares by issuing new shares numbering five million five hundred thousand (5,500,000) shares with a total value of fifty-five million (55,000,000) Saudi Riyals. The Extraordinary General Assembly held on 06/02/1443H (corresponding to 13/09/2021G) approved the issuance of new cash shares with a nominal value of ten (10) Saudi Riyals per share and a total value of fifty-five million (55,000,000) Saudi Riyals to be subscribed by the current shareholders registered in the company's records on the day of Extraordinary General Assembly meeting. The shares were subscribed to by shareholders registered in the company's records on the day of the assembly meeting. The subscription value was paid in cash by all shareholders. On 28/04/1444H (corresponding to 22/11/2022G), the (Extraordinary) General Assembly approved the Board of Directors' recommendation issued on 26/04/1444H (corresponding to 20/11/2022G) to issue one million three hundred sixty-two thousand seven hundred and eight (1,362,708) shares representing (11.99%) of the company's capital after the capital increase, where the capital increased through the issuance of new shares in exchange for acquiring units in Al Shorfa Investment Fund (a closed private real estate investment fund), and the increase shares were allocated to: (1) Dar Al Majed Real Estate Company, (2) Shurfa Real Estate Development and Investment Company, (3) Ammar Investment Company and (4) Mohammed Bashir bin Abdullah Qarqouri (in their capacity as owners of units in the fund). On 18/11/1444H (corresponding to 07/06/2023G), the Extraordinary General Assembly approved the split of the company's shares to make the nominal value of each share one (1) Saudi Riyal instead of ten (10) Saudi Riyals per share, bringing the company's capital to one hundred thirteen million six hundred twenty-seven thousand and eighty (113,627,080) Saudi Riyals divided into one hundred thirteen million six hundred twenty-seven thousand and eighty (113,627,080) shares. The Extraordinary General Assembly also approved increasing the company's capital by issuing bonus shares for every two shares owned on the date of the assembly, by transferring an amount of seventy-four million nine hundred forty-eight thousand nine hundred sixty-seven (74,948,967) Saudi Riyals from the share premium account to the capital account, including the allocation of eighteen million one hundred thirty-five thousand four hundred twenty-seven (18,135,427) Saudi Riyals to issue eighteen million one hundred thirty-five thousand four hundred twenty-seven (18,135,427) treasury shares for the company. As a result, the company's capital became one hundred and eighty-eight million, five hundred and seventy-six thousand, and forty-seven (188,576,047) Saudi Riyals.

Summary of the Company's Activities	<p>The company conducts its activities under the Commercial Registration Certificate No. (1010894153) dated 02/12/1438H (corresponding to 24/08/2017G). The company's activities, according to the Commercial Register, include "General construction of residential buildings, general construction of non-residential buildings including schools, hospitals, hotels, etc., construction of prefabricated buildings on-site, renovation of residential and non-residential buildings, demolition and removal of buildings and others, purchase and sale of real estate lands and properties and their division and off-plan sales activities, management and leasing of owned or leased properties (residential), management and leasing of owned or leased properties (non-residential), real estate brokerage and property management activities for a commission."</p> <p>According to Article (4) of the articles of association, the company practices and carries out the following activities:</p> <ul style="list-style-type: none"> - Construction: building construction - Construction: demolition - Real estate activities: real estate activities in owned or leased properties. - Real estate activities: real estate activities on a fee or contract basis. <p>The company conducts its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.</p> <p>The company's current activity is to develop and invest in the real estate segment by developing and constructing residential and commercial units.</p>																																																																		
Substantial Shareholders, number of their shares and ownership percentages before and after the offering	<p>They are persons who directly or indirectly own 5% or more of the company's capital shares.</p> <table border="1" data-bbox="427 824 1394 1301"> <thead> <tr> <th rowspan="3">Shareholder</th> <th rowspan="3">Nationality</th> <th colspan="4">Before the offering</th> <th colspan="4">After the offering</th> </tr> <tr> <th colspan="2">Direct</th> <th colspan="2">Indirect</th> <th colspan="2">Direct</th> <th colspan="2">Indirect</th> </tr> <tr> <th>Number of shares</th> <th>Percentage*</th> <th>Number of shares</th> <th>Percentage*</th> <th>Number of shares</th> <th>Percentage*</th> <th>Number of shares</th> <th>Percentage*</th> </tr> </thead> <tbody> <tr> <td>Nader bin Hassan Alamri</td> <td>Saudi</td> <td>68,808,915</td> <td>36.49%</td> <td>12,897,719</td> <td>6.84%</td> <td>68,808,915</td> <td>33.57%</td> <td>12,897,719</td> <td>6.29%</td> </tr> <tr> <td>Dar Al Majed Real Estate Company</td> <td>Saudi</td> <td>29,771,925</td> <td>15.79%</td> <td>0</td> <td>0.00%</td> <td>29,771,925</td> <td>14.52%</td> <td>0</td> <td>0.00%</td> </tr> <tr> <td>First Avenue Investment Company</td> <td>Saudi</td> <td>15,750,000</td> <td>8.35%</td> <td>0</td> <td>0.00%</td> <td>15,750,000</td> <td>7.68%</td> <td>0</td> <td>0.00%</td> </tr> <tr> <td>Total</td> <td></td> <td>114,330,840</td> <td>60.63%</td> <td>12,897,719</td> <td>6.84%</td> <td>114,330,840</td> <td>55.77%</td> <td>12,897,719</td> <td>6.29%</td> </tr> </tbody> </table> <p>Source: The Company *Approximate percentage</p>	Shareholder	Nationality	Before the offering				After the offering				Direct		Indirect		Direct		Indirect		Number of shares	Percentage*	Number of shares	Percentage*	Number of shares	Percentage*	Number of shares	Percentage*	Nader bin Hassan Alamri	Saudi	68,808,915	36.49%	12,897,719	6.84%	68,808,915	33.57%	12,897,719	6.29%	Dar Al Majed Real Estate Company	Saudi	29,771,925	15.79%	0	0.00%	29,771,925	14.52%	0	0.00%	First Avenue Investment Company	Saudi	15,750,000	8.35%	0	0.00%	15,750,000	7.68%	0	0.00%	Total		114,330,840	60.63%	12,897,719	6.84%	114,330,840	55.77%	12,897,719	6.29%
Shareholder	Nationality			Before the offering				After the offering																																																											
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Issuer's Capital Before the Offering	One hundred eighty-eight million five hundred seventy-six thousand forty-seven (188,576,047) Saudi Riyals.																																																																		
Issuer's Capital After the Offering	Two hundred and five million (205,000,000) Saudi Riyals.																																																																		
Total number of Issuer's shares before the offering	One hundred eighty-eight million five hundred seventy-six thousand forty-seven (188,576,047) ordinary shares paid in full.																																																																		
Total number of Issuer's shares after the offering	Two hundred and five million (205,000,000) ordinary shares.																																																																		
Nominal value per share	One (1) Saudi Riyal per share.																																																																		
Total number of shares offered for subscription.	Sixteen million four hundred twenty-three thousand nine hundred fifty-three (16,423,953) ordinary shares.																																																																		
Percentage of shares offered to the capital before the increase	(8.7%) of total shares.																																																																		
Percentage of shares offered to the capital after the increase	(8.01%) of total shares.																																																																		
Offering price	• (•) Saudi Riyal.																																																																		
Total offering value	• (•) Saudi Riyal.																																																																		

Use of Offering Proceeds	The total offering proceeds are estimated at (٥) Saudi Riyals, of which (٥) three million five hundred thousand Saudi Riyals will be allocated to pay all costs and expenses related to the offering, including fees for the Financial Advisor, Lead Manager, and other consultants, printing, distribution, marketing expenses, and other expenses related to the offering process. The company will bear all costs, fees, and expenses related to the offering. The net offering proceeds are expected to amount to (٥). The company intends to use the net proceeds in (٥). (For more information, please refer to Section 4 - "Use of Offering Proceeds" in this prospectus).
Categories of targeted investors	Subscription to the Offer Shares in the Offering is restricted to Qualified Investors, namely: <ol style="list-style-type: none"> 1. Capital Market Institutions acting on their own behalf; 2. Clients of a Capital Market Institution authorized to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to make 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 governmental entity, or any international body recognized by the Capital Market Authority in the Kingdom (the "CMA"), the Saudi Exchange (the "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 GCC countries; 6. Investment funds; 7. Any other legal persons who 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 with the Depository Center and who: <ol style="list-style-type: none"> a. have made transactions in the securities market with a total value of not less than forty million Saudi Arabian 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 Saudi Arabian Riyals (SAR 5,000,000); c. are working or have worked in the financial segment for at least three (3) years; d. have a CME-1 approved by the CMA; e. hold a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity; 9. Any other persons defined by the CMA.
Subscription Method to the Offer Shares	The subscription application will be available to subscribers during the offering period through the electronic system of the lead manager, through which qualified investors will be able to subscribe to the company's shares during the offering period.
Minimum Number of Offer Shares to be subscribed to	One hundred (100) shares.
Value of minimum Number of Offer Shares to be subscribed to	(٥) Saudi Riyal.
Maximum Number of Offer Shares to be subscribed to	Ten million two hundred forty-nine thousand nine hundred ninety-nine (10,249,999) shares.
Value of maximum Number of Offer Shares to be subscribed to	(٥) Saudi Riyal.
Method of Allocation and Surplus Refund	The lead manager and the issuer will open an escrow account to receive subscription amounts, and each subscriber must submit a subscription application and deposit the subscription amount in this account. After the end of the offering period, the allocation will be announced by notifying investors no later than Monday 20/03/1446H (Corresponding 23/09/2024G), and the offered shares will be allocated as proposed by the financial advisor in consultation with the issuer. The surplus will be refunded within two working days from the date of allocation. There will be no commissions or deductions from the entity receiving the offering proceed.
Offering Period	The period starts from Tuesday 07/03/1446H (Corresponding 10/09/2024G) and ending with the end of Monday 13/03/1446H (Corresponding 16/09/2024G)
Entitlement to Dividends	The Offer Shares will be entitled to their portion of any dividends declared and paid by the Company as of the date of this Prospectus and for the subsequent financial years.
Voting Rights	The Company has only one class of ordinary shares. Each share gives its holder the right to one vote and every shareholder has the right to attend and vote at the general assembly meeting, and each shareholder has the right to delegate another person, other than the board members, to represent them in attending general assembly meetings. No shareholder is given any preferential rights. The shareholder has the right to delegate another shareholder, other than the board members or company's employees, to represent them in attending the general assembly meetings and voting on its decisions.

