



# Annual Report 20 22

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

My primary goal is to be an exemplary and leading nation in all aspects, and I will work with you in achieving this endeavour.



Custodian of the Two Holy Mosques

**King Salman bin Abdulaziz Al Saud**

—God save him—

our ambition to build a thriving country in which all citizens can fulfill their dreams, hopes and ambitions.



His Royal Highness

**Prince Mohammed bin Salman bin Abdulaziz Al Saud**

Crown Prince, Prime Minister, and Chairman of the Council of Economic and Development Affairs

—God save him—



## About Jazadco

Jazan Energy and Development Company (JAZADCO) is a Saudi joint stock company established by His Excellency the Minister of Commerce Resolution No. 223 dated 07/02/1414 to 26/07/1993 with commercial registration no. 5900005403 on 19/02/1414 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, agricultural, industrial, and real estate sectors. JAZADCO is alsodetermind to multiple sources of income through the significant 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





# Preamble

**The Board of Directors of Jazan Energy and Development Company (Jazadco) is pleased to present its Report for the fiscal year ended on 31 December 2022 and its subsidiaries**

operational 2022 which contains information about the activities and businesses related to its and financial performance in addition to its annual financial statements, to enhance Jazadco communications with its shareholders and other stakeholders. The Report has been prepared in accordance with the disclosure requirements of the Companies Law, Capital. Market Law, the Corporate Governance Regulations, and the guidance issued by the Board of Directors of the Capital Market Authority. This Report is based on the regulatory disclosure requirements set out therein and the Board of Directors of Jazadco recommended this Report to the General Assembly to approve it

## Board of Directors



**Chairman of the board**  
**Dr. Sultan Abdulaziz AlMubarak**

**Vice Chairman**  
**Mr. Firas Khaled Al-Bawardi**





**Board Member**

**Engineer. Majid Abdullah Al-Issa**



**Board Member**

**Ms. Bedor Nasser Al-Rashoudi**



**Board Member**

**Mr. Mohammed Abdullah Alkhtaf**



**Board Member**

**Mr. Turki Ahmed Alobilan**



**Board Member**

**Mr. Abdul-Ilah Melhem Al-Mafeez**





# Executive Management



**Chief Executive Officer**  
**Mr. Mohammed Abdullah Al-Resheid**



**Chief Financial Officer**  
**Mr. Ehab Refaei abdelsalam**



**Executive Director of HR and Administrative Affairs**  
**Mr. Naif Dahwi Al-Anzi**



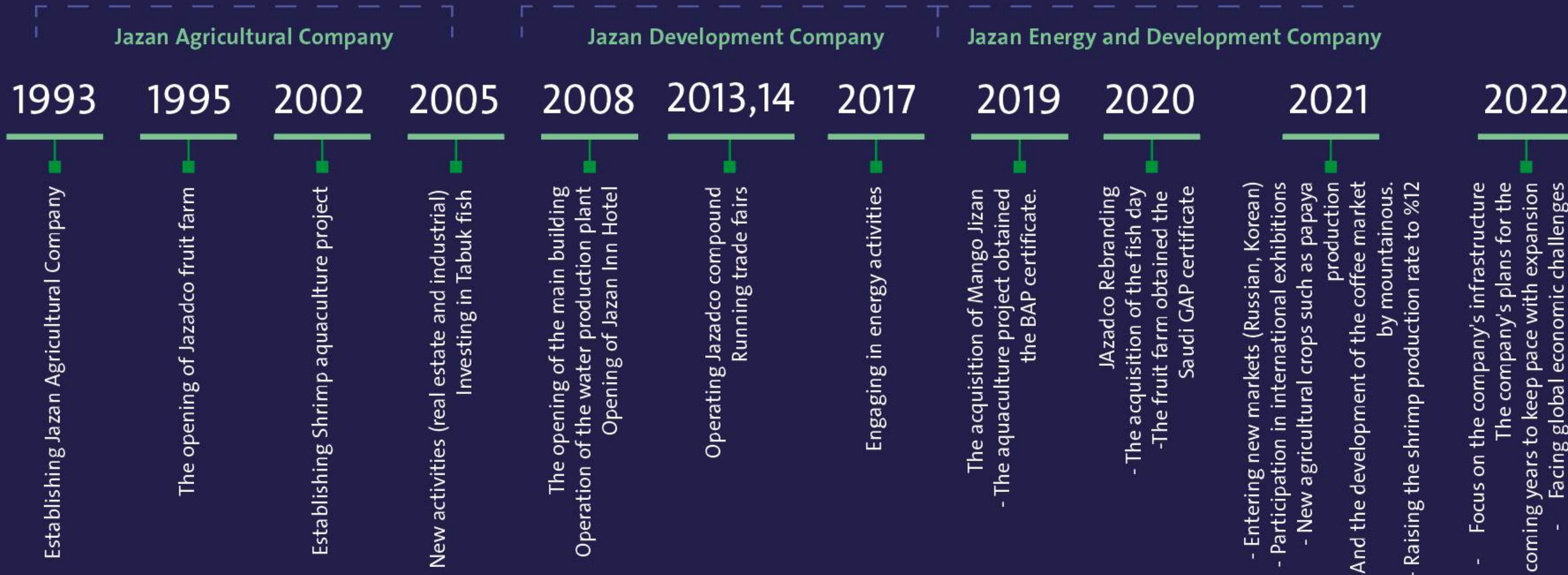


## Timeline

### JAZADCO Activites

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](http://www.jazadco.com)





## Exporting

Exporting Jazadco products  
to more than **10 countries** since its inception

Egypt Bahrain Russia  
Qatar Thailand China South Korea



During 2022, JAZADCO exported  
About **10%** of the shrimp production  
to the world market.

## Total real estate areas

Residential complex  
**81,000 m<sup>2</sup>**

Head Office  
**2000 m<sup>2</sup>**

Trade fairs  
**600 m<sup>2</sup>**

Model plan  
**146,000 m<sup>2</sup>**

## Production capacity

Water   
**3,600,000**  
Cartoon

Shrimp  
**3400** طن

Papaya   
**450** tons

Mango   
**2000** tons

 Age

**29** years

 Capital

**500** million riyals

 Employees

M&F **384**

 Projects

**10** different sectors

## Investments

الريف للسكر  
AlReef Sugar  
Refining | Trading | Packaging



BiodieselProject  
(MethylEster)



## Associate companies



جانات للإستثمار الزراعي  
Ganat Agricultural Co.

شركة الاستزراع المائي  
المتقدمة

## Subsidiaries



مانجو  
جازان

جَبَلِيَّة  
JABALIYAH

## Projects

نوران  
NURAN

لذيذ جازادكو  
LAZEEZ GAZADCO

جازادكو  
JAZADCO  
| الكمبوند |

روبين جازادكو  
JAZADCO SHRIMP

## 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 advancing development in the Jizan 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 activating the Organic Growth Strategy 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 to achieve its ultimate goal and the aspirations of its shareholders

Besides, the company is working to diversify its investment portfolio and access 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 accessing 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 risks it faces it may face, god forbid**





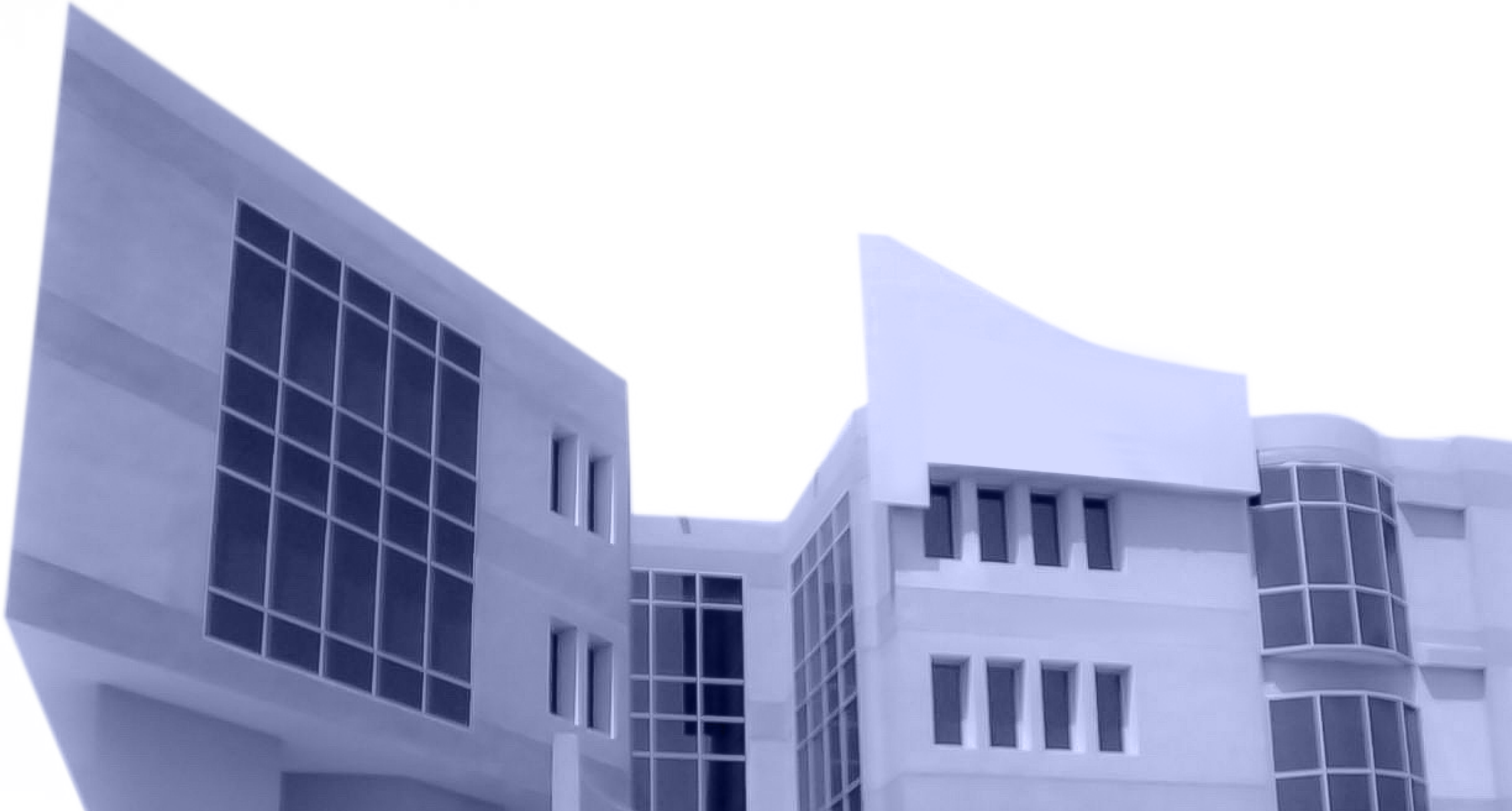
# Business of the company



# Company Business

The business of the company is distinguished 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

