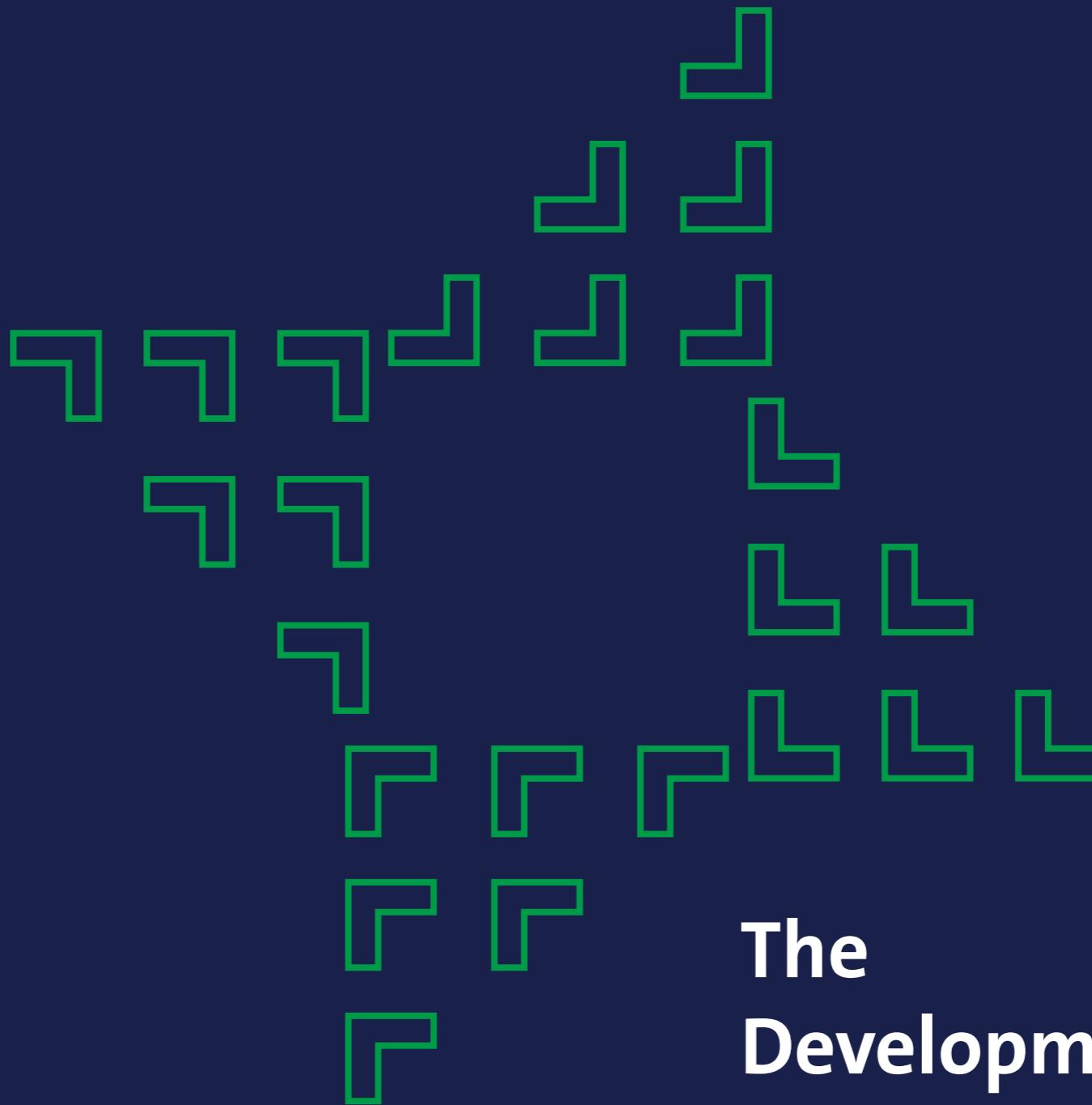


Annual Report 2020

جازادكو
JAZADCO



جازادكو
JAZADCO



The
Development
Window.

نافذة التنمية



About Jazadco

Jazan Energy and Development Company (JAZADCO) is a Saudi joint stock company established by His Excellency the Minister of Trade Resolution No. 223 dated 1414/02/07 AH, corresponding to 1993/07/26 AD. It has been registered under Commercial Register No. 5900005403 on 1414/02/19 AH in the city of Jizan. Its current capital is 500,000,000 divided into fifty million shares, and the nominal value is ten riyals per share. The company's activities are characterized by its diversity in several vital areas, as JAZADCO has achieved great results and achievements in the field of aquaculture and the agricultural, industrial and real estate sectors. JAZADCO is also keen on multiple sources of income through the optimal utilization of the company's resources, with a focus on investing in economically feasible projects that support its financial position and add value to its investment portfolio.

Our Vision

To be a world-leading company and pave the way to link local competencies and resources to the global market, and to contribute to advancing development in Jazan region, through our strategic investments and development projects.





On behalf of the Board of Directors of Jazan Energy and Development Company, it is a pleasure to welcome you through the annual report of JAZADCO for 2020 AD, which coincided with the events and challenges of the exceptional Covid-19 pandemic. Thanks to God, we have been able to move forward in order to achieve the company's goals and ambitious aspirations and to be a key partner in achieving the Kingdom's goals and vision 2030.

Speech of the Chairman of the Board of Directors

Mr. / Ahmed bin Mohammed Al-Sanea

We, thanks to God, are blessed in the Kingdom with the wise leadership of the Custodian of the Two Holy Mosques and His Highness, the faithful Crown Prince (may God protect them), who chose humanity to be their first concern, and led the crisis in order to confront the emerging Covid19- by taking proactive decisions by the government that included precautionary and strict preventive measures, since the beginning of the crisis, with the highest risk management standards that have placed Saudi Arabia in the ranks of developed countries in facing the pandemic, preserving lives and responding to it.

We also do not forget the unlimited support given by our wise leadership (may God protect him) in developing the economy, support and plans to stimulate the private sector in order to enhance the strength and stability of our economy despite challenges.

Board of Directors Report for 2020 AD

In the report of the Board of Directors for 2020 AD, we will highlight the performance, achievements and activities of the company, its most important achievements and efforts to enhance performance in developing the rights of its shareholders and stakeholders according to its final account and financial position for the fiscal year ending on December 31, 2020 AD prepared in accordance with International Accounting Standards (IFRS) accredited in Saudi Arabia.

The report has also been prepared in accordance with the company's Articles of Association, the Saudi Companies Law, the requirements of the Corporate Governance Regulation, the rules for offering securities, the ongoing obligations issued by the Capital Market Authority, and the clarifications related to the formation of the Board of Directors, its remuneration and tasks, the formation of its committees and their tasks and remuneration, the remuneration of senior executives, and the transactions that take place with related parties and other clarifications.

Achievements

The most notable achievements of JAZADCO in 2020 AD are the completion of the company's transformation program, raising the efficiency of production and operation, turning towards profitability, and achieving positive results that exceeded our expectations with the repercussions of the pandemic. We are committed to continuing this process. It is expected that the acquisitions and the rapid growth of the company's sectors, in addition to the launch of the new identity, will enhance the growth rate, accelerate the progress of JAZADCO, and raise confidence rate of our customers and shareholders.

Acknowledgment

In conclusion, on behalf of my colleagues, members of the Board of Directors, and all employees of JAZADCO, I extend my sincere thanks to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud and His Highness, Crown Prince Muhammad bin Salman bin Abdulaziz Al Saud, for all the great services they provide to this generous nation. I also thank the members of the Board of Directors for their continuous directives and presence in drawing up JAZADCO strategy. Many thanks to colleagues in the Executive Management and all JAZADCO departments for their sincere efforts, looking forward to more successes during 2021 AD, hoping to meet with you during the annual meeting of the General Assembly of shareholders to answer your inquiries regarding what is included in this report .

May God bestow success,,



In 2020, JAZADCO experienced an exceptional year. Despite the local and global challenges and pandemic conditions, the company has been able to achieve positive results in terms of revenue growth, sustainability and profitability.

Speech of the Chief Executive Officer (CEO)

Ms. Badour bint Nasser Al-Rashoudi

Thanks to God, and with the support of our rational government, which has made the utmost endeavors in order to preserve the safety of “people in the first place”, we are proud in JAZADCO of our achievements reflecting the optimal handling of the crisis within a systematic framework that ensures the continuity of business in several stages focused on the principle of maintaining safety of lives and property by applying the best global practices of environment, health, safety, security and quality, while maintaining our commitments to our customers and continuing to meet the demand of markets effectively. Our strategy and operating plans have aptly overcome many difficult challenges during 2020 AD. The company has been able to balance the effects resulting from the Covid-19 pandemic and the challenges of operation and production with business continuity and achieving financial and operational targets.

Financial Performance and Achievements

JAZADCO achieved net profits of 10.8 million riyals in 2020, compared to losses of the previous year, which amounted to 12.9 million riyals, and total revenues of 85 million riyals, an increase of 18%.

Despite the negative effect of the pandemic on the bottled Water Revenue , the company has succeed to apply the transformation into profitability in 2020. Since 2019 JAZADCO has adopted new programs and initiatives to promote the transformation into profitability, which include company restructuring, cost control as well as the adoption of new sales and marketing mechanisms.

Launch The New Brand

Thanks to God, during 2020 AD, the identity of JAZADCO was launched, represented by the main logo of the holding company, along with sub-logos of the company's sectors. The main logo represents the company's vision to be a window for development and expansion in several sectors, in addition to supporting local producers and linking them to global markets.

The new identity also represents JAZADCO long-term and short-term strategy, which includes innovative expansion in the agricultural sector, aquaculture, industrial investments, energy sector, and e-commerce fields.

Acquisitions

JAZADCO has long experience in several vital sectors, the vision and the will to expand in these sectors and usher in a new era of growth and development at all levels. Accordingly, the chain of acquisitions of national start-ups commensurate with the growth plans and the activation of modern means of selling and marketing local products.

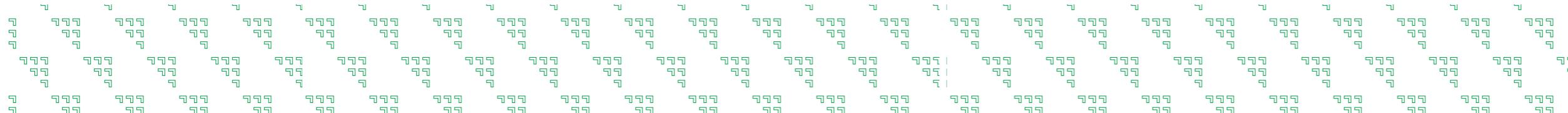
Mango Jazan

Last December, the company announced the completion of the acquisition of 65% of the Mango Jazan Company, the owner and operator of the Mango Jazan store and application, specialized in digital marketing of mango fruits. This acquisition represents one of the aspects of Jazan Energy and Development Company's new vision of activating modern technologies and innovative marketing to achieve rapid development and growth of the company, in addition to providing a distinctive purchasing experience to customers.



Fish Day

In 2020 the company announced the acquisition of 80% of the Fish Day Company, the owner and operator of the Fish Day store and application, specialized in electronic marketing of fresh seafood, has been completed. This acquisition represents a continuation of the expansion of the company's activity in the e-commerce sector along with the national trends to encourage and raise the annual per capita consumption of fish and marine products to the current global average of 20 kg / person / year by 2030 AD.



Strategic Partnerships

During 2020 AD, the Board of Directors approved the signing of an agreement to establish a limited liability company with the Tabuk Fisheries Company, the Wealth of Seas Company and the East Farms Company for Aquaculture in accordance with the Saudi Companies Law that operates in the aquaculture sector under the name the Advanced Aquaculture Company. After establishing the company, the parties aim to merge into one entity according to the evaluation that will be agreed upon, in addition to negotiating with investors (local or foreign) and studying opportunities to obtain financing from government development funds or any other method agreed upon for cooperation and progress in the merger plan. The new company will contribute to achieving the goals of «Vision 2030» in the aquaculture sector and sharing the resources of the Red Sea with consumers around the world in order to achieve the goals of food security in the Kingdom, through innovative and sustainable production systems, in order to become a global leader in the fields of fish and shrimp farming by operating integrated farms according to the latest systems and technologies.

Achievements

JAZADCO obtained the Saudi Good Agricultural Practices (S.G.A.P.) certificate. (The company is one of the first companies to obtain the certificate)



Acknowledgment

I extend my sincere thanks and appreciation to the Chairman and members of the Board of Directors for their constant guidance and continuous support to achieve these achievements.

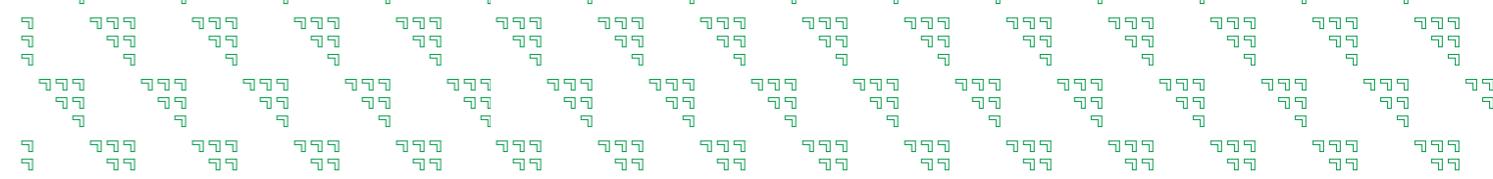
I also thank my colleagues in the Executive team and all employees for this honorable performance, their great efforts and their commitment to achieving the goals and aspirations of the company despite the challenges.

May God bestow success,,

The Board of Directors



**Ahmed bin
Mohammed
Al-Sanea**
**Chairman of the
Board of Directors**



Majed Abdullah Alesaa
Vice Chairman



**Fahd bin Mubarak
Al-Qathami**
Board Member Directors



**Mohammed bin Abdullah
Al-Manea**
Board Member Directors



**Adeeb bin Mohammed
Abanami**
Board Member Directors



Khalid bin Jawhar Al-Jawhar
Board Member Directors

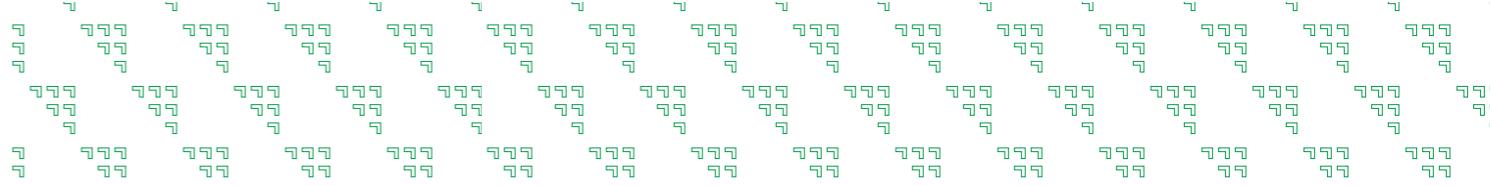


Khalid bin Ahmed Al-Ahmad
Board Member Directors

Executive management



**Bedor bint Nasser
Al-Rashoudi**
Chief Executive Officer



Naif bin Dahwi Al-Anzi
**Executive Director of Human
Resources and Administration**



Abdul-Ilah bin Melhem Al-Mafeez
Director of Financial Affairs



**Ibrahim bin Mohammed
Abu Sharha**
Vice President of Operations



Jazan Agricultural Company

1993

Establishing Jazan Agricultural Company

1995

The opening of Jazadco fruit farm

2002

Establishing Shrimp aquaculture project

2005

New activities (real estate and industrial)
Investing in Tabuk fish

2008

The opening of the main building
Operation of the water production plant
Opening of Jazan Inn Hotel

2013,14

Operating Jazadco compound
Running trade fairs

2017

Engaging in energy activities

2019

The acquisition of Mango Jizan
The aquaculture project obtained
the BAP certificate.

2020

Jazadco Rebranding
- The acquisition of the fish day
- The fruit farm obtained the
Saudi GAP certificate

Timeline

JAZADCO Activities

The company's activities are distinguished by its diversity in several vital areas, as JAZADCO has achieved great results and achievements in aquaculture and the agricultural, industrial, and real estate sectors. JAZADCO is also keen on multiple sources of income through the optimal utilization of the company's resources. Focus on investing in economically feasible projects that support its financial position and add value to its investment portfolio.

www.jazadco.com

Exporting

JAZADCO products have been exported to more than 10 countries since its inception

Europe Egypt Bahrain Russia
Qatar Thailand China South Korea



During 2020, JAZADCO exported
About ٪55 of the shrimp production
to the world market.

