

مدينة المعرفة الاقتصادية
Knowledge Economic City



KNOWLEDGE ECONOMIC CITY COMPANY

ANNUAL REPORT
2022

الحمد لله رب العالمين

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Chairman's Message to KEC Shareholders:

Amin Mohammed Shaker
Chairman, Board of Directors



Dear Shareholders of Knowledge Economic City Company (KEC)
Assalam Alaikum.

On behalf of myself and my colleagues in the board of directors, I have the pleasure to present to you the annual report of the company for the fiscal year 2022, which highlights the company's performance, business results and forecasts, as well as the audited financial statement and the external auditors' report on the FY 2022. The report also includes details of the company's anticipated distinguished projects that would no doubt capture the interest of local as well as international investors to join their capabilities with KEC to develop unique projects in Madinah; taking us forward to future success together.

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I am honored to offer my sincere thanks and gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud - may God preserve and protect him - for the overall prosperity our beloved Kingdom enjoys, and recognition, appreciation and gratitude to His Royal Highness, Prince Mohammad bin Salman bin Abdulaziz Al Saud, The Crown Prince, Prime Minister and Chairman of the Council of Economic and Development Affairs - may God protect him - for his ongoing support to the private sector in a way that strengthens the means to achieve the Kingdom's ambitious Vision 2030, launched by His Highness. It is also my pleasure to extend my sincere thanks and gratitude to His Royal Highness Prince Faisal bin Salman bin Abdulaziz,

Governor of Al Madinah Al Munawwarah Region, and his deputy, His Royal Highness Prince Saud bin Khalid Al-Faisal Al Saud - may God protect them - for their great support to the company, and their continued follow-up and support for KEC programs and plans. Thanks, and appreciation to His Excellency The Minister of Investment, Chairman of the Board of Economic Cities and Special Zones Authority - ECZA, Eng. Khalid bin Abdulaziz Al-Faleh, for his generous support and assistance to the company's business through the ECZA and Tourism Development Fund, as well as to His Excellency the Mayor of Madinah Region, Engineer Fahd bin Mohammad Al-Blaihshi, and to his colleagues for their continued support.

I also take this opportunity to extend my thanks and appreciation to my fellow members of the Board of Directors, the board committees and the Executive Management for their dedication and great efforts during 2022, and we collectively promise our esteemed shareholders to exert more efforts to achieve our 2023 plan.

Finally, I humbly pray to Allah Almighty to bless our efforts in serving the city of the Prophet PBUH.



First: Company Establishment, Location and Activity

A. Company Establishment

The Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz Al Saud, may God rest his soul in paradise, inaugurated the Knowledge Economic City in Madinah region as one of the economic cities projects that aims to enhance the economic diversification programs of the Kingdom of Saudi Arabia.

Knowledge Economic City Company was established as a Saudi joint stock company pursuant to Decision No. 256/s dated 8/15/1431 AH corresponding

to 7/27/2010 by the Minister of Commerce and Industry, with a capital of SR 3,393,000,000 divided into 339,300,000 shares, with a nominal value of SR 10 per share.

Knowledge Economic City is distinguished by its strategic location within the boundaries of the Prophet's PBUH mosque and within the urban boundary of Madinah. It is located on both sides of King Abdulaziz Road; the main link between the Prophet's Mosque and Prince Mohammad bin Abdulaziz International Airport, that also passes by Haramain High Speed Train Station. The Knowledge



Economic City is about 5 km east from the Prophet's mosque, and about 8 km south from Prince Mohammad bin Abdulaziz International Airport. Haramain High Speed Train Station, which connects Madinah with Makkah is located on the eastern side of the Knowledge Economic City.

The Knowledge Economic City project, with its (6.8) million square meters land area, enjoys unique connectivity to five main roads in Madinah, whose width ranges from 80 to 100 meters.

A.1. Company Activity and Location

The main activity of the company - according to its articles of association - is the development of real estate and other lands in economic cities, including infrastructure, communication networks, water and electricity networks, water

treatment plants, and other activities related to the development of economic cities. The headquarters of the company is in Madinah.

Second: The Company's Business, Projects, Directions and Future Plans

The project aims to support national economy through creating investment opportunities and attracting knowledge industries that act as a catalyst for the economy of Madinah. The project also aims to utilize the capabilities available in developing real estate products with a knowledge and technology content that contributes to the urban transformation and renaissance in Madinah, so that the Knowledge Economic City Company becomes a major and added-value creator that helps in the development of the future of Madinah, benefiting from the



following:

- Its strategic location in Madinah; proximity and direct connection to the Prophet's Mosque, Haramain High Speed Train Station and Prince Mohammad bin Abdulaziz International Airport through King Abdul Aziz Road, and its direct connection to the main road network in Madinah, which facilitates access to the sites of the religious tourism in Madinah.
- Completion of the infrastructure in the northern part (Phase One) of the city, which covers an area of 2.5 million square meters developed according to the best international specifications, while securing the infrastructure for smart city services.
- The masterplan for Knowledge Economic City is expected to be unique upon

completion, due to its capacity to provide hospitality, housing, education, health, entertainment and shopping services for about (150,000) people. In addition the plan was designed and implemented according to state-of-the-art global planning methodology that takes into account population density, traffic, public services and entertainment.

- Linking the Knowledge Economic City with the Prophet's Mosque and the airport by modern means of transportation, through shuttle buses project, executed within the first phase, and targeted for the public transport project in Madinah, which links Prince Mohammad bin Abdulaziz International Airport and Haramain High Speed Train Station with the Prophet's Mosque through the Knowledge Economic City. There are also plans for a future metro line.

A. Company Strategy and Development Plan

Our vision for the Knowledge Economic City project is “To be the Gateway to the Future Madinah ” as the company's strategy is based on benefiting from the position of Madinah through developing an attractive environment that has its foundations in technology and knowledge to connect its various components, and establish real estate development projects that contribute to achieving the goals of the development plans of the Kingdom of Saudi Arabia, and linking its components with the “Vision 2030” in a way that contributes to serving the residents and visitors of Madinah, and strives to maximize the returns of the company's shareholders.

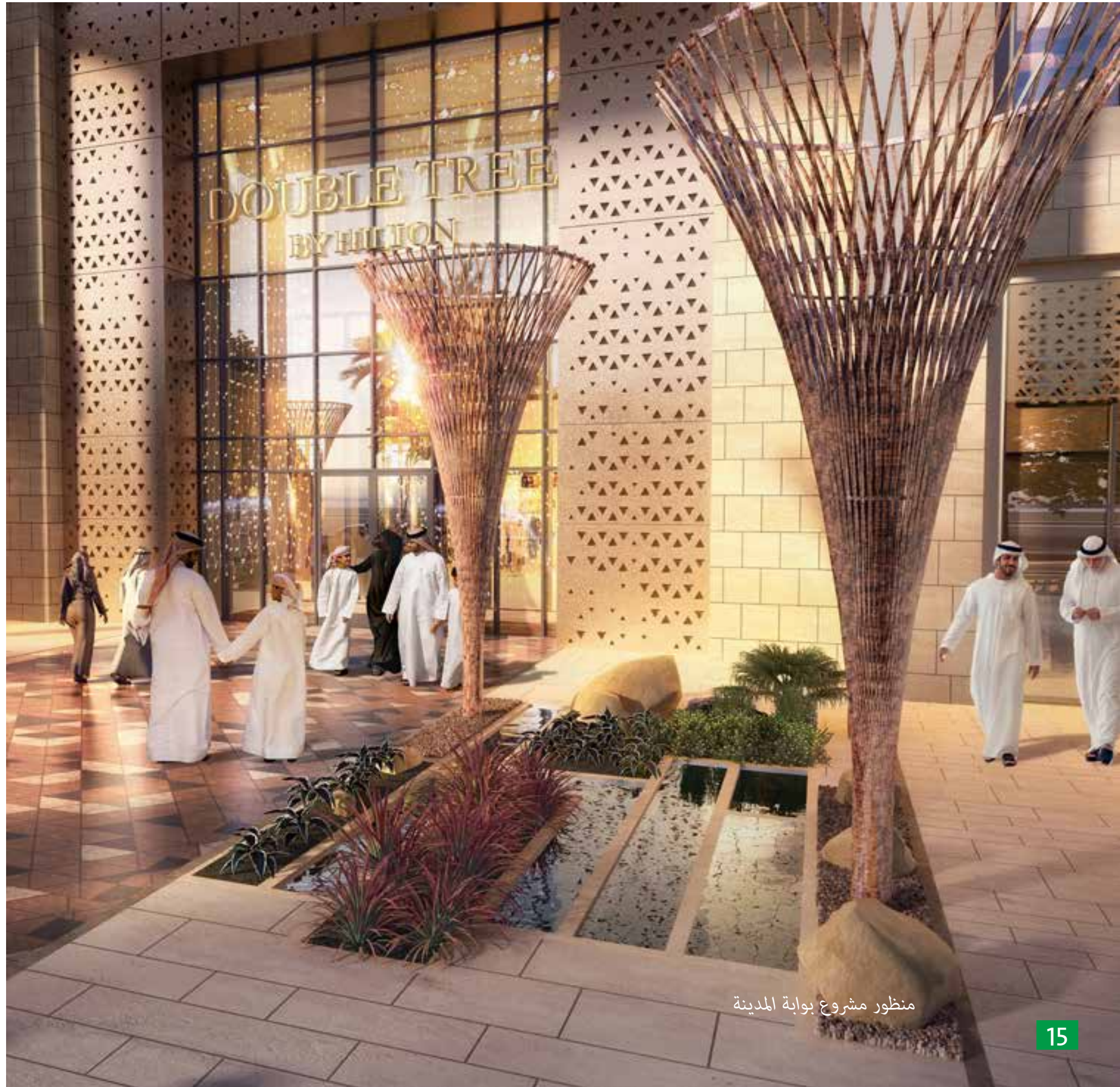
The company has updated its strategy for the five years (2022-2026) to focus on three main objectives. The first is the self-development of projects, the second is the development through investment funds or strategic investors, and the third represented in selling projects lands to specialized developers. This strategy will contribute to diversifying the company's revenue sources to include the following:



- Land and real estate developed for various purposes.
- Operational income from owned assets such as commercial and real estate assets, and income from joint ventures.
- Other streams of income from investing in other assets that may not be directly related to the operations of the company or the sector, but which serve its objectives, especially those related to the field of knowledge.
- Real estate development projects through joint investment with well-known investment institutions in the Kingdom.
- Development of hospitality, shopping and services projects that benefit from the operation of the train station in the eastern part of the project, and from the development of services in the area surrounding the airport, which raise the need to develop the southern part, starting with the area adjacent to the train station.
- Developing knowledge projects in the fields of health, education, and logistics services.