- Operational Projects
- Subsidairy
- Associate Companies
- Invested Companies



# Business of the company

Operational Projects/ Real Estate Activity

## 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 rates of units exceeded 88%



600 m<sup>2</sup>

The area of the mosque



415

Housing units



81,000 m<sup>2</sup>

Total area



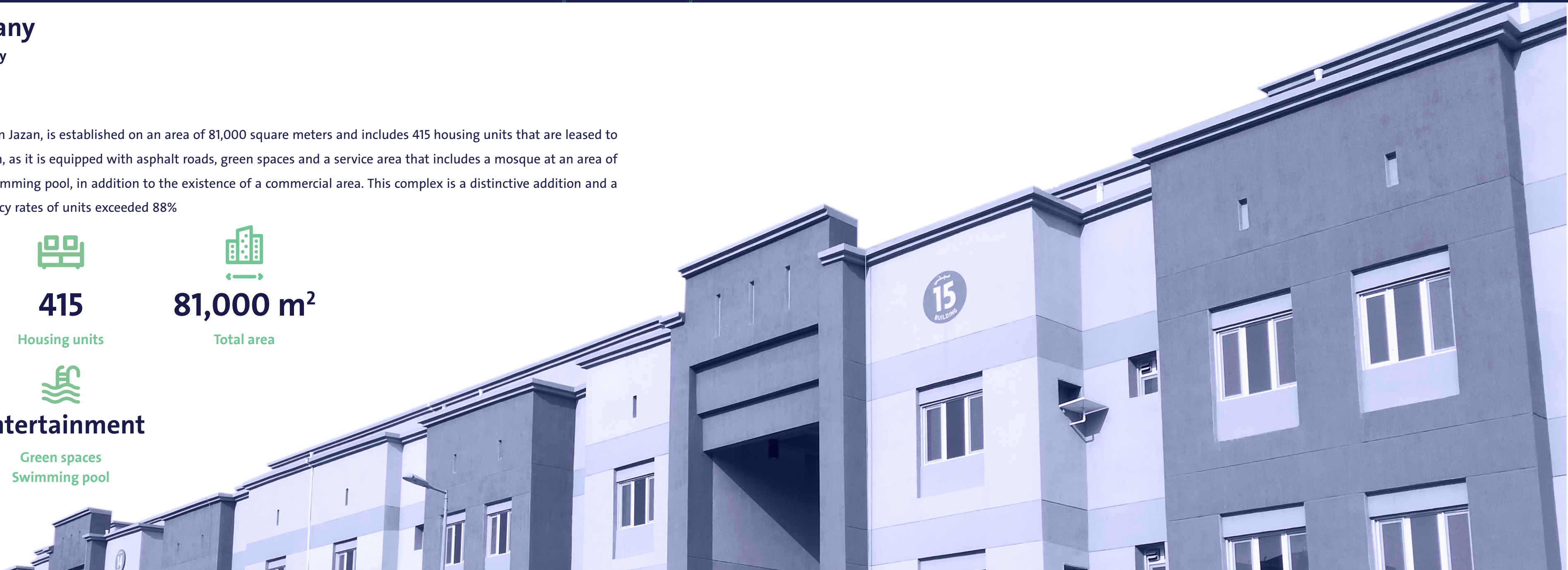
Services

Cleanliness, maintenance,  
water, Shops



Entertainment

Green spaces  
Swimming pool





## Commercial and residential plan

It is also a contribution from JAZADCO in the development of the area and the improvement 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 company specialized in operating hotels, and during 2021 updates were completed to increase the proficiency of the hotel



## Trade Fairs in Al-Dhabi

These fairs (with 45 openings) were established at the location of the company's marketing and food industry center on Jazan Sabya Main Road. They are leased and managed independently by the company. Note that the occupancy rate is currently more than 53%

## 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

# The Company Business

Industrial Activity

## Mineral 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, which are marketed under the names of brands (Viva Mountains, Nuran and Wassen). The second production line is for the -12liter bottle wiht a production capacity of 1,200 bottles / hour (a non-refundable PET bottle). This product is also marketed under the brands (Nuran, Viva Mountains, and Wassen). The plant was awarded 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.

By administrative decision issued by the board of directors of Jazan Energy and Development Company, that approved the suspension of the second production line for the 12 liters bottle size of its Drinking Water Bottling Factory permanently. as a result of the market conditions, that led to the low in demand, which cause an increase in production costs and become economically infeasible



10,000

Carton per day



Different sizes

300, 500, 600 ml

12 ltr

[www.nuranwater.com](http://www.nuranwater.com)



18,000

Bottle per hour



# The Company Business

## Industrial Activity

### Prawn Farming Project

An integrated project that is the largest of its kind in the Southern region, at a total area of 1,600 hectares and a farming area of 440 hectares (water body) at an annual production capacity of 3,000 tons of Prawn (P. Vanamei). Attached to the prawn’s 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 were awarded the ISO 22000 international quality certificate, which includes the Hazard Analysis Critical Control Points (HACCP) certificate and the Saudi Standards Conformity Certificate and SAMAQ certification

The project has also obtained the Aquaculture Best Practices Certificate (BAP). It is currently working on developing the farm to international standards, as well as obtaining the European export certificate to open new sales outlets. where the product is currently exported at 21% and sold at approximately 79% in the local market

### Our Numbers



**1600 Hectare**  
The total area



**3400 Tons**  
Annual production



**ISO22000**  
ISO certification for food security



Agricultural Activity

Fruit Project in Al-Lakhbasiah

The project is built on an area of 476 hectares and includes a mango plantation of good varieties such as Tommy, Indian, Gilen and Sensation.

The production of new products such as papaya, which was first in 2020 in trial quantities, and in 2021 the production became official, as the production amount exceeded 415 tons by the end of the fiscal year 2022. During the year 2022, the cultivation of mango seedlings was expanded to contribute to increasing the production of Mango farm for the coming years for high quality varieties.



Our Numbers

2000 tons  
Annual production

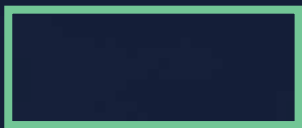


15,000  
Mango tree

450 tons  
Annual production



16,000  
Papaya tree



476 Hectare  
The total area



subsidiary

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.

Among the most notable developments during 2022 is the work on a Jabaliyah coffee agreement with Flynas and the Future Investment Forum, in addition to signing a coffee agreement with the Saudi Coffee Company.

Fish Day Company

Jazan Energy and Development Company acquired 80% of the Fish Day Company in mid-2020 . 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.

Among the most prominent developments during 2021 is the completion of the preparation of the laboratory and utilizing is preparing new orders, as well as a new office for the company. Also obtaining the health certificates of the laboratory and workers and the British Boecker food safety certificate. In addition, a new application, website and payment gateway were launched, as well as the launch of the CRM program to manage communication with customers, and finally the launch of social media campaigns.



Associate Companies

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 default of Jannat Company and its being under liquidation, Jazadco’s investments in it were settled in the financial statements for the fiscal year 2018 . 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 , 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

Advanced Aquaculture Company

It is a limited liability company established with a capital of 100,000 riyals with Tabuk Fisheries Company, Tharwat Al Bahar Company and Al Sharq Farms Aquaculture Company in accordance with the Saudi Companies Law. It operates in the aquaculture sector under the name of the Advanced Aquaculture Company. The share of Jazan Energy and Development Company is 25% of the new company. With the aim of merging into one entity according to the evaluation that will be agreed upon, in addition to negotiat- ing with investors (local or foreign) and studying opportunities for obtaining financing from government development funds or any other agreed method for cooperation and progress in the integration plan. The new company will contribute to achieving the goals of “Vision 2030” in the aquaculture sector, and share the resources of the Red Sea with consumers all over the world in order to achieve the goals of food security in the Kingdom, through innova- tive and sustainable production systems, to become a world lead- er in the fields of fish and shrimp farming. By operating integrated farms according to the latest systems and technologies





## 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 2022.



### Tabuk Fish Company

This company was established as a closed joint stock company in 2005. It is based in Riyadh, with a capital of 200 million Saudi riyals (after its reduction in 2011 by 50%) distributed to 20 million shares of equal value and fully paid (the value of the share is 10 riyals). JAZADCO owns 10% 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



### 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.


**BiodieselProject  
(MethylEster)**



**IN JAZADCO**

We pave the way to connect local talent and resources to the global market



The background is a dark blue gradient. On the left, a hand is shown holding a piece of paper that displays a candlestick chart. The chart shows several candlesticks, some green and some red, indicating price movements. To the right of the hand, there is a large, bright green L-shaped graphic that extends towards the top right corner of the image. The text is centered in the middle of the image, overlaid on the dark blue background.