Total real estate areas

The compound
81,000 m²

Trade fairs
600 m²

Head Office
2000 m²

Commercial Area
146,000 m²

Production capacity

Water
3,600,000 Bottel

Papaya
450 tons

Shrimp
3200 طن

Mango
2000 tons

Age

27 years

Employees

325 M&F

Capital

500 million riyals

Projects

10 different sectors

Investments



Refining | Trading | Packaging
الريف للسكر

Biodiesel
(methyl ester) project)

Associate companies



جذات للاستثمار الزراعي
Ganat Agricultural Co.

Affiliated companies



جذة
JABALIYAH

جازادكو
JAZADCO
NURAN
الركوع

لذيد جازادكو
LAZEEZ GAZADCO

JAZADCO's future strategy and vision

JAZADCO's vision is to be a leading company globally and be the link between local competencies and resources in the local and international markets. And to contribute to advance development in the Jazan region through strategic investments and development projects.

JAZADCO's growth strategy aims to enhance its revenues and position in the local and international markets. Also, profitability through the activation of the Organic Growth Strategy which mainly depends on developing and improving the company's existing sectors, raising its operational efficiency, and working on optimal utilization of available resources to achieve its goals. And the aspirations of its shareholders.

Besides, the company is working to diversify its investment portfolio and enter into viable and returnable projects and investments by implementing the strategy of growth and expansion through acquisition (Acquisitions Strategy) by seizing appropriate opportunities, expanding, and entering into new markets and industries.

«Here, the Board confirms that the company has taken steady and deliberate steps towards its current and future investments, making it safe from any risk factors, God willing.»



The Company Business

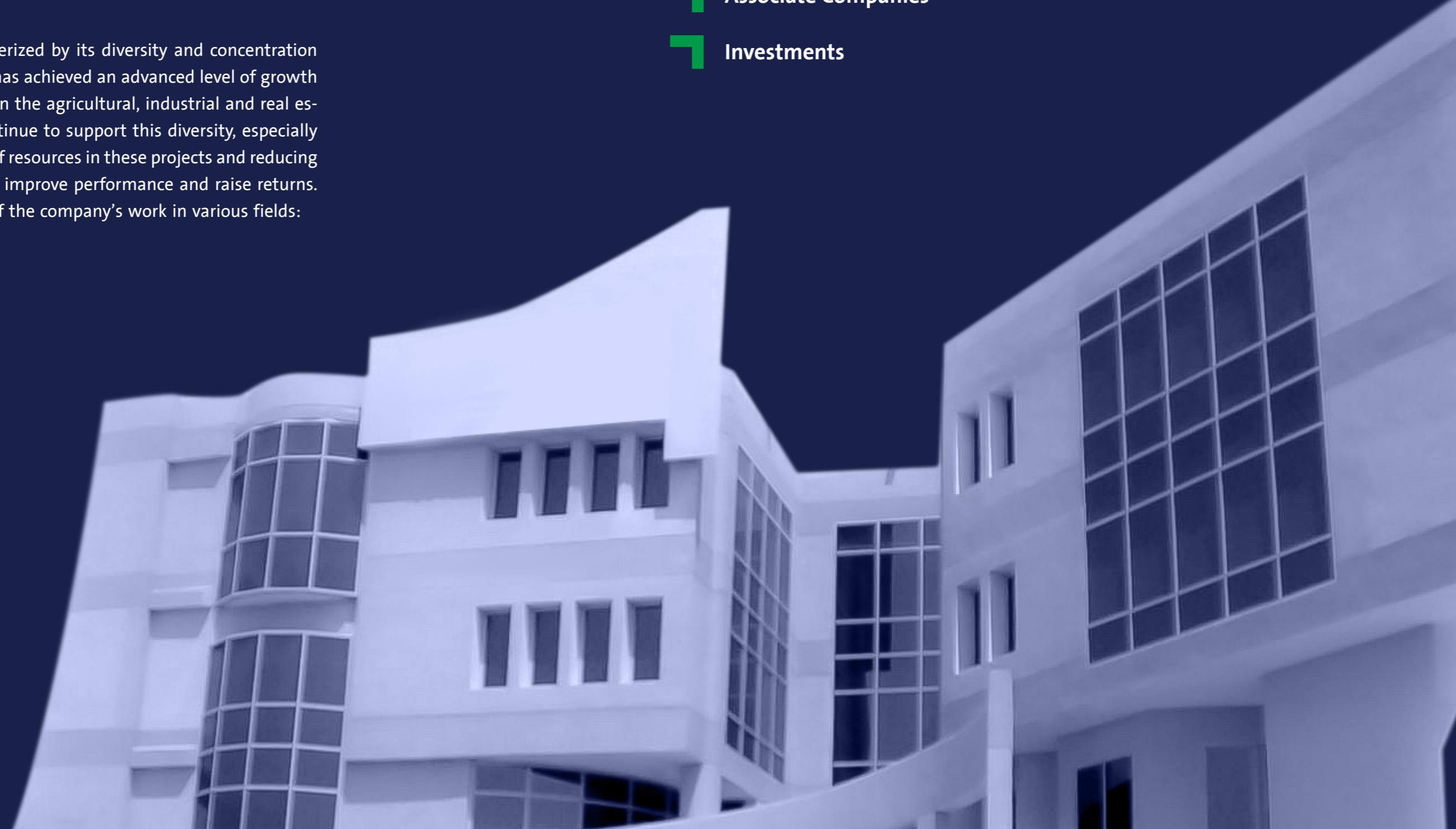
The company business is characterized by its diversity and concentration in several vital sectors. JAZADCO has achieved an advanced level of growth and distinguished achievements in the agricultural, industrial and real estate fields. The company will continue to support this diversity, especially through the optimal investment of resources in these projects and reducing the operational cost, which helps improve performance and raise returns. The following is an explanation of the company's work in various fields:

 Operational Projects

 Affiliates Companies

 Associate Companies

 Investments



The Company Business

Operational Projects/ Real Estate Sector

Company's Head Office

It is located on an area of 2,000 square meters on plot five at the Corniche Street in Jazan, and includes an investment part leased to others.

 600 m²

The area of the mosque

 415

Housing units

 81,000 m²

Total area



Services

Cleanliness, maintenance, water, Shops



Entertainment

Green spaces
Swimming pool

Residential Complex in Jazan

This complex, which is the first of its kind in Jazan, is established on an area of 81,000 square meters and includes 415 housing units that are leased to others. It is the first of its kind in the region, as it is equipped with asphalt roads, green spaces and a service area that includes a mosque at an area of 600 square meters, a leisure hall and a swimming pool, in addition to the existence of a commercial area. This complex is a distinctive addition and a prominent landmark in Jazan. The occupancy average rates of rental units exceeded 79%.



The Company Business

Operational Projects/ Real Estate Sector

Commercial Residential Model Plan

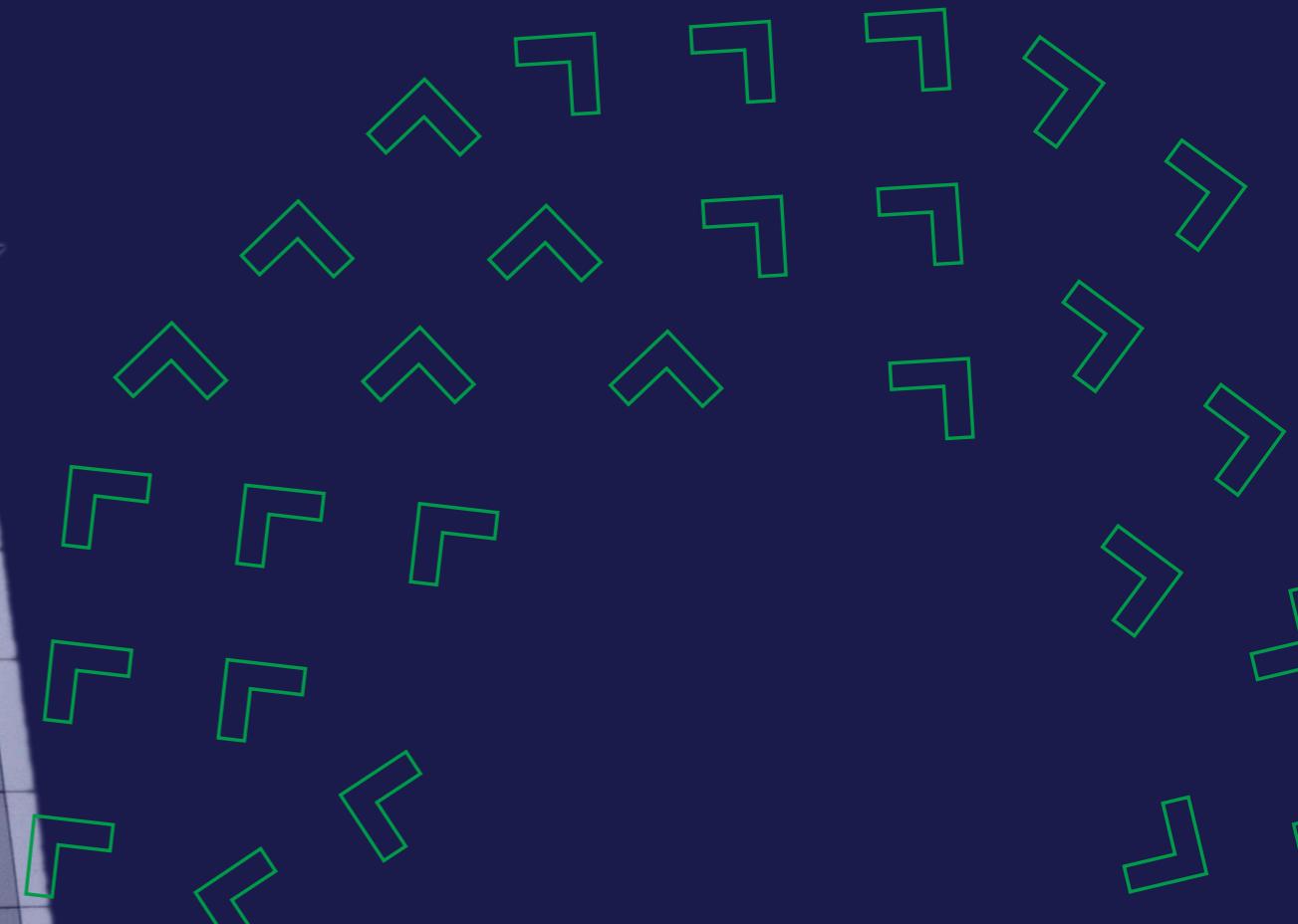
It is also a contribution from JAZADCO in the development of the area and the advancement of the urban movement in Jazan region. A typical residential and commercial plan is being developed on a plot owned by the company at an area of 146 thousand square meters. The infrastructure of the plan has been completed and the final building permit has been obtained on multiple floors from Jazan Region Municipality.

Jazan Inn Hotel

Within the framework of tourism and real estate projects, the company has worked to establish a four-star hotel (Jazan Inn) leased to one of the national institutions specialized in operating hotels, and during 2020 AD updates were completed.

Retail stores in Al-Dhabi

These Stores (with 45 openings) were established at the location of the company's marketing and food processing center on Jazan Sabya Main Road. They are leased and managed independently by the company. Note that the occupancy rate is currently more than 90%.



The Company Business

Industrial Activity

Sanitary Water Production and Bottling Plant

It consists of two production lines, where the production capacity of the first production line is 18 thousand bottles per hour for 0,300 liters, 0,500 liters and 0,600 liters containers, which are marketed under the names of brands (Viva Mountains, Nooran and Wassen). The second production line is for the -12 liter bottle at a production capacity of 1,300 bottles / hour (a non-refundable PET bottle). This product is also marketed under the brands (Nooran, Viva Mountains, and Wassen). The plant has obtained the international quality certificate ISO 22000, which includes the HACCP certificate, as well as the ISO 9001 administrative quality certificate and the NSF international quality certificate. The product is marketed in the southern region in particular and the rest of the Kingdom in general.



10,000

Carton per day



Different sizes

300, 500, 600 ml



18,000

Bottle per hour

www.nuranwater.com



The Company Business

Operational Projects / Aquaculture Sector

Shrimps Farming Project

An integrated project that is the largest of its kind in Jazan region, at a total area of 880 hectares and a farming area of 440 hectares (water body) at an annual production capacity of 3,200 tons of prawns (P.Vanamei). The production plan is modified and the farming area is raised to reach, by the end of 2023, to 16 thousand tons annually. Attached to the prawns farm is a shrimp preparation and processing plant at a capacity of 24 tons / day, which allows the preparation and processing of high quality shrimp products. Both the plant and the farm have obtained the ISO 22000 international quality certificate, which includes the Hazard Analysis Critical Control Points (HACCP) certificate and the Saudi Standards Conformity Certificate.

The project has also obtained the Aquaculture Best Practices Certificate (BAP). It is currently working on a strategic partnership with companies in East Asia, such as China, Thailand and Malaysia to develop production technology, raise production capacity and open new sales outlets, where the product is currently exported at 55% and sold at approximately 45% in the local market.



Our Numbers



16,000 Tons
Increase annual production
2023



3200 Tons
Annual production



880 Hectare
The total area

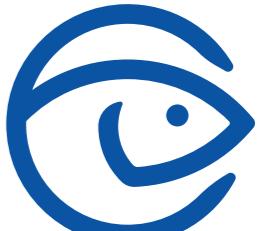
Quality Certificates



SASO
Saudi Standards, Metrology
and Quality Organization



ISO 9001:2000
ISO certification for food
security



BAP
Best Aquaculture Practices

The Company Business

Agricultural Activity

Fruit Project in Al-Lakhbasiah

The project is established on an area of 476 hectares, and includes a farm of good quality mango varieties, such as tumi, Indian, gelatin and Sensation. During 2020 AD, the project was operated for the company directly after the end of the operator's contract. The project has also obtained the "Saudi Good Agricultural Practices" certificate (S.G.A.P.).

It should also be noted that new products, such as papaya have been started, which was produced in 2020 in trial quantities.



Our Numbers

2000 tons

Annual production



15,000
Mango tree

450 tons

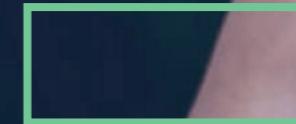
Annual production



16,000
Papaya tree

476 Hectare

The total area



The Company Business

Affiliates

Believing of growth in the e-commerce sector in Saudi Arabia, the company worked to activate modern technologies and innovative marketing to achieve the rapid development and growth of the company. The company decided to enter the electronic commerce sector through the acquisition of shares exceeding 50% in pioneering national projects, as shown in the following:

Mango Jazan Company

The Jazan Energy and Development Company acquired 65% of the Mango Jazan Company at the end of 2019. The Mango Jazan store is considered one of the distinguished projects as it acts as a link between farmers who produce mangoes in Jazan and its lovers in all regions of the Kingdom. The application is characterized by providing various products at high quality and distinctive style. It has effectively contributed to placing the mango fruit produced by Jazan among the most sought agricultural products in the region. It also stimulates farmers to pay attention to and continue to produce mango fruits and develop good varieties of it. The Mango Jazan Company has also expanded its activities and launched in 2020 an online store (Jabaliyah) specialized in marketing and selling Khawlani coffee produced in the mountainous provinces of Jazan region.



Fish Day Company

Jazan Energy and Development Company acquired 80% of the Fish Day Company in mid-2020 AD. The online store provides more than 20 varieties of fresh fish, while ensuring product quality and clarifying the origin of products, in addition to providing a distinctive purchasing experience. The store also contributes to increasing awareness of the final consumer by providing all data related to fresh fish with recipes for cooking of several varieties. The scope of the store's business is currently located in the city of Riyadh, and work is underway to expand to other regions in the Kingdom.



The Company Business

Associate Companies

Tabuk Fish Company

This company was established as a closed joint stock company in 2005. It is based in Riyadh, with a capital of 100 million Saudi riyals (after its reduction in 2011 by 50%) distributed to 10 million shares of equal value and fully paid (the value of the share is 10 riyals). JAZADCO owns 20% of the share capital. The main objectives of the company are the farming of fish and other aquatic organisms and the marketing of marine products.