The anchor projects have been identified as the outcome of updating the company's strategy at the beginning of 2018. Accordingly work has begun to implement these projects in tandem with the development of other projects in Madinah in line with the Kingdom's 2030 vision, which the company plans to benefit from most of its goals, especially with regard to increasing the number of visitors, pilgrims and Umrah performers to 31 million visitors a year. In addition to making the Knowledge Economic City a primary destination for hospitality services for visitors and pilgrims, also projects in the entertainment and shopping sectors.

Current Development Plan: The company is updating its project development priorities in observance of economic variables, the



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government plan and its ambitious vision 2030, as well as economic changes in Madinah and the major projects planned for the region, while taking advantage of the drivers available in its site location, including easy access and excellent infrastructure, to increase the probability of success, as well as in the northern part, where it is distinguished by proximity to the Prophet's Mosque and its unique real estate development elements.

The company also buttressed its plan to develop the southeastern part with new projects adjacent to Haramain High Speed Train Station, as well as development

on both sides of King Abdulaziz Road at the entrance to the project from the eastern side.

A.1. Current Phase includes Knowledge and Real Estate Components:

A.1.1. Knowledge Sector:

Daiwan Almaarifa: The first project in the Knowledge Economic City aims to enhance the position of Madinah as a destination for knowledge, and to support public and private sector initiatives towards establishing economic and social



projects by encouraging and embracing knowledge activities in the fields of economy, culture and training for the people of Madinah and its visitors.

The building consists of a lecture hall and two exhibition halls, in addition to hosting Dar Al Madinah Museum for Cultural and Urban Heritage, the Madinah Institute for Leadership and Entrepreneurship and Training, and the company's headquarters. Daiwan Almaarifa hosted several events, programs and workshops for a number of government agencies and universities, as part of the company's initiatives in the field of corporate social responsibility.

Dar Al Madinah Museum for Cultural and Urban Heritage: located at Daiwan Almaarifa and operates under the supervision of the Saudi Commission for Tourism and Heritage.

It is considered the first museum specialized in the civilizational and urban history of Madinah, and highlights the most important features of Madinah's heritage and Islamic civilization throughout history. The museum receives a large number of interested visitors through the reputation and prestige it has been enjoying by the community of Madinah and its visitors from inside and outside the Kingdom, including heads of states, princes, ambassadors and many ministers from all Islamic and Western countries.

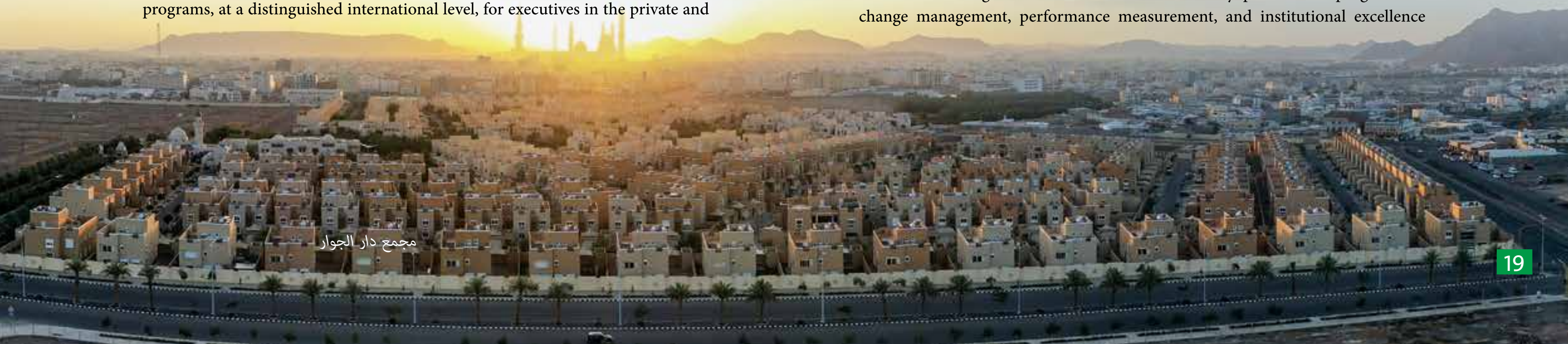
Madinah Institute for Leadership and Entrepreneurship: The institute was established with a license from the Technical and Vocational Training Corporation, and the support of the company founders active in the field of corporate social responsibility, such as Savola Group and the Saudi Bin Laden Group, with the aim of contributing to capacity building for cadres from Arabian and Islamic countries in leadership and administrative skills by providing outstanding training programs, at a distinguished international level, for executives in the private and

government sectors, with the participation of elite management professors from world-renowned universities such as Harvard, Berkeley, Thunderbird, Wharton , in addition to major consulting firms such as McKinsey, Price water house Coopers, Boston Consulting, Ernst and Young. The institute participates in the efforts made by various parties in the Kingdom to support the actions that contribute to the restoration of Madinah - the nucleus of Islamic civilization - to its global leadership position; as a center for the dissemination of science and knowledge. It also contributes to providing the necessary support to attract major international Islamic knowledge organizations to Madinah. In addition to continuous contribution to enriching the cultural experience of pilgrims, Umrah performers and visitors, in support of the Kingdom's vision 2030.

In order to maintain the institute's continuity in providing valuable support to ambitious Saudi youth, and to facilitate the non-profit aspirations of the institute, the institute has been transformed into an endowment to sustain its activities provided to various types of groud, especially those starting their career path, as well as executives in the private and public sectors.

MILE major achievements during the year 2022:

The Institute continued its distinguished achievements, as it established in the year 2022 executive education programs under the patronage of His Royal Highness Prince Saud bin Khalid Al-Faisal, Deputy Governor of Al-Madinah Al-Munawwarah Region, and this included: The advanced program for developing leadership and management skills for senior executives PALM13 for private sector managers, which was characterized, and the High Performing Government Program HPG9. In addition to many professional programs in change management, performance measurement, and institutional excellence





in partnership with international firms, more than 250 leaders benefited from the Institute's programs this year. The Institute has also provided several management consultancies to many clients such as the Economic Cities and Special Zones Authority, the General Authority of Awqaf and many charitable organizations.

Al Salam City (Museum of the Prophet's Biography and Islamic Civilization in the Knowledge Economic City): The Muslim World League will develop Al Salam City on the land plot allocated to them by KEC, with an area of (11,500)SQM. The development shall include the headquarters of the Museum of the Prophet's Biography and Islamic Civilization which will be developed in a way -using latest methods and techniques- that reflects the importance and merit of the Kingdom of Saudi Arabia as the land of Islam, and Madinah as the land of Prophet's (PBUH) migration and the first capital of the Islamic world.

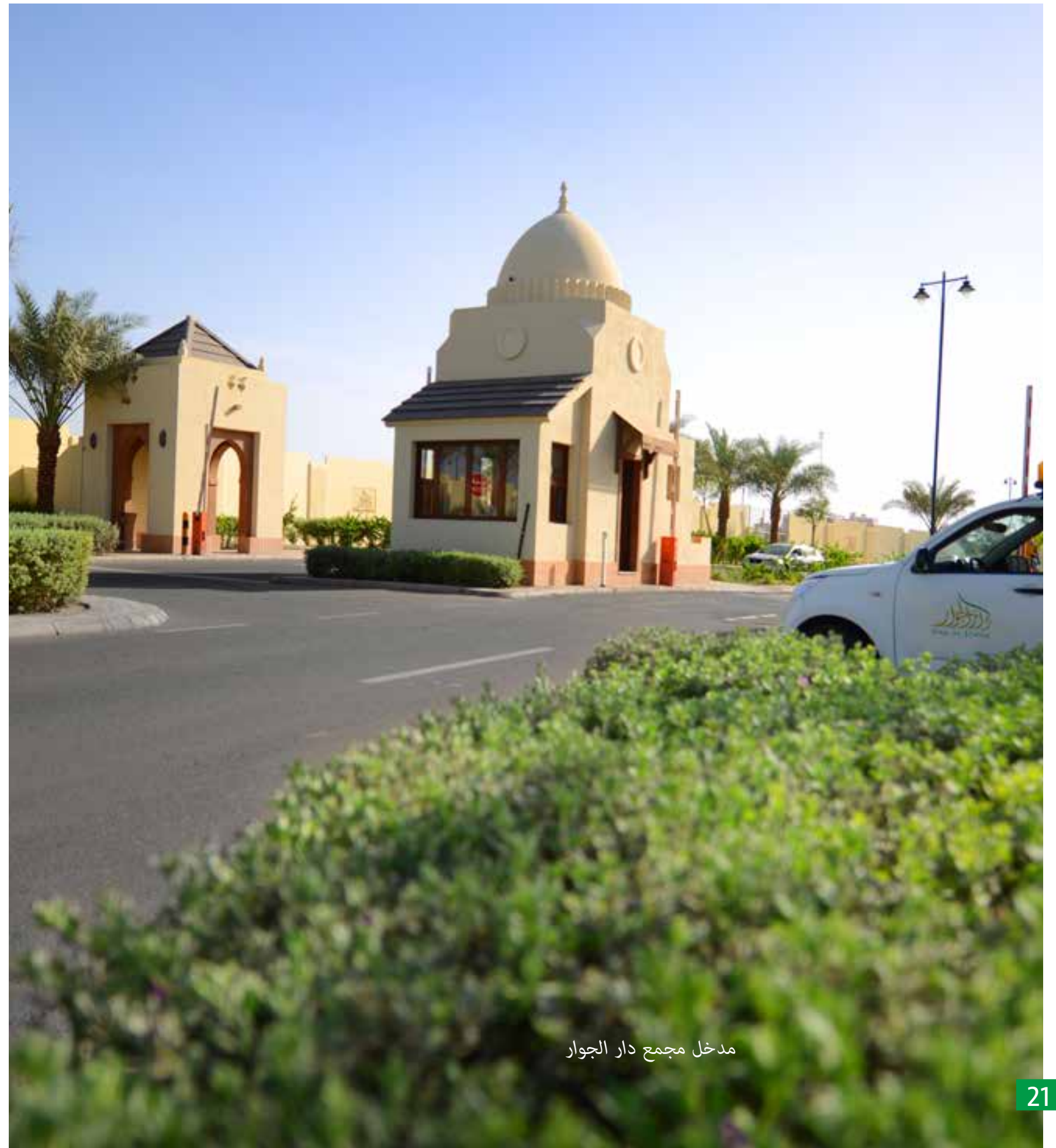
The project design idea has been set to include several cultural exhibitions and museums such as the International Exhibition (Greetings to Almighty Allah), the Prophets' Exhibition (MPBUH) through virtual reality mean, the International Exhibition of the Biography of the Prophet and Islamic Civilization, Al-Baqi Gallery, International Museum of Hajj and Umrah, Arabic Calligraphy Exhibition, Conference and Dialogue Center and cinema are part of the development.