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

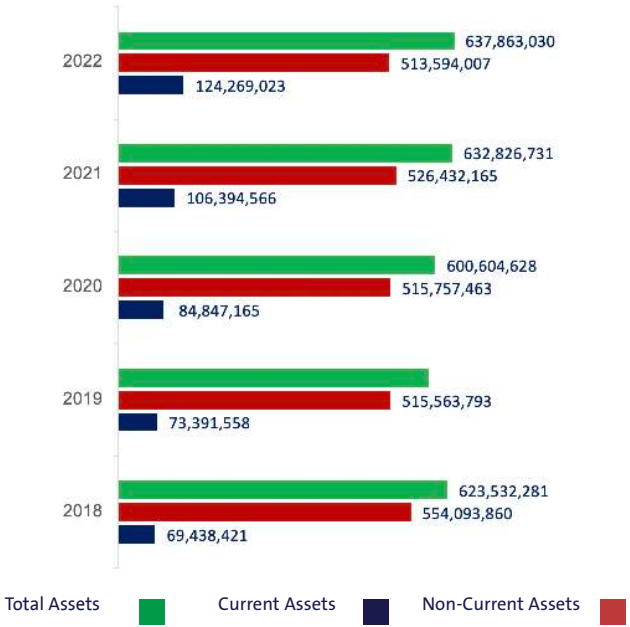
Assets

	2022	2021	2020	2019	2018
Current Assets	124,269,023	106,394,566	84,847,165	73,391,558	69,438,421
Non-Current Assets	513,594,007	526,432,165	515,757,463	515,563,793	554,093,860
Total Assets	637,863,030	632,826,731	600,604,628	588,955,351	623,532,281

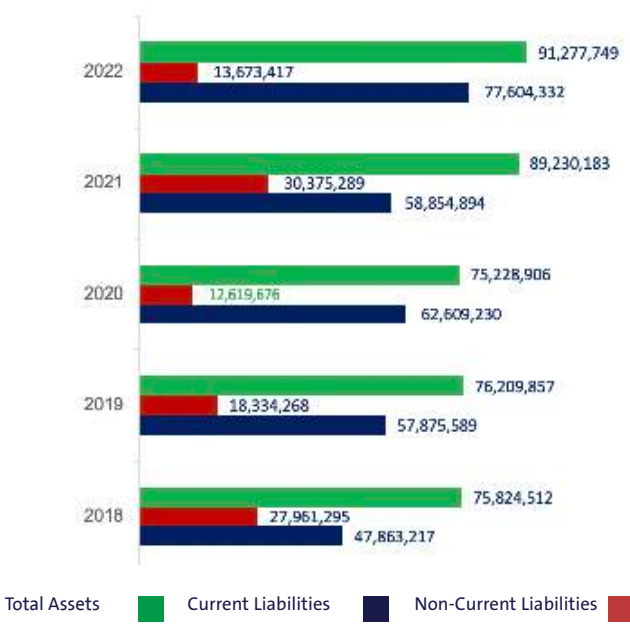
Liabilities

	2022	2021	2020	2019	2018
Current Liabilities	77,604,332	58,854,894	62,609,230	57,875,589	47,863,217
Non-Current Liabilities	13,673,417	30,375,289	12,619,676	18,334,268	27,961,295
Total Assets	91,277,749	89,230,183	75,228,906	76,209,857	75,824,512

Assets



Liabilities



	2022	2021	2020	2019	2018
Revenues	77,893,693	98,509,218	85,071,604	71,881,738	68,519,864
Operating Profit / Loss	(15,704,285)	11,806,308	8,450,587	(10,543,148)	(7,489,547)
Net Profit / Loss	16,497,513	11,661,289	10,783,359	(12,903,931)	(10,114,066)
Total Assets	546,585,281	543,596,548	525,375,722	512,745,494	547,707,769

Revenues



Operating Profit / Loss



Net Profit / Loss



Shareholder Equity





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# **Financial Management**

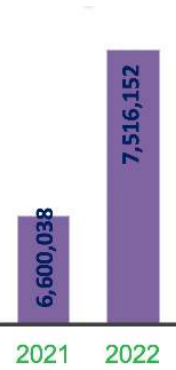
Financial Management during 2022 AD

Contribution of each Activity to the Company’s Results

Contribution of each activity to the total revenues of the company’s activities on 12/31/2022, compared to 2021, as follows:

Statement	Activity revenues for 2022		Activity revenues for 2021		Change Percentage
	Amount	Ratio	Amount	Ratio	
Agricultural activity	37,723,212	48%	64,648,683	65%	-42%
Industrial activity	19,875,138	26%	15,465,570	16%	29%
Real estate activity	12,779,191	16%	11,794,927	12%	8%
Commercial activities	7,516,152	10%	6,600,038	7%	14%
Total	77,893,693	100%	98,509,218	100%	-21%

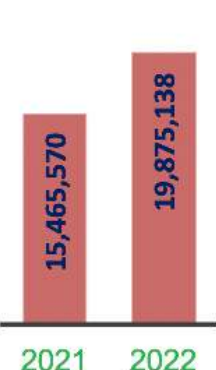
Commercial activities



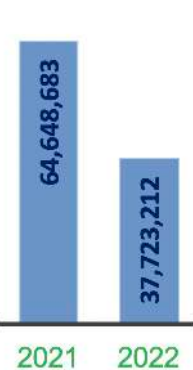
Real estate activity



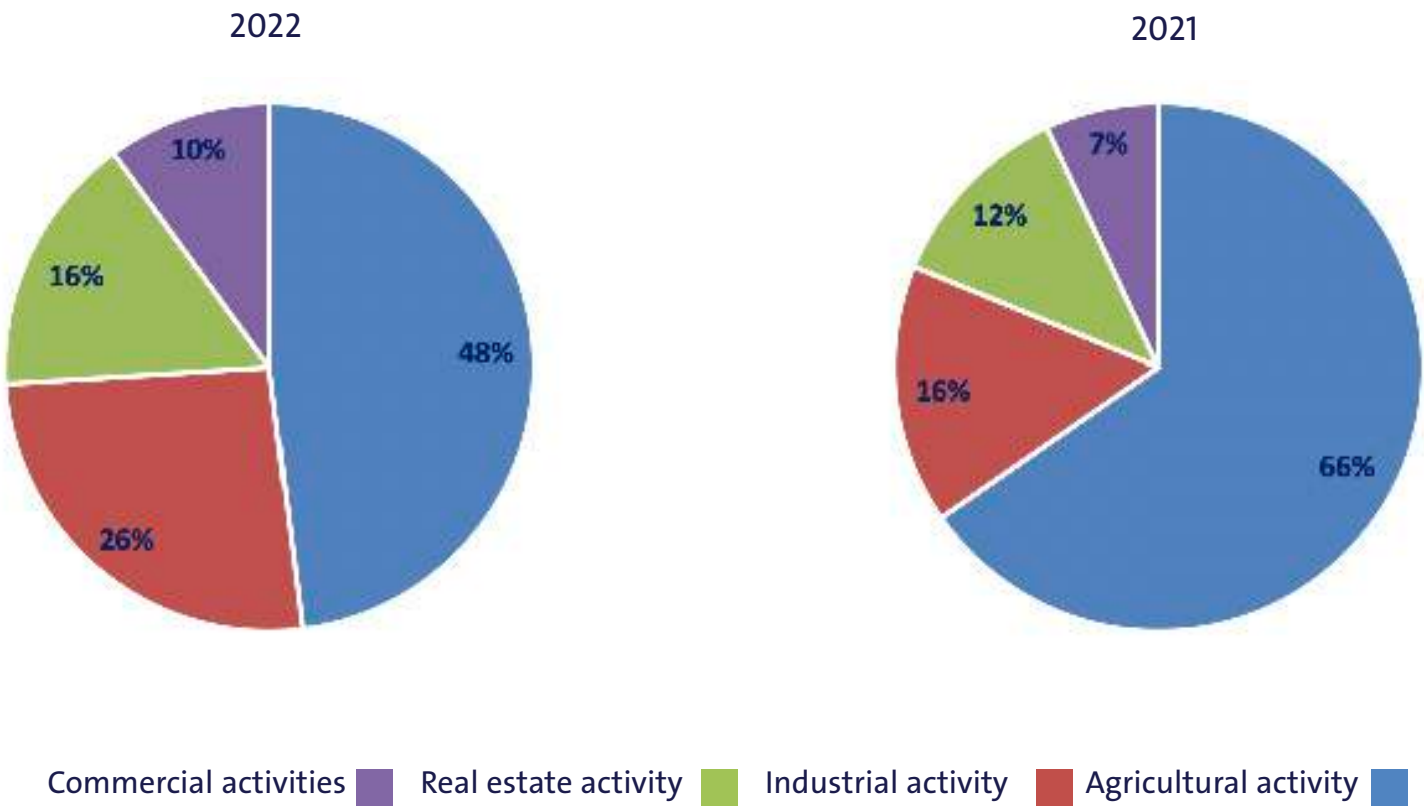
Industrial activity



Agricultural activity



Sectors Contribution to the total revenues of





Revenue according to the company’s main and subsidiary activities

Revenues according to the company’s main activities

Statement	2022	Change Percentage
Fruit Product Sales Revenue	4,489,533	%6
Shrimp Product Sales Revenue	33,233,679	%47
Water Products Sales Revenue	19,875,138	%28
Real Estate Lease Income	12,779,191	%18
Total	70,377,541	%100

Revenues according to the activities of the subsidiary (Mango Jazan Company)

Statement	2022	Change Percentage
Mangoes Sales (Jazan Mango app)	2.391.473	%54
Coffee Sales (Jabaliyah app)	2.052.528	%46
Total	4,444.001	%100

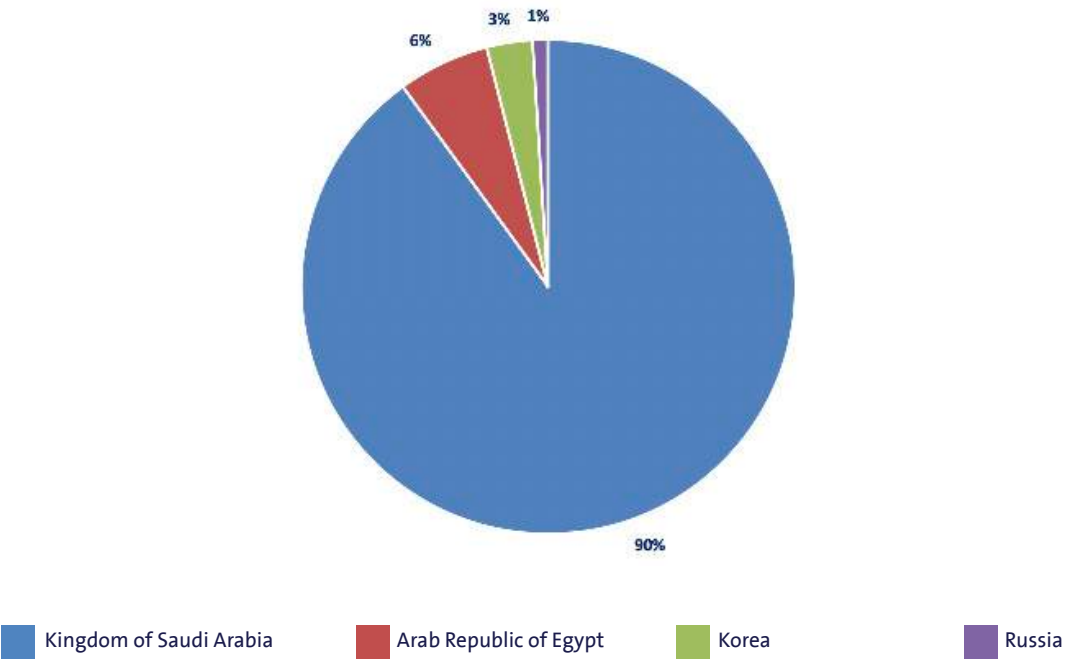
Revenues according to the activities of the subsidiary company (Fish Day Company)