Jannat Agricultural Investment Company

It is a Saudi limited liability company based in Riyadh. It was founded by the Saudi Investors' Consortium, which includes six important Saudi investment companies with the aim of investing in agricultural activity in Arab countries and other countries that have agricultural components and resources. Its capital is 63 million riyals, divided into 6,300,000 shares, the share value is 10 riyals, and JAZADCO owns 27.78% of its capital. Due to the failure of Jannat Company and its being under liquidation, Jazadco's investments in it were settled in the financial statements for the fiscal year 2018 AD. Accordingly, Jannat Company share of 77.73% in Rakha Investment Company was transferred to shareholders of Jannat Company. Therefore, the shareholders of Jannat Company directly owned in Rakha Company according to the percentage of their contribution to Jannat Company.



Rakha Company for Agricultural Investment

It is a Saudi limited liability company headquartered in Egypt. It produces agricultural crops, such as wheat, alfalfa and corn on a 4,000-hectare land in East Owainat. Jannat Agricultural Investment Company owned 77.73% of the shares of Rakha Agricultural Investment Company. However, due to the default of Jannat Company and its being under liquidation, on January 2, 2020 AD, the ownership of 17,288 shares of Rakha Agricultural Investment Company was transferred to Jazan Energy and Development Company, so that the Jazan Energy and Development Company owns 21.6% of Rakha Agricultural Investment Company.



The Company Business

Invested Companies

Al-Reef Sugar Refining Company

A closed joint stock company with a capital of 300 million riyals divided into 30 million shares at a nominal value of 10 riyals per share. Its head office is in Jeddah. JAZADCO contributes by 15% of its capital, equivalent to 45 million riyals for 4.5 million shares. The company paid this entire amount of its own resources. The Industrial Development Fund agreed to provide a loan in the amount of 840 million Saudi riyals to finance this project. Al-Reef Company aims to establish a sugar refinery project at an investment cost of 1.2 billion riyals and a refining capacity of up to one million tons of sugar per year for the local market and export to regional markets. Work is underway to implement the refinery project in Jazan for basic and transformational industries. Production is expected to start in 2021.

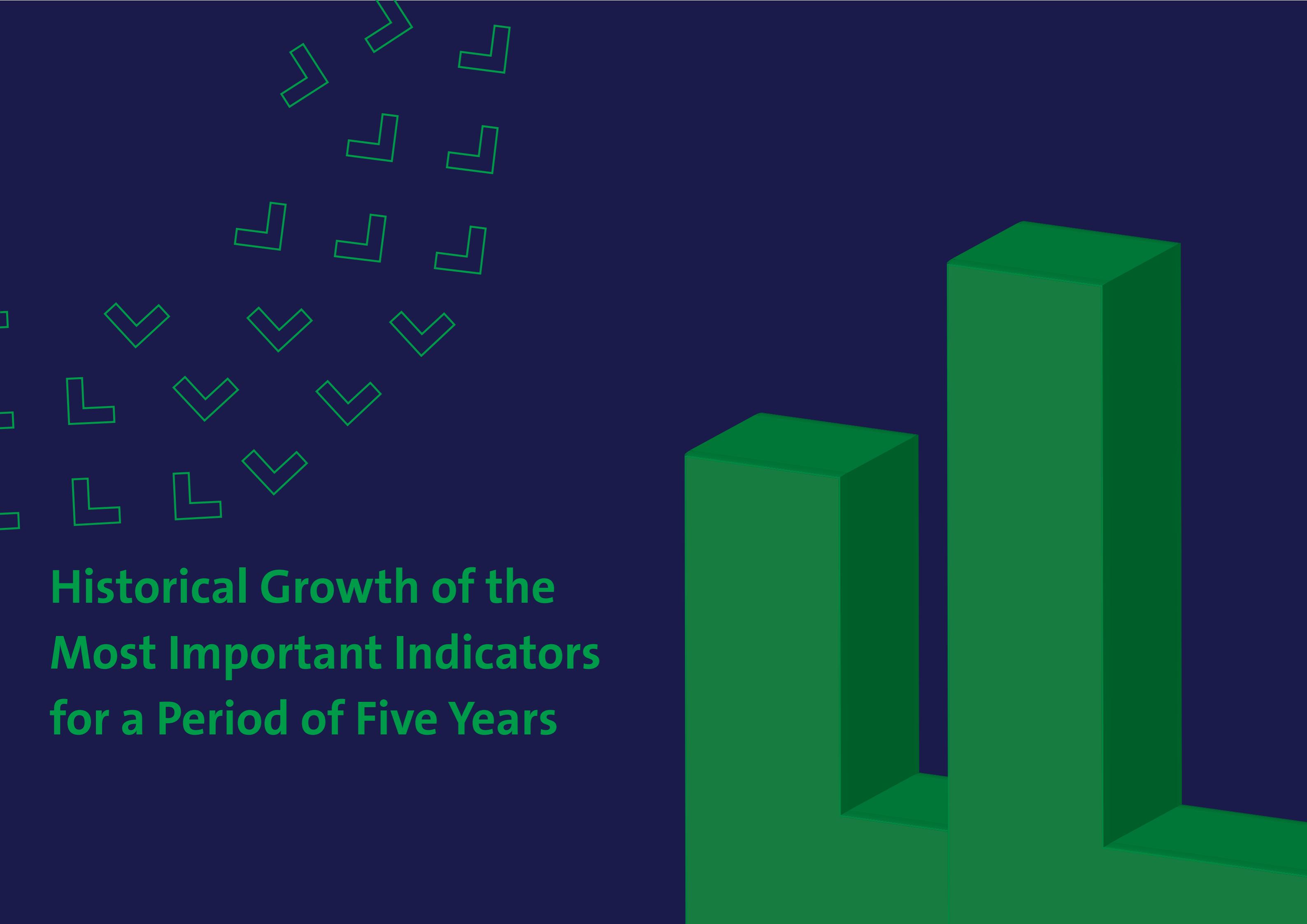


Biodiesel Project (Methyl Ester)

The company is developing a project with a production capacity of 45,000 metric tons per year to produce biodiesel from waste edible oil and other raw materials that come from Saudi Arabia and neighboring countries, with the aim of exporting the biodiesel product to Europe and other markets. This project is still subject to further market, technical and financial studies and the issuance of the necessary licenses for it from the competent authorities.



Historical Growth of the Most Important Indicators for a Period of Five Years



Historical Growth of the Most Important Indicators for a Period of Five Years

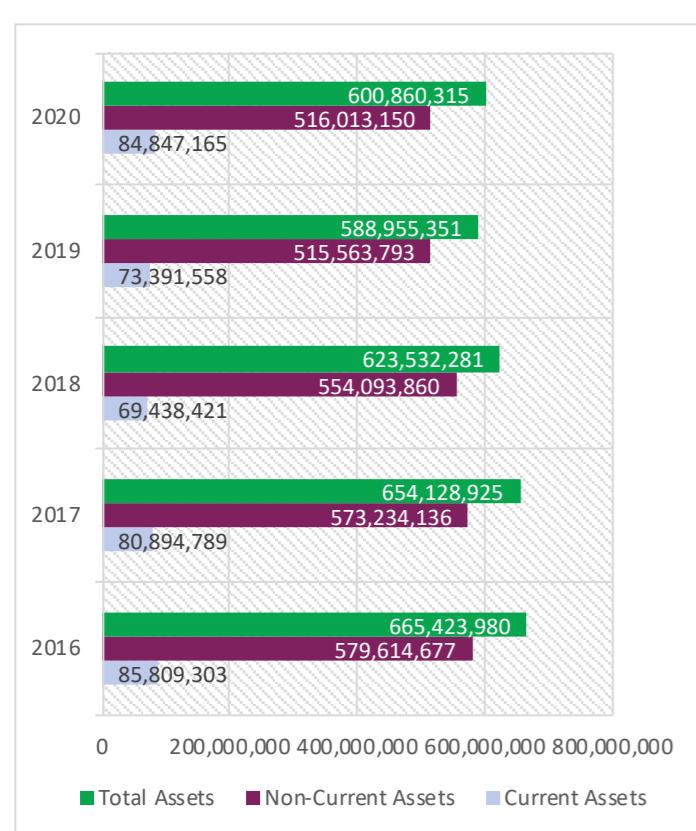
Assets

	2020 AD	2019 AD	2018 AD	2017 AD	2016 AD
Current Assets	84,847,165	73,391,558	69,438,421	80,894,789	85,809,303
Non-Current Assets	516,013,150	515,563,793	554,093,860	573,234,136	579,614,677
Total Assets	600,860,315	588,955,351	623,532,281	654,128,925	665,423,980

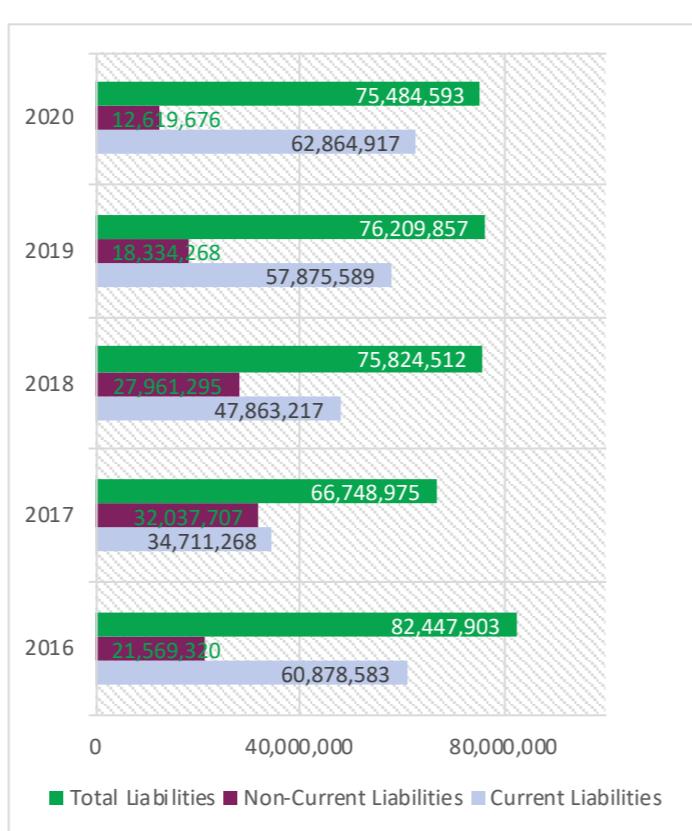
Liabilities

	2020 AD	2019 AD	2018 AD	2017 AD	2016 AD
Current Liabilities	62,864,917	57,875,589	47,863,217	34,711,268	60,878,583
Non-Current Liabilities	12,619,676	18,334,268	27,961,295	32,037,707	21,569,320
Total Liabilities	75,484,593	76,209,857	75,824,512	66,748,975	82,447,903

Assets

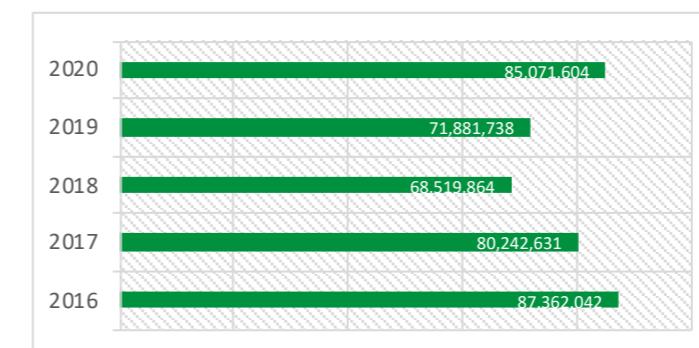


Liabilities

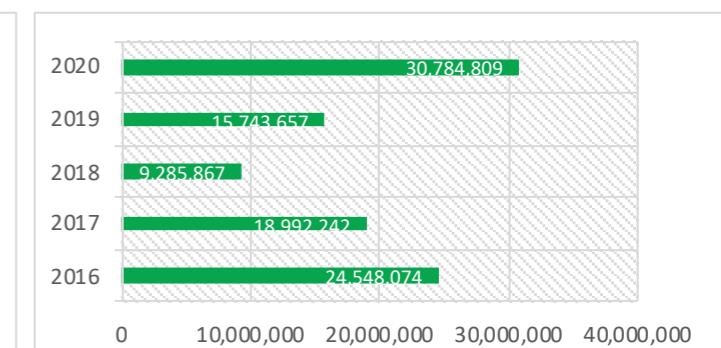


	2020 AD	2019 AD	2018 AD	2017 AD	2016 AD
Revenues	85,071,604	71,881,738	68,519,864	80,242,631	87,362,042
Gross Profit	30,784,809	15,743,657	9,285,867	18,992,242	24,548,074
Net Profit / Loss	10,783,359	(12,903,931)	(10,114,066)	3,224,276	4,891,275
Total Assets	523,972,624	512,745,494	547,707,769	587,379,950	582,976,077

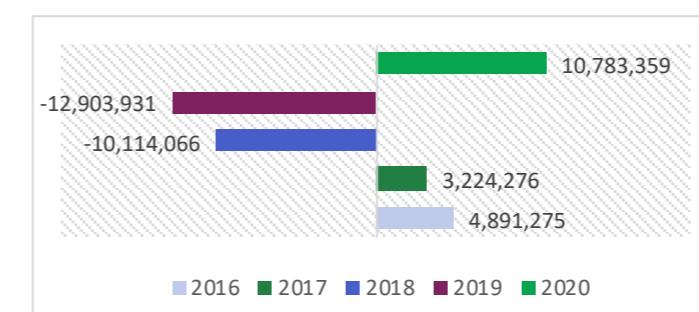
Revenues



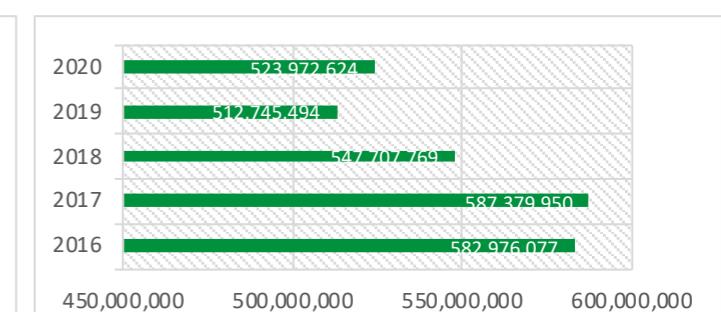
Gross Profit



Net Profit / Loss



Shareholder Equity



Financial Management during 2020 AD



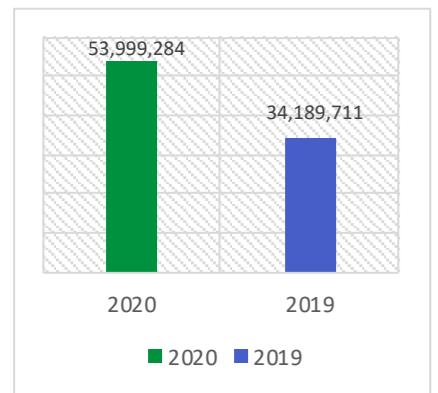
Financial Management during 2020 AD

Contribution of each Activity to the Company's Results

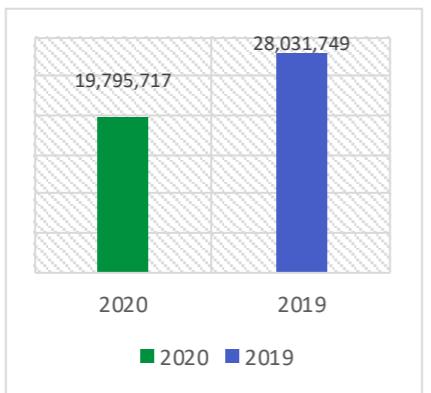
Contribution of each activity to the total revenues of the company's activities on 2020/31/12, compared to 2019, as follows:

Statement	Activity revenues for 2020 AD		Activity revenues for 2019 AD		Change Percentage
	Amount	Ratio	Amount	Ratio	
Agricultural activity	53,999,284	%64	34,189,711	%48	%58
Industrial activity	19,795,717	%23	28,031,749	%39	(%29)
Real estate activity	11,276,603	%13	9,660,278	%13	%17
Total	85,071,604	%100	71,881,738	%100	%18