Restrictions on Shares	Substantial Shareholders, whose names appear on page (H) of this Prospectus, must not dispose of their Shares for a period of twelve (12) months from the date trading of the Company's Shares commences on the Parallel Market (the "Lock-up Period"). The Depository Center shall immediately lift the restrictions on these Shares after the Lock-up Period ends. They may dispose of their Shares after the end of this period without obtaining the prior approval of the CMA.
Shares Previously Listed by Issuer	The company's shares have never been listed or traded on any stock market, whether inside or outside the kingdom of Saudi Arabia, before being listed on the parallel market.

Important Dates for Subscribers

Table No (2): Expected Offering Schedule

Event	Date
Offering Period	The offering period starts on Tuesday 07/03/1446H (Corresponding 10/09/2024G) and ending with the end of Monday13/03/1446H (Corresponding 16/09/2024G)
Deadline for submission of Subscription Application Forms	Monday13/03/1446H (Corresponding 16/09/2024G) at 5:00 PM
Deadline for payment of subscription amounts	Monday13/03/1446H (Corresponding 16/09/2024G)
Announcement of final allocation of Offer Shares and notifying Investors	Monday20/03/1446H (Corresponding 23/09/2024G)
Refund of surplus (if any)	Thursday 23/03/1446H (Corresponding 26/09/2024G)
Expected date of commencement of trading in the Exchange	Trading of the Company's Shares in the Parallel Market is expected to commence after all the requirements have been met and all the relevant legal procedures have been completed, and the start of stock trading will be announced in local newspapers and on Saudi Exchange's website (www.saudiexchange.sa).

Note: The above timetable and dates therein are approximate. The actual dates will be communicated through announcements in local newspapers and on Saudi Exchange's website (www.saudiexchange.sa), the company's website (www.the1stavenue.com.sa), Financial Advisor and lead manager's website (www.alkhaircapital.com.sa).

How to apply

Subscription to the offer shares in the parallel market is limited, according to the requirements of the Rules on the Offer of Securities and Continuing Obligations, to qualified investor categories as defined in the list of terms used in CMA regulations and rules and in the list of terms used in the rules of Saudi Tadawul. In Rules on the Offer of Securities and Continuing Obligations, it means any of the following:

Capital Market Institutions acting on their own behalf. Clients of a Capital Market Institution authorized to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to make 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. The Kingdom's Government, any governmental entity, or any international body recognized by the Capital Market Authority in the Kingdom (the "CMA"), the Saudi Exchange (the "Exchange"), or any other stock exchange recognized by the CMA, or the Securities Depository Center Company (Edaa).

1. Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution authorized to perform management activities.
2. Companies and funds established in GCC countries.
3. Investment funds.
4. Any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center.
5. Natural persons who may open an investment account in the Kingdom and an account with the Depository Center and who:
 - a. have made transactions in the securities market with a total value of not less than forty million Saudi Arabian Riyals (SAR 40,000,000) 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 Saudi Arabian Riyals (SAR 5,000,000);
 - c. are working or have worked in the financial segment for at least three (3) years.
 - d. have a CME-1 approved by the CMA.
 - e. hold a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity.
6. Any other persons defined by the CMA.

Qualified investors must submit the subscription application to the lead Manager through the electronic subscription system of the lead Manager, which will enable eligible investors to subscribe to the company's shares during the offering period. The subscription application must be submitted no later than (•) on the closing date. The subscription application for the offer shares must be accompanied by all supporting documents required as per the instructions. By completing the subscription application, each investor acknowledges that they have received this prospectus and read it, and wishes to subscribe to the offer shares as indicated in the subscription application.

The subscription application will be available to subscribers during the offering period through the electronic subscription system of the lead Manager, which will enable qualified investors to subscribe to the company's shares during the offering period. Subscribers must meet the subscription requirements and fill out the subscription application forms according to the instructions. Each investor must agree to all paragraphs in the subscription application form. The company reserves the right to reject any investment partially or wholly if any subscription condition is not met. The subscription application cannot be modified or withdrawn after it has been submitted to the lead Manager. The subscription application shall, upon submission, be considered a legally binding agreement between the subscriber and the company.

Summary of Financial Information

The summary of financial information below is based on the company's audited financial statements for the fiscal year ended 31 December 2022G (which include comparative figures for the fiscal year ended 31 December 2021G) and the company's audited financial statements for the fiscal year ended 31 December 2023G (which include comparative figures for the fiscal year ended 31 December 2022G), including the accompanying notes.

Table No (3): Summary of income statement

Statement of Profit or Loss and Comprehensive Income (SAR)	FY ended 31/12/2021G (audited)	FY ended 31/12/2022G (audited)	FY ended 31/12/2023G (audited)
Sales, net	204,923,605	204,650,600	237,845,342
Cost of sales	(145,964,242)	(153,578,307)	(188,290,776)
Total profit	58,959,363	51,072,293	49,554,566
Net profit from main operations	52,027,547	46,006,488	34,715,514
Net profit before zakat	52,373,456	44,961,801	44,653,079
Net profit	50,612,752	42,710,504	41,951,765
Total comprehensive income	58,374,933	74,011,731	56,667,906

Source: The Company's audited financial statements for fiscal year ended 31 December 2022G, and Company's financial statements for fiscal year ended 31 December 2023G

Table No (4): Summary of financial position statement

Statement of Financial Position (SAR)	FY ended 31/12/2021G (audited)	FY ended 31/12/2022G (audited)	FY ended 31/12/2023G (audited)
Total current assets	136,417,471	234,165,028	182,119,717
Total non-current assets	58,879,526	194,268,804	316,645,145
Total assets	195,296,997	428,433,832	498,764,862
Total current liabilities	24,732,104	101,264,259	96,288,660
Total non-current liabilities	49,077,482	45,423,134	74,236,857
Total liabilities	73,809,586	146,687,393	170,525,517
Total Equity	121,487,411	281,746,439	328,239,345
Total liabilities and equity	195,296,997	428,433,832	498,764,862

Source: The Company's audited financial statements for fiscal year ended 31 December 2022G, and Company's financial statements for fiscal year ended 31 December 2023G

Table No (5): Summary of cash flows

Statement of Cash Flows (SAR)	FY ended 31/12/2021G (audited)	FY ended 31/12/2022G (audited)	FY ended 31/12/2023G (audited)
Net cash generated from (used in) operating activities	219,587	(34,328,683)	96,987,793
Net cash generated from (used in) investment activities	(11,968,422)	(12,516,450)	(109,177,419)
Net cash generated from (used in) financing activities	18,011,769	42,978,351	19,510,131

Source: The Company's audited financial statements for fiscal year ended 31 December 2022G, and Company's financial statements for fiscal year ended 31 December 2023G

Table No (6): Key Performance Indicators

Financial indicators	Indicator unit	FY ended 31/12/2021G (audited)	FY ended 31/12/2022G (audited)	FY ended 31/12/2023G (audited)
Sales growth rate	%	-	-1.0%	16.2%
Total profit rate	%	28.8%	25.0%	20.8%
Operating profit margin	%	25.4%	22.5%	14.6%
Net profit margin	%	24.7%	20.9%	17.6%
Current ratio	number of times	5.52	1.22	1.89
Total assets/ total liabilities	number of times	2.65	2.92	2.92
Sales/ total assets	%	104.9%	47.8%	47.7%
Debt/ total assets	%	21.8%	21.2%	23.7%
Debt / equity	%	35.0%	31.3%	36.1%
Net receivables/ total assets	%	4.1%	4.7%	0.01%
Return on Assets	%	25.9%	10.0%	8.4%
Return on Equity	%	41.7%	15.2%	12.8%

Source: Management information

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1. Risk factors

1.1 Risks related to the company, its activities and operations

1.1.1 Risks related to the inability to implement the business plan and achieve the targeted growth strategy

The company's future performance depends on its ability to successfully implement its objectives and achieve its current strategies. The company's ability to implement its current strategies is subject to various factors, including those beyond its control. If the company fails to achieve its objectives and strategies for any reason, this will negatively and materially affect the company's business, financial position, results of operations and future prospects. There is also no guarantee that the company's successful implementation of its strategy will positively reflect on its operational results. The company may incur additional costs including attracting competent employees and assigning additional tasks to external parties (such as specialized consultants) to prepare the necessary studies to reach alternative plans and develop new strategies, which will negatively and materially affect the company's business, financial position, results of operations and future prospects.

1.1.2 Risks related to failure to obtain or renew necessary licenses, permits, and certificates

The company is subject to many regulations and laws, which require it to obtain a number of licenses, permits and approvals from the competent regulatory authorities in the Kingdom to conduct its business; The company currently conducts its activities under a number of licenses, certificates and permits related to the activity of [general construction of residential buildings, general construction of non-residential buildings such as schools, hospitals, hotels... etc., renovation of residential and non-residential buildings, demolition and removal of buildings and others, management and leasing of owned or leased properties (residential), management and leasing of owned or leased properties (non-residential), real estate brokerage and real estate management activities for a commission.]. These licenses, permits and certificates include: the company's commercial registration certificate issued by the Ministry of Commerce, the Chamber of Commerce and Industry membership certificate in Riyadh, the municipal license issued by the Riyadh Region Municipality, GOSI certificate, Saudization and Zakat certificates in addition to other licenses, permits and certificates specific to real estate development such as the real estate developer qualification certificate issued by Etmam and the real estate developer qualification certificate - Wafi program. (For more details on the certificates, licenses and approvals obtained by the company.

The company must, as the (license holder), comply with the terms and conditions of each license and certificate it has obtained. In case the company fails to do so, it may not be able to renew these licenses and certificates or obtain other new licenses that it may require from time to time for the purposes of expanding its activities, which may result in suspension or disruption of the company's business or bearing financial fines imposed by government agencies, which will negatively and materially affect the company's business, financial position, results of operations and future prospects.