Statement	2022	Change Percentage
Fish Sales (Fish Day app)	220,491	%7
Wholesale sales	2,021,538	%66
Individual sales	830,122	%27
Total	3,072,151	%100

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

Geographical analysis of the total revenue of the main company

Statement	2022	Change Percentage
Kingdom of Saudi Arabia	63,028,725	%90
Arab Republic of Egypt	4,259,490	%6
Korea	2,005,079	%3
Russia	1,084,247	%1
Total	70,377,541	%100



The geographical analysis of the total revenues of the subsidiary company (Mango Jazan Company)

Statement	2022	Change Percentage
Kingdom of Saudi Arabia	4,444,001	100%

The geographical analysis of the total revenue of the subsidiary (Fish Day Company)

Statement	2022	Change Percentage
Kingdom of Saudi Arabia	3,072,151	100%



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 2022 ,31 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	2022	2021	Change	Change Percentage
Sales	77,893,693	98,509,218	(20,615,525)	-%21
Gains on proof of biological assets at fair value	4,325,578	12,736,367	(8,410,789)	-%66
Sales cost	(66,427,892)	(70,307,027)	(3,879,135)	-%6
Total profit / loss	15,791,379	40,938,558	(25,147,179)	-%61

Revenue during 2022 amounted to 77,893,693 Saudi riyals, compared to revenues of 98,509,218 Saudi riyals of the previous year, at an decrease of (20,615,525) Saudi riyals, by an decrease of %21 reflecting the impact of changes as follows:

- As a result of the global crisis, which affected the movement of shrimp exports resulting from the Russian-Ukrainian conflict, as well as the development of the Arab Republic of Egypt with new procedures for exporting to it, which greatly led to a decrease in exports.

Material Differences in Operating Profit Results

Statement	2022	2021	Change	Change Percentage
Total profit / loss	15,791,379	40,938,558	(25,147,179)	-%61
Selling and distribution expenses	(7,486,957)	(6,347,661)	1,139,296	%18
General and administrative expenses	(24,008,707)	(22,784,589)	1,224,118	%5
Profit / (loss) from main operations	(15,704,285)	11,806,308	(27,510,593)	-%233

The company suffered an operating loss of (15,704,285) Saudi riyals during 2022, compared to a profit of 11,806,308 Saudi riyals for the previous year with a decrease of (27,510,593) million Saudi riyals, a decrease rate of 233%, which is essentially represented in each of the following:

- This Increased selling and administrative expenses as a result of the decrease in sales compared to the previous fiscal year, as a result of the global crisis, which affected the movement of shrimp exports resulting from the Russian-Ukrainian crisis, as well as the develop-ment of the Arab Republic of Egypt with new procedures for exporting to it, which significantly led to a decrease in exports, which in turn led to Increase efforts to increase sales.

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

Statement	2022	2021	Change	Change Percentage
Profit / (loss) from main operations	(15,704,285)	11,806,308	(27,510,593)	-
Finance expenses	(1,348,283)	(779,995)	568,288	73%
Unrealized gains from investments at fair value through profit or loss	257,325	-	257,325	100%
Group’s share in the profit / (loss) of the associate	2,157,797	(351,513)	1,806,284	-
Re-establish the investment in the associate company after closing the losses	3,248,741	-	3,248,741	100%
Fair value differences of the Group’s share in the investment in the associate	2,191,211	-	2,191,211	100%
Gain on sale of property, plant and equipment, net	25,396,769	-	25,396,769	100%
Other income	3,368,117	2,764,728	603,389	22%
Sharia zakat	(3,069,879)	(1,778,239)	(1,291,640)	73%
Net profit / loss after Zakat	16,497,513	11,661,289	4,836,224	41%
Other comprehensive income for the year	(13,508,780)	6,484,537	(19,993,317)	-
Total comprehensive income for the period	2,988,733	18,145,826	(15,157,093)	-84%

The net profit of the company during the year ended on December 31, 2022 amounted to 16,497,513 Saudi riyals, compared to a net profit of 11,661,289 Saudi riyals in 2021. The total comprehensive income in 2022 amounted to 2,988,733 riyals compared to 18,145,826 riyals income in 2021.

- The reason for the profit is due to the company’s diverse investments in addition to the various other revenues, and finally the profits resulting from the sale of a fixed asset (land in the Khabt Al-Falaq region in Jazan) with a profit of 31 million Saud riyals.

Earnings / (Loss) per share during the year

Statement	2022	2021	Value	Change Percentage
Earnings / (Loss) per share	0.33	0.23	0.10	%43

The company achieved earnings per share of 0.33 (0.10 halala) from the net profit for the year ended on December 31, 2022, 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 2022	Paid during the year	End-of-year balance
22/11/1431	10 years	20,999,997	18,899,998	2,099,999	-
03/09/1442	two years	15,255,000	-	-	15,255,000
21/12/1442	12 years	6,906,254,71	-	-	6,906,254,71

- During the year 2012, the company obtained a loan from the Agricultural Development Fund to finance a part of shrimp farm No. (2) expansion with 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 and ending on 11/22/1442. The discount acquired as a result of early payment amounted to 4,724,992 riyals. During the year 2021, the loan installments were postponed to be paid in 2022, in compliance with government initiatives to mitigate the effects of the Corona pandemic. Therefore, the stated loan was paid in 2022 and there are no other obligations related to this loan.
- The company obtained two loans, the first on 03/09/1442 for 15,000,000 Saudi riyals to be repaid over a period of two years including a grace period of one year, and the second on 21/12/1442 for 6,906,255 riyals, to be repaid over a period of twelve years including a grace period of two years.



Al Rajhi Bank

Loan Start Date	Loan Term	Loan Value	Balance at the beginning of 2022	Paid during the year	End-of-year balance
2017/08/14	5 Years	14,996,712	7,926,628	3,851,653	4,074,975

On 13/08/2017 , 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 , including a grace period of one year. The amount of financing withdrawn in stages during 2017 amounting to 14,996,712 riyals. Part of the loan installments has also been postponed during 2020 , 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	2022	2021
Cash flows from operating activities	(30,856,834)	14,821,926
Cash flows used in investing activities	20,442,246	(19,291,225)
Cash flows generated from / (used in) financing activities	(2,903,752)	13,406,294
Net change in cash and cash equivalents	2,045,809	15,364,149

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

- Increasing the cash flows resulting from investment activities, due to the sale of a fixed asset (land in Khabat Al-Falaq region in Jazan) with a profit of 31 million Saudi riyals.

Zakat and Statutory Payments

The following are the statutory payments made during the fiscal year ending on December 31, 2022

Statement	Paid	Outstanding until the end of the year and not paid	Brief description	Statement of reasons
Sharia Zakat	1,779,124	3,069,879	Due for the fiscal year 2022	To be paid in 2023
Social Security	1,668,046	-	-	-
Visas, passports and employment office	538,648	-	538,648	212,635
Saudi Stock Exchange Company (Tadawul)	386,373	-	295,759	18,437

- **Years from 2006 to 2010:** The Zakat, Tax and Customs Authority issued the amended zakat and tax assessment by imposing additional zakat in the amount of 11,844,023 riyals and withholding tax (paid in excess) in the amount of 1,134,079 riyals. The dispute was requested to be settled before the Tax Zakat Dispute Settlement Committee of the Authority, and no satisfactory result was reached for the settlement. Cases have been registered before the Tax Zakat Resolution Committees.
- **Years from 2014 to 2018:** The Zakat, Tax and Customs Authority has issued a zakat assessment by imposing an additional zakat of 4,434,244 riyals. The zakat differences claimed by the Authority in the initial assessment were reduced, and the final additional difference was objected to.
- **2019 and 2020:** The Zakat, Tax and Customs Authority issued the zakat assessment by imposing additional zakat the amount of 1,426,659.64 riyals for the year 2019 and the amount of 1,920,950.57 riyals for the year 2020. An objection was submitted opposing the additional amounts, and a decision was issued by the Authority to reject the 2019 objection, and the objection was escalated to the Tax Resolution Committees and awaiting the Authority’s decision regarding the 2020 objection.

Penalties

Penalty \ Precaution-ary Measures	Violation reasons	Authority that placed the violation	Treatment & future prevention methods	Amount	Payment date
financial penalty	Valuation on Shrimp farm, the absence of a group housing permit for workers.	Ministry of Municipal, Rural Affairs, and Housing	The application has been submitted and is currently being .processed	12,500	11/09/2022
financial penalty	Valuations of Vehicles, the lack of operating licenses.	Transport General Authority	Licenses have been issued for all cars.	40,000	26/06/2022
financial penalty	Problems with the Nutrition Facts Label.	Saudi Food and Drug Authority	The modification was made according to the Authority’s specifications	500,000	An objection has been raised to the authority



# Social Responsibility





The company’s Ordinary General Assembly held on 04/18/2018 , 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 actors and organizations

2

Supporting community programs and sectors

3

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

4

Environmental preservation

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

6

Supporting people with special needs

7

Establishing the concept of social responsibility in the region as a symbol of loyalty to the homeland and its citizens



# **Risk Management and Financial Instruments**



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, water products and fruits products in a competitive domestic and overseas markets. 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.



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 companys capital structure, a company may adjust dividends to shareholders, return capital to shareholders, or issue new shares

Liquidity Risk



those that the Group may face in providing the liquidity necessary to meet its commitments on financial instruments for the benefit of third parties. To reduce liquidity risks and associated losses on the group’s business, the group retains, where possible, sufficient high-liquidity traded assets in all working conditions. The Group is moving away from financing long-term capital requirements through short-term borrowing. Long-term projects are now funded through long-term loans only. The Group also had a highly dynamic cash flow assessment policy and a system through which to estimate the entitlement dates of its liabilities and develop appropriate plans to provide the resources required to meet those liabilities in a timely manner.