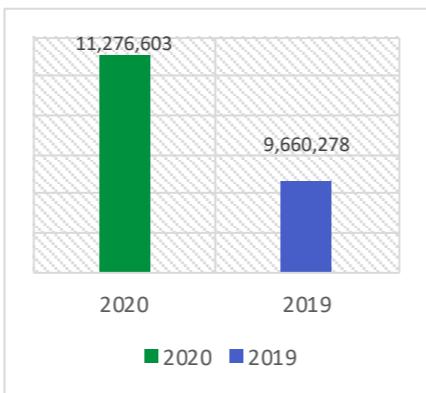
Agricultural Activity



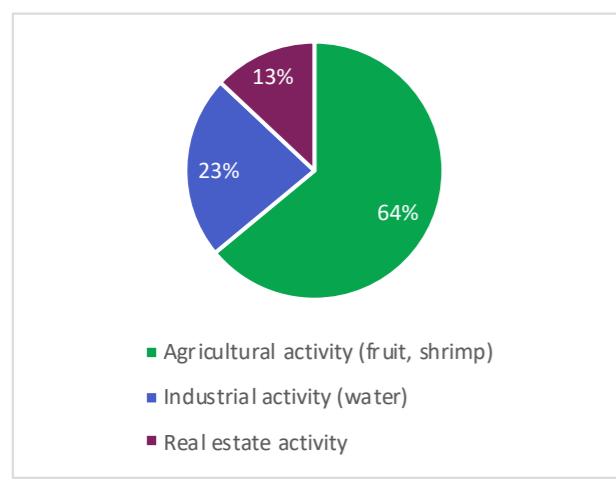
Industrial Activity



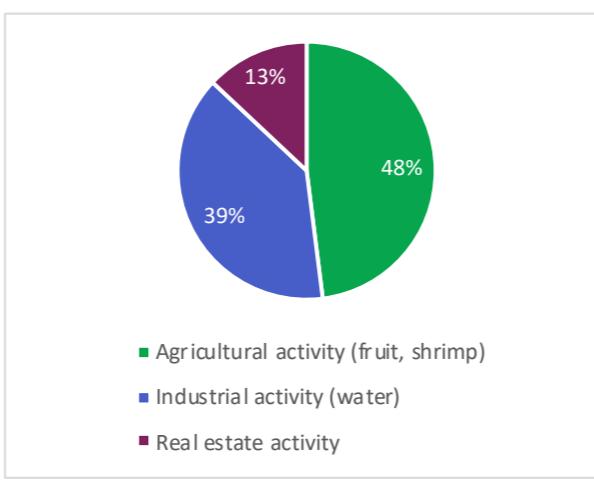
Real Estate Activity



Sectors Contribution to the total revenues of 2020



Sectors Contribution to the total revenues of 2019

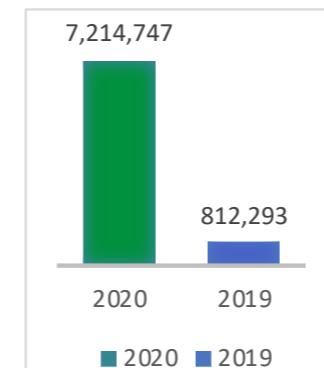


Revenues According to the Company's Main Activities

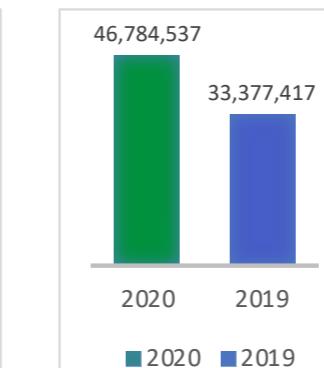
Contribution of each activity to the total revenues of the company's activities on 2020/31/12, compared to 2019, as follows:

Statement	2020 AD	2019 AD	%
Fruit Product Sales Revenue	7,214,747	812,293	%788
Shrimp Product Sales Revenue	46,784,537	33,377,417	%40
Water Products Sales Revenue	19,795,717	28,031,749	(%29)
Real Estate Lease Income	11,276,603	9,660,278	%17
Total	85,071,604	71,881,737	%18

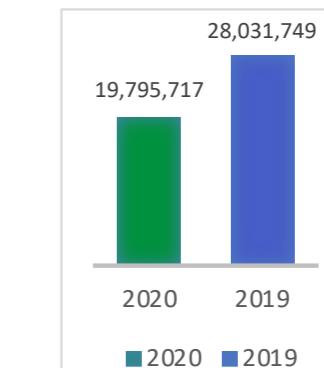
Fruit Product Sales Revenue



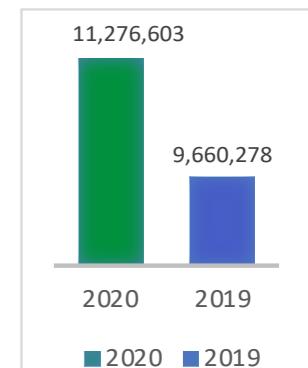
Shrimp Product Sales Revenue



Water Products Sales Revenue



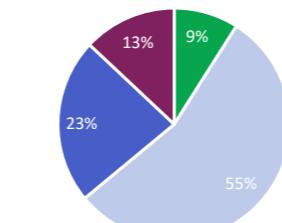
Real Estate Lease Income



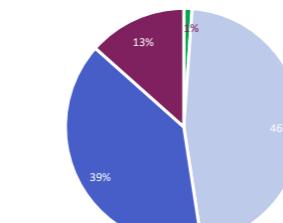
Geographical analysis of revenues according to the company's main activities

Statement	2020 AD	%
Kingdom of Saudi Arabia	24,199,995	%52
Arab Republic of Egypt	22,186,855	%47
Korea	397,688	%1
Total	46,784,537	%100

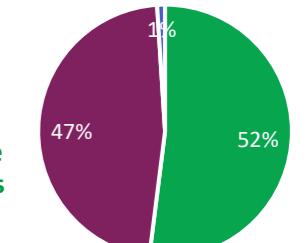
Contribution of the Main Activities to the Revenues for 2020



Contribution of the Main Activities to the Revenues for 2019



Geographical Analysis of Revenues According to the Company's Main Activities



Major differences in operating results

Comparison of operating results with that of previous year:

The material differences in the operating results for the fiscal year ending on December ,31 2020 AD reflect the impact of the steps taken by the company, which included restructuring the company and its sectors, initiatives to reduce and control costs, in addition to adopting new mechanisms in sales and marketing, which contributed to the material differences of the income statement items.

Changes in Revenue and Gross Profit

Statement	2020 AD	2019 AD	Change	Change Percentage
Sales	85,071,604	71,881,738	13,189,866	%18
Sales cost	(60,813,341)	(56,138,081)	4,674,540	%8
Gain on recognition of critical assets at fair value	6,526,546	-	6,526,546	%100
Total profit / loss	30,784,809	15,743,657	15,041,152	%95

Revenue during 2020 AD amounted to 85,071,604 Saudi riyals, compared to revenues of 71,881,738 Saudi riyals of the previous year, at an increase of 13,189,866 Saudi riyals, by an increase of %18 reflecting the impact of changes as follows:

- An increase in shrimp sales
- A rise in real estate revenues
- Increase in sales of the mango farm
- Decrease in operational costs resulting from ongoing initiatives to reduce operational costs

Material Differences in Operating Profit Results

Statement	2020 AD	2019 AD	Change	Change Percentage
Total profit / loss	30,784,809	15,743,657	15,041,152	%95
Selling and distribution expenses	(5,164,202)	(6,924,917)	1,760,715	%25
General and administrative expenses	(16,370,600)	(19,361,888)	2,991,288	%15
Provision for expected credit losses	(799,420)	-	799,420	%100
Profit / (loss) from main operations	8,450,587	(10,543,148)	18,993,735	-

The company achieved an operating profit of 8,450,587 Saudi riyals during 2020, compared to a loss of (10,543,148) Saudi riyals for the previous year. This growth is due to higher sales in most of the company's sectors, in addition to lower operating costs. Moreover, the decrease in selling and marketing expenses, as well as general and administrative expenses, contributed to the company's transformation into profitability.

Significant Differences in Net Profit / (Loss) for the Year

Statement	2020 AD	2019 AD
Profit / (loss) from main operations	8,450,587	(10,543,148)
Finance expenses	(781,004)	(821,258)
Other business results	5,199,993	243,673
Sharia zakat	(2,086,217)	(1,783,171)
Net profit / loss after Zakat	10,783,359	(12,903,931)
Other comprehensive income for the year	712,600	883,343
Total comprehensive income for the period	11,495,959	(12,017,588)

The net profit of the company during the year ended on December 2020 ,31 AD amounted to 10,783,359 Saudi riyals, compared to a net loss of (12,903,931) Saudi riyals in 2019. The total comprehensive income in 2020 amounted to 11,495,959 riyals compared to (12,017,588) riyals losses in 2019.

Earnings / (Loss) per share during the year

Statement	2020 AD	2019 AD
Earnings / (Loss) per share	0,22	(0,26)

The company achieved earnings per share of 0,22 (twenty halala) from the net profit for the year ended on December 2020 ,31, to reflect the impact of changes in the income statement items.

Loans

Agricultural Development Fund

Loan Start Date	Loan Term	Loan Value	Balance at the beginning of 2020	Paid during the year	End-of-year balance
1431/11/22 AH	10 years	20,999,997	6,299,997	-	6,299,997

The company obtained a loan from the Agricultural Development Fund to finance a part of the expansion of the shrimp farm No. (2) at an amount of 20,999,997 riyals without interest with a mortgage guarantee paid in ten equal installments for a period of ten years. The value of the installment is 2,099,999 starting on 22/11/1433 AH and ending on 11/22/1442 AH. So far, the discount acquired as a result of early payment amounted to 3,674,994 riyals. During 2020 AD, the loan installments were postponed to be paid in 2021, in compliance with government initiatives to mitigate the effects of the Corona pandemic.

Al Rajhi Bank

Loan Start Date	Loan Term	Loan Value	Balance at the beginning of 2020	Paid during the year	End-of-year balance
2017/14/08 AD	5 Years	14,996,712	11,566,897	1,794,452	9,772,445

On 13/08/2017 AD, a bank facilities contract with the Islamic financing system amounting to 40,000,000 riyals was concluded with Al-Rajhi Bank to finance capital expenditures with a mortgage guarantee and a promissory note. The financing period is five years extending from 14/08/2017 to 14/08/2022 AD, including a grace period of one year. The amount of financing withdrawn in stages during 2017 AD amounting to 14,996,712 riyals. Part of the loan installments has also been postponed during 2020 AD, to be paid in 2021, in compliance with government initiatives to mitigate the effects of the Corona pandemic.

Review of changes in cash flows

The company achieved a net change in the balances of cash and cash equivalents amounting to (14,178,816) Saudi riyals resulting from changes in the terms of cash flow statement, as follows:

Statement	2020 AD	2019 AD
Cash flows from operating activities	(2,834,691)	(7,611,432)
Cash flows used in investing activities	(9,551,179)	27,594,770
Cash flows generated from / (used in) financing activities	(1,792,946)	(5,005,443)
Net change in cash and cash equivalents	(14,178,816)	14,977,895

The most prominent changes in the items of cash flows from operating activities are mainly due to:

- Reduced cash flows resulting from investment activities, due to the fact that no assets or investments were sold during 2020 AD, compared to 2019 AD, in which a commercial building was sold in Riyadh.
- Investing in developing a shrimp farm to develop and raise production capacity by %41.

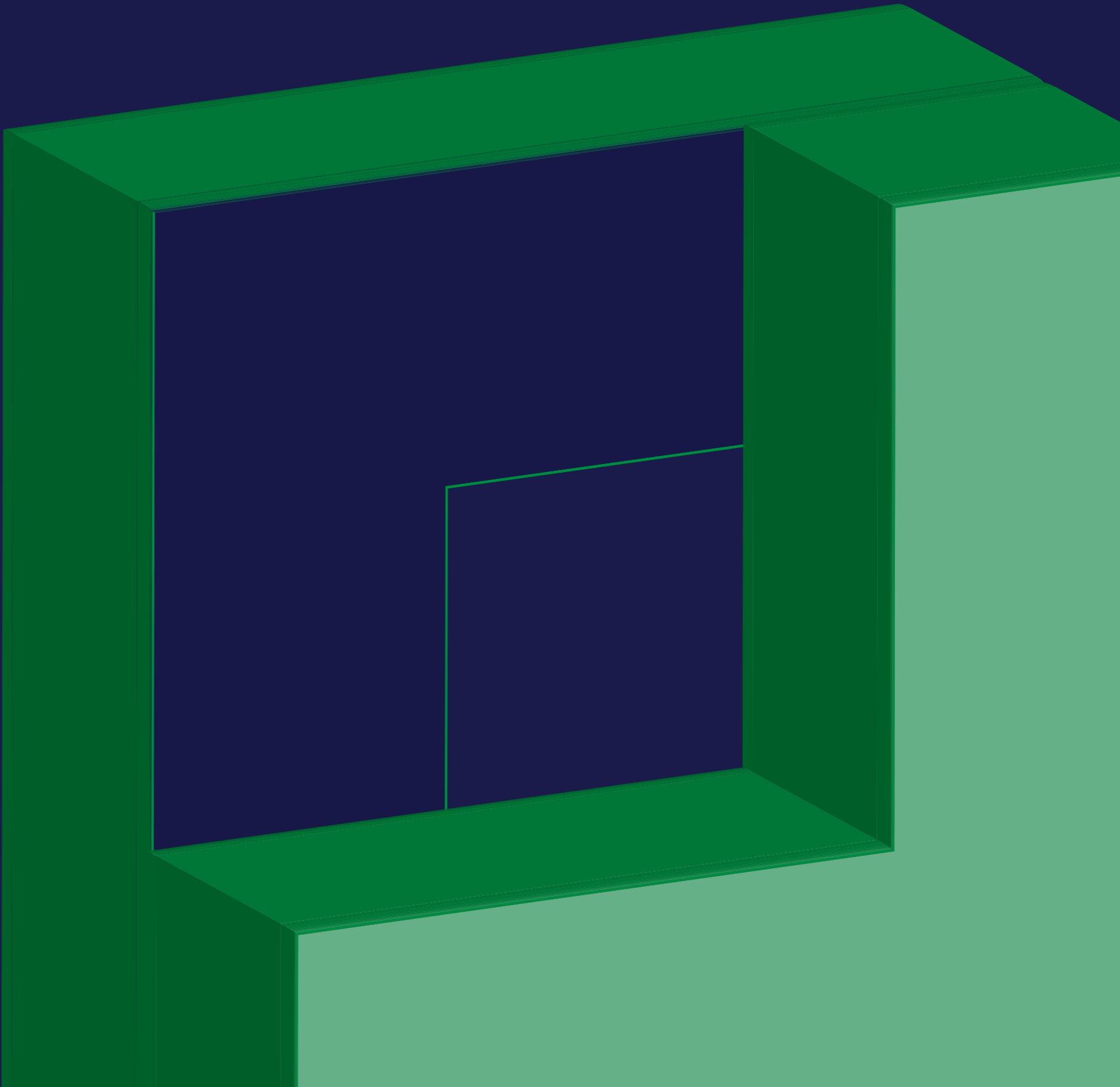
Zakat and Statutory Payments

The following are the statutory payments made during the fiscal year ending on December 2020 ,31

2020 AD				
Statement	Paid	Outstanding until the end of the year and not paid	Brief description	Statement of reasons
Sharia Zakat	370,000	1,412,171	Due for the fiscal year 2019 AD	AD 2021 To be paid in
Social Security	1,477,397	-	-	-
Visas, passports and employment office	1,319,962	-	-	-
Saudi Stock Exchange Company (Tadawul)	390,000	-	-	-

After negotiating with the Zakat Authority in amicable reconciliation sessions, the Authority prepared an adjusted zakat assessment for the zakat due for the period 2006 AD to 2010 AD in the amount of 11,844,032 riyals instead of the amount of 13,165,987 riyals for which a provision was made in previous years. The company also submitted its objection to this new assessment and it has not been resolved to date. The company has submitted its zakat returns up to 2018 AD and has paid its due according to these declarations.

