



ANNUAL REPORT

2021

الشركة الوطنية  
لصناعة الأسمدة الكيماوية

The logo features a stylized green leaf with three leaves at the top, positioned above a brown circular shape that resembles a fruit or a globe. The text is in Arabic, with 'الشركة الوطنية' in green and 'لصناعة الأسمدة الكيماوية' in brown.





Custodian of the Two Holy Mosques  
King Salman bin Abdulaziz Al Saud  
King of Saudi Arabia

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His Royal Highness  
Prince Mohammed bin Salman Al Saud  
Crown Prince, Deputy Prime Minister, Minister of Defense

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## Chairman's Speech

**The plans have turned into reality, and we've begun to implement.**

Respected shareholders of the National Chemical Fertilizer Industry Company,

May the peace and blessings of Allah be upon you,

On behalf of my fellow members of the Board of Directors, we are pleased to present with you the annual report of the National Chemical Fertilizer Industry Company for the fiscal year ending on 12/31/2021 AD, which includes a full summary of the company's activities, business developments, company governance and operational and financial performance.

Realizing the importance of transparency and in accordance with the regulations issued by the relevant authorities, the Board of Directors strives to ensure that the company's practices are consistent with Corporate Governance Regulations issued by the Capital Market Authority, regulations related to the company's activity and disclosure and transparency requirements.

In conclusion, I sincerely thank and appreciate our distinguished shareholders for their confidence in the Board of Directors, I take the opportunity to thank my fellow board members for their continued and inspiring guidance that has contributed to the development of the company's strategies, sincere thanks to colleagues in executive management, and to all employees of the National Chemical Fertilizer Industry Company, for their dedication in the performance of their tasks and their efforts to implement those strategies, looking forward to further successes and achievements.

May Allah grant us success,

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**Fahd Mohamed Barjas Al-Nasser**

Chairman of Board of Directors

## Board of Directors members



**Fahd Mohamed Al-Nasser**  
Chairman of Board of Directors



**Yasser Hamed Al-Qahtani**  
Member



**Saad Ajlan Al-Ajlan**  
Member



**Abdullah Mohamed Al-Nasser**  
Vice Chairman of Board of Directors



**Bandar Suleiman Al-Beheiry**  
Member



**Asmaa Talal Hamdan**  
Member

# Overview of the National Chemical Fertilizer Industry Company

Leader in the manufacture and production of detergents, chemical fertilizers, and plastics industries

## Our vision:

The company is looking to be a leader in the manufacture and production of detergents, chemical fertilizers, and plastics industries in the Kingdom and to increase its market share in these sectors.

## Our message:

Providing our products with high quality and competitive prices to achieve customer satisfaction and achieve the highest levels of growth and profitability.

## Our values:

- Innovation and achieving the highest quality.
- Customer Satisfaction: We are committed to satisfying our customers, respecting our customers, listening to their requests, and understanding their expectations, and striving to exceed their expectations of affordability, quality, and on-time delivery.
- Teamwork: By enabling our employees to make decisions and achieve the goal to standard criteria.
- Commitment and honesty.
- Cooperation with all sectors within the framework of social responsibility to achieve the vision of the Kingdom 2030.