As of the date of this prospectus, the company has obtained a certificate of installation of fire prevention and protection devices (Salamah invoice) for a facility for immediate activity, but it has not obtained Salamah certificate, and it has not obtained Salamah certificate for its office in Shorfa Al-Majdiah. In case the company fails to comply with the requirements of the Civil Defense Law and violates its provisions, the company will be subject to the penalties and fines stipulated in Article (30) of such law, which stipulates that "anyone who violates any provision of this law or its regulations or decisions issued based thereon, shall be punished by imprisonment for a period not exceeding six months, or a fine not exceeding 30 thousand Riyals, or both" for each violation, and the penalty may reach an order to close the site rented by the company. In addition, the company has not obtained a municipal license for its office in Shorfa Al-Majdiah, which constitutes non-compliance with the requirements of the Ministry of Municipal and Rural Affairs regarding the issuance of municipal licenses for the site through which the company conducts its commercial activity. The company may be subject to the penalties stipulated in the schedule of penalties for municipal violations (1444H - 2023G), which may reach a fine of (50,000) Saudi Riyals and the possibility of closing the office until the license is issued, which will negatively and materially affect the company's business, financial position, results of operations and future prospects.

1.1.3 Risks related to the geographical concentration of investments and real estate assets

All investment real estate assets owned by First Avenue Company are located in the cities of Riyadh and Jeddah, and therefore any recession in economic and real estate activity in Riyadh and Jeddah region will negatively and materially affect the company's business, results of operations and future prospects.

1.1.4 Risks related to investment properties under construction

The company has properties prepared for sale and under development, represented in lands under development and projects under implementation in order to sell them in the company's ordinary course of business. The total value of properties prepared for sale and under development amounted to (114,682,604) Saudi Riyals, which constitutes (58.7%) of total assets as of 31 December 2021G, compared to (168,855,993) Saudi Riyals, which constitutes (39.4%) of total assets as of 31 December 2022G. As for the fiscal year ending 31 December 2023G, the total value of properties prepared for sale and under development amounted to (111,523,774) Saudi Riyals, which constitutes (22.4%) of total assets, noting that the company has sold properties during the years 2021G, 2022G and 2023G.

The company faces risks related to investment properties under construction, especially since the residential and commercial real estate segment is subject to fluctuations in supply and demand. In addition, the company may, as a real estate developer, face obstacles in terms of completing its projects, including those related to administrative procedures and obtaining the necessary licenses and approvals, and some of which are due to the non-compliance of the contracted parties (e.g. contractors, suppliers and consultants) with the implementation of their obligations, which delays the delivery of projects as agreed. In case the company fails to achieve the profits expected from real estate development or fails to implement the projects under construction as planned, or in case of a change in market trends and a decrease in demand for projects that the company is currently implementing at the time when these projects become ready for delivery, this would affect the company's business and consequently on its results of operations and financial performance.

1.1.5 Risks related to selling property at a capital loss

The sale of real estate properties involves multiple risks that may lead the company to incur capital losses resulting from selling the property at a price lower than the purchase price. It is worth noting that the company achieved profits estimated at (31,431,483) Saudi Riyals for the fiscal year ending 31 December 2021G and (31,030,216) Saudi Riyals as of 31 December 2022G as a result of selling properties. However, a number of risks may face the company between the date of owning the property intended for sale and the date of its sale, which may lead to a decrease in its value. These factors include: a decrease in demand for purchasing properties for various reasons, including financial or economic crises or the spread of epidemics during which the demand for purchasing properties declines, changes in the nature of the property or its geographical surroundings, or the emergence of disputes over property ownership which may lead to a decrease in the value of the property. If the company sells the properties it owns at a value less than the purchase price, it will incur capital losses, which will negatively affect the company's financial position, financial status and results of operations.

1.1.6 Risks related to customer concentration

The company relies on a number of key clients in implementing, investing and developing its projects, who are independent local parties and related parties, with whom transactions are conducted on the basis of contracts and agreements or on non-contractual bases. The total revenues resulting from the company's transactions with its five (5) largest customers amounted to (186,485,211) Saudi Riyals, representing (91.0%) of total revenues as of 31 December 2021G, compared to an amount of (99,989,572) Saudi Riyals representing (48.9%) of total revenues as of 31 December 2022G and an amount of (133,789,547) Saudi Riyals representing (56.3%) of the company's total revenues as of 31 December 2023G.

Accordingly, in case of bankruptcy of one or a group of key customers, or in case of termination of the contractual relationship, or in case of collapse or severance of the relationship with one or a group of key customers, and the company's failure to find the necessary relationships with new customers, this will negatively and materially affect the company's business and consequently on its results of operations and financial performance.

1.1.7 Risks related to reliance on major suppliers

The company relies on a specific base of suppliers who are independent local parties for supplying its projects, with whom transactions are conducted on the basis of contracts and agreements or on non-contractual bases. It should be noted that the total purchases made with the company's five (5) largest suppliers for the fiscal year ending 31 December 2021G amounted to (132,974,445) Saudi Riyals, representing (91.1%) of the company's cost of sales, while the total purchases made with the five largest suppliers for the fiscal year ending 31 December 2022G amounted to (151,834,554) Saudi Riyals, representing (98.9%) of the cost of sales. For the fiscal year ending 31 December 2023G, the total purchases from major suppliers amounted to (117,002,196) Saudi Riyals, representing (62.1%) of the cost of sales.

Consequently, the occurrence of any malfunction, breakdown or sudden interruption in the work of suppliers, or termination of the relationship with a supplier or changing any of the terms or obligations, will negatively and materially affect the company's business and consequently on its results of operations and financial performance.

1.1.8 Risks related to the concentration of the company's revenues in the residential segment

The company's revenues mainly depend on the residential segment, with the company's revenues from this segment amounting to (189,813,246) Saudi Riyals, representing (76.3%) of total revenues for the fiscal year ending 31 December 2021G, compared to revenues of (158,798,318) Saudi Riyals representing (77.6%) of total revenues for the fiscal year ending 31 December 2022G and (154,776,967) Saudi Riyals representing (65.07%) of the company's total revenues for the fiscal year ending 31 December 2023G.

The occurrence of any negative factors that may affect this segment - including but not limited to: cessation of financial support for the residential segment, decline in demand for residential units and diversion of financial investments to non-residential segments such as resorts, hotels, commercial complexes and other factors - will lead to a decline in the company's revenues and consequently will affect the company's business, results of operations, financial position and future prospects.

1.1.9 Risks related to transactions with related parties

The company deals in the ordinary course of its business with a number of related parties, including board members of companies wholly or partially owned by the company's board members. These transactions are carried out under agreements and framework contracts based on purely commercial grounds governing the contractual relationship between the parties. It should be noted that these transactions were carried out within the company's normal business and with the approval of management.

The company complies with disclosure procedures to the general assembly of shareholders and that all transactions are carried out on a competitive commercial basis, ensuring shareholders' rights and that these contracts are voted on by the company's general assembly without the participation of shareholders who have interests in those contracts.

The balance due from related parties amounted to (361,387) Saudi Riyals, representing (0.2%) of total assets, while the balance due to related parties amounted to (0) Saudi Riyals as of 31 December 2021G.

As for the balance due from related parties as of 31 December 2022G, it amounted to (5,520,000) Saudi Riyals, representing (1.3%) of total assets, while the balance due to related parties amounted to (3,524,157) Saudi Riyals, representing (2.4%) of total liabilities.

For the fiscal year ending 31 December 2023G, the balance due from related parties amounted to (19,835,048) Saudi Riyals, representing (4.0%) of total assets, while the balance due to related parties amounted to (6,463,843) Saudi Riyals, representing (3.8%) of total liabilities.

The following table shows the transactions made between the company and related parties for the years 2021G, 2022G and 2023G:

Table No (7): The company's transactions with related parties

Transactions with related parties for FY ended 31 December 2021G									
Related party	Nature of the relationship	Nature of transaction	Details of the concluded contract	Total value of transactions (SAR)	Balance as of 31 December 2021G (SAR)		Percentage of total contracts and transactions (%)	Percentage of total revenues (%)	Percentage of total liabilities (%)
					Debit	Credit			
Nader bin Hassan Alamri	Board Member and CEO	Expenses paid on behalf of the company*	Non-contractual	47,384,272	-	-	13.65%	23.12%	N.A
		transferred for capital increase	Non-contractual	34,000,000	-	-	9.79%	16.59%	N.A
		Dividend payments	Non-contractual	(40,800,000)	-	-	14.02%	N.A	55.28%
		Financing	Non-contractual	(129,052,281)	-	-	44.33%	N.A	174.84%
		Repayments	Non-contractual	132,747,789	-	-	38.23%	64.78%	N.A
First Avenue for Real Estate Valuation Office	Affiliate	Payments on behalf of the company	Non-contractual	283,364	-	-	0.00%	0.00%	N.A
		Repayments	Non-contractual	1,042,706	-	-	0.30%	0.51%	
Al-Shati Avenue company	Affiliate	Repayments	Non-contractual	(66,860,610)	-	-	22.97%		90.59%
		Payments on behalf of the company	Non-contractual	67,221,997	361,387	-	19.36%	32.80%	N.A
First Avenue Investment Company	Shareholder	Payments on behalf of the company	Non-contractual	6,058,475	-	-	1.74%	2.96%	N.A
		Dividend payments	Non-contractual	(12,600,000)	-	-	4.33%	N.A	17.07%
		Repayments	Non-contractual	12,808,937	-	-	3.69%	6.25%	N.A
Nasser & Abdul Salam Al Majed Real Estate Company	Shareholder	Cost of development contracts	Contractual	(26,785,908)	-	-	9.20%	N.A	36.29%
		Payments on behalf of the company	Non-contractual	2,000,000	-	-	0.58%	0.98%	N.A
		Repayments	Contractual	28,955,516	-	-	8.34%	14.13%	N.A
Al Shorfa Investment Fund	Affiliate	Operational	Contractual	15,000,000	-	-	4.32%	7.32%	N.A
		Repayments	Contractual	(15,000,000)	-	-	5.15%	N.A	20.32%

* Payments made by the company on behalf of Mr. Nader Alamari in exchange for settling his credit balance with the company. These non-contractual expenses may have resulted from transactions that took place during the year 2021 after the company's transformation into a closed joint-stock company.