Social Responsibility



Details of the company's social contributions:

The company's Ordinary General Assembly held on 2018/18/04 AD, approved the social responsibility policy, its objectives, scope of work, and controls to develop society's social and economic conditions. It aims to define the general framework for the work and programs of social responsibility organized by the company and determine the controls that govern it to ensure the achievement of the required goals.

Fields

- | | | |
|---|---|---|
| 1
Cooperation and interaction with social bodies and organizations. | 4
Supporting community programs and sectors | 6
Paying attention to everything that contributes to supporting activities and programs and sponsoring events and occasions of value and benefit to the individual and society. |
| 2
Preserving the environment. | 5
Supporting the youth group in a way that serves their interests and develops their awareness by adopting training programs for Saudi youth with educational institutions and attracting competencies to create job opportunities. | 7
Establishing the concept of social responsibility in the region as a symbol of loyalty to the homeland and its citizens. |

The company's social contributions during 2020 AD, amounted to 77,500 riyals, the details of which are as follows:

Statement	Amount of Support in Riyals
Support for "United Ya Watan" initiative to provide students with smart electronic devices	25,000
Supporting needy families	15,000
Supporting the International Volunteer Day	15,000
Supporting the World Day of Safety	10,000
Supporting health heroes	12,500



Risk Management and Financial Instruments:

Risk Management and Financial Instruments:

The risks facing the company are:

Changes in Global Economy

That negatively affects product prices, especially shrimp exports. The company continuously monitors the changes in global economy and works to diversify sources of revenue by diversifying the company's activities.

Competition Risks: The company sells its fish products of shrimp and water products in a competitive domestic and foreign market. The company's management works to reduce competition risks by diversifying investments and maintaining competitive prices and quality.

Risks of Biodiseases

They have a direct impact on production, especially shrimp. The company takes measures to prevent these diseases in accordance with standards, procedures and conditions determined by the Ministry of Environment, Water and Agriculture to reduce these diseases.

Risks of Price Changes

This is in the prices of production inputs and selling prices, which affects the profit margin. This risk is addressed by working to

diversify investments and reduce operating, selling and distribution costs.

Credit Risk

Financial assets that are likely to be exposed to credit risk mainly from cash, cash equivalents, receivables and other assets. Cash is deposited in banks with high credit capacities and thus credit risk is limited. As for credit risk for receivables, it is limited for not accepting any client before determining and analyzing his credit capacity and dealing with him according to the authorities, as net receivables and other debit balances represent only about 7% of the total assets of the company.

Interest Rate Risk

Interest rate risk arises from the possibility that fluctuation in interest rates will affect the future profitability or fair value of financial instruments due to the change in interest rate in the market. The company is subject to interest rate risk on its commission-related assets and liabilities. The company deals with interest-free financing funds and Islamic finance in addition to diversifying sources of financing.

Foreign Currency Risk

It is the risk resulting from a change in foreign currency exchange that affects the value of assets, foreign investments and operating activities and fluctuation of the fair value of future cash flows. The company's management monitors the fluctuations in foreign exchange rates on a continuous basis. It also believes that it is not necessary to cover against foreign currency risks at the present time. When the company's management determines the existence of these risks, financial commitments will be formed to reduce the risk of change in foreign currencies.

Liquidity Risk

The company monitors liquidity risk on a regular basis for available funds and current and future liabilities. It also monitors actual cash flows and aligns the maturities of current assets with financial liabilities - the company does not consider that it is exposed to substantial liquidity risk.

Fair Value of Financial Instruments

It is the value at which an asset or a liability settlement is exchanged between willing parties in the same terms of dealing with other

parties. Since the company's financial statements are prepared under the historical cost method, differences may arise between the book value and the fair value estimates. The management believes that the fair value of the company's financial assets and liabilities is not materially different from its book value, in order to diversify investments to reduce the effects of differences between the book value and the fair value of financial instruments.

Equity Price Risk

The listed and unlisted securities of the company are exposed to market price risk arising from the uncertainty of the future values of investment in securities. The company manages equity price risk by diversifying investments.

Capital Risk Management

The company's capital includes common shares owned by ordinary shareholders. The company aims mainly through capital management to maintain strong capital ratios in order to support projects and maximize shareholder value. The company manages its capital structure in light of changes in economic conditions and the requirements of

financial agreements. In order to maintain and adjust the company's capital structure, a company may adjust dividends to shareholders, return capital to shareholders, or issue new shares.

Risk of Natural Disasters

Risks resulting from natural disasters, such as earthquakes and floods: These natural disasters may cause losses to the company's assets. Accordingly, the company's assets are insured and work to preserve assets and property and reduce the impact of disasters as much as possible, in addition to ensuring the safety of workers.

Risk of the Pandemic (Covid19-)

Due to the spread of the (covid19-) pandemic and the resulting disruptions to social and economic activities in local, regional and global markets, the company's management has proactively assessed the effects of this on its process and took a series of preventive measures to ensure the safety of its employees, customers and society in general, as well as ensuring the continuity of supplying its products in all markets. Based on

these factors, the company's management believes that the (covid19-) pandemic has not had material effects on the company's business results. The company's management continues to monitor the situation closely. These risks are subject to monitoring and follow-up by the executive management and the company's Board of Directors. The Executive and Investment Committee was assigned the duties of the Risk Committee on 2019/09/05 to reduce its negative effects on the company. The current and future strategy of the company aims to diversify investment, which is reflected positively on the financial results of the company. In this regard, a detailed risk register has been prepared for the company, showing the risk classification, the degree of risk, the probability of the event, and the procedures related thereto, and it is followed up by the company's risk management.

Governance Regulations

The governance regulation is defined as the system by which the company's business is directed and monitored in a way that serves the interests of shareholders in order to sustain the value of the company and promote rights of shareholders. It defines the governance structure and the distribution of powers and responsibilities among the various parties related to the company, such as members of the board of directors, committees of the board, executive management and shareholders. The regulations clarify the rules and procedures for taking decisions regarding company affairs.

- **Corporate governance**
- **Board of Directors**
- **Executive management**
- **Committees**
- **Related parties**
- **Affiliated companies**
- **Capital**
- **Participation and shareholder rights**
- **Declarations of the Board of Directors**

Governance Regulations

Corporate governance

Company Governance

The company applies all the provisions mentioned in the Corporate Governance Regulations issued by the Capital Market Authority (CMA), except for the following:

Article Number	Paragraph	Article Requirements	Reasons for not Applying
Forty-one	E	Evaluation The Board of Directors makes the necessary arrangements to obtain an evaluation by a competent external body of its performance every three years.	Guidance material to be applied in the future
	F	Non-executive directors conduct a periodic evaluation of the chairperson's performance.	
Seventy	-	Formation of the Risk Management Committee A committee called (Risk Management Committee) is formed by a decision of the company's board of directors	Guide material The Board of Directors does not see a necessity of forming an independent committee at the present time and assigns the Executive and Investment Committee with its duties
Eighty-five	2	Motivating Employees Programs granting employees shares in the company or a part of the profits realized and retirement programs, and establishing an independent fund to spend on these programs	Guidance Material
	3	Motivating Employees Establishing social institutions for company employees	
Eighty-eight	1	Social Work Initiatives Establishing measurement indicators that link the company's performance with its social work initiatives and compare that with other companies of similar activity	Guidance Material
	4	Social Work Initiatives Establishing community awareness programs to define the company's social responsibility	
Ninety-fifth	-	Formation of the Corporate Governance Committee A committee concerned with corporate governance is formed	Guide material The Board of Directors does not see a necessity of forming an independent committee at the present time and assigns the Auditing Committee with its duties

Governance Regulations

Board of Directors

The Board of Directors consists of (7) members who are appointed at the General Assembly meeting for a period of (3) years in accordance with Article (17) of the Company's Articles of Association. Currently, a number of (7) members have been appointed in the General Assembly held on 04/09/2019 according to the cumulative voting method. Note that there was a change in the membership of the board during the year 2019 AD, which was mentioned in the report of the year 2019 AD. The Board of Directors was formed in accordance with the instructions contained in Article (17) of the Corporate Governance Regulations issued by the Capital Market Authority. The Board assumes all the powers necessary to manage the company specified by the Articles of Association. Moreover, the regulations of membership policies, standards and procedures clearly define the responsibilities of the Board.

Composition of the Board of Directors

Member Name	Membership Status	Position
Ahmed bin Mohammed Al-Sanea	Independent	Chairman of the Board of Directors
Majid bin Abdullah Al-Issa	Independent	Vice Chairman
Fahd bin Mubarak Al-Qathami	Independent	Board Member
Mohammed bin Abdullah Al-Manea	Non-executive	Board Member
Khalid bin Ahmed Al-Ahmad	Independent	Board Member
Khalid bin Jawhar Al-Jawhar	Non-executive	Board Member
Adeeb bin Mohammed Abanami	Independent	Board Member

Classification of its members, current and former positions, qualifications, experience and board membership as follows:

Current Positions

- Chairman of the Board of Directors of Jazan Energy and Development Co.
- Chairman of the Board of Directors of Batic Investment and Logistics Co
- Chairman of the Board of Directors of Arabian Security and Safety Services Co.
- Chairman of the Board of Directors of Batik Real Estate
- Chairman of the Board of Directors of Saudi Transport and Investment Co., Mubarrad
- Managing Director of Binladin International Holding Group
- Chairman of the Board of Directors of Ruwa Development Company
- Chairman of the Board of Directors of Jazel Investment Company
- Chairman of the Board of Directors of Jasara Holding Company
- Chairman of the Board of Directors of the Smart City Solutions Company for Communications and Information Technology
- Chairman of the Board of Directors of Al Jazeera Gypsum Company
- Chairman of the Board of Directors of AMNCO Facilities Management Ltd.
- Chairman of the Board of Trustees of Mohammed Al-Ali Al-Sanea Charitable Foundation
- CEO and owner of Rasheed Investment and Trade Corporation
- Vice President of Al Maqr Development Company
- Chairman and CEO of Family Investment Company

Mr. /

Ahmed bin Mohammed

Al-Sanea

Chairman of the Board

Former Positions

- Deputy Board of Directors of Batic Investment and Logistics Co
- Deputy Board of Directors of Jazan Energy and Development Co.
- CEO of National Wells Drilling Company
- Chairman of the Board of Directors of National Petroleum Services Company

Experiences

Experience in the field of investment, corporate management, acquisitions and mergers between companies for the purpose of forming giant entities and evaluating the economic performance of companies.

Current Corporate Board Members or their Directors

Within the Kingdom

- Jazan Energy and Development Company (JAZADCO) - Listed Joint Stock Company
- Advanced Fish Farming Aquaculture company - with a limited liability
- BATIC Investment and Logistics Company (BATIC) - Listed Joint Stock Company
- Arabian Security and Safety Services Co. (AMNCO) - with limited liability
- Batik Real Estate Company - with limited liability
- Saudi Transport and Investment Co., Mubarrad - with limited liability
- Binladin International Holding Group - Unlisted Joint Stock Company
- Ruwa Development Company - with limited liability
- Jazel Investment Company - with limited liability
- Jasara Holding Company - with limited liability

Qualifications

- Master of Business Administration
- Bachelor of Business Administration

- Mohammed Al-Ali Al-Sanea Charitable Foundation - Charitable Foundation
- Rasheed Investment and Trade Corporation - with limited liability
- Al-Maqr Development Company - with limited liability
- Family Investment Company - with limited liability
- Al-Argan Projects Company - with limited liability

Former Corporate Board Members or their Directors

Within the Kingdom

- The National Company for Well Drilling - Limited Liability
- National Petroleum Services Company - Limited liability



Eng /

Majid bin Abdullah Al-Issa

Vice Chairman

Current Positions

- CEO of the Saudi Ceramic Company
- Vice Chairman of the Board of Directors of BATC for Investment and Logistics

Former Positions

- CEO of BATIC Investment and Logistics Company

Qualifications

- Master degree in industrial management
- Bachelor of Chemical Engineering.
- Fellowship of the American Institute of Management Accountants
- Member of the United States of America Mergers and Acquisitions Advisors Alliance

Experiences

- CEO, member of the Board of Directors and member of the Executive Committee of Saudi Ceramic Company from 2020 till now
- Vice Chairman of the Board of Directors of Jazan Energy and Development Company from 2019 till now
- CEO of Batic Investment and Logistics Co. from 2019 till 2020.
- CEO, Board Member and Executive Committee Member of National Gypsum Company from 2019-2016
- Manager of Opportunities and Investment Development Fund at SABIC from 2016 - 2013 AD.
- Manager of Saudi Industrial Development Fund from – 2000 2013

Current Corporate Board Members or their Directors

Within the Kingdom

- Jazan Energy and Development Company (JAZADCO) - Listed Joint Stock Company
- Saudi Ceramic Company - Listed Joint Stock Company
- Batic Investment and Logistics Co. - Listed Joint Stock Company
- Arabian Security and Safety Services Co. (AMNCO) – with limited liability

Former Corporate Board Members or their Directors

Within the Kingdom

None





**Mr. /
Fahd bin Mubarak Al-Qathami**

Board Member

Current Positions

- Consultant and Director of the General Administration of Municipal Excellence Center of the Ministry of Municipal and Rural Affairs.
- Chairman of the Board of Directors of Skillmine Saudi Arabia for Communication & IT.

Experience

More than 25 years of cumulative experience in corporate and business management.

Current Corporate Board Members or their Directors

Within the Kingdom

- BATIC Investment and Logistics Company (BATIC) - Listed Joint Stock
- Jazan Energy and Development Company (JAZADCO) - Listed Joint Stock
- Skillmine Saudi Arabia for Communication & IT - Limited Liability
- Arabian Security & Safety Services Company (AMNCO) - Limited Liability

Former Positions

- Acting CEO of BATIC Investment and Logistics.
- CEO of Arabian Security & Safety Services Company.
- CEO of American Express Saudi Arabia Company.

Qualifications

- The transition program to the CEO.
- Bachelor of Science, majoring in Management.



**Mr. /
Khalid bin Ahmed Al-Ahmad**

Board Member

Current Positions

- Director of Adwaa Al-Shamil Computer Company Ltd.
- Chairman of the Board of Directors of Buruj Real Estate Company

Experience

- Four years of experience, Century 21 Real Estate Company
- Four years of experience, Manafea Holding Company
- Four years of experience, Buruj Real Estate Company

Current Corporate Board Members or their Directors

Within the Kingdom

- Jazan Energy and Development Company (JAZADCO) - Listed Joint Stock Company
- Detila Trading Company - Limited Liability
- Adwaa Al Shamel Computer Company Ltd. - Limited liability
- Buruj Real Estate Company - Limited Liability

Former Positions

- Director-General of Buruj Real Estate Company
- Director of Lands Department and Real Estate Consultant for Manafea Holding Company

Qualifications

- The transition program to the CEO.
- Bachelor of Science, majoring in Management.

Former Corporate Board Members or their Directors

Within the Kingdom

- Saneem Trading Company - Limited Liability



**Mr. /
Mohammed bin Abdullah Al-Manea**

Board Member

Current Positions

- Businessman

Experience

He worked as a legal and real estate consultant for a number of institutions and companies.

Current Corporate Board Members or their Directors

Within the Kingdom

- Jazan Energy and Development Company (JAZADCO) - Listed Joint Stock Company

Outside the Kingdom

- Rakha For Agricultural Investment Company - Limited Liability

Former Positions

- CEO of Jazan Energy and Development Company
- Legal Consultant to the General Administration of Medical Services for Armed Forces and Head of Cases Department
- Legal researcher specialist in the Public Pension Agency

Qualifications

- Master of Law
- Bachelor of Law

Former Corporate Board Members or their Directors

Within the Kingdom

- Saudi Paper Manufacturing Company (Paper Manufacturing) - Listed Joint Stock Company
- Tabuk Fish Company - Unlisted Joint Stock Company
- Jannat Agricultural Investment Company - Limited Liability
- Outside the Kingdom
- Rakha For Agricultural Investment Company - Limited Liability



**Mr. /
Adeeb bin Mohammed Abanami**

Board Member

Current Positions

- General Manager for ABANAME Certified Public Accountants and Auditors (Chartered Accountant)

Experience

- 29 years of experience in accounting and auditing.