International schools:

The company signed an agreement with the investor MOBCO to establish and operate the Elite International School complex in the northern area of the Knowledge Economic City closer to Dar Aljewar District to cover part of the need for international curriculum schools in Madinah. In its first phase the school expected to become operational in Sept 2024 and will provide 1,700 seats of American and British curriculum. KEC has allocated a number of incentives such as discounted prices on long-lease schemes and grace periods during construction stages to the investors in education sector within KEC

A.2.1. Residential Sector

a. Dar Al-Jewar: The project is distinguished by its location close to



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King Abdulaziz Road and the area closest to the Prophet (PBUH) Mosque, and directly connected to King Abdullah Road. The project benefits from the smart infrastructure, security systems, integrated maintenance, green areas, playgrounds, children's parks, sidewalks, gyms provided by the Knowledge Economic City, in addition to mosque, shops and cafés. The total area of the project is 586 SQM, and it is being developed in four phases reaching 900 villas with an investment value of around SAR 1billion upon its completion. The project was designed in a style inspired by the urban style of Madinah. As part of phase one and two, 380 units were handed over to the owners. The company is currently providing facility management to the compound and looking after the community center which includes a health club, a shopping center and activity halls. The construction of the new "77 Townhouse" is ongoing and being sold though off-plan sale with flexible installments plans under Economic Cities and Special Zone Authority - ECZA supervision.

Al Alyaa Residential Project: The project aims to develop the area overlooking Safwan Street on a land of 269 thousand square meters divided into plots of lands of different areas to construct residential buildings of 2 to 6 stories. The project is designed to respond to the "humanization of cities" which provides green areas and pedestrian corridors to create an attractive pattern and quality of life as the area of gardens and corridors is 72 thousand square meters. A park with an area of approximately 60 thousand meters will separate pedestrian from car traffic, and regulate traffic in places designated for walking, with full access for "People of Determination". Meticulous attention to detail has also been taken in developing, lighting and plantations at the sidewalks, and providing places designated for collecting containers and waste. The company plans to develop



part of the residential buildings and offer the remaining for specialized developers in the residential sector. The detailed design of the first residential buildings is in process.

The Southern District Project: The project aims to develop an area estimated at 421,000 square meters, to provide housing units for medium-income citizens with apartments and townhouse with multiple type of sizes providing (3,000) units. The project will be designed in accordance with the new urban development “Huminzation of Cities” on green areas and pedestrian areas.

A.3.1. Commercial Sector

Commercial / Hospitality: The outputs and recommendations of the updated strategy comprise focus on developing three anchor projects, the first of project is (the Madinah Gate project) located in the southern part provides hospitality, shopping and entertainment services benefiting from direct connection with the Haramain High Speed Train Station and its proximity to Prince Mohammad bin Abdulaziz International Airport. The second project in the northern part of the KEC (KEC Hub) aims to provide hospitality, shopping and entertainment services to the residents and visitors of Madinah, and is located near other developed areas in the Knowledge Economic City such as the residential neighborhood KEC Multaka Residence. With the third anchor project the (Islamic World District project) located in the southern area opposite to the Haramain High Speed Train Station. The details of these projects are as follow:

KEC Hub Projects:

KEC HUB: The project, which includes the main mall of the Knowledge Economic City and its associated hotel units, is located within the first development phase of the Knowledge Economic City in the Northern area, and is linked to the Prophet’s Mosque, the airport and the main axes of Madinah



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through its view of King Abdulaziz Road.

The project aims to create a distinct urban environment and lifestyle for the residents and visitors of Madinah within a mixed-use urban hub that combines shopping, housing and entertainment services. Next to the hospitality and entertainment sector, in addition to a public park on an area of 65 thousand square meters that hosts recreational activities and other programs. The hospitality sector includes a mix of hotel rooms and suites, serviced apartments and branded residence, targeting families from the Kingdom and other countries. The project's land area is about 186 thousand square meters, and the commercial leasable area will reach around 122,000 square meters. The number of hotel rooms of the first phase is 350 (5) stars keys that will be managed by Hilton Worldwide, and the residential apartments are 64 luxury units directly linked with the hotel, the boulevard and the mall. The project enjoys direct proximity to the Prophet's

Mosque with 5 km to the east, and the 450 meters overlooking the main King Abdulaziz Road, which connects the east of Madinah with the central region and links it to the main roads, as well as proximity of the site to many developments in Madinah, such as the Haramain Highspeed Train Station, which is about 2.9 km away from the project, and Quba Mosque, which is about 6.6 km away, as well as Prince Muhammad bin Abdulaziz International Airport, which is about 10 km away from the project.

The project contractor, Al-Saad Contracting Company, has started the implementation of the skeleton work for the mall. Hilton provides technical advisory services during implementation through the management and operation agreement for the Hilton Hotel and for the branded residence. A number of leasing agreements were signed for the mall and other project elements. The project first phase is expected to be operational in 2025.





Manazel Al Multaka (Residential Apartments Project): A closed residential complex of high-end apartments that include 1,513 apartments of various sizes intended for development in the northern area of the Knowledge Economic City, adjacent to KEC Hub and Dar Al-Jewar residential complex, on a flat area of 110,000 square meters, developed for medium-rise buildings (6 to 8 floors). It is planned to develop the project in phases with the first phase to include about 634 apartments made available to residents of Madinah and customers from different regions of the Kingdom and the Islamic world looking for housing units in Madinah. The complex will be distinguished by its designs that simulate the architecture of Madinah in a modern way, including green areas, pedestrian areas, children's playgrounds, sitting areas and parking for residents with smooth traffic linking the complex to the Prophet's Mosque through King Abdul Aziz Road. The project is also linked to the KEC Hub mall. The initial sale of residential apartments is expected in 2024.

KEC Multaka Hotels: Located withing the proximity of the KEC Hun, this project will benefit from the underdeveloped projects. Initial studies are taking place to provide around 5,000 room keys to support the initiatives of Ministry of Tourism and assist in bridging the gap for luxury hotel units in accordance to meet the objectives of Vision "2030".

Projects Overlooking Haramain High Speed Train in Southern Area:

Madinah Gate Project: The Madinah Gate project is considered one of the most distinguished projects in the Knowledge Economic City and the City of Madinah in general. The project was designed by



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an international consultant in accordance with international standards for the development of Transit Oriented Development project on areas linked to train stations by focusing on the hospitality, shopping and transportation sectors. The project has been designed to be directly linked to the train station from the project's eastern side and the area overlooking Prince Nayef Road. The first phase of the project includes a transport station that is directly linked to the train station in addition to a commercial, entertainment and hotel area. The total area of the first and second phases is 37 thousand square meters, which will benefit from visitors to Madinah and travelers through the train station in Madinah, who are expected to reach 11 million passengers annually in 2028.

The development of the first phase comes on area 22,000 square meters, with investment value reaching SR 630M including land cost. The project includes three main components, the first being the development of a 4-star hotel and hotel apartments with a total of 325 hotel units managed by Double Tree from Hilton,



and the second component comprising shops, restaurants and a recreational area with a total rental area of up to 22,000 square meters, and the third component is a transport station directly connected to the train station, in addition to 800 parking lots to service the hotel and commercial areas of the project. Project expected to be completed in 2024.

Madinah Gate Project (Phase Two): Linked to the phase 1 from its southern side west of the train station. It is planned to add around (350) hotel apartments and around additional (22) thousand sqm of GLA. The design of the project is expected to be in place during the year 2023.

Islamic World District Project: The project that is intended to be developed in the southern area occupies the largest part of the land area in the vicinity of the Haramain High Speed Train Station west of Prince Nayef Road, to be linked to the distinguished projects in the area, taking advantage of the link with the projects of the Knowledge Economic City adjacent to the train station and the



transportation to/from the Prophet's Mosque. The project provides permanent housing services, hospitality and accommodation services. Its (3) star hotels expected to provide (14) thousand hotel units for the entire project phases, along with all the support services; a reception and serviced visitors center, residential apartments, cultural and social areas, various commercial markets, clinics, with green pedestrian paths linking all parts of the site, green spaces and areas designated for children's play. The project is linked with the other developments through various environmentally friendly means of transport. Communication with a group of companies and investment houses to contribute to the implementation of the project is taking place. The project is expected to occupy one million square meter area with total development cost reach SR 12 billion. The project design is currently under study and discussion with financing intuitions is taking place for the first phase of the project which will provide around 5 thousand hotel units and 743 apartments and 25 thousand sqm

leasable area.

1. Medical and Services Sector

1.a. Medical Sector

A. AlMouwasat Hospital: Al Mouwasat Hospital is located in the southern area of the Knowledge Economic City, south of King Abdulaziz Road and near the Second Ring Road "King Abdullah Road". The project has been developed by Al-Mouwasat Medical Services Company over 56,000 square meters. The hospital operates 220 beds, diagnostic and treatment departments, and 60 specialized clinics including all specialties, patients and operation rooms equipped with the latest medical technology. The hospital was formally inaugurated by HRH Prince Faisal Bin Salam Al Saud, Governor of Madinah Province in 2022.

B. Medical Village: As part of the company's direction to benefit from the

مشروع الملتقى رديدانس



integration of the health services sector and its centralization in the south area to maximize the benefit from the land adjacent to the Mouwasat Hospital, and to link the medical services with the Islamic World District project, hospitality, residential and commercial projects, so all these elements benefit from it, the company is in discussion with number of medical institutions to bring them to the development. Ongoing discussion is in light of the continuous update to the masterplan of south area. Discussion taking place considers spaces required for these institutions and the development elements such as medical centers, rehabilitation centers, etc. Among these organizations is the International Medical Center Hospital. This medical city development confirms the recommendations of the strategy consultant to develop the health sector as complementary projects to the services of visitors and pilgrims, and to provide additional health services distinct and essential in the development of various investment products in KEC.

2. Services:

C. Chamber of Commerce and Industry HQ: The construction of the Chamber of Commerce and Industry headquarters has already been concluded and operational in the northern area of the Knowledge Economic City in the area opposite the Haramain High Speed Train Station on the their plot at KEC, with an area of 5,532 square meters. This project is the result of a strategic cooperation agreement between KEC and the Chamber of Commerce and Industry in Madinah under which the two parties mutually benefit from the capabilities available in launching a number of joint training and knowledge initiatives in Knowledge Economic City that aim at supporting youth in the field of business and entrepreneurship in the region.