Transactions with related parties for FY ended 31 December 2022G									
Related party	Nature of the relationship	Nature of transaction	Details of the concluded contract	Total value of transactions (SAR)	Balance as of 31 December 2022G (SAR)		Percentage of total contracts and transactions (%)	Percentage of total revenues (%)	Percentage of total liabilities (%)
					Debit	Credit			
Nader bin Hassan Alamri	Board Member and CEO	Expenses paid on behalf of the company	Non-contractual	304,141	-	-	0.13%	0.15%	N.A
		Contractual benefits	Contractual	691,672	-	-	0.30%	0.34%	N.A
		Financing	Contractual	(75,000,000)	-	-	32.42%	N.A	56.11%
		Repayments	Contractual	71,739,016	-	-	31.09%	35.05%	N.A
Dar Al Majed Real Estate Company	Shareholder	Cost of development contracts	Contractual	111,360,250	-	-	48.27%	54.41%	N.A
		Repayments	Contractual	(111,360,250)	-	-	48.13%	N.A	83.31%
First Avenue Real Estate Valuation Office	Affiliate	Payments on behalf of the company	Non-contractual	63,537	-	-	0.03%	0.03%	N.A
		Repayments	Non-contractual	(63,537)	-	-	0.03%	N.A	0.05%
Construction and Planning Company	Shareholder	Cost of development contracts	Contractual	3,093,361	-	-	1.34%	1.51%	N.A
		Repayments	Contractual	(6,617,518)	-	3,524,157	2.86%	N.A	4.95%
Al-Shati Avenue company	Affiliate	Repayments	Non-contractual	(361,387)	-	-	0.16%	N.A	0.27%
First Avenue Investment Company	Shareholder	Payments on behalf of the company	Non-contractual	1,544,898	-	-	0.67%	0.75%	N.A
		Repayments	Non-contractual	(1,544,898)	-	-	0.67%	N.A	1.16%
Al Shorfa Investment Fund	Affiliate	Operational	Contractual	41,924,000	5,520,000	-	18.17%	20.49%	N.A
		Repayments	Contractual	(36,404,000)	-	-	15.74%	N.A	27.23%

Transactions with related parties for FY ended 31 December 2023G									
Related party	Nature of the relationship	Nature of transaction	Details of the concluded contract	Total value of transactions (SAR)	Balance as of 31 December 2023G (SAR)		Percentage of total contracts and transactions (%)	Percentage of total revenues (%)	Percentage of total liabilities (%)
					Debit	Credit			
Nader bin Hassan Alamri	Board Member and CEO	Payments on behalf of the company	Non-contractual	65,588	-	-	0.04%	0.03%	N.A
		Cost of development contracts	Contractual	3,512,840	-	-	1.89%	1.48%	N.A
		Financing	Contractual	(11,000,000)	-	686,743	6.25%	N.A	6.45%
		Repayments	Contractual	9,000,000	-	-	4.85%	3.78%	N.A
Dar Al Majed Real Estate Company	Shareholder	Cost of development contracts	Contractual	(36,710,954)	-	5,777,100	20.86%	N.A	21.53%
		Repayments	Contractual	30,933,854	-	-	16.69%	13.01%	N.A
Construction and Planning Company	Shareholder	Cost of development contracts	Contractual	(27,841,760)	-	-	20.24%	N.A	16.33%
		Repayments	Contractual	37,518,417	-	-	15.82%	15.77%	N.A
First Avenue Investment Company	Shareholder	Cost of contracts	Contractual	6,900,000	-	-	3.72%	2.90%	N.A
		Repayments	Contractual	(6,900,000)	-	-	3.92%	N.A	4.05%
AlRaei'a Real Estate Company	Affiliate	The cost of supervision contracts	Contractual	3,857,100	3,857,100	-	2.08%	1.62%	N.A
		Repayments	Contractual	(10,350,000)	-	-	5.88%	N.A	6.07%
Al Shorfa Investment Fund	Affiliate	Cost of development contracts	Contractual	93,594,710	15,927,948	-	50.49%	39.35%	N.A
		Repayments	Contractual	(83,186,762)	-	-	47.27%	N.A	48.78%

The General Assembly held on 20/08/1443H (corresponding to 23/03/2022G) approved the following:

- The business and contracts that will be conducted between the company and Dar Al Majed Real Estate Company, in which the board member Mr. Abdulsalam bin Abdulrahman Almajed has an indirect interest or in one of the other companies in which he owns a share/stocks, which are represented in service contracts, purchases or investments, noting that the transactions and contracts for 2021G amounted to twenty-six million seven hundred and eighty-five thousand nine hundred and eight (26,785,908) Saudi Riyals, which are ongoing contracts conducted in the ordinary course of business and according to prevailing commercial terms without any preferential conditions.
- Voting on the business and contracts that have been or will be conducted between the company and the board member Mr. Nader bin Hassan Alamri or the business and contracts that have been or will be conducted between the company and First Avenue Investment Company, in which the board member Mr. Nader bin Hassan Alamri has an indirect interest, which are service contracts, purchases or investments within the company's normal business and according to prevailing commercial terms or temporary financing (interest-free loan) as per the company's need, without any preferential conditions.
- Voting on the business and contracts that have been or will be conducted with First Avenue Real Estate Valuation Office, in which the board member Mr. Nader bin Hassan Alamri has an indirect interest, noting that the transactions and contracts for 2021G amounted to two hundred and eighty-three thousand three hundred and sixty-four (283,364) Saudi Riyals, representing the payment of expenses on behalf of the company, which were recovered during the year, noting that the contracts are conducted in the ordinary course of business and according to prevailing commercial terms without preferential conditions.

On 18/11/1444H (corresponding to 07/06/2023G), the Extraordinary General Assembly approved the following:

- The contracts that have been and will be conducted between the company and Construction and Planning Company, in which board members Mr. Tarek bin Fawaz Al Ajlani and Mr. Faisal bin Talal Bouzo have an indirect interest, as transactions with related parties, and authorizing them for the next contract, which is a contract for the construction and implementation of the f project in Jeddah with a value ranging between (55,124,104) Riyals and (75,124,104) Riyals according to the actual work during the project implementation in accordance with the company's approved procedures and without preferential conditions, noting that the value of transactions that took place during the following year 2022G amounted to (6,617,518) Riyals.

- The business and contracts that have been and will be conducted between the company and Dar Al Majed Real Estate Company, in which the board member Mr. Abdulsalam bin Abdulrahman Almajed has an indirect interest, as transactions with related parties, and authorizing them for the next year, which are contracts for the construction and implementation of projects amounting to (150,000,000) Riyals conducted in the ordinary course of business and according to prevailing commercial terms without any preferential conditions, noting that the value of transactions that took place during FY 2022G amounted to (111,360,250) Riyals.
- The business and contracts that have been and will be conducted between the company and the board member Mr. Nader bin Hassan Alamri as transactions with related parties, and authorizing them for a year, which is a short-term interest-free loan provided to the company, noting that the value of transactions that took place during FY 2022G amounted to (75,517,500) Riyals.

On 10/09/1445H (corresponding to 20/03/2024G), the Extraordinary General Assembly approved the following:

- Renewing the approval of the business and contracts that have been and will be conducted between the company and Dar Al Majed Real Estate Company, in which the board member Mr. Abdulsalam bin Abdulrahman Almajed has an indirect interest, as transactions with related parties, and authorizing them for the next year, which are contracts for construction and implementation of projects amounting to (75,000,000) Riyals conducted in the ordinary course of business and according to prevailing commercial terms without any preferential conditions, noting that the value of transactions that took place during FY 2023G amounted to (36,710,954) Riyals.
- The business and contracts that have been and will be conducted between the company and Construction and Planning Company, in which board members Mr. Tarek bin Fawaz Al Ajlani and Mr. Faisal bin Talal Bouzo have an indirect interest, as transactions with related parties, and authorizing them for the next contract, which is a contract for the construction and implementation of the Business Avenue project in Riyadh with a value ranging between (61,525,000) Riyals and (71,525,000) Riyals according to the actual work during the project implementation in accordance with the company's approved procedures and without preferential conditions, and authorizing the Board of Directors to amend the terms and conditions of the contract by no more than 5% of the contract value, noting that the value of transactions that took place during FY 2023G amounted to (6,152,500) Riyals.
- Renewing the approval of the business and contracts that have been and will be conducted between the company and Construction and Planning Company, in which board members Mr. Tarek bin Fawaz Al Ajlani and Mr. Faisal bin Talal Bouzo have an indirect interest, as transactions with related parties, and authorizing them for the next contract, which is a contract for construction and implementation of the La Perla East (Previously La Perla Plaza) project in Jeddah with a value ranging between (55,124,104) Riyals and (75,124,104) Riyals according to the actual work during the project implementation in accordance with the company's approved procedures and without preferential conditions, noting that the value of transactions that took place during FY 2023G amounted to (31,365,917) Riyals.
- Renewing the approval of the business and contracts that have been and will be conducted between the company and the board member Mr. Nader bin Hassan Alamri, in which he has an indirect interest, as transactions with related parties, and authorizing them for the next contract, which is a short-term interest-free loan provided to the company and a development contract, noting that the value of transactions that took place during FY 2023G amounted to (9,512,840) Riyals.
- The business and contracts that have been conducted between the company and First Avenue Investment Company, in which the board member Mr. Nader bin Hassan Alamri has an indirect interest, as transactions with related parties, which is the purchase of a lease benefit contract for Hittin Office project in the ordinary course of business and according to prevailing commercial terms without any preferential conditions, noting that the value of transactions that took place during FY 2023G amounted to (6,900,000) Riyals.

Noting that if future contracts and transactions with related parties are not documented under framework agreements, or if they are not concluded on commercial bases, or if they do not obtain the authorization of the General Assembly, or if the company fails to collect these amounts, this would negatively and substantially affect the company's business, financial position, results of operations, and future prospects.

1.1.10 Risks Related to Financing

As of the date of this prospectus, the Company has entered into banking facility agreements with local financing entities to finance a residential building project. The total outstanding debt of the Company from these agreements amounts to (258,076,100) Saudi Riyals, and the Company's quick liquidity ratio was (73.32%) for the financial period ending 31 December 2023G. (For more details on these granted facilities.

The risks arising from credit facility agreements include the risk of non-compliance with the terms and covenants of the granted facilities and the request for enforcement of the provided guarantees, as summarized below:

a. Risk related to non-compliance with terms and covenants of granted facilities:

The terms of the existing financing facilities limit the Company's ability to undertake certain types of actions, particularly as they impose some restrictions on the process of converting the Company into a public joint-stock company. The agreements with Al Rajhi Bank included covenants requiring the Company not to issue any new shares or change any rights associated with the issued shares as of the agreement date, without obtaining prior written approval from the bank. The Company is also prohibited from making any changes to its capital without prior written approval from the bank. In compliance with these covenants, the Company notified Al Rajhi Bank about registering its shares and offering part of them on the Parallel Market - Nomu - and obtained the bank's written approval on 16/11/1444H (corresponding to 05/06/2023G) for the first agreement.