Current Corporate Board Members or their Directors

Within the Kingdom

- Bank Albilad - Listed Joint Stock
- Jazan Energy and Development Company (JAZADCO) - Listed Joint Stock Company
- AL Maather REIT Fund - Real estate investment traded fund
- Bin Saedan Company - Unlisted Joint Stock Company

Former Positions

- Second Consultant at the Capital Market Authority.
- Lecturer at Imam Muhammad bin Saud University.
- Financial analyst at the Saudi Fund for Development.

Qualifications

- Master degree in Accounting
- Bachelor of Accounting

Former Corporate Board Members or their Directors

Outside the Kingdom

- Saudi Tunisian Bank - a government shareholding equal between the Kingdom of Saudi Arabia and the Republic of Tunisia

Board Meetings

The members of the Board of Directors allocated sufficient time to be informed and well prepared for the meetings of the Board and its committees and their keenness to attend them. No member had previously submitted a written request to hold emergency meetings of the Board during the fiscal year ending on December 31, 2020 AD. No member had previously objected to the Board's agenda and its decisions. The Board was keen to schedule its sessions on specific dates and to constantly prepare for the Board's meetings before meetings, to ensure that all members of the Board attend the meetings, discuss all the agenda items put forward in the meeting, record the results of the meeting in the minutes entrusted to the Secretary of the Board and follow up the implementation of what is included in the minutes with the executive management of the company. The Board was keen to follow up on the tasks assigned to each of its members, to ensure that they are implemented in accordance with what was decided by the Board in its meetings, to follow up on the Board's committees and their periodic meetings, to ensure that their members carry out their duties and responsibilities and to implement what was included in the minutes of sessions.

In order to facilitate the progress of work, the Articles of Association authorized the Board to take decisions by passing, provided that they are presented to the Board of Directors at the first meeting following their final approval. During the year 2020 AD, a number of decisions taken by passing were issued and were presented to the Board of Directors according to the provisions of Paragraph (4) of Article (18) of the Articles of Association

Means adopted by the Board of Directors in evaluating its performance and the performance of its committees and members

The Nominations and Remuneration Committee determines the strengths and weaknesses of the Board of Directors and proposes to address them in accordance with the interests of the company. The committees of the Board of Directors are also evaluated during the period of their commitment to the tasks assigned to them by the Board of Directors. No external entity has assessed the performance of the Board and its committees during the year 2020.

Attendance Record of board meetings during 2020, a total of (6) meetings:

Name	Dates of the Board of Directors meeting during 2020						Total Attendance
	03/19	05/19	09/10	11/16	11/19	12/27	
Ahmed bin Mohammed Al-Sanea	✓	✓	✓	✓	✓	✓	6
Majid bin Abdullah Al-Issa	x	✓	✓	✓	✓	✓	5
Fahd bin Mubarak Al-Qathami	✓	✓	✓	✓	✓	✓	6
Mohammed bin Abdul-lah Al-Manea	✓	✓	✓	✓	✓	✓	6
Khalid bin Ahmed Al-Ahmad	✓	✓	✓	✓	✓	✓	6
Khalid bin Jawhar Al-Jawhar	✓	✓	✓	✓	✓	✓	6
Adeeb bin Mohammed Abanami	✓	✓	✓	✓	✓	✓	6

Date of the last meeting of the General Assembly on 08/12/2020

(✓) Authentic attendance (XX) Attendance authorized by another member of the Board of Directors (X) Non-attendance

Governance Regulations

Executive management

A statement of the job titles, qualifications and experiences of the senior executives in the executive management:



Mrs. /
Bedor bint Nasser Al-Rashoudi
Chief Executive Officer

Former Positions

- Executive Director of Strategic Management in the Ministry of Interior Development Program
- Executive Director of the Empowerment and Capacity Building Sector at the National Center for Performance Measurement (Adaa)
- Director in the Strategy Sector in Consulting Services in the Middle East and North Africa, Ernst & Young (EY)

Experience

- Designing and implementing strategies
- Performance Management
- Developing procedures
- Business analysis
- Management of change
- Designing operational models
- Business transformation management
- Program and project management

Qualifications

- Master of Business Administration from IE Business School, Madrid, Spain
- Bachelor's degree in Computer Science from King Saud University



Mr. /
Abdul-Ilah bin Melhem Al-Mafeez
Director of Financial Affairs

Former Positions

- Credit Consultant at the Industrial Fund
- Advisor for investments and strategic partnerships for Elm Information Security Company

Experience

- Experience in corporate evaluation, strategic investments, feasibility studies and financial analysis

Qualifications

- CFA Certified Financial Analyst
- Master degree of Business Administration
- Bachelor of Finance



Mr. /
Ibrahim bin Mohammed Abu Sharha
Vice President of Operations

Former Positions

- Director of Administration Affairs for Jazan Energy and Development Company.

Experience

- Significant experience in administrative, executive, marketing and sales work.

Qualifications

- Bachelor's degree in Physical Marine Science



Mr. /
Naif bin Dahwi Al-Anzi

Executive Director of Human Resources and Administration

Former Positions

- Human Resources Director, Gazelle Investment

Experience

- More than 18 years of experience in human resources management and administrative affairs in many companies operating in the fields of contracting, industry and investment.

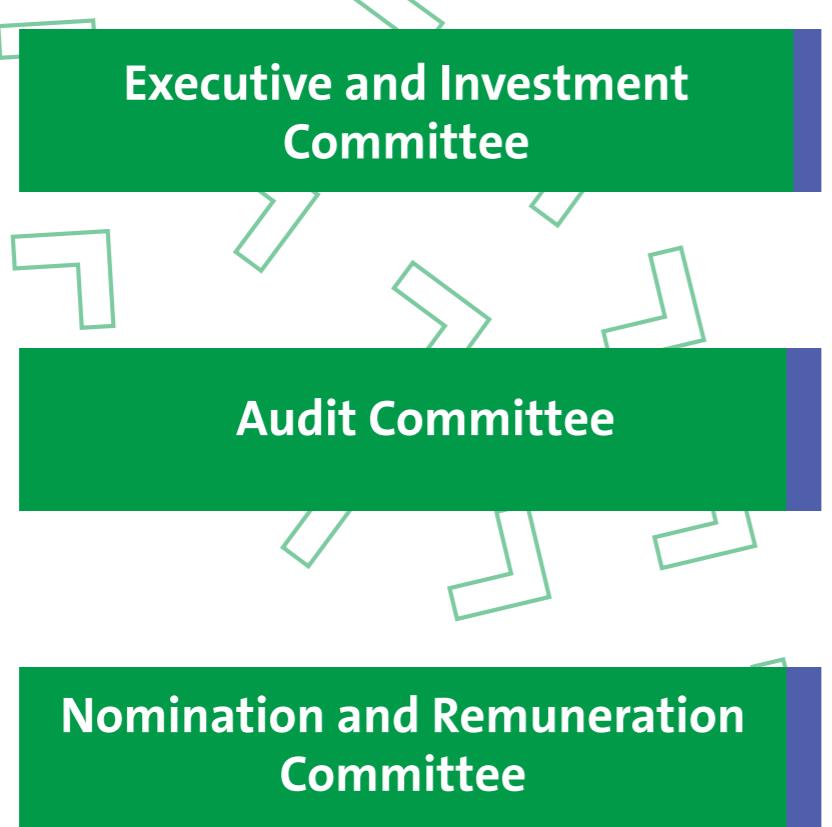
Qualifications

- Bachelor's degree in Business Administration

Governance Regulations

Committees

The committees formed from the Board of Directors and emanating from it are in compliance with the articles of association of the company and the regulations for governance and optimum management of three committees, as follows:



Governance Regulations

Committees / Executive and Investment Committee

Formation of the committee

The Executive and Investment Committee consists of three members as follows:



**Engineer /
Majid bin Abdullah Al-Issa
Head of the Executive and
Investment Committee**

Please refer to the previous section of
board members biographies



**Mr. /
Mohammed bin Abdullah Al-
Manea
Member of the Executive and
Investment Committee**

Please refer to the previous section of
board members biographies



**Mrs. /
Bodour bint Nasser Al-Rashoudi
External Member of the
Executive and Investment
Committee**

Please refer to the previous section of the
Executive Management biographies

Committee Duties and Competencies

The Executive and Investment Committee prepares and supervises the implementation of plans, policies, strategies and main objectives of the company in order to achieve its objectives. It falls within the competencies of the Executive and Investment Committee the functions represented in the following points:

- Studying the company's comprehensive strategy, main and interim work plans, investment policies and mechanisms, financing, risk management, and emergency administrative conditions management plans, based on the proposal of the executive management.
- Reviewing the optimal capital structure of the company, its financial strategies and objectives.
- Reviewing the main capital expenditures of the company, owning and disposing of assets, and reviewing the estimated budgets of all kinds.
- Recommending to enter into investment projects and new partnerships, to acquire companies related to the company's work, or to develop existing activities vertically and horizontally.
- Conducting the necessary studies for the new investments of the company and submitting

- the necessary recommendations regarding them.
- Submit the recommendation to the Board of Directors to take its decision regarding the following:
 - » Increasing or decreasing the company's capital.
 - » Dissolving the company before the term specified in its Articles of Association or deciding its continuation
 - » Using the company's agreement reserve in the event that it is formed by the extraordinary General Assembly and not allocated for a specific purpose
 - » Forming additional financial reserves or allocations for the company
 - » Method of distributing the net profits of the company.
- Follow up the implementation of internal control systems and general supervision over them, including:
 - » Implementing the conflict of interest policy.
 - » Implementing appropriate control systems to measure and manage risks, by developing a general perception of the risks that the company may face, creating an environment familiar with the culture of risk reduction at the company level, and presenting it transparently to the Board of Directors and other stakeholders and parties related to the company.
- Supervising the implementation of internal control and risk management systems, verifying the effectiveness and adequacy of these systems, and ensuring compliance with the level of risks approved by the Board of Directors.
- Follow-up and review of all important issues related to cases filed before judiciary, emergency cases and claims that require them to appear in the accounting statements
- Follow up on the important recommendations made by the internal auditor and the chartered accountant.
- Active participation in building and developing a culture of moral values within the company.
- Reviewing the organizational and functional structures of the company and submitting them to the Board of Directors for approval based on the proposal of the Executive Management
- Reviewing the internal regulations related to the work of the company and developing it, including defining the tasks, competencies and responsibilities assigned to the various organizational levels and proposing to amend them when needed.
- Reviewing the policy of delegating business to the executive management and the method of implementing it.
- Reviewing the powers that are delegated to the executive management, the decision-making procedures and the duration of mandate, and studying the periodic reports on the executive management's exercise of those powers.
- Studying the policy and types of remunerations granted to employees, such as fixed remuneration, performance-related bonuses, and bonuses in the form of shares.
- Reviewing draft financial and non-financial periodic reports regarding the progress made in the company's activity in light of the company's strategic plans and objectives, and presenting these reports to the Board of Directors.
- Reviewing the reports and information of the executive management of the company that are submitted to the Board members, the non-executive and independent members in particular and the committees emanating from the Board of Directors and all the necessary information, data, documents and records, and ensuring that they are complete, accurate and timely, to enable them to perform their duties and tasks well.
- The committee may request the relevant departments to attend its meetings or provide additional information and documents.
- The committee may, when needed, assign one of its members or one employee of the company to others to study one of the topics presented to it and provide the committee with the results of the study.
- Any other duties assigned to the committee by the Board of Directors

Additional Tasks

The Board of Directors assigned the Executive and Investment Committee the duties of the Risk Committee on 2019/05/09 and the terms of reference established under Article (71) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority as follows:

- Developing a comprehensive risk management strategy and policies commensurate with the nature and size of the company's activities, verifying their implementation, reviewing and updating them based on the internal and external variables of the company.
- Determining and maintaining an acceptable level of risks that the company may be exposed to, and verifying that the company does not exceed it.
- Verifying the feasibility of the company continuation and the successful continuation of activity, while identifying the risks that threaten its continuation during the next twelve months.
- Supervising the company's risk management system and evaluating the effectiveness of systems and mechanisms for identifying, measuring and following up the risks that the company may be exposed to, in order to determine its deficiencies.
- Periodically re-evaluate the company's ability to withstand risks and exposure to them (by conducting stress tests, for example).
- Preparing detailed reports on exposure to risks and the proposed steps for managing these risks, and submitting them to the Board of Directors.
- Submitting recommendations to the Board on issues related to risk management.
- Ensuring the availability of adequate resources and systems for risk management.
- Reviewing the organizational structure of risk management and making recommendations regarding it before approval by the Board of Directors.

- Verifying the independence of the risk management personnel from the activities that may result in exposing the company to risks.
- Verifying that the risk management personnel understand the risks surrounding the company, and work to increase awareness of risk culture.
- Reviewing the issues raised by the audit committee that may affect the risk management in the company.

Attendance

Committee Members	Position	Date of meeting during the year 2020 AD					Total Attendance
		03/03	04/21	09/01	09/08	12/21	
Majid bin Abdullah Al-Issa	Committee Chairman	✓	✓	✓	✓	✓	5
Mohammed bin Abdullah Al-Manea	Member	✓	✓	✓	✓	✓	5
Bodour bint Nasser Al-Rashoudi	Member	✓	✓	✓	✓	✓	5

(✓) Authentic attendance (XX) Attendance authorized by another member of the Board of Directors (✗) Non-attendance

Governance Regulations

Audit Committee

Committee Composition

The Audit Committee was formed by the General Assembly on 2019/09/04, noting that there was a change in the committee's membership during 2019 AD, which was mentioned in the 2019 report, made by three independent members specialized in financial and accounting affairs as follows:



Mr. / Adeeb bin Mohammed Abanami
Chairman of the Audit Committee
Please refer to the previous section of board members biographies



Mr. / Adel bin Saleh Aba Al-Khail
External Audit Committee Member (Independent)



Mr. / Aziz bin Mohammed Al-Qahtani
External Audit Committee Member (Independent)

Current Positions

- Deputy General Manager, Financial Group, Al-Rajhi Bank

Former Positions

- Financial Director, Al-Rajhi Bank, Malaysia

Experience

- Financial Director at Al-Rajhi Bank, Jordan
- Director of Budget and Administrative Reports at Al-Rajhi Bank
- Banking and insurance supervisor at the Saudi Arabian Monetary Agency

Qualifications

- Fellowship of the American Association of Certified Public Accountants
- Fellowship of the Saudi Organization for Certified Public Accountants
- MA in Finance from the University of Illinois in the USA
- MA in Accounting from the University of Illinois in the USA

Current Positions

- The financial and administrative consultant at Takamol Holding Company.

- CEO of internal audit at the Saudi Technology Development and Investment Company (TAQNIA) and its subsidiary companies .

Former Positions

- Vice Chairman of Internal Audit at the Petroleum, Chemicals and Mining Company (PCMC)
- Chief Financial Officer at Business Triangle Company
- Executive Director of Internal Audit at the Saudi Research and Marketing Group Company.

Qualifications

- Master's degree in Accounting
- Bachelor's degree in Accounting

Experience

Distinguished practical experience of more than 27 years in the fields of accounting, finance, internal auditing and corporate governance in several companies. In addition to holding leadership positions in several bodies, as well as participating in memberships of boards of directors and audit committees in several joint-stock companies. Providing professional consultations and training courses in the field of auditing and accounting, as well as participating in various professional programs, attending conferences and internal and external training courses in the field of executive management and strategic planning, and advanced programs in the field of finance and investment.

Committee's Duties and Competencies

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

Financial Reports

- Studying the initial and annual financial statements of the company related to its financial performance before submitting to the Board of Directors, to ensure its integrity, fairness and transparency, and express its opinion.
- Providing a technical opinion upon the request of the Board of Directors on whether the report of the board and the financial statements of the company are fair, balanced and understandable, and include information that allows shareholders and investors to evaluate the financial position of the company, its performance, business model and strategy.
- Studying any important or unusual issues included in the financial reports.
- Carefully researching any issues raised by the company's financial director, whoever assumes his duties, the company's compliance officer, or the auditor.
- Verifying the accounting estimates in the material issues mentioned in the financial reports.
- Studying the accounting policies applied in the company and express opinion and recommendation to the Board of Directors in this regard.