D. Al-Hramain High Speed Train Station: According to the agreement signed with the General Organization for Railways, the Knowledge Economic City Company is developing the two plots of land owned by KEC and adjacent to the Haramain Train Station, with specific projects that serve both station users' and the company's projects, including a transport station (buses) and commercial and administrative spaces. It is also expected that the masterplan of the Knowledge Economic City will benefit from the proximity of the Haramain Train Station in Madinah through the development of a number of additional projects related to the station servicing, which provide various services to the residents and visitors of Madinah, pilgrims and umrah performers in support of the Kingdom's 2030 vision, which aims to increase the number of pilgrims and umrah performers to about 30 million people. This way, the company hopes to be a leader in providing distinguished services to the visitor and community of Madinah. The outcomes of this agreement also represent the cooperation of the Knowledge Economic City Company with public sector institutions in order to achieve the vision and mutual objectives.

Looking Ahead

During the year 2022, the company expects to continue the development of its anchor projects (KEC Hub and Madinah Gate), complete the sale of all

Townhouse units of the second phase of Dar Al Jewar, the sale of Alalya (phase 1) residential units and sale of KEC Hub branded residence units, all through off-plan. In addition to finalizing the designs of Islamic World District and the second phase of Madinah Gate projects. It also expects to introduce more of its other development projects for partnerships, joint ventures and sale to potential developers, particularly in the Al Alya residential project, and to complete negotiations with potential investors in the Medical Village in south area of KEC project. The company expects to start the construction of Madinah Plaza as strip mall project provide large sizes to anchor tenants.

Major 2022 Highlights

- The official opening of Al-Mowasat Hospital in Knowledge Economic City, with a capacity of about (220) beds under the patronage of His Royal Highness Prince Faisal bin Salman bin Abdulaziz, Governor of Al-Madinah Al-Munawwarah Region.
- Start the utilization of the banking (782) SR million facilities from the Tourism Development Fund and Riyadh Bank to finance development cost of phase 1 of KEC Hub project



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- The approval of Ministry of Housing to include KEC residential units under their umbrella “sakani” program to provide different installment and subsidy schemes to Saudis wish to own units across the Kingdom.
- Awarding the construction contract of the transportation station and commercial shops project on the company land adjacent to Haramain High Speed train in early 2022 as part of Madinah Gate project
- Signing a memorandum of understanding with Ministry of Investment to agree areas of cooperation to promote and develop investment in Knowledge Economic City projects.
- Ala-Alya residential project land is enabled for handover to construction contractors.
- Attracting Al Tamimi and Starbucks tenants to Dar Al-Jewar gated complex.

Completing the leasing of 30% GLA of KEC Hub mall and 36% of GLA of Madinah Gate mall exceeding budgeted lease for the year 2022

Details of the risks facing the Company, Operational, Financial, or Market Risks) and the Company’s applied policies to mitigate and control these risks

Continuous coordination takes place between senior management and the Internal Audit Department assisted by the company’s consultants to identify and evaluate the risks facing the company’s business, determine the level of their importance, and then discuss required decision by the Board of Directors and other board committees, according to competence.

A. Market risk: is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate, currency and other price risks, such as equity price and commodity risks.

A.1. Interest rate risk: Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group’s financial position and cash flows. The Company manages the interest rate risk by regularly monitoring the interest rate

profiles of its interest-bearing financial instruments. Profit or loss is sensitive to higher/lower finance income on Murabaha deposits classified under cash, and cash equivalents as a result of changes in interest rates. The following table demonstrates the sensitivity to a reasonable possible change in interest rate on the Company’s profit before tax, through the impact of floating rate with all other variables held constant:

A.2. Price risk: Is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from special commission rate or currency risks), whether those changes are caused by factors specific to the individual financial instruments or it’s issuer, or factors affecting all similar financial instruments traded in the market. The Company’s exposure to unit price risk arises from investments held by the Company and classified in the consolidated statement of financial position at fair value through profit or loss. The Company closely monitors price in order to manage the price risk arising from investments in fund.

B. Credit risk: Is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration risk arises when a number of counterparties engaged in similar business activities, activities in the same geographical region or have economic features that would cause them to fail their





contractual obligations. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers, and makes provision against those balances considered doubtful of recovery. Cash is placed with banks with sound credit ratings and the investment held at amortized cost is with the Saudi Arabian government that has an A+ credit rating. There is no significant increase in the credit risk for cash at bank balances and investments held at amortized cost as there is no deterioration in the credit ratings of the counterparties. Due to the positive ratings and no significant increase in the credit risk the credit loss remains at Stage -1 and accordingly, 12 months expected credit loss on cash and cash equivalent and investment held at amortized cost is considered insignificant to the Company.

Trade receivables and contract assets are due from customers who have been assessed for credit worthiness prior to the execution of relevant contracts and they do not have a history of default. The Company holds title to the properties sold to these customers and those titles are transferred to the customers on payment of all the balances from the customers. As per the contractual terms, the Company has the right to sell these properties to other parties and collect outstanding balances in case of default by the customers. Accordingly, trade receivables and contract assets are fully secured against these properties. The value of these properties is substantially higher than the outstanding trade receivable and contract assets. Therefore, the loss given default (LGD) is insignificant and hence the credit risk exposure of the Company on trade receivables and contract assets is insignificant. There is no significant concentration of credit risk with respect to trade receivables and contract assets, and the risk is mitigated due to the factors mentioned above.

- C. c. Liquidity risk:** Is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. For instance, concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize

liquid assets. The financial statements show more details on the matter.

- D. Capital Management:** The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company considers share capital, accumulated losses and other reserves as the Company's capital. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 31 December 2021.

3. The risk of building materials price increase

The company assigns the project constructions, including the supply of building materials to specialized construction companies at costs in line with respected project budget. Increased supply cost post project feasibility studies may constitute one of the risks of high construction costs.

4. Risks of unavailability of labor

The company relies on the execution of its project on local Saudi contracting companies. These companies may sometimes face a shortage of labor force due to high costs, which puts pressure on the project implementation schedule.

Fourth: Financial indicators and their analysis

Geographical analysis of the total revenue of the company and its subsidiaries

Not applicable, as the company's project is located in one city (Madinah) with the company's main revenues comprises developing real estate for long term investment through the company or by other developers, and investment income from shares owned by the company in major projects within the KEC.

Five Year Results Comparison

Graph shows assets and liabilities

- b. Table shows assets and liabilities



counterparties	2018	2019	2020	2021	2022
Current Assets	805,792,826	689,547,563	401,646,840	410,882,756	342,316,788
Non-Current Assets	2,495,871,213	2,650,751,539	2,861,411,227	2,883,315,428	3,166,417,259
Total Assets	3,301,664,039	3,340,299,102	3,263,058,067	3,294,198,184	3,508,734,047
Current Liabilities	78,908,138	105,105,073	62,047,281	62,189,962	73,124,095
Non-Current Liabilities	23,636,010	18,468,344	9,332,243	62,992,631	282,692,870
Total Liabilities	102,544,148	123,573,417	71,379,524	125,182,593	355,816,965

Business Results Comparison:

SAR	2018	2019	2020	2021	2022
Revenue	71,121,206	151,760,334	112,936,069	42,454,283	56,686,593
Cost of Revenue	(57,858,594)	(105,398,098)	(88,399,271)	(31,983,740)	(38,666,604)
Gross Profit	13,262,612	46,362,236	24,536,798	10,470,543	18,019,989
Net Profit (Loss)	(35,536,627)	18,144,589	(25,837,585)	(22,528,742)	(18,836,026)

An explanation of any material differences in the operating results compared to the results of the previous year or any expectations announced by the company

SAR	2021	2022	
Revenue	42,454,283	56,686,593	14,232,310
Cost of Revenue	(31,983,740)	(38,666,604)	6,682,864-
Gross Profit	10,470,543	18,019,989	7,549,446
Other Income	31,748,868	8,325,095	23,423,773-
Other Operating Expenses	(56,598,060)	(57,284,298)	-686,238
Operating (Loss) Profit	(14,378,649)	(30,939,214)	16,560,565-

Details of the Statuary Obligations paid or entitled for payment to GAZT, Customs, or any other fees or payables for the year, with a brief description of these obligations and their reasons

The Company and its subsidiaries are subject to Zakat in accordance with the





regulations of the General Authority of Zakat and Tax (“GAZT”). The Company also settles all statutory payments due for the payment of any Zakat, Taxes, Fees or any other entitlements according to the regulations issued by the relevant authorities.

Statuary Obligations paid or entitled for payment to GAZT, Customs, or any other fees or payables for the year, with a brief description of these obligations and their reasons:

In SAR	Settled Amounts	Unsettled for 2022	Description	Reasons
Zakat	8,003,772.99	-	Amounts settled or carried for the year in accordance with the regulations of GAZT.	As per Sharia Law
Income Tax	1,093,108.76	-	Tax imposed on Company activities	As per gov’t related rules
GOSI	2,100,328.39	-	Amounts paid to cover employee social fee	As per gov’t related rules
Visas and Passport Services	32,500	-	Amounts settled or carried for the year in accordance with the regulations of Passport General Department.	As per gov’t related rules
Labor Office Fees	417,800	-	Amounts settled or carried for the year in accordance with the regulations of Labor Office	As per gov’t related rules
Economic Cities and Special	3,000,000	-	Annual Supervision fee	As per gov’t related rules

Subsidiary Companies

Subsidiaries	Country of	Activity	Paid up capital SR	Effective ownership 2022
Monshaat Al Maarifa Al Akaria LLC	Saudi Arabia	Real Estate	1,000,000	100%
Mashariaa Al Maarifa Al Akaria LLC	Saudi Arabia	Real Estate	633,000,000	100%
Al Gharra International Company LLC	Saudi Arabia	Real Estate	467,765,000	80%
Al Maarifa Al Akaria Company LLC	Saudi Arabia	Real Estate	1,000,000	100%
Makarem AlMaarifa for Hospitality LLC	Saudi Arabia	Real Estate	21,400,000	100%



Riyad Real Estate Fund – Madinah Gate “Fund”	Saudi Arabia	Real Estate Fund	220,000,000	68.82%
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Details of debt instruments issued for each subsidiary

Makarem AlMaarifa for Hospitality LLC:

At the end of the year 2021, the company completed all documents related to



obtaining financing in the amount of (782) SR Million provided equally by the Tourism Development Fund and Riyadh Bank, to be repaid in equal installments over a period of (13) years - including three years grace period.

The company started withdrawing from the facilities at the beginning of the year 2022, and the withdrawal from the facilities as at the end of the year 2022 AD amounted to (225) million riyals, which were provided equally by Tourism Development Fund and Riyadh Bank. Accordingly, the remaining amount of the facilities is (557) million riyals - the repayment period starts from the year 2025 AD. The loan is provided to Makarem Al-Maarifa Hospitality Company Limited (a one-person company) entirely owned by Knowledge Economic City Company. The loan is used to finance the implementation of the Forum project mentioned in this report.