Equity Price Risk

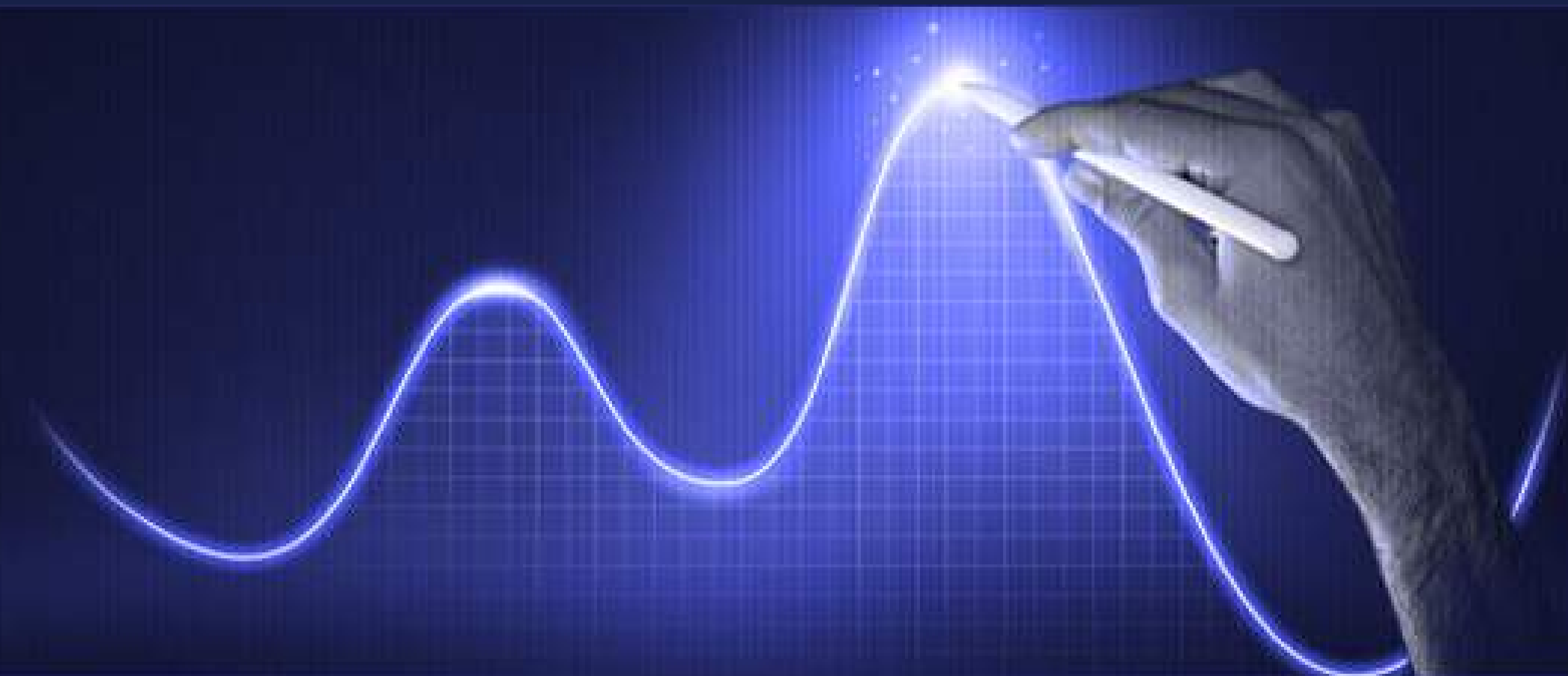


The listed and unlisted securities of the company are exposed to market price risk arising from the uncertainty of the future values of investment in securities. The company manages equity price risk by diversifying investments.

Climate hazards and agricultural diseases



These risks are due to climatic conditions and agricultural epidemics affecting crops. The ability to cope with climatic conditions may be limited, but as far as epidemics are concerned, the actions available to the company to deal with them depend on its accumulated experience and the possible requirements for prevention and control



# 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

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
Thirty-ninth		Evaluation	Guidance material to be applied in the future
	E	The Board of Directors makes the necessary arrangements to obtain an evaluation by a competent external body of its performance every three years	
	F	Non-executive directors conduct a periodic evaluation of the chairperson’s performance	
Sixty-seventh	-	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 the necessity of forming an independent committee at the present time and entrusts the Executive and Investment Committee with its duties
	Eighty-second	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
3		Motivating Employees  Establishing social institutions for company employees	
Eighty-five		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
	4	Social Work Initiatives  Establishing community awareness programs to define the company’s social responsibility	
	Ninety-second	-	The formation of the Corporate Governance Committee  A committee concerned with corporate governance is formed



# Board of Directors

## 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 11/04/2022 according to the cumulative voting method. 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.

Member Name	Membership Status	Position
Sultan Abdulaziz AlMubarak	Independent	Chairman
Feras Khalid Albawardi	Independent	Vice Chairman
Abdulelah Mulhem Al-Mofeez	Non-executive	Board Member
Turki Ahmed Alobilan	Independent	Board Member
Mohammed Abdullah Alkhtaf	Independent	Board Member
Bedor Nasser Al-Rashoudi	Non-executive	Board Member
Majed Abdullah Alissa	Independent	Board Member



**Dr.**  
**Sultan Abdulaziz AlMubarak**  
**Chairman of the Board**

**Current Positions**

- Executive Director of Innovation and Knowledge Translation at the National Health Research Institute of the National Transformation Program
- Chairman of the board, Jazan Energy and Development Company (JAZADCO).
- Board member, at BATIC Investments & Logistics Services CO.
- Chairman of Nomination & Remuneration Committee (NRC).
- Active Participant, Riyadh Economic Forum

**Former Positions**

- Senior Clinical Scientist/Consultant, Biostatistics, Epidemiology, and Science Computing Department (BESC)/Main Hospital, King Faisal Specialist Hospital & Research Centre.
- Advisory Board Member, Technopolicy Network, The Netherlands.
- Consultant, King Abdulaziz City for Science and Technology (KACST), Riyadh Saudi Arabia Supporting and implementing the National, Science, Technology, and Innovation Plan.
- Vice Chair, The Committee of Scientific Research Support, of the Saudi National Science Technology and Innovation Plan NSTIP (Maarifah 2).
- Referee member, Ibticar competition for Innovation, Mawhiba, Saudi Arabia
- Director, BADIR Program for Biotechnology Business Incubator, (KACST), Riyadh, Saudi Arabia
- Other positions, Partial listing: Multiple posts, involvement and trainer in the fields of Business Incubation Process and Management, Virtual Services, Establishing Mentoring programs, Patent Searches and evaluation, and Ambitious Entrepreneurs.

**Qualifications**

- Stanford Research Institute, Disciplines of Innovation, USA 2012
- Office of Technology Transfer, National Institute of Health, USA 2010.
- PhD in Periodontology State University of New York at Buffalo New York USA, 2000.
- Bachelor of Dental Surgery King Saud University, Riyadh, KSA. 1989

**Experience**

- Dr. AlMubarak worked in a number of organizations as a motivating and inspiring leader who can achieve positive results in demanding work environments. He also possesses many interpersonal and management skills. He is also able to cooperate in managing diverse and complex issues related to operational aspects and improving the financial position of the transformation of the leading innovative enterprises. He has a comprehensive, high- level network of communication in the public and private sectors, has research and scientific publications including books on innovation in health. He frequently participates as a guest speaker in international and local conferences about incubators, innovation, and technology transfer. Participated as an international researcher and lecturer in many conferences.

**Current Corporate Board Members or their Directors**

**Within the Kingdom**

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

None

**Former Corporate Board Members or their Directors**



Mr.  
**Firas Khaled Al-Bawardi**  
Vice Chairman of the Board Member

**Current Positions**

- CEO - Jazil Investment Company
- CEO - Jasara Holding Company

**Former Positions**

- Real Estate dep. Director - Istedamah
- Project Manager - Council of Economic and Development Affairs
- Local and International Equity Analyst at Samba Bank

**Qualifications**

- Bachelor of Finance Management, University of Oregon, USA in 2011

**Experience**

- Investment, financial analysis, local and international stocks



Mr.  
**Abdul-Ilah Melhem Al-Mafeez**  
Board Member

**Current Positions**

- CFO of AlSaif Stores for Development and Investment Company

**Former Positions**

- CFO of Jazan Energy and Development Company
- Credit Consultant at the Industrial Fund
- Consultant for the investments and strategic partnerships of Elm Information Security Company

**Qualifications**

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

**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**

- BATIC Investment and Logistics Company (BATIC) - Listed Joint Stock
- Jazan Energy and Development Company (JAZADCO) - Listed Joint Stock Company
- Jazil Investment Company – Closed Joint Stock
- Jassara Holding Company - LLC
- TAAQAAT Technical Services Company – LLC
- AXIS Contracting Company – LLC
- Performance Minerals Factory – LLC
- ALWAFA International Factory Co. – LLC
- AMNCO Security Company – LLC
- AMNCO Facility Management Company – LLC
- Smart City Solutions Company – LLC
- Saudi Transport & Investment Co. - LLC

None

**Former Corporate Board Members or their Directors**

**Current Corporate Board Members or their Directors**

**Within the Kingdom**

- Jazan Energy and Development Company (JAZADCO) - Listed Joint Stock Company
- Tabuk Fish Company - Closed Joint Stock
- Al Reef Sugar Refining Company - Closed Joint Stock
- Fish Day Company - Limited Liability

**Outside the Kingdom**

- Rakha For Agricultural Investment Company - Closed Joint Stock

**Former Corporate Board Members or their Directors  
Within the Kingdom**

- Mango Jazan Company - LLC





Mr.

**Turki Ahmed Alobilan**

Board Member

**Current Positions**

- CEO of Batic Real Estate Company
- Audit Committee member (GIG )

**Former Positions**

- Head of Local Bank Inspection at the Saudi Central Bank
- Banking supervision at the Saudi Central Bank
- Banking Inspection Department at the Saudi Central Bank

**Qualifications**

- Master of Business Administration (MBA) from (Hull) University in 2008, and Bachelor of Financial Business Administration from King Saud University in 2001

**Experience**

- Examination and review of local banks in the field of credit, risk management and corporate governance.
- Experience in the field of real estate investment and development.



Mr.

**Mohammed Abdullah Alkhtaf**

Board Member

**Current Positions**

- Director of Strategy and Business Development at Batic Investments and Logistics Company

**Former Positions**

- Public Investment Department at the Government Projects Efficiency Authority
- Facilitation Committee - Improving the investment environment at the General Authority for Investment

**Qualifications**

- Bachelor of Commerce

**Experience**

- A career focused on Strategy, Business Development, and Investment Planning of transformational projects across public and private sectors.
- Attention to detail; effective interpersonal skills; ability to build and maintain strong and strategic business relationships by meeting deadlines and satisfying clients' requirements. Excellent presentation, problem-solving, and decision-making skills.