These agreements also impose restrictions on the Company regarding not paying, distributing, or declaring share dividends or other distributions without obtaining the bank's prior written approval. The bank's prior written approval is also required when applying for loans or any credit (except in the ordinary course of business) or providing any guarantee or compensation. Financial restrictions imposed on the Company under the first agreement include maintaining a debt service coverage ratio of not less than 1.25 times, a liquidity ratio of not less than 1.2 times, and a leverage ratio not exceeding 1.25 times throughout the financing period. The second agreement imposed restrictions requiring a debt service coverage ratio of not less than 1.25 times and a liquidity ratio of not less than 1.25 times throughout the financing period.

As for the facility agreement concluded with Alinma Bank, it included a covenant requiring the Company to notify the bank of any potential change in its legal form or ownership percentages after such change occurs. Changing the Company's legal form or executive management without Alinma Bank's prior knowledge and approval is considered one of the default cases stipulated in the flexible Murabaha agreement, which allows the bank to demand payment of the remaining unpaid balance according to its early repayment policy, seize the Company's balances, and take measures. Therefore, the Company obtained Alinma Bank's prior approval for the registration and offering process on the Parallel Market - Nomu as per a letter dated 16/11/1444H (corresponding to 05/06/2023G).

b. Key guarantees provided by the Company under the first agreement:

- A performance and payment guarantee from Mr. Nader bin Hassan Attallah Alamri.
- Promissory notes (3) issued in the name of First Avenue for Real Estate Development:
 - The first for (33,062,085) Saudi Riyals.
 - The second for (32,041,390) Saudi Riyals.
 - The third for (30,086,689) Saudi Riyals.
- Insurance policy assigned in favor of the bank.
- A mortgage contract for the property owned by the Company under Deed No. (399621000132) dated 13/05/1442H (corresponding to 28/12/2020G).
- Assignment of project revenues in favor of the bank.

c. Key guarantees provided by the Company under the second agreement:

- A performance and payment guarantee from Mr. Nader bin Hassan Attallah Alamri.
- A promissory note issued in the name of First Avenue for Real Estate Development dated 28/07/1443H (corresponding to 01/03/2022G) for the amount of (53,239,375) Saudi Riyals.
- A mortgage contract for the property owned by the Company under Deed No. (399621000132) dated 13/05/1442H (corresponding to 28/12/2020G).

d. Key guarantees provided by the Company under the third agreement:

- A performance and payment guarantee declaration issued on 28/07/1443H (corresponding to 01/03/2022G) by Mr. Nader bin Hassan Attallah Alamri.
- A promissory note issued on 28/07/1443H (corresponding to 01/03/2022G) in the Company's name for the amount of (53,239,375) Saudi Riyals.
- A mortgage contract for the property owned by the Company under Deed No. (399621000132) issued in Riyadh on 13/05/1442H (corresponding to 28/12/2020G).

e. Key guarantees provided by the Company under the credit facility agreement with Alinma Bank:

- A performance and payment guarantee declaration issued by Mr. Nader bin Hassan Attallah Alamri (Commercial Register No. 1004571889) for 100,000,000 Saudi Riyals (one hundred million Saudi Riyals only) covering the entire facilities.
- A performance and payment guarantee declaration issued by First Avenue Investment Company (Commercial Register No. 1010437461 and Unified Register 7011013575) for 100,000,000 Saudi Riyals (one hundred million Saudi Riyals only) covering the entire facilities.
- A performance and payment guarantee declaration issued by Dar Al-Majed Real Estate Company (Commercial Register No. 1010417874 and Unified Register No. 7001852156) for 15,000,000 Saudi Riyals (fifteen million Saudi Riyals) covering 15% of the total value of the facilities.
- A real estate mortgage of deed(s) (subject of financing) in favor of Alinma Bank (or its representative, Al Tanweer Real Estate Company).
- Signing an irrevocable assignment letter - during the financing period - for all proceeds from the sale of lands after subdivision and pledging to deposit these proceeds in a special account (Escrow Account) with Alinma Bank, to be managed by the bank. (Signed on 07/08/1443H, corresponding to 10/03/2022G)
- Providing a promissory note to the bank for 100,000,000 Saudi Riyals (one hundred million Saudi Riyals only), which the bank will only use to the extent of the amount due from the client.
- Providing a promissory note to the bank for 10,000,000 Saudi Riyals (ten million Saudi Riyals only), which the bank will only use to the extent of the amount due from the client.

In addition to providing financial guarantees:

- The financial leverage ratio (total liabilities ÷ net tangible equity) must not exceed 1:1.5.
- The financing ratio must remain at a maximum of 60% of the estimated value of the project land. In this case, the bank has the right to review and amend the terms of this agreement if the financing ratio exceeds 60% of the estimated value of the project after completion. The lands will be re-evaluated annually by real estate appraisers accepted by the bank, and if the required ratio exceeds 60%, the Company undertakes to provide the bank with additional guarantees to reach the required ratio that does not exceed 60% maximum.
- The Company undertakes to service the financing granted to the bank regardless of the project's performance.

f. Key guarantees provided by the Company under the credit facility agreement with Banque Saudi Fransi:

- A promissory note issued in the Company's name dated 18/06/1445H (corresponding to 31/12/2023G) in favor of Banque Saudi Fransi for the amount of (511,000,000) Saudi Riyals.
- A joint and several guarantee concluded between Banque Saudi Fransi, Mr. Nader bin Hassan Attallah Alamri, and Mr. Abdulsalam bin Abdulrahman Nasser Almajed dated 18/06/1445H (corresponding to 31/12/2023G).
- An assignment contract by the Company in favor of Banque Saudi Fransi for all current and future annual receivables resulting from the proceeds of secured properties received or to be received, dated 18/06/1445H (corresponding to 31/12/2023G).
- A mortgage of property ownership registered under Deed No. (781652000299) dated 12/07/1445H, concluded by the Company in favor of Banque Saudi Fransi on 03/08/1445H (corresponding to 13/02/2024G).
- A pledge letter issued by the Company in favor of Banque Saudi Fransi dated 18/06/1445H (corresponding to 31/12/2023G) to transfer and mortgage the property ownership deed (which includes the following previous deeds: 294099000251 dated 26/09/1444H - 394099000252 dated 29/06/1444H - 39353300321 dated 25/01/1444H - 793533003209 dated 25/01/1444H - 399089000170 dated 27/11/1442H - 293523004177 dated 15/10/1443H - 693523003444 dated 16/06/1443H) as security for the financing granted to the Company by the bank amounting to (511,000,000) Saudi Riyals.

Breach of any of the covenants and conditions imposed under this agreement may lead to the financing entities requesting immediate enforcement of the provided guarantees. The bank may also request immediate repayment of the loan and initiate judicial enforcement proceedings on the assets mortgaged in its favor, selling them and collecting the value of the facilities from the proceeds of the asset sale. Any of these factors would have a negative and material impact on the Company's business, financial position, and future prospects.

1.1.11 Risks related to Board members or senior executives participating in competing businesses

Some of the Company's Board members or senior executives compete with the Company, either through their membership on boards of directors or through ownership in businesses that fall within the Company's scope of work. These businesses may be similar to or directly or indirectly competing with the Company's business. The Extraordinary General Assembly held on 20/08/1443H (corresponding to 23/03/2022G), the General Assembly held on 18/11/1444H (corresponding to 07/06/2023G) and the Extraordinary General Assembly held on 10/09/1445H (corresponding to 20/03/2024G), approved authorizing Board members (1) Abdulsalam Al-Majed, (2) Tarek Al Ajlani, (3) Faisal Bouzo, and (4) Nader Alamri to engage in activities competing with the Company. If a conflict of interest occurs between the Company's business on one hand and the business of Board members or senior executives on the other hand, this will have a material adverse effect on the Company's business, financial position, results of operations, and future prospects.

Some Board members and senior executives may have access to the Company's internal information and may use such information for their personal interests or in conflict with the Company's interests and objectives. If Board members and senior executives with conflicting interests have a negative influence on the Company's decisions, or if they use the Company's information available to them in a manner that harms its interests, this will have a material adverse effect on the Company's business, financial position, results of operations, and future prospects.

1.1.12 Risks related to lack of independent members on the Board of Directors

The Company relies on its Board of Directors in managing the Company's affairs due to their practical experience. The current Board of Directors, whose term ends on 10/06/1447H (corresponding to 01/12/2025G), consists of five (5) non-independent members (for more information, please refer to "**Board Members and Board Secretary**").

The presence of non-independent Board members may lead to some risks, including but not limited to: failure to verify consideration of the Company's and its shareholders' interests, failure to prioritize the Company's and its shareholders' interests in case of conflicts of interest, or weakness in expressing independent opinions on certain matters such as Company strategy, policy, performance, and appointment of executive management, which will negatively and materially affect the Company's business, financial position, and results of operations.

Although the Company's Corporate Governance Regulations do not include any conditions related to Board membership in terms of independence, paragraph three (3) of Article Sixteen (16) of the Corporate Governance Regulations issued by the Capital Market Authority stipulates that the number of independent Board members shall not be less than two members or one-third of the Board members, whichever is greater. Although the Corporate Governance Regulations are considered guiding for companies listed on the Parallel Market as of the date of this Prospectus - with the exception of the provisions specified in paragraph (c) of Article (2) as mandatory for companies listed on the Parallel Market - if this article in particular or the regulations as a whole become mandatory, the Company will be obligated to make necessary amendments to the Board composition to comply with the requirements of this article. If it fails to comply, it may be subject to violations stipulated by the Capital Market Authority, which will have a material adverse effect on the Company's business, financial position, and results of operations.

1.1.13 Risks related to lack of an internal audit department

The Company does not have an internal audit department as of the date of this Prospectus. Therefore, the Company is taking necessary measures to appoint an external entity to perform the internal audit tasks, with the expectation of completing these procedures during Q2, 2024G. The internal audit department is important due to the tasks it performs, most importantly issuing periodic reports to the Audit Committee, summarizing the results of all audit tasks, risk assessments, and the company's internal control systems, which aim to promptly alert to the most important risks and implement corrective measures to mitigate the Company's exposure to these risks. If the internal audit department continues to be non-existent or inactive, the Company will be exposed to operational, administrative, financial, and regulatory risks, especially after listing on the Parallel Market, which will have a material adverse effect on the Company's financial results.