Human Resources

The company pays high attention to the recruitment of national talents and hiring locals. It also trains staff to develop their professional and knowledge skills. Part of these efforts is a training program ending with employment for fresh graduates for a period of 24 months that has been implemented for graduates of civil engineering, architecture, finance and accounting to ensure job stability and professional progression immediately after the end of the training period. The company has also provided the suitable environment for female staff which led to a large number of qualified young Saudi women as part of current staff. The company also cooperates with all universities in Madinah to provide short and long-term training for their students. As a result of the company's commitment to hiring Saudis, it has been classified in

platinum segment at the Ministry of Human Resources and Social Development.

Corporate Social Responsibility

Madinah Society for Down Syndrome “Heba” within Knowledge Economic City: As part of the social contribution, the company allocated on long lease for nominal rent value, a plot of land with 2,400 square meters area in northern part of KEC in favor of the Madinah Society for Down Syndrome “Heba” to establish their main center in Madinah region. Heba is interested in rehabilitation, education and integration programs for children with this disease and provides special education services, physical therapy, occupational therapy, speech and psychological and social services as preparation for the early stages of these children's lives, seeking to add the largest number of children into educational



and professional classes, as well as providing the center for educational and rehabilitation with courses for mothers as well as awareness lectures for the community, especially when taking part at “World Down Syndrome Day”. This land allocation represents the service to the community of Madinah in general and support for the first charitable association specialized in caring for children with Down syndrome in Madinah.

Museum of the Prophet’s Biography and Islamic Civilization in Knowledge

Economic City: The company has allocated a plot of land at a marginal rental fee to establish the main headquarters of the Museum of the Prophet’s Biography and Islamic Civilization, with funding and supervision by the Muslim World League. Details of the project are part of this report.

Madinah Association for Autism: The company has allocated a land plot with an area of (1,650) SQM on a long-term lease at a nominal cost for Madinah

Association for Autism to establish their main center aim to providing necessary services for children with autism to rehabilitate and integrate them into society. Initiatives Development Fund: The company contributes as a silver-tier sponsor for a period of three renewable years, subject to renewal, to the Development Initiatives Fund launched by the Emirate of Madinah under the umbrella of the Madinah Award Foundation, based on the emirate’s efforts to activate the role and contributions of the supporting agencies in development initiatives to motivate and support initiatives in line with the Kingdom’s Vision 2030 And the strategy of the region in a way that contributes to achieving a sustainable impact for the development of society, the economy and the environment and achieves the sustainable development impact of the social, economic and environmental aspects of the Madinah region through activating sustainable development partnership between the public, private and non-profit sectors, adopting studies and attracting the necessary competencies to achieve sustainable development and uniting efforts between the public, private and non-profit sectors. Profitability of



development projects and initiatives and the employment of the support provided in accordance with the development strategy in the Medina region.

The company has also been keen, since its inception, to contribute and participate in launching a number of social and knowledge initiatives in cooperation with many government and private agencies in order to improve the knowledge and social aspects of the residents and visitors of Madinah by holding various activities in Diwan Al Maarifa, Dar Al Madinah Museum and MILE.

Among the initiatives and events are the following:

- Cooperating with the Al-Bir Society in Madinah
- Training youth students through providing work experience in KEC.
- Providing a specialized association in Madinah with screen devices for early detection of breast cancer using the latest innovative technologies on World Cancer Day
- Cooperating with several universities in Madinah
- Providing engineering experience to the students of the interior design



department of Prince Muqrin University in company onsite project as part of the future engineer initiative

- Providing cooperative jobs for undergraduate students as part of their bachelor's degree requirements
- Sponsoring and participating in many CSR events and activities in Madinah
- Providing support to charitable societies in Madina

Corporate Governance

Description of the Company's dividend distribution policy

Within the general shareholders' rights guaranteed by the company's articles of association including publishing the necessary information, the company based on its articles of association, follows a specific policy in the distribution of dividends, whereby the annual net profits of the company are distributed, after deduction of all general and other expenses as follows:

1. (10%) of the net profits are set aside to form the statutory reserve for the company, and the Ordinary General Assembly may stop this deduction when the said reserve reaches 30% of the paid capital.





2. 2) The Ordinary General Assembly may decide to create other reserves, to the extent that serves the interest of the company or guarantees the distribution of fixed dividends as possible to the shareholders. The aforementioned association may also deduct from the net profit amounts to establish social institutions for the company's employees, to assist what may exist from these institutions to serve the community, or for initiatives to support and motivate employees.
3. From the remainder after that, dividends shall be distributed to shareholders at least 1% of the paid-up capital based on a recommendation from the Board of Directors in accordance with the requirements of the regulations in this regard, subject to Paragraph (2) of Article (76) of the Companies Law.

4. The company may distribute interim dividends to its shareholders in a semi-annual or quarterly manner, in accordance with the controls specified by the competent authorities.

Dividend Controls:

- A. The shareholder gets his share in the profits according to the General Assembly resolution issued regarding the distribution of dividends to shareholders, or the decision of the Board of Directors to distribute interim dividends, and the decision specifies the due date and the date of distribution. Eligibility for profits, whether in cash or bonus shares, is for shareholders registered in the company's records at the Securities Depository Center at the end of trading on the day of the general assembly of shareholders, which approves the distribution of those profits.
- B. The shareholder is entitled to his/her share in the dividends in accordance with the decision of the General Assembly issued in this regard, and the decision specifies the date of entitlement and the date of distribution, and the eligibility of the dividends shall be to the owners of shares registered in the shareholders' records at the end of the day specified for entitlement.
- C. The company shall, when making the decision to distribute dividends, disclose and announce it immediately and in accordance with the provisions of the regulations.
- D. The annual Board of Directors report submitted to the company's general assembly includes the percentages of dividends that were distributed to shareholders during the various periods of the fiscal year, in addition to the percentage of dividends proposed to be distributed at the end of the fiscal year and the total of these dividends.
- E. With regard to the timing of dividend payment, the board of directors shall implement the decision of the general assembly regarding the distribution of dividends to the registered shareholders within (15) days from the date of entitlement of these profits specified in the decision of the general assembly, or in the decision of the board of directors ruling on the distribution of interim dividends.
- F. The distribution of dividends is recorded on the account of retained earnings



accumulated from previous years or the agreed reserves, or both, and the company must take into account the sequence and regularity in upon dividends distribution and its percentage according to the capabilities and available cash, and the board of directors must disclose and announce the percentages of regular periodic dividends that are determined and its disbursement to shareholders.

- G.** Concerning the distribution of dividends for preference shares, if no dividends have been distributed for any financial year, it is not permissible to distribute dividends for the following years except after paying the percentage specified in accordance with the provision of Article (114) of the Companies Law for the owners of preference shares for this year. And if the company fails to pay the specified percentage in accordance with the provisions of Article (114) of the Companies Law from dividends for a period of three consecutive years, then the special association of owners of these shares held in accordance with the provisions of Article (89) of the Companies Law may decide whether they attend the general assembly meetings of the company and participate in voting, or on appointing their representatives in the board of directors in proportion to the value of their shares in the capital, until the company is able to pay all the priority dividends allocated to the owners of these shares against previous years.

The formation of the Board & Classification of its Members

Including their Current and Previous Positions, their qualifications and experiences, the names of companies inside or outside the Kingdom of which a member of the company's board of directors is a member of its current and previous boards of directors or of its directors, the names of the members of the committees and the executive management, their qualifications and experiences:

- A. Members of the Board of Directors:** The Board of Directors of the company consists of (11) members appointed by the General Assembly for a period not exceeding three (3) years. The Board of Directors has been elected for the current term that started on 28 July 2021 by the Assembly General Meeting held on 27 June 2021. Details of the members of the Board as follow:

Classification of Members of the Board: Executive, Non-Executive, Independent
Qualification Experience and other Board Memberships of the Members



Mr. Amin Mohammad Shake

Chairman (Non Executive Member)



Qualifications

Master's Degree in Business Administration from America in 1986, and a Bachelor's Degree in Administrative Sciences from University of Riyadh in 1979



Area of experience:

Administrative, financial, military and diplomatic experiences through holding senior leadership positions, establishing companies and sitting on their boards of directors.



Previous jobs:

Major General, the Ministry of Defense



Current jobs:

Founder and Director of Private Commercial Companies



Companies for Which He is a Member of Their Board of Directors or One of Their Managers - Currently

Within KSA: (Medicina Medical Company, closed joint stock), (Prince Sultan Cultural Center Company, closed joint stock), (Al Nahla Trading and Contracting Company, closed joint stock), (Almaarifa Alakaria LLC.)

Outside KSA: Companies for Which He was a Member of Their Board of Directors or One of Their Managers



Companies for Which He was a Member of Their Board of Directors or One of Their Managers

Within KSA: (Savola Group, listed), (Saudi Pharmaceutical Industries and Medical Appliances SPIMACO - Pharmaceutical, listed), (Red Sea Housing Services Company, listed), (Kinan International Real Estate Development Company, closed joint stock)

Outside KSA: -

**Dr. Ahmad Hasan Alarjani**

Vice Chairman (Non Executive Member)

**Qualifications**

Ph.D. in Engineering and Project Management, University of Dundee - United Kingdom in 1993, Master's Degree in Engineering and Project management, George Washington University - in 1989, and BA in Architecture, College of Architecture and Planning, King Saud University in 1985.

**Area of experience:**

Diverse experience in project development and management, architecture and corporate management..

**Previous jobs:**

King Saud University Vice President for Projects, Professor at the College of Architecture and Planning, King Saud University/ Project Adviser for a number of government agencies, including the Riyadh Municipality, the Ministry of Education, Qassim University, and Chairman for a number of committees overseeing studies and designs for a number of university cities in the Kingdom.

**Current jobs:**

Secretary-General, King Abdullah bin Abdulaziz Foundation for his Parents for Housing Development

**Companies for Which He is a Member of Their Board of Directors or One of Their Managers - Currently**

Within KSA: Algharra International Real Estate Development Co.

Outside KSA: -

**Companies for Which He was a Member of Their Board of Directors or One of Their Managers**

Within KSA: Midrar Company, LLC, Almaarifa Alakaria, LLC, Makarem Almarifa LLC

Outside KSA: -

**Mr. Saleh Mohammed Binladen**

(Non Executive Member)

**Qualifications**

Bachelor's Degree in Business Administration from Bournemouth International College in Bournemouth, UK, in 1976.

**Area of experience:**

Vast experience in management and investment areas

**Previous jobs:**

General Manager, the Real Estate Division of the Mohammed Bin Laden Company/ Senior Vice President of Bin Laden Group.

**Current jobs:**

General Manager of Project Management Development Company LLC.t

**Companies for Which He is a Member of Their Board of Directors or One of Their Managers - Currently**

Within KSA: (Makkah Construction and Development Company, Listed), (Red Sea International Company, Listed), (Huta Higerfield Saudi Company LLC), (Alsahm Company for Beverage Industry LLC), (Knowledge Economic City Developers Company LLC), (Kinan Real Estate Development Company, closed joint stock), (Ports Development Company, closed joint stock).