**Current Corporate Board Members or their Directors**

**Within the Kingdom**

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

None

**Former Corporate Board Members or their Directors**

**Current Corporate Board Members or their Directors**

**Within the Kingdom**

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

None

**Former Corporate Board Members or their Directors**



**Ms.**  
**Bedor Nasser Al-Rashoudi**  
**Board Member**

**Current Positions**

- Chairwomen at Mango Jazan Company
- Saudi Spanish Business Council member - Executive Committee Member
- Saudi Management Consultants Association – Founding board member

**Former Positions**

- Chairwomen at fish day Company
- CEO of Jazan Energy and Development Company
- 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)

**Qualifications**

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

**Experience**

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



**Engineer**  
**Majid Abdullah Al-Issa**  
**Board Member**

**Current Positions**

- CEO of the Saudi Ceramic Company

**Former Positions**

- CEO of BATIC Investment and Logistics Company
- Head of the SABIC Mergers and Acquisitions Fund
- CEO of the National Gypsum Company Ltd.

**Qualifications**

- Bachelor’s degree in Chemical Engineering from King Saud University
- Higher Diploma in Industrial Management from the University of Cambridge
- Certified Management Accountant Professional Certificate (Fellowship of Certified Management Accountants of America).
- Certified Merger and Acquisition Expert Certificate (Fellowship of the American Association of Acquisition and Merger Experts)

**Experience**

- Evaluation of industrial projects.
- Evaluating opportunities for mergers and acquisitions.
- Corporate management and investment.
- Membership of boards of directors and executive committees.

**Current Corporate Board Members or their Directors**

**Within the Kingdom**

- Jazan Energy and Development Company (JAZADCO) - Listed Joint Stock Company
- Mango Jazan Company - LLC
- OCEANX for Business Solutions– LLC
- Saudi Spanish Business Council - Foreign Trade Authority
- Saudi Management Consultants Association –Professional association

**Former Corporate Board Members or their Directors**

**Inside the Kingdom**

- Tabuk Fish Company - Closed Joint Stock
- Al Reef Sugar Refining Company - Closed Joint Stock
- Fish Day Company - Limited Liability

**Outside the Kingdom**

- Rakha For Agricultural Investment Company - Closed Joint Stock

**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
- National Distribution Gas Company - Listed Joint Stock Company
- Meshari Alshithri Engineering Consultancy Company - closed joint stock company.
- Ceramic Pipes Company - closed joint stock company

**Former Corporate Board Members or their Directors**

**Within the Kingdom**

- BATIC Investment and Logistics Company (BATIC) - Listed Joint Stock Company

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, 2022 . 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 carries 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 2022 , 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.

Attendance

Attendance Record of board meetings during 2022, a total of (10) meetings

Name	Dates of the Board of Directors meeting during 2022										Total Attendance
	23/01	27/02	15/03	12/04	18/05	18/09	29/11	01/12	03/12	29/12	
Former Board											
Ahmed Mohammed Al-Sanea	√	√	X								2
Majid Abdullah Al-Issa	√	√	√								3
Fahd Mubarak Al-Qathami	√	√	√								3
Mohammed Abdullah Al-Manea	√	√	√								3
Khalid Ahmed Al-Ahmad	√	√	√								3
Khalid Jawhar Al-Jawhar	√	√	X								2
Adeeb Mohammed Abanami	√	√	√								3
Current Board											
Sultan Abdulaziz AlMubarak				√	√	√	√	√	X	√	6
Feras Khalid Albawardi				√	√	√	√	√	√	√	7
Abdulelah Mulhem Al-Mofeez				√	√	√	√	√	√	√	7
Turki Ahmed Alobilan				√	√	√	√	√	√	√	7
Mohammed Abdullah Alkhttaf				√	√	√	√	√	√	√	7
Bedor Nasser Al-Rashoudi				√	√	√	X	√	√	√	6
Majed Abdullah Alissa				√	√	√	√	√	X	√	6
Date of the last meeting of the General Assembly on 15/05/2022											

(√) Attendance

(X) Non-attendance



# Executive management



Mr.  
Mohammed Abdullah Al-Resheid  
Chief Executive Officer

Current Positions

- Strategic Planning Manager at the Global Company for Downstream industries
- Business Development Specialist at the Global Company for Downstream industries
- Visiting Lecturer in the King Saud University

Former Positions

- Master of Science in Engineering Management, Projects and Systems form Catholic University of America
- Business Administration and Management, Finance from King Saud University
- Engineering Management Professional Certificate from Catholic University of America
- Management of Information Technology Professional from Catholic University of America

Qualifications

- 15 years of experience in entrepreneurship, industries, and setting up new projects



Mr.  
Ehab Refaei abdelsalam  
Director of Financial Affairs

Former Positions

- financial Controller of Jazan Energy and Development Company
- Chief Accountant for Jazan Energy and Development Company
- Head of accounts for Wadi Al-Nahil Company
- Head of accounts for Hi-Tech International Import and Export

Experience

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

Qualifications

- Master’s degree in Financial Accounting and Auditing.
- Diploma in Financial Accounting and Auditing
- Bachelor’s degree, faculty of Commerce

Former Positions

- Human Resources Director, Gazelle Investment

Experience

- More than 20 years of experience in human resources management and administrative af-fairs in many companies operating in the fields of contracting, industry and investment

Qualifications

- Bachelor’s degree in Business Administration

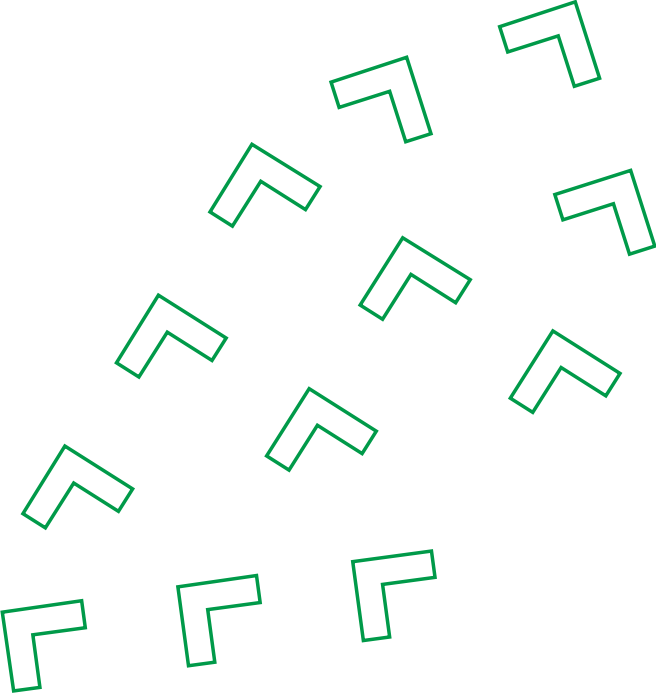


Mr.  
Naif Dahwi Al-Anzi

Executive Director of Human  
Resources and Administration

In 2022, some administrative changes took place as follows

- On 04/10/2022, the contractual status of Mr. Ibrahim Abu-Sharhah, Deputy Chief Executive Officer, was terminated.
- On 06/08/2022 , the Board of Directors agreed to accept the resignation of Ms. Bedor Al-Rashoudi from the position of Chief Executive Officer due to special circumstances. The resignation will take effect from 01/11/2022 .
- On 09/19/2022 , the Board of Directors approved the appointment of Mr. Muhammad Al-Resheid as CEO of the company, provided that work begins on 01/11/2022 .







# committees

The committees formed by the Board of Directors and emanating from it in compliance with the Articles of Association of the company and the regulations for governance and optimum management consist of three committees, as follows:

**Executive and Investment  
Committee**

**Audit Committee**

**Nomination and  
Remuneration Committee**



Executive and Investment Committee

Committee Composition

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



**Mr. Firas Khaled Al-Bawardi**  
Head of the Executive and Investment Committee

Please refer to the previous section of board members biographies



**Mr. Abdulelah Mulhem Al-Mofeez**  
Member of the Executive and Investment Committee

Please refer to the previous section of board members biographies



**Mr. Mohammed Abdullah Alkhttaf**  
Member of the Executive and Investment Committee

Please refer to the previous section of board members biographies



**Mr. Mohammed Abdullah Al-Resheid**  
Member of the Executive and Investment Committee (External)

Please refer to the previous section of the Executive Management biographies

During the year 2022 and after the end of the session of the Committee on 2022/04/12 , members were reconstituted based on the decision of the Board of Directors meeting on 2022/04/12 and on 2022/11/01 , Mr. Mohammed Abdullah Al-Resheid was appointed as a member of the Executive and Investment Committee instead of Miss. Bedor Nasser Al-Rashoudi

Duties and competence of the Commission

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.
- Following 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
- Following 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 12/04/2022 and the terms of reference established under Article (68) 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

The Committee held thirteen meetings during 2022 , as follows:

Committee Members	Position	Date of meeting during the year 2022														Total Attendance
		07/03	15/05	24/05	31/05	23/06	25/07	11/09	04/10	24/10	29/11	30/11	11/12	28/12		
Former Committee																
Majid Abdullah Al-Issa	Chairman	√													1	
Mohammed Abdullah Al-Manea	Member	√													1	
Bodour Nasser Al-Rashoudi	Member	√													1	
Current Committee																
Firas Khaled Al-Bawardi	Chairman		√	√	√	√	√	√	√	√	√	√	√	√	12	
Abdulelah Mulhem Al-Mofeez	Member		√	√	√	√	√	√	X	√	√	√	√	√	11	
Mohammed Abdullah Alkhttaf	Member		√	√	√	√	√	√	√	√	√	√	√	√	12	
Bodour t Nasser Al-Ra-shoudi	Member		√	√	√	√	√	√	√	√					8	
Mohammed Abdullah Al-Resheid	Member										√	√	√	√	4	

(√) Attendance                      (X) Non-attendance



Mr.  
Turki Ahmed Alobilan  
Head of the Audit  
Committee

Please refer to the previous section  
of board members biographies



Mr.  
Abdulmajeed Sulaiman  
Aldakhil  
External Audit Committee  
Member

Please see the next section for a CV



Mr.  
Abdulaziz Sulaiman  
Aldukhail  
External Audit Committee  
Member

Please see the next section for a CV





Mr.  
**Abdulmajeed Sulaiman Aldakhil**  
External Audit Committee Member



Mr.  
**Abdulaziz Sulaiman Aldukhail**  
External Audit Committee Member

Former Positions

- Partner at ValuHub

Experience

- External Auditor and Financial Advisor at BKF & Al-Bassam
- External Auditor and Financial Advisor at Ernst & Young

Qualifications

- Fellowship of the Saudi Authority for Accredited Valuers (Taqeem)
- Fellowship of the Saudi Organization for Accountants and Auditors
- American Accounting Fellowship
- Bachelor Accounting from Southern Utah University

Experience

- Having experience of more than 10 years in advising on growth strategies, capital structure, funding needs. Moreover, having leading M&A transactions and conducting business valuations for many purposes. Having board memberships and committees memberships in public companies.