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

After registration and listing on the Parallel Market, the Company will be subject to the Capital Market Law and the regulations, rules, and circulars issued by CMA. If the Company fails to comply with any of the regulations and rules which it is subject thereto, it will incur costs and penalties such as temporary suspension of share trading or cancellation of the Company's share listing in case of non-compliance. It should be noted that during Q4, 2021G and Q1, 2022G, the shareholder Nader bin Hassan Attallah Alamri assigned a number of his shares in the Company, under sale contracts between the selling shareholder and new shareholders through private transactions without the Company having any knowledge of the sale price between them. These share sale contracts were concluded and amendments were reflected in the shareholders' register, and share certificates were issued according to the regulatory procedures followed by the Ministry of Commerce. The Company's capital was also increased by issuing one million three hundred sixty-two thousand seven hundred and eight (1,362,708) shares representing 11.99% of the capital after the capital increase and allocating them to (1) Dar Al Majed Real Estate Company, (2) Shurfah Real Estate Development and Investment Company, (3) Ammar Investment Company and (4) Mohammed Bashir bin Abdullah Qarqouri (in their capacity as owners of units in Shurfah Investment Fund) in exchange for acquiring units owned by them in this fund, based on the General Assembly resolution dated 28/04/1444H (corresponding to 22/11/2022G). These actions may fall under private offering cases, which may constitute a violation of the Rules on the Offer of Securities and Continuing Obligations in terms of failure to notify the Authority thereof, which may materially and adversely affect the Company's business, results of operations, financial performance, and profitability if any fine is imposed.



La Perle

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2. Company Overview and Nature of Business

2.1 Introduction

First Avenue (hereinafter referred to as “Company” or “Issuer” or “First Avenue”) was incorporated with the aim to contribute to the development of the real estate market in the Kingdom by establishing a specialized real estate investment entity engaged in real estate investment and development activities, in addition to working in practicing other activities such as consulting and asset management.

During the stages of incorporation and transformation, the company succeeded in entering several different fields and forming strategic partnerships with the government and private segments, seizing investment opportunities by relying on innovative and pioneering business models that enabled it to become one of the most important real estate and investment companies in the Kingdom.

The company provides a diverse range of real estate products in the Kingdom of Saudi Arabia, having developed distinctive residential properties, luxurious commercial complexes, and integrated office oases. The company is redefining traditional approaches to real estate development, with these complexes characterized by modern designs, high-quality construction and finishes, and diverse amenities.

The company’s vision is based on the principle of creating investment opportunities through innovative real estate development and integration with specialized real estate companies in various real estate segments, diversifying partnership mechanisms and structuring. This provides the company with flexibility in adapting to various opportunities, markets, and conditions, as the company is distinguished by its ability to formulate successful partnerships - God willing - based on exchanging and complementing expertise and mutual success.

The company’s business model is characterized by the following features:

1. Flexibility in utilizing specialized competencies in any real estate field.
2. Shifting some operating costs from fixed costs to temporary costs that end with the completion of projects.
3. Diversifying expertise in the company’s projects according to different market opportunities.

The company’s risk management policy is based on the following pillars:

1. Mitigating risks by linking employee costs to project completion rather than the company bearing the same as fixed costs.
2. Adapting to various market opportunities in the real estate segment without bias towards one real estate field over another, through integration with specialized entities in each real estate field.

First Avenue is a Saudi closed joint stock company established by Ministerial Resolution No. (Q/5332) dated 25/02/1442H (corresponding to 12/10/2020G) approving the license to transform First Avenue for Real Estate Development Company from a limited liability company to a closed joint stock company, and Ministerial Resolution No. (Q/5333) dated 16/05/1442H (corresponding to 31/12/2020G) approving the announcement of the company’s transformation. The company is registered in the Commercial Register for joint stock companies in Riyadh under Commercial Registration Certificate No. (1010894153) dated 02/12/1438H (corresponding to 24/08/2017G).

The company conducts its activities under the Commercial Registration Certificate No. (1010894153) dated 02/12/1438H (corresponding to 24/08/2017G). The company’s activities, according to the Commercial Register, include “General construction of residential buildings, general construction of non-residential buildings including schools, hospitals, hotels, etc., construction of prefabricated buildings on-site, renovation of residential and non-residential buildings, demolition and removal of buildings and others, purchase and sale of real estate lands and properties and their division and off-plan sales activities, management and leasing of owned or leased properties (residential), management and leasing of owned or leased properties (non-residential), real estate brokerage and property management activities for a commission.”

Article (4) of the Articles of Association specified the purposes for which the company was established:

- Construction (building construction)
- Construction (demolition)
- Real estate activities (real estate activities in owned or leased properties)
- Real estate activities (real estate activities on a fee or contract basis)

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

The company’s head office is located in Riyadh (Prince Turki bin Abdulaziz Al-Awwal Road, Hittin District, Riyadh 13512-2447). The company’s current capital is (188,576,047) Saudi Riyals divided into (188,576,047) ordinary shares with a nominal value of one Saudi Riyal per share.

2.1.1 Company's Activities and Projects

The company conducts its activities within four (4) main segments, which are outlined as follows:

1. Development Sales:

Real estate development projects executed by the company are one of the company's most important sources of revenue and growth drivers. Through its ability to explore distinctive real estate opportunities with attractive returns, the company collaborates with its partners to develop real estate projects for sale to the end beneficiary upon project completion. Current projects under implementation that fall under this segment include the following:

Table No (8): Development projects

Project name	City and District	Type of project	Deed No.	Number of units	Building areas	Expected date of project completion
Malqa Tilal Al-Riyadh	Riyadh, Malqa District	Residential, luxury apartments	398507017693	57	13,040 m2	2023G
Al-Nakheel Oasis	Riyadh, Al-Nakheel District	Residential, luxury apartments	293523004082	36	8,352 m2	2024G
Al-Muhammadiyah Avenue	Riyadh, Al-Muhammadiyah	Residential, commercial	399693001335 399693001336 499693001334	58	12,600 M2	2025G
La Perle Residential Tower	Jeddah, Al-Shati District	Residential, commercial	960001294943	156	23,375 m2	2027G

Source: The Company

2. Development Fees for Others:

The trust of the company's clients in its ability to manage real estate development projects is increasing day by day. This is evident in the increasing number of real estate development projects managed by the company on behalf of its clients. An increasing number of clients are relying on the company to manage real estate development projects starting from the design and licensing phase, through the execution phase, and ending with the marketing and sales phase, in exchange for development fees that the company receives for providing real estate development project management services. Current projects under implementation that fall under this segment include the following:

Table No (9): Projects Under Implementation

Project name	City and District	Type of project	Client	Land area	Expected date of project completion
La Perle West	Jeddah, Al-Shati District	Office tower	Al Shorfa Investment Fund	2,743 m2	2024G
La Perle East	Jeddah, Al-Shati District	Office buildings and a commercial complex	Al Shorfa Investment Fund	9,758 m2	2024G
Diriyah Avenue	Diriyah	76 residential villas	Diriyah Avenue Investment Fund	22,400 m2	2024G
Durrat Al-Basateen	Jeddah, Al-Muhammadiyah District	38 residential villas	Diriyah Avenue Investment Fund	23,700 m2	2025G
Capital Avenue (Qurtubah)	Riyadh, Qurtubah	Office complex	Al Shorfa Investment Fund	9,750 m2	2024G
Capital Avenue (Al-Qirawan)	Riyadh, Al-Qirawan	Office complex	Al Shorfa Investment Fund	7,728 M2	2025G

Source: The Company

3. Investment Returns for Fund Units:

One of the company's most important assets is its investments in the units of Al Shorfa Investment Fund and Diriyah Avenue Investment Fund, which are closed real estate funds that own distinctive real estate projects with a promising future in Riyadh and Jeddah. As the value of the units is constantly increasing, the increase in the market value of the fund units and the potential profits to be distributed are considered one of the most important sources of the company's future revenues. The following table shows details of the company's investment in investment funds:

Table No (10): Investment Returns for Fund Units

#	Fund	Number of units	Percentage of ownership in the fund (%)	Value of units as of 31 December 2023G (SAR)	The purpose of establishing the fund	Other clarifications including duration of the fund and any other details
1	Al Shorfa Investment Fund	14,117,902	63.73%	207,250,806	Investing in income-generating real estate assets and providing current income for unit owners	Five years, extendable for an additional two years.
2	Diriyah Avenue Investment Fund	1,479,925	17.54%	16,826,747	Acquiring residential real estate development opportunities	Three years, extendable for two years.
3	Blom Real Estate Investment Fund 1	8,352	20.83%	4,748,765	Investing in real estate development projects for sale, investing in projects under development or income-generating projects, investing in real estate companies through acquisition of shares and/or equity stakes in them at any percentage, including investing in various classes of traded real estate investment funds, private real estate investment funds, and private equity funds that invest in the real estate segment	Three years, extendable for two years.

Source: The Company

4. Real Estate Development Commissions and Consultations.

The company aims to utilize its various resources, especially the expertise and skills of its team, to the maximum extent possible. This includes providing consultancy services in real estate development, including selecting the appropriate location, determining the optimal and best use of the property, financial analysis and modeling, and market study to help our clients achieve the highest return on their investments, maximize project execution efficiency, and optimally manage project-related risks.

The following table shows the details of the company's revenues by these segments as of 31 December 2021G, 2022G, and 2023G:

Table No (11): Details of Company's Revenues as a Percentage of Total Revenues

#	Segment	Income statement item that includes the revenue	31 December 2021G		31 December 2022G		31 December 2023G	
			Revenue (SAR)	Percentage (%)	Revenue (SAR)	Percentage (%)	Revenue (SAR)	Percentage (%)
1	Development Sales	Revenue	166,665,533	81.33%	147,109,741	71.88%	142,815,003	60.0%
A	Revenue from real estate development for others	Revenue	13,088,405	6.39%	48,352,214	23.63%	81,316,126	34.2%
B	Cost of real estate development for others	Cost of revenue	(10,730,192)		(38,169,125)		(76,596,243)	
2	(A - b) Net Development Fees for Others		2,358,213	1.15%	10,183,089	4.98%	4,719,885	2.0%
3	Real Estate Development Commissions and Consultations	Revenue	25,169,667	12.28%	9,188,645	4.49%	13,714,213	5.8%
	Total revenue (1 + a +3)		204,923,605	100%	204,650,600	100%	237,845,342	100%

Source: The Company

Table No (12): Details of company's other revenue

#	Segment	Income statement item that includes the revenue	31 December 2021G		31 December 2022G		31 December 2023G	
			Revenue (SAR)	Percentage (%)	Revenue (SAR)	Percentage (%)	Revenue (SAR)	Percentage (%)
5-a	Investment Returns for Fund Units*	Realized profits from the sale of investments at fair value	0	0%	2,679,887	8.54%	7,614,278	56.9%
5-B	Investment Returns for Fund Units*	Unrealized gains from re-valuation of financial investments	7,029,051	100%	28,713,024	91.46%	5,771,220	43.1%

Source: The Company

* One of the company's most important assets is its investments in the units of Al Shorfa Investment Fund, Diriyah Avenue Investment Fund and Blom Real Estate Investment Fund, which are closed real estate funds that own distinctive real estate projects with a promising future in Riyadh and Jeddah. As the value of the units is constantly increasing, the increase in the market value of the fund units and the potential profits to be distributed are considered one of the most important sources of the company's revenues. It should be noted that the company, when a suitable opportunity arises, sells some of these units, which leads to recording realized profits in the income statement. The company also recognizes the fair value of fund units, and the effect of the change in fair value appears in the financial statements as unrealized gains or losses from the revaluation of financial investments.