Internal Audit

- Studying and reviewing the company's internal and financial control and risk management systems, and preparing a written report that includes its recommendations and opinion on the adequacy of these systems and the work they have performed within the scope of its competence, provided that the Board of Directors deposits sufficient copies of this report in the company's headquarters (twenty one) days before the date of the General Assembly to provide the shareholders a copy thereof. The report shall be read during the assembly.
- Studying the internal audit reports and follow up the implementation of corrective measures for the notes contained therein.
- Studying the internal audit reports and follow up the implementation of corrective measures for the observations contained therein.
- Control and supervise the performance and activities of the internal auditor and the Internal Audit Department in the company, if any, to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to it. If the company does not have an internal auditor, the committee must submit its recommendation to the Board regarding the extent of the need to appoint him.
- Recommending to the Board of Directors to appoint a director of an internal audit unit or department or the internal auditor and suggesting his remuneration.

External Auditor

- Recommending to the Board of Directors to nominate and dismiss auditors, determine their

fees and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of contracting with them.

- Verifying the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account the relevant rules and standards.
- Reviewing the company's auditor's plan and his work, verifying that he has not submitted technical or administrative works outside the scope of the audit work, and expressing its views on that.
- Responding to the inquiries of the companies' auditor.
- Studying the auditor's report and his notes on the financial statements and follow up on what has been taken in their regard.

Ensuring Compliance

- Review the results of the reports of regulatory authorities and verifying that the company has taken the necessary actions in this regard.
- Verifying the company's compliance with the relevant laws, regulations, policies and instructions.
- Reviewing the contracts and proposed transactions that the company conducts with related parties, and providing its views regarding this to the Board of Directors.
- Raising the issues it deems necessary to take action in their regard to the Board of Directors, and make recommendations on the measures to be taken.

Additional Tasks

The Board of Directors relied on the Governance Duties Review Committee on 2018/04/12. The terms of reference are established under Article (49) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority as follows:

- Verifying that the company adheres to these rules.
- Reviewing and updating the rules in accordance with legal requirements and best practices.
- Reviewing and developing the rules of professional conduct that represent the values of the company, and other internal policies and procedures to meet the needs of the company and conform to best practices.
- Keep members of the Board of Directors informed of developments in the field of corporate governance and best practices, or delegate this to the Audit Committee or any other committee or management.

The committee should follow up on any issues related to governance applications and provide the Board of Directors at least annually with the reports and recommendations it concluded.

Attendance

Committee Members	Position	Meeting Date during 2020 AD									Total Attendance
		01/16	02/17	03/15	05/17	08/18	01/10	10/27	12/17	01/16	
Adeeb bin Mohammed Abanami	Committee Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	8
Aziz bin Mohammed Al-Qahtani	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	8
Adel bin Saleh Aba Al-Khail	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	8

(✓)Attendance (✗) Non-attendance

Results of Internal Audit, Evaluation of Internal Control Effectiveness and Audit Committee Opinion

The company follows an internal control framework based on three lines of defense. The various business sectors of the company adapt their activities in accordance with the laws and regulations of the company. The internal control departments, which are the second line of defense, evaluate, measure and control the levels of different risks in terms of operations and in line with the controls to ensure that the company meets the statutory requirements. The internal audit department performs the task of the third line of defense and conducts the necessary examinations and reviews to verify the company's compliance with the policies of procedural guides based on the internal audit work implemented during the year for the various departments of the company. In the opinion of the Audit Committee, one of the responsibilities and roles of the Audit Committee is to ensure the adequacy of the company's internal control and carry out its work in accordance with the best practices in force, by following up and studying reports issued by internal or external references. The company's executive management signs statements aimed at affirming its responsibility to provide internal control procedures that reasonably ensure the effectiveness and efficiency of the company's operations and the control procedures applied therein, including the credibility and integrity of financial reports, and compliance with the company's regulations, laws and policies. The Company's Internal Audit Department implements the annual audit plan approved by the Audit Committee to assess the status of internal control applied with a focus on assessing the regulatory environment, organizational structure, risks, policies and procedures, separation of tasks, and information systems, by randomly sampling the activities planned for review with a view to ascertaining the effectiveness and efficiency of the designed and applied internal control systems, and obtaining reasonable assurances of the effectiveness and efficiency of internal control procedures during the year. The Audit Committee ensures that the external auditor performs its responsibilities towards the company by following up the plans and implementation of the audit work to obtain a reasonable degree of conviction that the accounting standards adopted in Saudi Arabia have been applied to the company and that the results reports of the company's quarterly and annual financial statements are free of material errors according to the unreserved opinion by the external auditor during 2020. Based on the work of the Audit Committee during the year, it was found that there were a number of observations and most of them were addressed. Moreover, it is not possible to emphasize absolutely the comprehensiveness of the examinations and evaluation processes, as the audit process is essentially based on random sampling due to the spread of the company's operations and geographical expansion within the Kingdom. Therefore, the improvement efforts referred to above, and the development processes are continuing by the Committee and the internal control departments of the company to ensure more effectiveness and efficiency in the mechanism of follow-up processes and procedures of internal control.

Governance Regulations

Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee was formed of three members, two of them are independent and one is a non-executive member as follows:



Eng /
Majid bin Abdullah Al-Issa
Chairman of the
Nomination and
Remuneration Committee

Please refer to the previous
section of board members
biographies



Mr. /
Khalid bin Jawhar Al-Jawhar
Member of the Nomination and
Remuneration Committee

Please refer to the previous
section of board members
biographies



Mr. /
Adeeb bin Mohammed Abanami
Member of the Nomination and
Remuneration Committee

Please refer to the previous
section of board members
biographies

On 07/14/2020 AD, the Chairman of the Nominations and Remuneration Committee was reappointed, pursuant to Article Fifty-One, Mr. Khaled Jawhar Muhammad Al-Jawhar, and the appointment of Eng./ Majid bin Abdullah Al-Issa.

Tasks and Functions of the Committee

The Nomination and Remuneration Committee, based on the regulations approved by the General Assembly on 04/09/2019 AD as amended on 04/20/2020 AD, shall apply the provisions of Articles (60) and (64) of the Corporate Governance Regulations issued by the Capital Market Authority regarding the following:

Regarding Remuneration

- Preparing a clear policy for remuneration of Board members, committees emanating from the board and senior executives, and submitting them to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that this policy takes into account the observance of standards related to performance, disclosure of them, and verification of their implementation.
- Clarifying the relationship between the remuneration granted and the applicable remuneration policy, and stating any material deviation from this policy.
- Periodic review of the remuneration policy, and evaluation of its effectiveness in achieving the objectives sought.
- Recommending to the Board of Directors the remuneration of members of the Board of Directors, the committees emanating from it, and senior executives, except for the Audit Committee, in accordance with the approved policy.

Regarding Nominations

- Proposing clear policies and standards for membership in the Board of Directors and executive manage-

ment.

- Recommending to the Board of Directors to nominate its members and re-nominate them in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a breach of trust.
- Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and occupying executive management positions.
- Determining the time that the member should allocate to the work of the Board of Directors.
- Annual review of the necessary skills needed for Board membership and executive management functions.
- Reviewing the structure of the Board of Directors and executive management and making recommendations regarding changes that can be made.
- Checking on an annual basis the independence of the independent members, and the absence of any conflict of interest if the member is a member of the Board of Directors of another company.
- Establishing job descriptions for executive members, non-executive members, independent members and senior executives.
- Setting up special procedures in the event that the position of a member of the Board of Directors or a senior executive becomes vacant
- Identifying weaknesses and strengths in the Board of Directors, and proposing solutions to address them in line with the company's interest
- When nominating members of the Board of Directors, the Nominations Committee must observe the terms and conditions stipulated in these regulations, and the requirements decided by the Authority.
- The number of candidates for the Board of Directors whose names are presented to the General Assembly must exceed the number of seats available, so that the General Assembly has the opportunity to choose from among the candidates.
- The company must publish the candidacy announcement on the company's website, on the market's website, and on any other means specified by the Authority, in order to invite persons wishing to run for membership of the Board of Directors, provided that the nomination remains open for at least one month from the date of announcement.
- The provisions of this chapter shall not prejudice the right of every shareholder in the company to nominate himself or someone else for membership in the Board of Directors in accordance with the provisions of the Companies Law, its executive regulations, and the company's Articles of Association.

Attendance

The committee held two meetings during the fiscal year 2020 AD, the following are the attendees:

Committee Members	Position	Meeting Date during 2020 AD		Total Attendance
		05/10	31/12	
Majid bin Abdullah Al-Issa	Committee Chairman	✓	✓	5
Khalid bin Jawhar Al Jawhar	Member	✓	✓	5
Adeeb bin Mohammed Abanami	Member	✓	✓	5

(✓)Attendance

(✗) Non-attendance

Policy related to the Remuneration and Compensation of Board members, Committees, and Executive Management

The committee held two meetings during the fiscal year 2020 AD, the following are the attendees:

Based on the recommendation of the Remuneration and Nominations Committee to comply with the provisions contained in the Companies Law and the regulations, decisions and instructions issued by the Board of the Capital Market Authority, taking into account the provisions of the Company's Articles of Association and all the rules, regulations and instructions issued by other relevant regulatory authorities.

The remuneration policy was approved by the General Assembly on 2020/20/04.

This policy aims to define clear and fair criteria for the remuneration of members of the Board of Directors, its committees and senior executives in light of the requirements of the Companies Law and the regulations of the Capital Market Authority, and to attract individuals with appropriate competence and experience, motivate them and keep them for work in the Board of Directors, committees and executive management, taking into account the activity of the company and the necessary skill to manage it, thus contributing to improving the company's performance, achieving the company's performance, and achieving the interests of its shareholders.

The remuneration policies include:

Board Members 'Remuneration

The remuneration of Board members for the work of the Board consists of a certain amount or an allowance for session's attendance, an allowance for expenses, in-kind benefits, or a percentage of profits. It is also permissible to combine two or more of these remunerations and benefits.

The nature and amount of remuneration for members of the Board of Directors is determined and approved by the Board of Directors based on the recommendation of the Remuneration and Nominations Committee, and shall be disbursed as specified in these regulations, except for the remuneration related to profits, the amount of which is approved by the General Assembly.

In all cases, the total remuneration and financial or in-kind benefits and rewards that a member of the Board of Directors obtains shall not exceed the amount of (500,000) five hundred thousand Saudi riyals annually in accordance with the controls set by the relevant competent authorities.

Special Remuneration for the Chairman and / or Managing Director

Based on a recommendation from the Remuneration and Nominations Committee and approval of the Board of Directors:

Granting the Chairman of the Board a special remuneration in addition to the remuneration determined for the members of the Board of Directors.

Granting the managing director, in case of appointment, a special remuneration in addition to the remuneration prescribed for members of the Board of Directors.

Remuneration for Technical, Administrative and Consulting Works

Based on a recommendation from the Remuneration and Nominations Committee and approval of the Board of Directors, a member of the Board of Directors may be granted funds for the technical, administrative or advisory work assigned to him in addition to the remuneration determined for the members of the Board of Directors.

Remuneration for Members of the Committees

- Members of the Remuneration and Nomination Committee: The allowance for attending committee meetings is an amount of 3,000 riyals per member for each meeting.
- Members of the Audit Committee: The allowance for attending committee meetings is an amount of 3,000 riyals for each member for each meeting. An annual remuneration of 50,000 riyals is due to the member, provided that the member attends 75% of the committee's meetings.
- Members of the Executive Committee: The allowance for attending committee meetings is an amount of 3,000 riyals for each member for each meeting.
- Other Committees: When other committees are created emanating from the Board of Directors other than what is mentioned in this regulations, the nature and amount of their members' remuneration shall be determined and approved by the Board of Directors in the decision to form them based on the recommendation of the Nominations and Remuneration Committee and they shall be disbursed as specified in this regulation.
- Annual Committee Members' Remuneration, with the exception of the audit committee: The nature and amount of annual committees' remuneration (if it is decided to be disbursed) is determined and approved, with the exception of the audit committee, by the Board of Directors based on a recommendation from the Remuneration and Nominations Committee.
- Remuneration of members from outside the Board: The provisions mentioned in the above clauses apply to the remuneration of members of committees from outside the Board of Directors who participate in the work of the committees emanating from the Board of Directors.

Executive Management Remuneration

The Board of Directors approves, based on the recommendation of the Remuneration and Nominations Committee:

- The amount of senior executives' remuneration according to the planned target of the company.
- Remuneration specified in senior executives' employment contracts or those related to performance and evaluation indicators.
- The nature and amount of remuneration for the efforts made (unusual and / or seasonal) by senior executives that contribute to the achievement of the company's goals.

The committee considers that there is no material deviation between the remuneration granted and the applicable remuneration policy.

Remuneration of the Members of the Board of Directors

Details of remuneration paid to members of the Board of Directors during the fiscal year 2020 AD (in their capacity as members of the Board): (amounts are in thousand riyals)

Statement	Fixed Remuneration						Variable Remuneration			Grand Total	Expense Allowance
	A certain amount (Annual Remuneration)	Allowance for attending council sessions	Committee Sessions		Benefits in kind	Technical, Administrative and Advisory Work Remuneration	Remuneration for the Chairman of the Board, the Managing Director or the Secretary, if he is a member	Total Fixed Remuneration	Percentage of Profits	Periodic Remuneration	Total variable Remunerations
First: Independent Members											
Ahmed bin Mohammed Al-Sanea	0	18						18			18
Majid bin Abdullah Al-Issa	100	15	80	21				216			216
Fahd bin Mubarak Al-Qathami	100	18						118			118
Khalid bin Ahmed Al-Ahmad	100	18						118			118
Adeeb bin Mohammed Abanami	100	18	80	30				228			228
Total	400	87	160	51				698			698
Second: Non-Executive Members											
Khalid bin Jawhar Al-Jawhar	100	18	30	6				154			154
Mohammed bin Abdullah Al-Manea	100	18	50	15				183			183
Total	200	36	80	21				337			337

We would like to note that Mr./ Ahmed bin Muhammad Al-Sanea waived the annual remuneration of 100,000 riyals

Remuneration for Senior Executives

A breakdown of the remuneration paid to five senior executives who received the highest remuneration, including the CEO and the Chief Financial Officer, during the fiscal year 2020: (amounts are in thousand ryials)

Name	Fixed Remuneration				Variable Remuneration					End of Service Indemnity	Total Remuneration for Board Executives	Grand Total
	Salaries	Allowances	Benefits in kind	Total Fixed Remuneration	Periodic Remuneration	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares			
Five senior executives, including the current CEO and CFO	1,858	649	-	-	-	-	-	-	-	142	65	2,714

The company is obligated to disclose the remuneration of executives in accordance with the statutory requirements contained in Article (93) of the Corporate Governance Regulations, in light of what was stated in Paragraph (b) of Article (60) of the rules for offering securities and continuing obligations.

Remuneration for Members of Committees:

A breakdown of the remuneration paid to five senior executives who received the highest remuneration, including the CEO and the Chief Financial Officer, during the fiscal year 2020: (amounts are in thousand ryials)

Member Name	Fixed Remuneration (Except for Allowance of Session Attendance)	Session Attendance Allowance	Total
Members of the Audit Committee			
Adeeb bin Mohammed Abanami	50	24	74
Aziz bin Mohammed Al-Qahtani	50	24	74
Adel bin Saleh Aba Al-Khail	50	24	74
Total	150	72	222
Members of the Remuneration and Nomination Committee			
Majid bin Abdullah Al-Issa	30	6	36
Khalid bin Jawhar Al-Jawhar	30	6	36
Adeeb bin Mohammed Abanami	30	6	36
Total	90	18	108
Members of the Executive and Investment Committee			
Majid bin Abdullah Al-Issa	50	15	65
Mohammed bin Abdullah Al-Manea	50	15	65
Bodour bint Nasser Al-Rashoudi	50	15	65
Total	150	45	195

Governance Regulations

Related Parties

Transactions in which the company is a party and in which a member of the board of directors, senior executives, or any related person has an interest

The company's written policy on conflict of interest deals with any potential conflict of interest situations for members of the Board of Directors and its senior executives or for any person related to any of them, and any potential conflict of interest is informed to the General Assembly for approval.