Qualifications

- Bachelor of Finance and Investment Concordia University in 2015

Experience

- Distinguished practical experience for more than 10 years in the field of investment and strategy in several private companies and semi-governmental entities.
- Establishing and offering several companies and holding leadership positions in several entities, in addition to working as a consultant in several private companies.

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.

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 companys 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 Commitment

- 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 12/04/2022. The terms of reference are established under Article (94) 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

The committee held eleven meetings during the fiscal year 2022, and the attendees are as follows:

Committee Members	Position	Date of meeting during the year 2022											Total Attendance
		20/01	03/03	16/03	19/05	15/08	13/09	14/09	24/10	31/10	12/12	28/12	
Former Committee													
Adeeb Mohammed Abanami	Chairman	√	√	√									3
Aziz Mohammed Al-Qa-htani	Member	√	√	√									3
Adel Saleh Aba Al-Khail	Member	√	√	√									3
Current Committee													
Turki Ahmed Alobilan	Chairman				√	√	√	√	√	√	√	√	8
Abdulmajeed Sulaiman Aldakhil	Member				√	√	√	√	√	√	√	√	8
Abdulaziz Sulaiman Aldukhail	Member				√	√	√	√	√	√	√	√	8

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

The company follows an internal control framework based on the three defense lines. (Different business sectors, internal control departments, internal audit department), where the different business sectors, the company’s first line of defense, align their activities in accordance with the company’s rules and regulations, while the internal control departments, the second line of defense, assess, measure and control the different levels of risk at the operational and business levels and the extent to which they conform to the controls and procedures adopted to ensure that the company meets the statutory requirements.

The Audit Committee shall verify the adequacy of the company’s internal control by monitoring and studying the reports issued by the Internal Auditor and External Auditor and ensuring their independence . The executive management is responsible for providing internal control procedures that reasonably assurance the effectiveness and efficiency of the company’s operations and control procedures, 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 applicable internal control status, focusing on the assess of the control environment, organizational structure, risks, policies and procedures and the Segregation of duties and the efficiency of information systems, through random sampling of activities planned for review with a view to verifying the effectiveness and efficiency of the internal control systems applied and obtaining reasonable assurance of the effectiveness and efficiency of internal control procedures during the year. The Audit Committee shall ensure that the External Auditor carries out his responsibilities to the company by following up the plans and carrying out the audit work in order to obtain a reasonable assurance of conviction that the international accounting standards ( IFRS ) adopted in Saudi Arabia have been applied. Based on the work of the Audit Committee during the year, a number of observations have been found and most of them have been addressed , the Committee maintains continuous liaison with the Executive Directorate to follow up on the implementation of the recommendations contained in the internal audit reports.

It is also not absolutely possible to emphasize the comprehensiveness of the verification and assessment , as The audit process is essentially based on random sampling of the audits, noting that the development processes are ongoing to obtain the effectiveness and efficiency of the companys internal control .

Based on the work of the Audit Committee during the year, a number of observations have been found and most of them have been addressed , the Committee maintains continuous liaison with the Executive Directorate to follow up on the implementation of the recommendations contained in the internal audit reports.

It is also not absolutely possible to emphasize the comprehensiveness of the verification and assessment , as The audit process is essentially based on random sampling of the audits, noting that the development processes are ongoing to obtain the effectiveness and efficiency of the company’s internal control .



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:



Mr.  
Turki Ahmed Alobilan  
Head of the Nomination and Remuneration Committee

Please refer to the previous section of board members biographies



Mr.  
Abdulelah Mulhem Al-Mofeez  
Member of the Executive and Investment Committee

Please refer to the previous section of board members biographies



Mr.  
Mohammed Abdullah Alkhttaf  
Member of the Executive and Investment Committee

Please refer to the previous section of board members biographies

During the year 2022 and after the end of the committee session on 2022/12/04 , the members were reconstituted based on the decision of the Board of Directors meeting on 2022/12/04 .

Tasks and Functions of the Committee

The Nomination and Remuneration Committee, based on the regulations 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 management.
- 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 eight meetings during the fiscal year 2022, and the attendees are as follows:

Committee Members	Position	Meeting Date during 2022								Total Attendance
		09/02	29/03	22/06	04/07	03/08	11/08	20/10	21/12	
Former Committee										
Majid Abdullah Al-Issa	Chairman	√	√							2
Khalid Jawhar Al Jawhar	Member	√	x							1
Adeeb Mohammed Abanami	Member	√	√							2
Current Committee										
Turki Ahmed Alobilan	Chairman			√	√	√	√	√	√	6
Abdulelah Mulhem Al-Mofeez	Member			√	√	√	√	√	√	6
Mohammed Abdullah Alkhttaf	Member			√	√	√	√	√	√	6

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

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.

Statement	Fixed Remuneration								Variable Remuneration			Grand Total	Expense Allowance
	A certain amount (Annual Remuneration)	Allowance for attending board of directors 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		
			Remuneration	Attendance allowance									
First: Independent Members													
Ahmed Mohammed Al-Sanea	0	6						6				6	
Majid Abdullah Al-Issa	0	9	0	9				18				18	
Fahd Mubarak Al-Qathami	0	9						9				9	
Mohammed Abdullah Al-Manea	0	9	0	3				12				12	
Khalid Ahmed Al-Ahmad	0	9						9				9	
Adeeb Mohammed Abanami	0	9	13.7	15				37.7				37.7	
Total	0	51	13.7	27	0	0	0	91.7	0	0	0	91.7	0
Second: Non-Executive Members													
Khalid Jawhar Al-Jawhar	0	6	0	3				9				9	
Total	0	6	0	3		0	0	9	0	0	0	9	0
We would like to note that Mr. Ahmed Muhammad Al-Sanea waived the all remuneration of 6,000 riyals													



Current Board

Statement	Fixed Remuneration								Variable Remuneration			Grand Total	Expense Allowance
	A certain amount (Annual Remuneration)	Allowance for attending board of directors 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		
			Remuneration	Attendance allowance									
First: Independent Members													
Sultan Abdulaziz AlMubarak	0	18	0	0				18				18	
Feras Khalid Albawardi	0	21	0	36				57				57	
Turki Ahmed Alobilan	0	21	36.3	42				99.3				99.3	
Mohammed Abdullah Alkhttaf	0	21	0	54				75				75	
Majed Abdullah Alissa	0	18	0	0				18				18	
Total	0	99	36.3	132	0	0	0	267.3	0	0	0	267.3	0
Second: Non-Executive Members													
Abdulelah Mulhem Al-Mofeez	0	21	0	51				72				72	
Bedor Nasser Al-Rashoudi	0	18	0	27				45				45	
Total	0	39	0	78		0	0	117	0	0	0	117	0
We would like to note that Mr. Turki Ahmed Alobilan waived the annual remuneration of the Audit Committee of 36.3 thousand riyals													

Remuneration for Senior Executives

A Detailed description 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 2022: (amounts are in thousand riyals)

Name	Fixed Remuneration				Variable Remuneration						End of Service Indemnity	Total Remuneration forw 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	Total variable rewards			
Five senior executives, including the current CEO and CFO	1,801	630	-	2,431	889	-	-	-	-	889	2,298	57	5,675

The company has committed to disclose the remuneration of members of the Board of Directors, committees, and senior executives in total, in accordance with the statutory requirements contained in the fourth paragraph of Article (93) of the Corporate Governance Regulations. Note that the amounts include salaries and end-of-service gratuity for both the former CEO and the Vice.



Remuneration for Members of Committees

A Detailed description of the remuneration paid to committee members during the fiscal year 2022 (amounts are in thousand riyals)

Member Name		Fixed Remuneration (Except for Allowance of Session Attendance)	Session Attendance Allowance	Total
Members of the Audit Committee				
Adeeb Mohammed Abanami	Previous Membership	13,7	9	22.7
Aziz Mohammed Al-Qahtani	Previous Membership	13,7	9	22.7
Adel Saleh Aba Al-Khail	Previous Membership	13,7	9	22.7
Turki Ahmed Alobilan	Current Membership	36,3	24	60.3
Abdulmajeed Sulaiman Aldakhil	Current Membership	36,3	24	60.3
Abdulaziz Sulaiman Aldukhail	Current Membership	36,3	24	60.3
Total		150	99	249
Members of the Remuneration and Nomination Committee				
Majid Abdullah Al-Issa	Previous Membership	-	6	6
Khalid Jawhar Al-Jawhar	Previous Membership	-	3	3
Adeeb Mohammed Abanami	Previous Membership	-	6	6
Turki Ahmed Alobilan	Current Membership	-	18	18
Abdulah Mulhem Al-Mofeez	Current Membership	-	18	18
Mohammed Abdullah Alkhttaf	Current Membership	-	18	18
Total		0	69	69
Members of the Executive and Investment Committee				
Majid Abdullah Al-Issa	Previous Membership	-	3	3
Mohammed Abdullah Al-Manea	Previous Membership	-	3	3
Bodour Nasser Al-Rashoudi	Previous Membership	-	27	27
Firas Khaled Al-Bawardi	Current Membership	-	36	36
Abdulah Mulhem Al-Mofeez	Current Membership	-	33	33
Mohammed Abdullah Alkhttaf	Current Membership	-	36	36
Mohammed Abdullah Al-Resheid	Current Membership	-	12	12
Total		0	150	150
We would like to note that Mr. Turki Ahmed Alobilan waived the annual remuneration of the Audit Committee of 36.3 thousand riyals				



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 Com-pany (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	Sultan Abdulaziz AlMubarak Feras Khalid Albawardi	11/04/2022
We would like to note that on 24/10/2022, an agreement was signed to terminate the contractual situation.						