Table No (13): Company's Revenues by Segment

Segment	31 December 2021G		31 December 2022G		31 December 2023G	
	Value (SAR)	Percentage (%)	Value (SAR)	Percentage (%)	Value (SAR)	Percentage (%)
Residential segment*	145,958,462	71.23%	158,798,318	77.6%	154,776,967	65.1%
Commercial segment**	45,500,633	22.20%	36,663,637	17.9%	69,354,162	29.2%
Other revenue segment***	13,464,510	6.57%	9,188,645	4.5%	13,714,213	5.8%
Total	204,923,605	100%	204,650,600	100%	237,845,342	100%

Source: The Company

* The residential segment includes residential projects, most notably: Diriyah Avenue, Malqa Residence, Malqa Najd 2, Al-Nakheel Avenue, Jasmin Residence.

** The commercial segment includes commercial projects, most notably: Shorfa Al-Majdiah, La Perle East, La Perle West, Al-Nakheel Office.

*** The other revenue segment mainly includes: brokerage fees and real estate brokerage commissions.

Company's Projects

Projects Under Implementation

- **Al-Muhammadiyah Avenue**

The project aims to develop and construct a commercial office project in addition to a residential part. The project is distinguished by its strategic location on Al-Takhassemi Road. It is also characterized by its proximity to The Zone complex and La Piazza complex.

Type of project	Location	Area	Completion percentage	Project implementation date	Expected completion date	Total project value
Residential, commercial	Al-Muhammadiyah	6,600 M2	3%	2023G	2025G	95 million Riyals

• Capital Avenue - Al-Qirawan

Business Avenue (2) project is one of the latest projects developed by the company for its client, Al-Shorfa Investment Fund. The project is an eight-story office tower in the Salmani style with green spaces that meet the renewed needs of companies. The project is distinguished by its strategic location on King Salman Road in Al-Qirawan district between King Fahd Road and Prince Turki bin Abdulaziz Al-Awwal Road.

Type of project	Location	Area	Completion percentage	Project implementation date	Expected completion date	Total project value
Commercial	Al-Qirawan	7,728 M2	5%	2023G	2025G	88 million Riyals

• La Perle West

La Perle West project is a mixed-use development, including an office tower and commercial spaces consisting of restaurants and cafes. The project is located on one of the most important traffic axes for residents and visitors of Jeddah on Sari Street near the Corniche. The tower consists of eight floors containing luxury offices with an attractive view of the Red Sea. The company is developing this project for its client, Al-Shorfa Investment Fund.

Type of project	Location	Area	Completion percentage	Project implementation date	Expected completion date	Total project value
Commercial	Jeddah, Al-Shati District	2,743 M2	87%	2022G	2024G	80 million Riyals

• La Perle East

La Perle East project is located in Al-Shati district in Jeddah on Sari Street and is characterized by its proximity to Jeddah Corniche. The project is designed to provide a lifestyle that combines work and luxury. La Perle East consists of office buildings and commercial shops containing many restaurants and cafes to become the ideal destination for companies and individuals by providing a suitable atmosphere and luxury for its visitors. The company is also developing this project for its client, Al-Shorfa Investment Fund.

Type of project	Location	Area	Completion percentage	Project implementation date	Expected completion date	Total project value
Commercial	Jeddah, Al-Shati District	9,758 M2	81%	2022G	2024G	180 million Riyals

• Capital Avenue - Qurtubah

The project aims to develop and create a modern environment for commercial and office businesses with integrated services and to benefit from the site's proximity to one of the most prominent office oases in Riyadh (Economic Gateway). The project is distinguished by its strategic location on the northern part of the Eastern Ring Road (Airport Road) north of SABIC's headquarters. It is worth noting that this project has been fully leased for fifteen years starting after the completion of development works. The company is developing the project for its client, Al-Shorfa Investment Fund.

Type of project	Location	Area	Completion percentage	Project implementation date	Expected completion date	Total project value
Commercial	Riyadh, Qurtubah District	9,750 M2	31%	2022G	2024G	220 million Riyals

• Diriyah Avenue

When art, sophistication, and modernity come together in a luxury residential complex located in Diriyah District on King Khalid Road with all service matters present. Because we, at First Avenue, care about the finest details, Diriyah Avenue was designed to be an address for comfort and luxury by designing and building multiple models of villas including abundant features, private parking for each villa, and a shared outdoor green area between the villas on the first floor; to provide a safe space for family and children to spend their time. The company is developing this project for its client, Diriyah Avenue Investment Fund.

Type of project	Location	Area	Completion percentage	Project implementation date	Expected completion date	Total project value
Residential	Diriyah	22,400 M2	23%	2023G	2025G	190 million Riyals

• Durrat Al-Basateen

Durrat Al-Basateen project is the company's latest project being developed for Diriyah Avenue Investment Fund. This project aims to construct and develop (38) luxury villas with a land area of approximately (440) square meters, in line with market needs to meet the increasing and unserved demand in the project's distinctive area. The project is characterized by its strategic location in Al-Basateen district (known as Al-Muhammadiyah) in Jeddah - the project is located west of Prince Sultan Road, and a few minutes' walk from Red Sea Mall, the American Consulate, and a number of international schools, business areas, and hospitals in the city.

Type of project	Location	Area	Completion percentage	Project implementation date	Expected completion date	Total project value
Residential	Jeddah, Al-Basateen District	16,830 M2	5%	2023G	2024G	180 million Riyals

• Al-Nakheel Oasis

This project aims to establish a residential complex consisting of 36 luxury, modern, and upscale apartments in Al-Nakheel district in Riyadh on the land with deed No. 293523004082. The apartments consist of two floors with abundant features such as a private pool and internal elevator. The project is located near major and regional traffic axes where the site is bounded by the Northern Ring Road from the north and Prince Turki bin Abdulaziz Al-Awwal Road from the east. The project site is distinguished by its direct view of a main street from the western side with a width of 30m.

Type of project	Location	Area	Completion percentage	Project implementation date	Expected completion date	Total project value
Residential	Riyadh, Al-Nakheel District	16,830 M2	95%	2022G	2024G	70 million Riyals

• Tilal Al-Riyadh

This project aims to establish a residential complex consisting of 57 luxury apartments in Al-Malqa district in Riyadh on the land with deed No. 398507017693. The project site is distinguished by its proximity to commercial centers, business areas, hospitals, and schools located in northern Riyadh. The site's entrances and exits are also characterized by their flexibility in moving between the surrounding main axes such as King Fahd Road, Anas bin Malik Road, and Prince Mohammed bin Saad Road.

Type of project	Location	Area	Completion percentage	Project implementation date	Expected completion date	Total project value
Residential	Riyadh, Malqa District	4,890 M2	97%	2022G	2024G	70 million Riyals

Completed Development Segment Projects

The company has developed and executed (13) real estate projects that included a variety of real estate products (lands, villas, residential apartments). The following table shows details of the real estate projects that have been executed.

Table No (14): Real Estate Projects that have been executed

Project name	Type of project	Location	Area	Project implementation date	Project completion date	Total project value
Hittin Office	Office and commercial complex	Riyadh, Hittin District	2,139 m2	2021G	2023G	6 million Riyals
Al-Nakheel Avenue 119	Residential apartments	Riyadh, Al-Nakheel District	7,204 m2	2021G	2023G	107.8 million Riyals
Malqa Avenue 23	Residential apartments	Riyadh, Malqa District	4,638 m2	2021G	2022G	32.2 million Riyals
Malqa Najd 2	Residential apartments	Riyadh, Malqa District	4,750 m2	2021G	2022G	73 million Riyals
Malqa Avenue	Residential apartments	Riyadh, Malqa District	9,970 m2	2021G	2022G	53.1 million Riyals
Jasmin Avenue	Residential apartments	Riyadh, Jasmin District	3,042 m2	2019G	2020G	11.7 million Riyals
Al Ghadeer Residential	Residential apartments	Riyadh, Al Ghadeer District	3,029 m2	2019G	2020G	25.4 million Riyals

Project name	Type of project	Location	Area	Project implementation date	Project completion date	Total project value
The Boutique Office	Office complex	Riyadh, Al-Nakheel District	649 m2	2019G	2020G	5.5 million Riyals
Residential Avenue	Residential apartments	Riyadh, Al-Nakheel District	939 m2	2019G	2020G	3.9 million Riyals
Al-Nakheel Avenue	Residential apartments	Riyadh, Al-Nakheel District	1,944 m2	2019G	2020G	20.8 million Riyals
Jasmin Residence	Residential apartments	Riyadh, Jasmin District	2,401 m2	2019G	2020G	24.6 million Riyals
Altawon Jewel	Residential villas	Riyadh, Altawon District	1,350 m2	2018G	2019G	6.1 million Riyals
Almajdiah 21	Residential apartments	Riyadh, Al-Muhammadiyah District	980 m2	2018G	2019G	18.9 million Riyals

Source: The Company

Completed Development Projects for Third Parties

The company has successfully developed and executed three real estate projects for its clients, including two luxury residential projects and a distinctive commercial complex. Project details are as follows:

• Shorfa Al-Majdiah

Shorfa Al-Majdiah complex consists of a group of cafes and restaurants characterized by their modern design. The location is considered the ideal intersection for neighborhood entrances and exits and movement between main roads such as King Fahd Road, King Salman Road, and Prince Turki Al-Awwal Road. It is also considered the first of its kind in Al-Qirawan district. The complex features underground parking and includes a supermarket and a distinguished group of restaurants and cafes with various indoor and outdoor seating areas.