Outside KSA: -

**Companies for Which He was a Member of Their Board of Directors or One of Their Managers**

Within KSA: (Jazan Economic City Land Company, CJSC), (Al-Khabeer Financial Consulting, CJSC), (Emaar, Listed), (King Abdullah Economic City Company, Listed)

Outside KSA: -

**Eng. Omar Abdulaziz Alzaben**

(Non Executive Member)

**Qualifications**

Executive training in Financing from London Business School in 2016, Master of Business Administration, American University of Beirut, 2006, Bachelor of Science in Industrial Engineering, King Saud University, 1995.

**Area of experience:**

More than 25 years of experience in establishing and managing companies, focusing on the efficient use of assets and facility resources. Experience in managing investments and financial markets.

**Previous jobs:**

Senior roles in companies specialized in industry, investment and logistics.

**Current jobs:**

Management of Number of Companies

**Companies for Which He is a Member of Their Board of Directors or One of Their Managers - Currently**

Within KSA: (Al-Qahtani Company for Pipeline Packaging Industries, CJSC), (Saudi Gulf Aviation Company, CJSC).

Outside KSA: -

**Companies for Which He was a Member of Their Board of Directors or One of Their Managers**

Within KSA: -

Outside KSA: -

**Dr. Ali Siddiq Al Hakami**

(Non Executive Member)

**Qualifications**

Ph.D. in Psychology in 1991 and MA in Industrial and Organizational Psychology in 1986, both from Oregon University - America, and BA in Psychology in 1982 from Imam Mohammad bin Saud University.

**Area of experience:**

Academic and practical experiences in the field of modern management and the education field

**Previous jobs:**

Faculty Member - Imam Mohammad bin Saud Islamic University, Director General of Measurement and Evaluation and Assistant Undersecretary for Educational Development, Ministry of Education, General Director of Obeikan Company for Research and Development, General Director of the King Abdullah Project for the Development of Public Education, CEO of Tatweer Company for Educational Services, Secretary-General of the King Abdullah bin Abdulaziz International Foundation for Humanitarian Business.

**Current jobs:**

Consultancy Business

**Companies for Which He is a Member of Their Board of Directors or One of Their Managers - Currently**

Within KSA: -.

Outside KSA: -(Vice Chairman of the Board of Directors of Al Kabeer Company, a closed joint stock)

**Companies for Which He was a Member of Their Board of Directors or One of Their Managers**

Within KSA: -Advanced Petrochemical Co PLC, Rehab Almarifa Schools Co, LLC, Adwaa Almaarifa LLC, Algharra Internation RE Co LLC.

Outside KSA: -



Mr. Ziad Mohammad Makki Al Tunisi
(Independent Member)



Qualifications

ExMaster's degree in Securities and Investment, University of Reading, UK, in 1996, BA in Business Administration, King Saud University, 1991.



Area of experience:

Experience in executive management, financial management and finance.



Previous jobs:

Vice President and Chief Operating Officer, Executive Director of Finance, Al Faisaliah Group, Private Banking Investment Advisor, Samba Financial Group.



Current jobs:

Chief Executive Officer - Al Faisaliah Group



Companies for Which He is a Member of Their Board of Directors or One of Their Managers - Currently

Within KSA: (Saudi National Bank, Listed), (Saudi Phillips Company, CJSC), (Al Safi Danone Company, CJSC), (Accenture, CJSC), (Lavana Company, LLC), (Awj Holding Company - LLC), (Tibbiyah Holding LLC).

Outside KSA: - (Sackville Capital Corporation, JSC), (Nuwa Capital Corporation, JSC), (Axensia Corporation, JSC), Saudi Pioneers Investors, JSC



Companies for Which He was a Member of Their Board of Directors or One of Their Managers

Within KSA: - Samba Capital, JSC)

Outside KSA: - (Solidere International, CJSC)



Dr. Jassim Alrumaihi
(Independent Member)



Qualifications

Ph. D in Accounting, University of Dundee, UK in 1997, Master of Accounting from University of Missouri, America in 1989 and a Bachelor of Accounting Sciences, King Saud University in Riyadh in 1984..



Area of experience:

Academic and practical experiences in accounting, leadership, corporate governance, organization structure and business excellence.



Previous jobs:

Assistant Professor, King Saud University, Head of the Accounting and Management Information Systems Department, King Fahd University of Petroleum and Minerals, Vice President for Financial and Administrative Affairs, Faisal Mohammad Al-Qahtani Sons Company - Closed Joint Stock, CEO of the Saudi Contracting Union Company, Vice President for Administrative Affairs and Development Al-Shalawi International Company, CEO of Razen Al-Maarifah Company, LLC



Current jobs:

Financial and management consultant



Companies for Which He is a Member of Their Board of Directors or One of Their Managers - Currently

Within KSA: (Saudi Stock Fund, CJSC), (REIT Musharaka Fund, CJSC), and a member of Audit committees of a number of listed joint stock companies, Eastern Cement Company, United Electronics Company) and a member of the Audit committees of a number of closed joint stock companies: Panda Company, Al-Rajhi Brothers Company.



Outside KSA: -

of Directors or One of Their Managers

Within KSA: - (Member of the Board of Directors, First Finance Company, CJSC)

Outside KSA: -



Mr. Abdallah Hasan Qanzal
(Independent Member)



Qualifications

Bachelor of Business Administration, Washington University, Seattle, USA, 1977.



Area of experience:

Extensive administrative, financial and investment experiences.



Previous jobs:

Management of companies and investments.



Current jobs:

Chairman - United Components International Company, LLC.



Companies for Which He is a Member of Their Board of Directors or One of Their Managers - Currently

Within KSA: (Musharaka Fund for Initial Public Offerings, CJSC), (REIT Musharaka Fund, Closed Joint Stock Company).



Outside KSA: -

of Directors or One of Their Managers

Within KSA: - (Member of the Board of Directors of the Lebanese Commercial Bank, CJSC), (Member of the Board of Directors and Chairman of the Governance Committee of the Jeddah Company for Urban Development and Regeneration Company, Government CJSC)

Outside KSA:



Dr Walid Mohammad Alissa
(Non Executive Member)



Qualifications

Ph. D. in Accounting from Pennsylvania State University - USA in 2009, Master of Business Administration from University of California Los Angeles - USA in 2003, Postgraduate Diploma in Finance from University of California, Berkeley - USA in 2001 and Postgraduate Diploma in Business Administration from University of California Berkeley branch - USA in 2000 and a Bachelor of Electrical Engineering from King Fahd University of Petroleum and Minerals - Dhahran in 1997.



Area of experience:

Financial and accounting experiences and in the field of investment and real estate development - Participation in the implementation of many universities researches and teaching in international universities.



Previous jobs:

Chief Investment Officer, Assila Investment Company, Assistant Professor of Accounting at the Graduate School of Management in Paris, France, Assistant for Science Research at Pennsylvania State University - University Park - USA, Electrical Engineer at the Saudi Petrochemical Company in the Kingdom of Saudi Arabia.



Current jobs:

Vice Chairman and Managing Director - Assila Investment Company (CJSC).



Companies for Which He is a Member of Their Board of Directors or One of Their Managers - Currently

Within KSA: (Taiba Investment Company, listed), (SABIC Agri-Nutrients Company - SAFCO, listed), (Assila Investment Company, CJSC), (Al-Aqiq RE Development Company LLC), Assila Facility Management Co LLC, Al Gharraa International Real Estate Dev Co LLC, Makarem Almaarifa Hospitality Co LLC, Assila Tower Company LLC..



Outside KSA: -

of Directors or One of Their Managers

Within KSA: - (Herfy Food Services Company, Listed), (Arabian Resort Areas Company, ARAC, CJSC), (Fiberglass Oasis Company, CJSC), Saudi Heritage Hospitality Co CJSC)

Outside KSA:



Eng. Nidal Abdulmajeed Jamjoom
(Independent Member)



Qualifications

Bachelor's degree in Industrial Engineering from King Abdulaziz University in 1991 and number of training courses inside and outside the Kingdom in management, strategy development, marketing, human and financial resources management.



Area of experience:

More than 30 years in business management, development and implementation of strategies, developing and marketing consumer products, real estate development and retail sectors.



Previous jobs:

Al-Rashed Company for Trading and Contracting.



Current jobs:

CEO, Kinan International Real Estate Development Company.



Companies for Which He is a Member of Their Board of Directors or One of Their Managers - Currently

Within KSA: Kinan International Real Estate Company; CJSC, Management and Development of King Abdullah Financial Center Co CSJC, King Salman Park, National Committee for Real Estate in Saudi Chambers, Urban Development Council at Jeddah Chamber of Commerce.



Outside KSA: -

of Directors or One of Their Managers

Within KSA: Al Nahdi Medical Company (CJSC), Dar Al Tamleek Financing Company (CJSC), Jeddah Up Town Project Establishment Committee member.

Outside KSA:

B. Committee Members: Who are Not Members in the Board



Mr. Ahmad Abduljawad Reda
Audit Committee Member



Qualifications

Master and Bachelor of Science in Information Systems Engineering, George Mason University, USA.



Area of experience:

Vast experience in the field of finance area, internal audit, auditing, financial analysis, and arbitration in financial and accounting matters.



Previous jobs:

Business consultant, Ernst & Young, Partner and Founder of Team One for Investment Advisory Services, co-founder and CEO, Advanced Solutions Company, and Founder and Partner of a number of consulting firms in the Kingdom.



Current jobs:

Consultant / Co-Founder of Manhattan Capital.:



Mr. Waleed Khalid Fatani
(Non-Executive Member)



Qualifications

Bachelor of Science in Accounting California State University, USA in 1993 from.



Area of experience:

More than 28 years of banking, financial and investment experience and experience across a variety of business and financial services sectors.



Previous jobs:

CEO of Saudi Fransi Capital, Group Treasurer of Abdulatif Jamil Group and Advisor to the its Group President for Capital Markets and Investment, GM of Deutsche Bank KSA, and various roles with Banque Saudi Fransi including Head of Group Treasury and a Member of several Executive Committees .



Current jobs:

CEO, Savola Group.



Companies for Which He is a Member of Their Board of Directors or One of Their Managers - Currently

Within KSA: Member of the Board of Director for Al-Marai Company-PLC, Herfy Food Services-PLC, Panda Retail Company-CJSC, Savola Foods Company-CJSC, Afia International Company-CJSC, United Sugar Compnay-CJSC, Kinan International Company-CJSC.

Outside KSA: -Al Kabeer Group Company-LLC



Companies for Which He was a Member of Their Board of Directors or One of Their Managers

Within KSA: -

Outside KSA:



Mr. Aly Barakat
Audit Committee Member



Qualifications

Bachelor of Commerce, Accounting Division from Helwan University in 1991, Certified Chartered Accountant from the USA in 2000, and a fellow of international legal accountants – 2012, Association of International Professional Accountants..