Transactions of Related Parties

SN	Related Party	Relationship Type with the Company	Nature of the Transaction	Its duration	Its Value
1	There is no	Subsidiary	Acting expenses	-	7,500

Related party transactions

SN	Related Party	Relationship Type with the Company	Nature of the Transaction	Its duration	Its Value
1	Fish Day Company for Fish Sale	Subsidiary	sales	-	1,221,126
			Acting expenses	-	172,500

Subsidiary Company

Name of the Subsidiary	Activity Type	Capital (SAR)	Ownership Percentage	Main Activity	Headquarters	State of Incorporation	Principal State of its Operations	Debt Instruments
Mango Jazan Trading Company	Limited Liability Company	10,000	65%	Retail online	Jazan	Kingdom	Kingdom	None
Fish Day Company for Fish Sale	Limited Liability Company	15,000	80%	Retail sale of fish	Riyadh	Kingdom	Kingdom	None

Associate Company

Name of the Subsidiary	Activity Type	Capital	Ownership Percentage	Main Activity	Headquarters	State of Incorporation	Principal State of its Operations	Debt Instruments
Rakha For Agricultural Investment Company	Closed joint stock	80,000,000 EGP	21.6%	Wheat, fodder and barley cultivation	Cairo	Egypt	Egypt	None
Advanced Aquaculture Company	Limited liability	100,000 SAR	25%	Fishing and Marine Aqua-culture (Investor)	Riyadh	Kingdom	Kingdom	None

Investments

Name of the Subsidiary	Activity Type	Capital (SAR)	Ownership Percentage	Main Activity	Headquarters	State of Incorporation	Principal State of its Operations	Debt Instruments
Al-Reef Sugar Refining Company	Closed joint stock company	300,000,000	15%	Transformative Industries	Jeddah	Kingdom	Kingdom	None
Tabuk Fish Company	Closed joint stock	200,000,000	10%	Fish farming	Tabuk	Kingdom	Kingdom	None

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 2022

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

SN	Member Name	Number of Shares		Change during the year	Change Percentage	Debt Instruments
		Beginning of 2022	End of 2022			
Members of the Board of Directors						
1	Sultan Abdulaziz AlMubarak	138,332	151,183	12,851	%9	None
2	Feras Khalid Albawardi	0	0	0	0%	None
3	Abdulelah Mulhem Al-Mofeez	0	0	0	0%	None
4	Turki Ahmed Alobilan	0	0	0	0%	None
5	Mohammed Abdullah Alkhttaf	0	0	0	0%	None
6	Bedor Nasser Al-Rashoudi	0	0	0	0%	None
7	Majed Abdullah Alissa	0	0	0	0%	None
Relatives of the members of the Board of Directors (their wives and minor children)						
1	Aljoharah Fahad Bindekhayel (Mr. Feras Albawardi's wife)	2,470,000	1,965,000	505,000	20.44%	None



Senior executives and their spouses and minor children

According to the detailed report from the Depository Center as on 31/12/2022 , senior executives, their wives or their minor children do not own shares in the company.

SN	Member Name	Number of Shares		Change duringthe year	Change Percentage	Debt Instruments
		Beginning of 2022	End of 2022			
Senior Executives						
1	Mohammed Abdullah Al-Resheid	-	-	-	-	None
2	Ihab Refei Abdelsalam	-	-	-	-	None
3	Naif Dahwi Al-Anzi	-	-	-	-	None
Relatives of senior executives: (their wives and minor children)						
According to the detailed report from the Depository Center as on 31/12/2022, 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	Beginning of 2022		End of 2022	
	Shares	Percentage	Shares	Percentage

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.

SN	Date	Decision / Announcement Subject Matter
1	07/03/2022	Jazan Energy and Development Co. announces signing a Memorandum of Understanding (non-binding) with King Faisal University
2	17/03/2022	Jazan Energy and Development Co. announces its Annual Financial Results for the Period Ending on 2021-12-31
3	21/03/2022	Jazan Energy and Development Co. announces to invites its shareholders to attend the Ordinary General assembly meeting (first meeting) Virtual meeting
4	07/04/2022	Jazan Energy and Development Co. Announces the start of electronic voting on the Ordinary General Assembly Meeting Agenda (First Meeting) Virtual meeting
5	12/04/2022	Jazan Energy and Development Co. Announces the Results of the Ordinary General Assembly Meeting, ( Second Meeting )
6	13/04/2022	Jazan Energy and Development Co. announces the appointment of the Chairman and Vice-Chairman of the Board of Directors, the formation of the Board’s committees, and the appointment of the Company’s representatives to the Capital Market Authority and the Saudi Stock Exchange (Tadawul), and appoint the Board Secretary
7	20/04/2022	Jazan Energy and Development Co. announces to invites its shareholders to attend the Ordinary General assembly meeting (first meeting) Virtual meeting
8	11/05/2022	Jazan Energy and Development Co. Announces the start of electronic voting on the Ordinary General Assembly Meeting Agenda (First Meeting) Virtual meeting
9	16/05/2022	Jazan Energy and Development Co. Announces the Results of the Ordinary General Assembly Meeting, ( Second Meeting )
10	23/05/2022	Jazan Energy and Development Co. announces its Interim Financial Results for the Period Ending on 2022-03-31 ( Three Months )
11	26/06/2022	Jazan Energy and Development Co. Announces the sale of an agricultural land worth 35,000,000 SAR (inclusive of real estate transaction tax)
12	26/06/2022	Correction announcement from Jazan Energy and Development Co. in regards to the sale of an agricultural land worth 35,000,000 SAR (inclusive of real estate transaction tax)
13	07/08/2022	Jazan Energy and Development Co. Announces Resignation of the CEO
14	23/08/2022	Jazan Energy and Development Co. announces its Interim Financial Results for the Period Ending on 2022-06-30 ( Six Months )
15	19/09/2022	Jazan Energy and Development Co. Announces Appointment of a CEO
16	03/11/2022	Jazan Energy and Development Company announces a decrease in its ownership in one of its associate companies (Tabuk Fish Company)
17	09/11/2022	Jazan Energy and Development Co. announces its Interim Financial Results for the Period Ending on 2022-09-30 ( Nine Months )

A statement of the dates of shareholders ’general assemblies and the attendance record of Board members held during the year 2022

SN	Name	Attendance Record Ordinary General Assembly 11/04/2022
Former Board		
1	Ahmed Mohammed Al-Sanea	√
2	Majid Abdullah Al-Issa	√
3	Fahd Mubarak Al-Qathami	√
4	Mohammed Abdullah Al-Manea	√
5	Khalid Ahmed Al-Ahmad	X
6	Khalid Jawhar Al-Jawhar	X
7	Adeeb Mohammed Abanami	X

SN	Name	Attendance Record Ordinary General Assembly 15/05/2022
Current Board		
1	Sultan Abdulaziz AlMubarak	√
2	Feras Khalid Albawardi	√
3	Abdulelah Mulhem Al-Mofeez	√
4	Turki Ahmed Alobilan	√
5	Mohammed Abdullah Alkhhtaf	√
6	Bedor Nasser Al-Rashoudi	√
7	Majed Abdullah Alissa	X

(√) Attendance                      (X) Non-attendance

The results of the two ordinary general assemblies resulted in the voting by the shareholders on all the items presented as follows:

Ordinary General Assembly on 11/04/2022

- 1) Approval of the Board of Director’s report for the fiscal year ended on 31-12-2021 .
- 2) Approval of the company’s auditor’s report for the fiscal year ended on 31-12-2021.
- 3) Approval of the consolidated financial statements for the fiscal year ended on 31-12-2021 .
- 4) Approve the appointment of (Allied Accountants Professional Services L.L.C) as External Auditor for the Company from among the candidates nominated based on the recommen-  
dation of Audit Committee, review, and audit the second, third quarter and annual financial statements of the fiscal year 2022, and the first quarter of the fiscal year 2023, and the  
determination of the auditor remuneration.
- 5) Approval for the election of members of the Board of Directors from among the candidates for the next term, starts from 13-04-2022 for three years, ending on  
12-04-2025, The following board members have been selected:
1. Feras Khalid Abdullah Albawardi
2. Abdulelah Mulhem Mohammed Al-Mofeez
3. Sultan Abdulaziz Faisal AlMubarak
4. Turki Ahmed Abdurrahman Alobilan
5. Mohammed Abdullah Maziad Alkhhtaf
6. Bedor Nasser Ibrahim Al-Rashoudi
7. Majed Abdullah Sulaiman Alissa
- 6) Disapproval of the formation of the Audit Committee, and the definition of its duties, work regulations and remuneration of its members for the new term, starting from  
13-04-2022 until the end of the term on 12-04-2025. The following are the names of the candidates:
- 1- Aziz Mohammed Mubarak Algahtani
- 2- Adel Saleh Ali Abalkhail
- 3- Abdullah Saghaier Mohammed Al-Hussaini
- 7) Approval of delegating to the Board of Directors the authorization powers of the General Assembly stipulated in paragraph (1) of Article 71 of the Companies Law, for a period of one  
year starting from the date of the approval by the General Assembly or until the end of the delegated Board of Directors term, whichever is earlier, in accordance with the conditions  
set forth in the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.

Ordinary General Assembly on 15/05/2022

- Approval of the formation of the Audit Committee, and the definition of its duties, work regulations and remuneration of its members, starting from date of the assembly’s convening  
until the end of the term on 12-04-2025. The following are the names of the candidates:
- 1- Mr. Turki Ahmed Alobilan - independent (Chairman of the Committee)
- 2- Mr. Abdulmajeed Sulaiman Mohammed Aldukhail (member from outside the Board)
- 3- Mr. Abdulaziz Sulaiman Abdullah Aldukhail (member from outside the Board)

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 shareholder’s 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

In 2022 , through the My Trading Service, the company requested five registrations for shareholders, according to the following data:

Date of Request	Ownership File Date	Reasons for Request
05/04/2022	11/04/2022	General Assembly
27/04/2022	15/05/2022	
21/03/2022	21/03/2022	
02/10/2022	02/10/2022	Company procedures
26/12/2022	31/12/2022	

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:

- Ten percent (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 30% of the paid-up capital.
- The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside (5%) of the net profits to form an agreement re-serve.
- 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 es-tablish social institutions for the company’s employees or to assist those existing of these institutions.
- From the remainder after that, a percentage representing (5%) five percent of the company’s paid-up capital shall be distributed to shareholders.
- 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 (10%) of the remainder shall be allocated to the Board of Directors remuneration, provided that the entitlement of this remuneration is pro-portional 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 2022 in the distribution of profits:

- There are no profits distributed to shareholders during the fiscal year, nor at the end of the fiscal year 2022 .





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:

SN	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 2022 , except for what was mentioned in this report
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 2022 , 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 31/12/2022 , 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 31/12/2022
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.
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 2022 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.

« God bless »

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JAZADCO