Type of project	Location	Area	Completion percentage	Project implementation date	Project completion date	Total project value
Commercial	Riyadh, Al-Qirawan District	8,725 M2	100%	2021G	2022G	90 million Riyals

• Al Malqa Residence

The company sold Al Malqa Residence project to one of the real estate funds after licensing it, then the buyer appointed the company as the project developer until its completion. The project is distinguished as a residential complex under "Al-Majdiah Residence" brand with a modern facade, consisting of (133) luxury residential units with a shared garden in the center of the complex, giving the complex a beautiful and vibrant view in Al-Malqa district. The complex's location is characterized by its proximity to commercial centers, business areas, hospitals, and schools in northern Riyadh.

Type of project	Location	Area	Completion percentage	Project execution start date	Project completion date	Revenues from sale of the project
Residential apartments	Riyadh, Malqa District	9,653 m2	100%	2021G	2022G	54 million Riyals

• Malqa Najd 21

The company also sold this project after licensing it to one of the real estate funds, then was appointed as the project developer until its completion. One of the features of Malqa Najd 21 project is that it includes (133) residential units also designed in the style of the "Al-Majdiah Residence" brand. In Al-Malqa district, the project is characterized by launching the new identity for distinctive modern facades with shared green areas and multiple entrances to provide a unique experience for the complex residents.

Type of project	Location	Area	Completion percentage	Project execution start date	Project completion date	Revenues from sale of the project
Residential apartments	Riyadh	9,970 M2	100%	2021G	2022G	50 million Riyals



3. Ownership Structure of the Company Before the Offering

3.1 Ownership Structure of the Company Before and After the Offering

The following table shows the company's ownership before and after the offering:

Table No (15): Ownership Structure of the Company Before and After the Offering

Sr	Name	Before the offering			After the offering		
		Number of shares	Nominal value (SAR)	Percentage (%)*	Number of shares	Nominal value (SAR)	Percentage (%)*
1.	First Avenue Investment Company	15,750,000	15,750,000	8.35%	15,750,000	15,750,000	7.68%
2.	Dar Al Majed Real Estate Company	29,771,925	29,771,925	15.79%	29,771,925	29,771,925	14.52%
3.	Hassan bin Attallah Alamri	750,000	750,000	0.40%	750,000	750,000	0.37%
4.	Nader bin Hassan Alamri**	68,808,915	68,808,915	36.49%	68,808,915	68,808,915	33.57%
5.	Attallah bin Hassan Alamri	617,928	617,928	0.33%	617,928	617,928	0.30%
6.	Asrar bint Atyan Aljhdali	75,000	75,000	0.04%	75,000	75,000	0.037%
7.	First Avenue for Real Estate Development***	18,866,569	18,866,569	10.00%	18,866,569	18,866,569	9.20%
8.	Construction and Planning Company	1,666,665	1,666,665	0.88%	1,666,665	1,666,665	0.81%
	Current public shareholders	52,269,045	52,269,045	27.72%	52,269,045	52,269,045	25.50%
	Qualified investors	--	--	0%	16,423,953	16,423,953	8.01%
	Total	188,576,047	188,576,047	100%	205,000,000	205,000,000	100%

Source: The Company

* Approximate percentage

** Nader bin Hassan Alamri owns (12,600,000) shares, i.e. 6.68% of the total shares before the offering and 6.15% of the total shares after the offering indirectly through First Avenue Investment Company and owns (297,719) shares, i.e. 0.16% of the total shares before the offering and 0.15% of the total shares after the offering through Dar Al Majed Real Estate Company.

*** Represents treasury shares.

3.2 Company's Administrative Organizational Structure

The company has an organizational structure that outlines departments and distribution of authorities and tasks among its divisions. The company's main administrative structure consists of the Board of Directors, Board committees, and a team of executive officials (senior management). The administrative organizational structure is headed by the Board of Directors and its committees, assisted by senior management, which is responsible for overseeing the company's daily activities. The Board also assumes ultimate responsibility for the general direction, supervision, and control of the company. The Board has delegated the responsibility of implementing strategic plans and managing the company's daily business to senior management, headed by the CEO and Managing Director, and directly oversees the development of policies and procedures necessary to ensure the efficiency and effectiveness of the company's management, internal control system, and risk mitigation to the maximum extent possible.

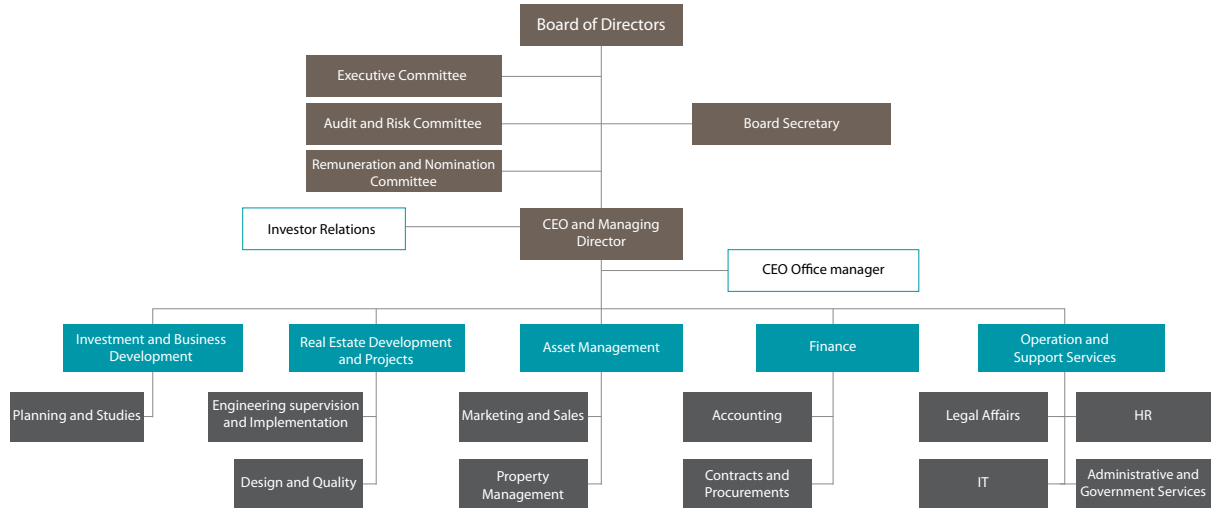
The company has three (3) committees assisting it in its work: (1) Executive Committee, (2) Audit and Risk Management Committee, and (3) Remuneration and Nominations Committee.

The responsibility for managing the company's daily operations falls on the CEO and Managing Director and other senior management members, who have been delegated specific executive powers by the Board of Directors.

The powers of the Chairman of the Board, his deputy, the Managing Director, and the Secretary have been defined in Article (23) of the Articles of Association.

The following is an illustrative diagram showing the company's organizational structure, approved by the Board of Directors on 10/05/1444H (corresponding to 04/12/2022G):

Figure No. 1: Company's Organizational Structure



Source: The Company



4. Use of Offering Proceeds and Future Projects

4.1 Proceeds of the Offering

The total offering proceeds are estimated at about (•) • Saudi Riyals, of which (3,500,000) three million five hundred thousand Saudi Riyals will be allocated to pay all costs and expenses related to the offering, including fees for the Financial Advisor, Lead Manager, and other consultants, printing, distribution, marketing expenses, and other expenses related to the offering process. The company will bear all costs, fees, and expenses related to the offering.

4.2 Net Proceeds of the Offering

The net offering proceeds are expected to amount to (•) • Saudi Riyals. Shareholders will not receive any part of the offering proceeds.

4.3 Use of Net Proceeds of the Offering

The company intends to use the net offering proceeds to finance its expansion plan and capital needs. It will use 100% of the net offering proceeds to finance its future expansion plan, and the company will not use the proceeds to repay debts.

It should be noted that if the value of the net offering proceeds is less than the cost of the expansion plan outlined in this prospectus or any additional costs or items not included in the expansion plan, the company will rely on its available liquidity after ensuring the company's ability to efficiently manage working capital, so that the two projects will be financed from the company's own resources resulting from the sale of real estate projects and through financing provided by banks. If the offering proceeds are higher than the proposed expansion plan, the additional amounts will be used to finance working capital for projects.

The following table shows a summary of the estimated cost of the expansion plan:

Table No (16): Summary of the Estimated Cost of the Expansion Plan

Project details	Percentage of use to total expansion plan costs (%)	Estimated cost (SAR)	Summary timeline for using the net proceeds*		
			2024G	2025G	2026G
Financing of Diriyah Avenue Project	40.00%	19,502,701	7,801,080	11,701,621	0
Financing of Al Muhammadiyah Avenue Project	60.00%	29,254,051	5,850,810	20,477,836	2,925,405
Total	100%	48,756,752	13,651,891	32,179,457	2,925,405

Source: The Company

Timeline and Key Stages for Implementing Future Projects

The following table shows the expected timeline and key stages for implementing the expansion plan.

Table No (17): Expected Timeline and Key Stages for Implementing Future Projects

Value (SAR)*	2024G		2025G				2026G	Total
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Diriyah Avenue Project	3,900,540	3,900,540	3,900,540	3,900,540	3,900,540			19,502,701
Al Muhammadiyah Avenue Project	2,925,405	2,925,405	4,388,108	4,388,108	5,850,810	5,850,810	2,925,405	29,254,051
Total estimated cost	6,825,945	6,825,945	8,288,648	8,288,648	9,751,350	5,850,810	2,925,405	48,756,752
Percentage to total used subscription proceeds	14.0%	14.0%	17.0%	17.0%	20.0%	12.0%	6.0%	

Source: The Company

* Some stages of the implementation plan will be executed in parallel and at the same time. The projects mentioned above will be financed exclusively from the offering proceeds in addition to the company's available liquidity after ensuring the company's ability to efficiently manage working capital.

Timeline and Key Stages for Implementing the Expansion Plan According to Implementation Stages

The following table shows a summary of the estimated costs for the expansion plan.

Table No (18): Summary Estimated costs by phases

Project	Key phases	Expected start date	Expected completion date	The amount allocated from the subscription proceeds to finance the project	Estimated costs of the project
Diriyah Avenue Project	Foundation and constructions	Q3, 2024G	Q3, 2024G	3,900,540	41,547,528
	Finishing	Q4, 2024G	Q3, 2025G	15,602,161	62,321,292
Al Muhammadiyah Avenue Project	Foundation and constructions	Q3, 2024G	Q1, 2025G	10,238,918	14,352,664
	Finishing	Q2, 2025G	Q1, 2026G	19,015,133	21,528,995
Total				48,756,752	139,750,479

Source: The Company



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