Area of experience:

Practical extensive experience of more than (25) years in the financial field, internal and external audit work, governance, corporate risk management, compliance and financial matters..



Previous jobs:

Senior Director of Abu Dhabi Accountability Authority, Director of the KPMG Office in Dubai, Director of the Audit of Ernst & Young Sultanate of Oman and the Arab Republic of Egypt .



Current jobs:

Head of Internal Audit, Savola Group.



**Mr. Medhat Farid Tawfik**

Audit Committee Member

**Qualifications**

Bachelor of Science, Belmont University, USA in 1989, Citibank Asia Pacific Program, Certificate in Anti-Money Laundering .

**Area of experience:**

Experience in the field of audit and compliance with number of large organizations in KSA.

**Previous jobs:**

Worked for Samba Financial Group for 24 years in several positions including Head of Money Transfers Department, Compliance Manager, Internal Audit Manager.

**Current jobs:**

Executive Partner of Irsaa Business Solutions Company specialized in outsourcing services in areas of risk management and internal audit, Member of the Board of Directors of Rana Investment Company (closed joint stock), the National Energy Generation Company, a member of audit committees of number of companies such as Saudi Telecom Company, Jarir Marketing Company, and AWJ Holding Company.

Board Committees

A brief description of the committees' competences, duties, chairmen and members, the number of their meetings, dates of their convening, and attendance record for members for each meeting.

The company has specialized committees whose membership has been formed by members of the board and external members with expertise and specializations, and their objectives, tasks and general framework for their work have been mentioned within its regulations approved by the Board of Directors and the General Assembly that define its authority and work procedures. The following statement includes part of its terms of reference.

The committees are as follows:

A. Audit Committee

The Audit Committee is responsible for monitoring the company's business and verifying the integrity of the reports, financial statements and internal control systems, and therefore it has the right to review the company's records & documents and request any clarification or statement from the members of the board of directors or the executive management, and it may also request the board of directors to call the General Assembly of the company to convene if the board of directors impedes its work, or if the company was exposed to severe damages or losses.

The committee assists each board of directors in supervising the executive management's compliance with the accounting and financial regulations, standards and laws and examining the processes achieved by it in terms of scrutinizing



the company’s interim and annual financial statements before submitting them to the Board of Directors and expressing its opinion and recommendation to ensure its integrity, fairness and transparency, and examining any important or unfamiliar issues included in financial reports. It also reviews the accounting policies adopted by the company and verifies the accounting estimates in the fundamental issues mentioned in the financial reports, in addition to researching any issues raised by the company’s financial director, compliance officer, or auditor etc. in accordance with its mandate as part of CMA CG manuals and company regulations.

The committee is chaired by an independent board member, and all of its members are specialized in financial and accounting affairs and none of them is an executive member. As part of its duties, the committee supervised and coordinated the internal and external auditing processes during the year 2022, and supervised the work of a number of consultants who provide services to the company in the area of the committee’s competence in order to verify the effectiveness and efficiency of the internal control systems and procedures. The following are the names of the committee members and the record of attending meetings:

				(6)	(5)	(4)	(3)	(2)	(1)
	Name	Position	Classification	3 Nov	4 Sep	13 Aug	17 May	20 Mar	12 Jan
1	Dr. Jassim Al Rumaihi	Chairman	Independent	✓	✓	✓	✓	✓	✓
2	Mr. Ahmad Reda	Member	Non-Board	✓	✓	✓	✓	✓	✓
3	Mr. Aly Barakat	Member	Non-Board	✓	✓	✓	✓	✓	✓
4	Mr. Medhat Tawfik	Member	Non-Board	✓	✓	✓	✓	✓	✓

B. Nomination Compensation Committee

The committee is concerned with proposing unequivocal policies and criteria for membership in the Board of Directors and the Executive Management, and for recommending to the Board to nominate its members in accordance



with the approved policies and standards. The description of the capabilities and qualifications required for membership of the board and filling executive management positions, specifying the time that the member must allocate to the work of the board of directors. It also reviews the annual needs for necessary skills or expertise appropriate for board membership and executive management functions. It also reviews the structure of the Board of Directors and the executive management and makes recommendations regarding the changes that

can be made, and annually verifies the independence of independent members, the absence of conflict with them, and develops job descriptions for executive members, non-executive members, independent members and senior executives, as well as setting special procedures in the event that the position of a member becomes vacant in the board of directors or senior executives, determining the strengths and weaknesses of the board of directors, and proposing solutions to address them in the interest of the company. The committee is also responsible for preparing a remuneration policy for members of the board of directors and committees emanating from the board and executive management and submitting it to the board of directors for consideration in preparation for approval by the general assembly, and other procedures related to the remuneration mentioned in its work regulations. The committee recommends to the Board of Directors the remuneration of the members of the Board of Directors

Names of committees' members and the meeting register for meetings held during FY 2022:

			Meeting	(1)	(2)	(3)	(4)
	Name	Position	Classification	17 Apr	23 May	11 Sep	18 Dec
1	Mr. Ziad Al Tunisi	Chairman	Independent	✓	✓	✓	✓
2	Dr. Ali Al Hakami	Member	Non-Executive	✓	✓	✓	✓
3	Mr. Waleed Fatani	Member	Non-Executive	✓	✓	✓	✓
4	Eng. Nidal Jamjoom	Member	Independent	✓	✓	✓	✓
5	Dr. Jassim Al Rumaihi	Member	Independent	✓	✓	✓	✓

New Committee term started on 28 July 2021 for a period of 3 years

C. Executive Committee

The committee assists the Board of Directors in carrying out the work and tasks assigned to it in order to ensure progress and follow-up of the company's operations, including participation in developing strategic plans and objectives, evaluating the proposals submitted by the company's management for such plans,

such as, reviewing and evaluating the annual plan and the estimated budget and making recommendations regarding it for approval by the Board and supervising the implementation of the financial, administrative, and technical plans necessary to run the company's business and projects periodically, reviewing studies, contracts, business and capital and non-capital investments that are made in the interest of the company, and other roles stipulated in company regulations and standards. The meetings held during the year and member attendance as follow:

Executive Committee meetings during the FY2022

	Meeting	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Name*	Position	9 Jan	29 Jan	16 May	25 May	7 Jun	4 Jul	1 Aug	29 Aug	17 Oct	20 Oct	31 Oct	5 Dec	12 Dec	21 Dec	25 Dec
Mr. Amin Shaker	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Walid Alissa	Vice-Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Ahmad Alarjani	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Saleh Binladen	Member	✓	✓	✓	✓	✓	✓	✓	✓	X	x	✓	X	✓	✓	✓
Eng. Omar Alzaben	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

* All are non-exec members in BOD

D. Corporate Social Responsibility Committee:

The role of the committee is to assist and supervise efforts in social responsibility towards the shareholders, employees, customers and stakeholders of the company, and to assist the Board of Directors in matters related to that CSR responsibility. Also to setup programs and initiatives of the company in the field of social work assuring balance between company goals and those serving the community as well as the follow-up of the implementation and launch of CSR programs in

accordance with the company directions and plans.

Committee Composition

Name	Position	Board Membership Classification
Dr. Ali Siddiq Al Hakami	Chairman	Non-Executive Board Member
Dr. Jassim Shaheen Al Rumaihi	Member	Independent Board Member
Dr. Walid Alissa	Member	Non-Executive Board Member

A new committee was formed before the end of the year 2022.

Considering the role of the Committee, the members of the Committee don't receive remuneration nor meeting attendance fee. As CSR programs were identified and approved by the Executive Committee and the Board before the committee formation, the committee did not meet during in the period post its formation, provided it will resume its responsibility during 2023.

Executive Management Team

The executive team implements the strategies and plans approved by the Board of Directors, the Executive Committee and the Company's other committees. Team members as follow:



Mr. Mohammad AbdulHameed Al-Mubarak
Chief Executive Officer (CEO)



Qualifications

Master of Finance from Cambridge University, UK, BA in Finance, King Faisal University.



Area of experience:

Experience in the field of investment and financial systems.



Previous jobs:

Vice President for Investment, KEC, Head of the investment sector at MAS Holding Company in Qatar, Director of RE Investment Portfolios at Riyadh Capital Company, Financial Instruments Officer at the Capital Market Authority – CMA.



Eng. El-Saeed Ahmad Albially
Vice President Projects Development



Qualifications

Bachelor of Civil Engineering from Mansoura University - Egypt in 1989, advanced courses and the field of engineering and management.



Area of experience:

Diversified experience in architecture, real estate development and project management.



Previous jobs:

Regional Director of CIMS Consulting and Real Estate Development, Senior Development Manager for Limitless International Dubai, Development Manager for Akwan Real Estate, Project Manager at Dar Al-Handasah Consulting Company, Senior Engineer at Riyadh Water Authority, Technical Director of the Urban Studies and Design Center Company



Mr. Mohammad Abdul Moid
Vice President Finance (CFO)



Qualifications

Master of Business Administration, Osmania University, Chartered Accountant by the Institute of Chartered Accountants of India.



Area of experience:

Financial and accounting experiences.



Previous jobs:

Chief Financial Officer of Emaar Middle East, Senior Auditor at Crow Mac Review and Financial Advisors Dubai, Senior Auditor MN Reddy Auditing & Financial Advisors India



Eng. Hazem S Elbanna
Projects Chief Operating Officer



Qualifications

Bachelor and Master of Civil Engineering, Cairo University and Diploma in Business Administration, American University of Cairo.



Area of experience:

Engineering Consultancy, Construction and Real Estate Development.



Previous jobs:

Project Director Dar Properties Abu Dhabi, Vice President DAMAC Dubai, General Manager Tamdeen Group Kuwait



Number of meetings held during the fiscal year 2022 and attendance record:

Board Meetings:

Meeting Attendance Register	(1)	(2)	(3)	(4)	(5)
Member	21 Mar	9 May	21 Jun	14 Sep	28 Dec
1. Mr. Amin Shaker – Chairman	✓	✓	✓	✓	✓
2. Dr. Ahmad Alarjani – Vice Chairman	✓	✓	✓	✓	✓
3. Mr. Saleh Binladen	✓	✓	✓	✓	✓
4. Eng. Omar Alzaben	✓	✓	✓	✓	✓
5. Dr. Jassim Alrumaihi	✓	✓	✓	✓	✓
6. Dr. Ali Al Hakami	✓	✓	✓	✓	✓
7. Mr. Abdallah Qanzal	✓	✓	✓	✓	✓
8. Mr. Ziad Al Tunisi	✓	✓	✓	✓	✓
9. Dr. Walid Alissa	✓	✓	✓	✓	✓
10. Mr. Waleed Fatani	✓	✓	X	✓	✓
11. Eng. Nidal Jamjoom	✓	✓	✓	✓	✓

A description of any deal/ trade transaction between the company and a related party, or business or contracts in which the company is a party, and in it or in which there was an interest for a member of the company's board of directors, its senior executives, or any person related to any of them:

-NoneResults of the annual review of the effectiveness of internal control procedures

The results of the continuous examination and annual verification showed that there is no fundamental deficiency in the internal control systems and their integrity, through review processes aimed at ensuring the effectiveness of internal control systems, reviewing financial and administrative policies and procedures, financial reporting procedures and their outputs, to ensure the protection of the company's assets.