Party to Contracts	Contract Nature	Transaction Amount During the Year	Contract Term	Terms of Contract	Member Name	Date of Assembly Approval
BATIC Investment and Logistics Company (BATIC)	Leasing an administrative office for JAZADCO in Riyadh, which started on 10/01/2019	131,890 riyals	Annual contract renewed automatically	There are no advantages or preferential terms	Ahmed bin Mohammed Al-Sanea Majid bin Abdullah Al-Issa Fahd bin Mubarak Al-Qathami	04/20/2020 AD

Transactions of Related Parties

Related Party	Relationship Type with the Company	Nature of the Transaction	Its duration	Its Value
Fish Day Company for Fish Sale	Subsidiary	Finance	2021 AD	255,687 SAR

Governance Regulations

Subsidiary Company

Name of the Subsidiary	Activity Type	Capital (SAR)	Ownership Percentage	Main Activity	Headquarters	Debt Instruments
Mango Jazan Trading Company	Limited Liability Company	10,000	%65	Retail online	Jazan	None
Fish Day Company for Fish Sale	Limited Liability Company	15,000	%80	Retail sale of fish	Riyadh	None
All the above companies were established in the Kingdom of Saudi Arabia in accordance with the relevant regulations. They operate their operations within the Kingdom.						

Associate Company

Associate Company Name	Activity Type	Capital	Ownership Percentage	Main Activity	Headquarters	State of Incorporation	Principal State of its Operations	Debt Instruments
Fish Day Company for Fish Sale	Closed joint stock company	100,000,000 SAR	20%	Fish farming	Tabuk	Kingdom	Tabuk	None
Rakha For Agricultural Investment Company	Closed joint stock company	80,000,000 EGP	21.6%	Wheat, fodder and barley cultivation	Cairo	Egypt	Cairo	None

Investments

Associate Company Name	Activity Type	Capital	Ownership Percentage	Main Activity	Headquarters	State of Incorporation	Principal State of its Operations	Debt Instruments
Al-Reef Sugar Refining Company	Closed joint stock company	300,000.00	%15	Transformative Industries	Jeddah	Kingdom	Jeddah	None

Governance Regulations

Capital

The company's capital is 500 million Saudi riyals, and the number of its shares is 50 million, at a par value of 10 riyals per share.

Shares ownership percentages and the change therein during the fiscal year 2020 AD

Members of the company's Board of Directors, their spouses and minor children

S.	Member Name	Number of Shares		Change during the year	Change Percentage %	Debt Instruments
		Beginning of 2020 AD	End of 2020 AD			
Members of the Board of Directors:						
1	Ahmed bin Mohammed Al-Sanea	2,000,000	2,000,000	0	%0	None
2	Majid bin Abdullah Al-Issa	17,750	17,750	0	%0	None
3	Fahd bin Mubarak Al-Qathami	80,801	11,995	(68,806)	(%85.2)	None
4	Mohammed bin Abdullah Al-Manea	22,000	12,000	(10,000)	(%45.5)	None
5	Khalid bin Ahmed Al-Ahmad	1,100	1,100	0	%0	None
6	Khalid bin Jawhar Al-Jawhar	194,446	138,000	(56,446)	(%29)	None
7	Adeeb bin Mohammed Abanami	480	480	0	%0	None
Relatives of the members of the Board of Directors: (their wives and minor children)						
According to the detailed report from the Depository Center as on 12/31/2020 AD, there are no relatives of any member of the Board of Directors who own shares or debt instruments.						

Senior executives and their spouses and minor children:

S.	Name	Number of Shares		Change during the year	Change Percentage %	Debt Instruments
		Beginning of 2020 AD	End of 2020 AD			
Senior Executives						
1	Bodour bint Nasser Al-Rashoudi	-	-	-	-	None
2	Abdul-Ilah bin Melhem Al-Mafeez	-	-	-	-	None
3	Ibrahim bin Mohammed Abu Sharha	-	-	-	-	None
4	Nayef bin Dahwi Al-Anzi	-	-	-	-	None
Relatives of senior executives: (their wives and minor children)						

According to the detailed report from the Depository Center as on 12/31/2020, there are no relatives of any senior executives who own shares or debt instruments.

Change in Ownership Shares of Major Shareholders

The following table shows the changes in the ownership shares of major shareholders who own an impact of 5% of the company's capital.

Member Name	01/01/2020 AD		12/31/2020 AD	
	Shares	Percentage	Shares	Percentage
Aljawhara bint Fahd Abdullah bin Dakheal	3,450,000	%6.9	3,945,650	%7.89

Contributions and Rights of Shareholder

The main decisions taken by the Board of Directors and important events related to the year that were announced through Tadawul or published on the company's website.

S.	Date	Decision / Announcement Subject Matter
1	2020/01/02	Jazan Energy and Development Company announces the latest developments to sign a final purchase agreement to acquire all shares in Al Bakri International Energy Company Ltd by increasing the capital of Jazan Energy and Development Company through issuing shares to the owners of Al Bakri International Energy Company Ltd.
2	2020/01/15	Jazan Energy and Development Company announces the signing of a Memorandum of Understanding with Tabuk Fish Company, the Wealth of the Sea Company and the East Farms Aquaculture Company
3	2020/01/30	The Jazan Energy and Development Company announces the latest developments to sign a memorandum of understanding with the Tabuk Fish Company, the Wealth of the Sea Company, and the East Farms Aquaculture Company
4	2020/03/19	Jazan Energy and Development Company announces the annual financial results ending on 2019-12-31
5	2020/03/29	Jazan Energy and Development Company announces an invitation to its shareholders to attend the Ordinary General Assembly meeting (the first and second meetings in an hour)
6	2020/04/12	Jazan Energy and Development Company announces the impact of recent decisions to mitigate the impact of the spread of Covid-19
7	2020/04/21	Jazan Energy and Development Company announces the results of the Ordinary General Assembly meeting (the second meeting)
8	2020/05/20	Jazan Energy and Development Company announces the interim financial results for the period ending on 2020-03-31 (three months)
9	2020/06/16	Jazan Energy and Development Company announces that it has acquired ٪80 of the Fish Day app and store and is expanding its activities in the e-commerce sector
10	2020/06/21	Jazan Energy and Development Company announces an invitation to its shareholders to attend the extraordinary General Assembly meeting (first meeting)
11	2020/07/13	Jazan Energy and Development Company announces that the company's extraordinary general assembly will not be held (the first and second meeting after an hour)
12	2020/07/13	Jazan Energy and Development Company announces the latest developments to sign a memorandum of understanding with the Tabuk Fish Company, the Wealth of the Sea Company, and the East Farms Aquaculture Company
13	2020/07/16	Jazan Energy and Development Company announces an invitation to its shareholders to attend the Extraordinary General Assembly meeting (third meeting)
14	2020/08/13	Jazan Energy and Development Company announces the results of the Extraordinary General Assembly meeting (third meeting)
15	2020/08/24	Jazan Energy and Development Company announces the interim financial results for the period ending on 2020-06-30 (six months)
16	2020/10/18	Jazan Energy and Development Company (JAZADCO) announces the change of the company's logo
17	2020/10/21	Jazan Energy and Development Company announces that it has obtained the " S.G.A.P" certificate
18	2020/11/08	Jazan Energy and Development Company announces the interim financial results for the period ending on 2020-09-30 (nine months)
19	2020/11/11	Jazan Energy and Development Company announces the signing of a memorandum of understanding (non-binding) with the National Research and Development Center for Sustainable Agriculture (Estidamah)
20	2020/12/07	Jazan Energy and Development Company ("JAZADCO") announces that it has signed a binding agreement to acquire all shares in Jazel Investment Company ("Jazel") by increasing the capital of JAZADCO Company through issuing shares to the partners in Jazel Company.

A statement of the dates of shareholders 'general assemblies and the attendance record of Board members held during the year 2020

S.	Name	Attendance Record	
		Ordinary General Assembly 04/20/2020 AD	Extraordinary General Assembly 12/08/2020 AD
1	Ahmed bin Mohammed Al-Sanea	✓	✓
2	Majid bin Abdullah Al-Issa	✓	✓
3	Fahd bin Mubarak Al-Qathami	✓	✓
4	Mohammed bin Abdullah Al-Manea	✓	✓
5	Khalid bin Ahmed Al-Ahmad	✓	✓
6	Khalid bin Jawhar Al-Jawhar	✓	✓
7	Adeeb bin Mohammed Abanami	✓	✓

The results of the Ordinary General Assembly held on 2020/04/20 AD and the Extraordinary General Assembly held on 2020/12/08 AD resulted in a vote of approval by the shareholders on all the items raised as follows:

Ordinary General Assembly

- 1) Approval of the Board of Directors' report for the fiscal year ending on 2019/12/31.
- 2) Approval of the company's auditor's report for the fiscal year ending on 2019/12/31.
- 3) Approval of the financial statements for the fiscal year ending on 2019/12/31.
- 4) Approval of absolving the members of the Board of Directors from liability for the fiscal year ending 2019/12/31.
- 5) Approval of the appointment of M/S: Dr. Abdul Qadir Banaga & Co. (United Accountants) as an auditor for the company's accounts from among the candidates based on the recommendation of the Audit Committee, in order to examine, review and audit the financial statements for the first, second and third annual quarter of the fiscal year 2020 AD, and the first quarter of the year Fiscal 2021 AD and determining its fees.
- 6) Approval of the remuneration policy for members of the Board of Directors, its committees, and the executive management.
- 7) Approval of the amendment to the regulations of the Nomination and Remuneration Committee.
- 8) Approval of the works and contracts that have been concluded between the company and the BATIC Investment and Logistics Business Company (BATIC), in which the following members of the Board of Directors

has a direct interest in, namely: Mr. / Ahmed Muhammad Al-Sanea, Chairman of the Board of Directors (independent member), Eng / Majed Abdullah Al-Issa, Vice Chairman (Independent Member) and Professor / Fahd Mubarak Al-Qathami, a member of the board of directors (independent member). It is in the form of lease of an office for the company in Riyadh under an annual contract. There are no advantages or preferential conditions in this deal at an amount of 131,890 riyals per year for the year 2019 AD.

9) Approving the authorization of the Board of Directors of the authority of the Ordinary General Assembly with the license mentioned in Paragraph (1) of Article (71) of the Companies Law, for a period of one year from the approval date of the Ordinary General Assembly or until the end of the cycle of the authorized Board of Directors, whichever is earlier, in accordance with the conditions mentioned in the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies.

Extraordinary General Assembly

- 1) Approve the amendment of Article Three (3) of the company's Articles of Association, relating to the company's objectives.
- 2) Approval of the amendment of Article Twelve (12) of the Company's Articles of Association, relating to final provisions.

- 3) Approval of the amendment of Article Twenty (20) of the company's Articles of Association, relating to the powers of the Board.
- 4) Approve the amendment of Article Twenty-Three (23) of the Company's Articles of Association, relating to board meetings.
- 5) Approval of the amendment of Article Twenty-Six (26) of the Company's Articles of Association, relating to conflict of interest.
- 6) Approval of the amendment of Article-Thirty One (31) of the Company's Articles of Association, relating to inviting assemblies.
- 7) Approval of the amendment of Article Forty-Two (42) of the company's Articles of Association, relating to the committee's reports.
- 8) Approval of the amendment of Article Forty-Sixth (46) of the company's Articles of Association, relating to financial documents.
- 9) Approval of the amendment of Article Forty-Seven (47) of the Company's Articles of Association, relating to the distribution of profits.
- 10) Approval of the amendment of Article Fifty-Three (53) of the Company's Articles of Association, relating to the liability lawsuit.
- 11) Approval of the amendment of Article Fifty-Five (55) of the Company's Articles of Association, relating to final provisions.

Actions taken by the Board of Directors to inform its members of shareholders 'proposals and comments on the company's performance

The company has designated the Shareholders Relations Department to receive all shareholders 'notes and suggestions, if any, and present them to the Chairman and CEO of the company, who in turn notify the Company's Board of Directors members to be discussed during the first meeting of the Board of Directors to take those comments into consideration and take action.

Company's Requests for a Record of Shareholders

Date of Request	Ownership File Date	Reasons for Request
04/06/2020 AD	04/20/2020 AD	General Assembly
06/22/2020 AD	12/07/2020 AD	
08/08/2020 AD	12/08/2020 AD	
10/13/2020 AD	10/13/2020 AD	
11/25/2020 AD	11/19/2020 AD	Company procedures
04/16/2020 AD	04/16/2020 AD	
06/16/2020 AD	06/16/2020 AD	
12/29/2020 AD	12/29/2020 AD	Others

Profit Distribution Policy

The company distributes profits according to the company's Articles of Association within the competence of the Ordinary General Assembly based on the recommendation of the company's Board of Directors. The distribution mainly depends on the amount of net profits achieved each year and the size of expected spending on future investment projects and expected cash flows. According to the provisions of Article (47) of the Articles of Association, the annual net profits of the company are distributed after deducting all general expenses and other costs as follows :

1. Ten percent ($\frac{1}{10}$) of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may stop this reserve, when it reaches $\frac{1}{3}$ of the paid-up capital.
2. The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside ($\frac{1}{5}$) of the net profits to form an agreement reserve.
3. The Ordinary General Assembly may decide to create other reserves, to the extent that serves the interest of the company or ensures that fixed profits are distributed as much as possible to shareholders. The aforementioned assembly may also deduct amounts from the net profits to establish social institutions for the company's employees or to assist those existing of these institutions.
4. From the remainder after that, a percentage representing ($\frac{1}{5}$) five percent of the company's paid-up capital shall be distributed to shareholders.
5. Subject to the provisions stipulated in Article (21) of the Company's Articles of Association and Article (76) of the Companies Law, a percentage of ($\frac{1}{10}$) of the remainder shall be allocated to the Board of Directors remuneration,

provided that the entitlement of this remuneration is proportional to the number of sessions attended by the member . The remainder may then be distributed to shareholders as an additional share of profits.

Implemented decisions and proposed recommendations for the fiscal year 2020 AD in the distribution of profits:

There are no profits distributed to shareholders during the fiscal year, nor at the end of the fiscal year 2020 AD.

Governance Regulations

Declarations of the Board of Directors

Whereas, the Corporate Governance Regulations issued by the Capital Market Authority confirm the necessity of disclosing in the annual report of the Board of Directors all the items required in accordance with the annual report form, the Board is obligated to disclose them whenever they apply to the company:

S.	Declaration / Confirmation
1	There is no penalty (of material effect), sanction, precautionary measure, or precautionary restriction imposed on the company by the Capital Market Authority or any other supervisory, regulatory or judicial authority during the year 2020 AD
2	The statements have been prepared in accordance with the accounting standards approved for international reports issued by the Saudi Organization for Certified Public Accountants.
3	There are no shares or debt instruments issued by the company to a subsidiary.
4	There is no interest in the voting-eligible shares category belonging to persons (other than members of the board of directors, senior executives, their spouses and minor children) who informed the company of those rights or any change in those rights during the fiscal year 2020 AD, except for what was mentioned in this report
5	There is no interest, contractual securities and subscription rights belonging to the members of the company's board of directors, senior executives and their relatives in the shares or debt instruments of the company or its subsidiaries, during the fiscal year ending on 12/31/2020 AD, except for what was mentioned in this report.
6	There are no classes and numbers of any transferable debt instruments and any contractual securities or memoranda of subscription right or similar rights issued or granted by the company during the fiscal year ending on 12/31/2020 AD
7	There are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the company.
8	There is no refund, purchase or cancellation by the company of any recoverable debt instruments, and the value of the remaining securities, with a distinction between the listed securities purchased by the company, and those purchased by its subsidiaries.
9	There are no businesses or contracts in which the company is a party, nor there is an interest in one of them for the members of the board of directors, chief executive officer, director, or any person related to any of them, except for what is mentioned in this report.
10	There is no arrangement or agreement under which a member of the board of directors or a senior executive waived any remuneration, except for what was mentioned in this report (Mr. Ahmed bin Muhammad Al-Sanea waived the annual remuneration amounting to 100 thousand ryals).
11	There is no arrangement or agreement whereby any of the shareholders waived any rights to profits.
12	There were no investments or other reserves established for the benefit of the company's employees.
13	The auditor's report on the annual financial statements for the fiscal year 2020 AD did not include any comments or reservations.
14	No recommendation was made by the Board of Directors to change the company's auditor before the end of the period for which he was appointed.
15	The company has no treasury shares held.

The company's board of directors, according to the information available to it and based on the company's auditor's report, current market data, as well as future indicators, approves the following:

1. The account records were prepared correctly.
2. The internal control system was set up on sound foundations and was effectively implemented.
3. There is no doubt about the source's ability to continue its activity.