With the need for frequent updates to match the new requirement and rules issued by competent authority, the Audit Committee supervises the efforts made by the management periodically and regularly to develop systems and policies



in order to evaluate the efficiency and effectiveness of control activities and risk management, under the direction of the Board of Directors and the supervision of the Internal Audit Department, and a number of consultants who work with the company to review and update the systems on an ongoing basis.

External Auditors

The assembly general meeting of the company was held on 22/06/2022 and approved the appointment of Pricewaterhouse Coopers firm form among the presented candidates to carry out audit work for the FY 2023.

- The report of the external auditors was issued without any reservation.

A description of any interest, contractual securities and subscription rights pertaining to the board of directors, senior executives and their relatives in the shares or debt instruments of the company, or any of its subsidiaries, and any change in that interest or those rights during the past fiscal year.

A statement of the interest of the members of the board of directors and their relatives in the company's shares and the changes during 2022



Sr	Board Member	No of Shares at Beginning of the Year	Shares at Yearend	Changes during the year	Change %	Ownership of First Degree Relative
1	Mr. Amin Shaker*	26,171,0344	26,171,0344	-	-	3,546,744
2	Dr. Ahmad Alarjani	0	0	-	-	-
3	Mr. Saleh Binladen	0	0	-	-	-
4	Eng. Omar Alzaben**	4,000	4,000	-	-	-
5	Dr. Jassim Alrumaihi	100	100	-	-	-
6	Dr. Ali Al Hakami	0	0	-	-	-
7	Mr. Abdallah Qanzal	1,000	1,000	-	-	-
8	Mr. Ziad AlTunisi	100	100	-	-	-
9	Dr. Walid Alissa	1,000	1,000	-	-	-
10	Eng. Nidal Jamjoom	1,000	1,000	-	-	-
11	Mr. Waleed Fatani	-	-	-	-	-

1) * Mr. Amin Shaker wife owns (3,546,744) shares of Knowledge Economic City Company.

2) The company did not distribute dividends during the FY 2022.

Number reports of Shareholders' Records requested, dates and reasons.

No of Shareholder Registers Request	Request Date	Reason
(1)	26/3/2022	Company procedures
(2)	22/6/2022	AGM

The dates of the shareholders AGM held during the last fiscal year and Board Members who attended the meeting:

One Ordinary Assembly General Meeting was held during the year on 22 June 2022.

All Board members and committees' chairs were present.

The means adopted by the Board of Directors in evaluating its performance and the performance of its committees and members, and the external body that carried out the evaluation and its relationship to the company, if any

A specialized external party was appointed to develop evaluation criteria and forms to be used for the evaluation of board and committees, and the evaluation was conducted.

3,546,7



Actions taken by the Board of Directors to inform its members - especially non-executives - of shareholders' proposals and comments about the company and its performance

In compliance with the company's corporate governance systems, members of the Board of Directors are continually obligated to attend the General Assembly meetings of shareholders in order to listen to shareholders' proposals and comments, with the Board directing the Executive Management to receive what may be received by the company from the relevant departments of the company and convey it to the CEO and raise it to the Board of Directors for discussion and decision.

Remuneration of members of the Board of Directors and the Executive Management in accordance with what is stipulated in Article 93 of the Corporate Governance Regulations

The policy for the remuneration of the members of the Board of Directors, the Board Committees and the Executive Management has been approved by the General Assembly according to the recommendation submitted by the Board of Directors and the Remuneration and Nominations Committee, so that this policy is reviewed from time to time. The following table shows the remuneration of the members of the Board of Directors due for the year 2022:

	Specific amount	Allowance for attending Board Meetings	Travel Allowance	Committees meetings attendance fee	Total
Independent Members					
Dr. Jassim Al Rumaihi	200,000	25,000	4,500	36,000	265,500
Mr. Ziad Al Tunisi	200,000	25,000		21,000	246,000
Mr. Abdallah Qanzal	200,000	25,000	4,500		229,500
Eng. Nidal Jamjoom	200,000	25,000	1,500	12,000	238,500

	Specific amount	Allowance for attending Board Meetings	Travel Allowance	Committees meetings attendance fee	Total
Total	800,000	100,000	10,500	81,000	979,500
Non-Exec Members					
Mr. Amin Shaker	200,000	25,000	3,000	45,000	273,000
Dr. Ahmad Al Arjani	200,000	25,000		45,000	270,000
Mr. Saleh Binladen	200,000	25,000	3,000	36,000	264,000
Dr. Ali Al Hakami	200,000	25,000		12,000	237,000
Eng. Omar Alzaben	200,000	25,000		45,000	270,000
Dr. Walid Alissa	200,000	25,000	3,000	45,000	273,000
Mr. Waleed Fatani	200,000	20,000	0	12,000	232,000
Total	1,400,000	170,000	9,000	240,000	1,819,000
No Executive Members					

Board remuneration is represented in a meeting attendance allowance at SR (5,000) per meeting, a travel and transportation allowance of SR (1,500) per meeting for a member from outside the city where meeting takes place, and an annual lump sum of SR (200K) in accordance with the company's policy approved by the general assembly.

- Also, the remuneration policy includes - in the event of profits realization- granting non-executive members a certain percentage of profits after fulfilling the conditions and requirements imposed by the competent authorities. The policy includes an additional bonus for independent members decided annually on the recommendation of the Board & Nominations and Remuneration Committee.



2. The Chairman of the Board of Directors, Mr. Amin Shaker donated his remuneration to social charitable organizations in Madinah as social contribution on behalf of the company.

B) The Remuneration of Senior Executives (3), including the CEO and CFO

SAR	Salaries	Allowances	EOSB	Bonus	Total
Remuneration and Compensation paid to Senior Executives. CEO and CFO among them 4 Jobs	3,446,111	1,534, 137	-	986,522	5,966,770

Nomination Compensation Committee as part of its mandate shall review the senior executives' compensation packages to ensure it meets company standards and required KPIs

c) Remuneration of Committee Members

Amounts in SAR '000	Fixed Amount	Attendance Fee	Travel Allowance	Total
Audit Committee Members				
Dr. Jassim Al Rumaihi (Chairman)	50,000	18,000	6,000	74,000
Mr. Ahmad A. Reda	100,000	18,000	6,000	124,000
Mr. Aly A. Barakat	100,000	18,000	4,500	122,500
Mr. Medhat Tawfik	100,000	18,000	6,000	124,000
Total	350,000	72,000	22,500	444,500
Nomination Compensation Committee Members				
Mr. Ziad Al Tunisi (Chairman)	50,000	12,000	0	62,000
Dr. Ali Al Hakami	50,000	12,000	0	62,000
Mr. Waleed Fatani	50,000	12,000	0	62,000
Eng. Nidal Jamjoom	50,000	12,000	0	62,000
Dr. Jassim Al Rumaihi	50,000	12,000	0	62,000
Total	200,000	60,000	0	310,000
Executive Committee Members				
Mr. Amin Shaker (Chairman)	50,000	45,000	0	95,000

Dr. Walid Alissa (VC)	50,000	36,000	0	86,000
Dr. Ahmad Alarjani	50,000	45,000	0	95,000
Mr. Saleh Binladen	50,000	45,000	0	95,000
Eng. Omar Alzaben	50,000	45,000	0	95,000
Total	250,000	216,000	0	466,000

An allowance for attending the committee meeting is (3,000) riyals, a travel allowance for a member from outside the city of the meeting's location is (1,500) riyals, a remuneration for the external member of the committee is (100) thousand riyals, and a remuneration for a member among the members of the board of directors is (50) thousand riyals, according to the policy approved by the association General shareholders.

Declarations – Corporate Governance and other declarations

List of implemented and non-implemented provisions of CMA Corporate Governance Regulations, and justifications therefor. As part of its commitments the Knowledge Economic City adheres to the rules and regulations related to corporate governance that are stated in the Companies Laws by the Ministry of Commerce, and the relevant CMA Charters with respect to the rights of shareholders and obligations towards continuous transparency. Below is a table stating the rules that have not been implemented and shall be rectified in the near future:

Comments	Article
The Company has appointed a Consultant undertake risk responsibilities, update the systems and risk registers, and share the same with the Audit Committee and Board.	Formation of the Risk Management Committee - "optional item"
Partially implemented. Stock options and retention plans will be considered in the future.	Programs for career development for the employees
The role is managed by designated department under Nomination Compensation Committee.	Formation of a Corporate Governance Committee - "optional item"



Declarations:

A) The Company declares the following:

1. Proper books of account have been maintained;
2. The system of internal control is sound in design and has been effectively implemented; and
3. There are no significant doubts concerning the company's ability to continue its activity.

B) Further Declarations:

1. No competing business with the company made by the board or committee members during 2022.
2. The External Auditor's report did not include any reservation on the annual financial statements.
3. No punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the Authority or any other supervisory, regulatory or judiciary authority during the year.
- 4) 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.
- 5) The company does not have treasury shares during the year 2022, and there are no investments or reserves established for the benefit of the company's employees.
- 6) There is no arrangement or agreement under which a member of the board or a senior executive waived any remuneration other than the donation by Mr. Amin Shaker Chairman of the Board to participate in CSR activities under the Company name.
- 7) There are no convertible debt instruments, nor any contractual securities, subscription right notes, or similar rights issued or granted by the company during the fiscal year 2022, or any compensation obtained by the company for that.
- 8) There is no interest, securities and subscription rights belonging to members of the board of directors, senior executives and their relatives in the shares or debt





instruments of the company or its subsidiaries other than the shares mentioned above.

Thanks & Appreciation

The Board of Directors of Knowledge Economic Company is pleased to offer its sincere thanks and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud and his Crown Prince, HRH Prince Mohammad bin Salman bin Abdulaziz - may God protect them - for their kind support extended to the private sector. Thanks and appreciation to HRH Prince Faial bin Abdulaziz Al Saud, Governor of Madinah Region and to his deputy, HRH Prince Saud bin Khaled Al-Faisal, for their support to the company during the year 2022 and special thanks to the esteemed shareholders of the company for their trust and support. We pray to Allah for the culmination of this trust into development and prosperity of the company.

KEC Board of Directors

March 2023