## Company capital and issued shares:

The National Chemical Fertilizer Industry Company (the "Company" or the "Exporter") was initially established as a sole proprietorship under the name "Al Barjas Factory for Compound Chemical Fertilizers" to its owner Barjas Muhammad Barjas Al Nasser, with Industrial License No. (8) and dated 25/01/1402 AH (corresponding to 22/11/1981 AD), and registered in the Commercial Register of the City of Riyadh with No. (42273) dated 02/26/1402 AH (corresponding to 12/23/1981 AD), and with a capital of four million four hundred thousand (4,400,000) Saudi riyals. On 02/09/1407 AH (corresponding to 10/12/1986 AD), the legal entity of the Al-Barjas Factory for Compound Chemical Fertilizer Corporation was transformed into a limited liability company and its name was changed to become the "National Company for the Manufacturing of Chemical Fertilizers" and the company's capital was raised to eight million (8,000,000) Saudi riyals divided into one hundred (100) in-kind shares of equal value, the value of each of which is eighty thousand (80,000) Saudi riyals. By paying the value of his share in the company's capital, amounting to three million six hundred thousand (3,600,000) Saudi riyals in kind, and it was registered in the Commercial Register No. (1010063903) dated 02/24/1407 AH (corresponding to 10/28/1986 AD) issued in the city of Riyadh. On 22/11/1410 AH (corresponding to 06/17/1990 AD), new partners were entered by purchasing shares from the founding partners, and the company's capital was increased to nine million four hundred thousand (9,400,000) Saudi riyals divided into ninety-four thousand (94,000) cash shares. The value of each is one hundred (100) Saudi riyals, and the increase of one million four hundred thousand (1,400,000) Saudi riyals was paid in cash by the partners. On 01/26/1412 AH (corresponding to 06/08/1991 AD), the company's capital was reduced to three million (3,000,000) Saudi riyals divided into thirty thousand (30,000) cash shares of equal value, the value of each of which is one hundred (100) Saudi riyals, and that Based on the decision of the Minister of Industry and Electricity (currently Industry and Mineral Resources) No. (111/r) approving the capital reduction, and the capital was reduced to more than the company's need. On 03/08/1429 AH (corresponding to 08/02/2008 AD), the partners decided to convert the legal entity of the company into a closed joint stock company, and the company's capital was increased to fifty million (50,000,000) Saudi riyals, divided into five million (5,000,000) ordinary shares, paid in full. The value of each share is ten (10) Saudi riyals, and the increase of forty-seven million (47,000,000) Saudi riyals from the partners' credit rights has been fulfilled. The company was registered in the Joint Stock Companies Register under Ministerial Resolution No. (196/s) issued on 06/15/1430 AH (corresponding to 06/08/2009 AD), and Ministerial Resolution No. (254/s) issued on 06/08/1430 AH (corresponding to 28/07/2009 AD), and on November 15, 1441 AH (corresponding to 07/05/2020 AD), the extraordinary general assembly of the company's shareholders approved the recommendation of the Board of Directors to directly list the company's shares in the parallel market.

Where the shares of the National Chemical Fertilizer Industry Company were listed on Nomu - Parallel Market on July 28, 2021 AD

The company's capital is (50) million riyals, divided into (5) million nominal shares of equal value.

# Company sectors

## A) Chemical fertilizer sector:

The chemical fertilizer sector includes the manufacture and production of chemical fertilizers (granular and liquid) and soluble powder fertilizers for agricultural crops at various stages (under the trademark "Nafkal"). The following is an explanation of the production lines in the chemical fertilizer factory:

Production line	Trade Name	Maximum production capacity Ton/hour	Production and packaging mechanism
Granular compound chemical fertilizers	Nafkal	4	Raw materials are mixed and packaged in bags of (50) kg
Soluble powder fertilizers	Nafkal	2	Raw materials are mixed and packaged in bags of (25) kg
Liquid compound chemical fertilizers	Nafkal	4	Raw materials are mixed and packaged containers of (15) liters and (20) liters

## B) Detergents Sector:

The detergent sector includes the manufacture and production of various types of household detergents (under the "Mobi" brand) and insecticides (under the "Shot" brand). The following is an explanation of the production lines in the detergent factory:

Table No. (6): Production lines in the detergent factory

Pressurized packaging product lines			
Product	Trade Name	Max production capacity	
		Ton / 12 hours	Can / 12 hours
Production Line No. (1)			
Ironing Starch	MOBI	8	21,000
Steel Polish	MOBI	8	24,000
Oven Cleaner	MOBI	8	21,000
Production Line No. (2)			
Insecticide	SHOOT	2.3	22,000
Production Line No. (3)			
Furniture Polish	MOBI	3.5	16,000

Liquid product lines			
Product	Trade Name	Max production capacity	
		Ton / 12 hours	Can / 12 hours
Production Line No. (1)			
Dish soap (1 liter)	MOBI	12	12,000
Production Line No. (2)			
Hand soap (3 liters)	MOBI	12	4,000
Hand soap (450ml)	MOBI	6	13,000
Production Line No. (3)			
Floor Cleaner & Disinfectant (3 Liter)	MOBI	12	4,000
Clothes shampoo (1 liter)	MOBI	9	9,000
Clothes shampoo (3 liters)	MOBI	12	4,000
Production Line No. (4)			
Clothes Softener (3 Liter)	MOBI	15	5,000
Clothes Softener (2 Liter)	MOBI	12	6,000
Abaya shampoo (2 liters)	MOBI	12	6,000
Production Line No. (5)			
Floor Cleaner & Disinfectant (20 Liter)	MOBI	16	800
Clothes Softener (20 Liter)	MOBI	16	800
Production Line No. (6)			
Toilet Cleaner (600ml)	MOBI	1.5	2,500
Production Line No. (7)			
Clothes shampoo (20 liters)	MOBI	24	1,200
Dish soap (20 liters)	MOBI	18	900
Hand soap (20 liters)	MOBI	12	600

Source: the company



### C) The plastic sector: a sector to serve the detergent sector :

The plastics sector includes the manufacture and production of plastic packaging of various sizes as well as tablecloths and trash bags. The following is an explanation of the production lines in the plastics factory:

Production line	Maximum production capacity		Production and packing work method
Plastic packaging (300 ml, 450 ml, 600 ml, 1L, 1.5L, 2L, 3, 20L)	6,604	Pack/hour	Mix the raw materials, then pumping them into the machines of each product, then checking and ensuring the safety of the final product, then turning the products to the detergent factory.
Tablecloths "Mobi"	4,000	Tablecloth/hour	Mix the raw materials, then pumping them into the machines of each product, then checking and ensuring the safety of the final product, then turning to the company's main warehouse and then to the sales outlets.
Trash Bags "Mobi" (30 gallons, 55 gallons)	2,500	Carton/hour	

### D) Agricultural production sector :

The agricultural production sector is managed Jal Al-Sahraa Agricultural Production Company (a subsidiary company), which the company owns (50%) of its capital, the agricultural production sector includes the cultivation and production of raw potatoes and their wholesale sale to customers, where The Jal Al-Sahraa Agricultural Production Company leases agricultural land and works on potato cultivation, and the annual potato crop is between 16-18 thousand tons, the bulk of which is sold to corporate customers, and the remaining part is converted to the Jal Desert Company for Agricultural Production factory for the manufacture of frozen potato fingers, in addition to potato cultivation, Jal Al-Sahraa Agricultural Production Company has a factory for the manufacture and production of frozen potato fingers and ice cream (under the "Jal" and "IceTime" brand).

Production line	Max production capacity Tons/year	Production and packing work method
Frozen Potato Fingers	5,000	Raw potatoes are received from the agricultural crop of Jal Al-Sahraa Company for Agricultural Production, and they are entered into the machines for washing, peeling and cutting, then frying in oil, then checking and ensuring the safety of the final product, then the final product is packed, frozen and stored in the main refrigerator in the factory, and then It is distributed to customers from shops, restaurants and companies.
Ice cream	1,500	Raw materials are received from suppliers and mixed with machines, then checked and ensured the safety of the final product, then the final product is packed, frozen and kept in the main refrigerator in the factory and then distributed to customers from the shops.



# Company branches and subsidiaries

## • Company branches and subsidiaries:

The company has 8 branches in the Kingdom, which are outlets for marketing and selling its products, and the subsidiary company (Jal Al-Sahraa Agricultural Production Company) has two branches in the Kingdom, one a factory for the production of frozen potato fingers and ice cream and the other a sales outlet for the marketing and sale of its products. The table below shows the company's branches and subsidiaries:

S	Branch	City
1	Company Branch	Jeddah
2	Company Branch	Dammam
3	Company Branch	Buraidah
4	Company Branch	Wadi Al Dawasir
5	Company Branch	Hail
6	Company Branch	Tabarjal
7	Company Branch	Khamis Mushait
8	Company Branch	Jazan
9	Jal Al-Sahraa Agricultural Production Branch "Frozen Potato Fingers and Ice Cream Production Factory "	Al-Kharj
10	Jal Al-Sahraa Agricultural Production Branch	Al-Kharj

• The name of the subsidiary company, the place of incorporation, the place of operations, a description of its activity, its capital, and the percentage of ownership in it:

Subsidiary name	The place of incorporation and the place of operations of the company	Activity	Company capital	Ownership ratio
Jal Al-Sahraa Agricultural Production	Riyadh, Al-Masif district	Frozen potato fingers and ice cream	Million (2)	50%

## • Brands and property rights:

In marketing its services and products, the company and its subsidiary rely on its brands, which support its business and its competitive position, and give it a clear distinction in the market among customers.

The table below shows the Brands of the company and its subsidiaries:

Brand	owner name	Registration number	Registration date	registration country	Start Date of protection	End date of protection
	National Chemical Fertilizer Industry Company	142505019	25/06/1426AH 07/31/2005G	Saudi Arabia	12/08/1435AH 06/10/2014G	11/08/1445AH 02/20/2024G
	National Chemical Fertilizer Industry Company	142505020	25/06/1426AH 07/31/2005G	Saudi Arabia	12/08/1435AH 06/10/2014G	11/08/1445AH 02/20/2024G
	National Chemical Fertilizer Industry Company	142505023	25/06/1426AH 07/31/2005G	Saudi Arabia	12/08/1435AH 06/10/2014G	11/08/1445AH 02/20/2024G
	National Chemical Fertilizer Industry Company	142505024	25/06/1426AH 07/31/2005G	Saudi Arabia	12/08/1435AH 06/10/2014G	11/08/1445AH 02/20/2024G
	Jal Al-Sahraa Company for Agricultural Production	1437004120	21/02/1437AH 03/12/2015G	Saudi Arabia	21/02/1437AH 03/12/2015G	20/02/1447AH 08/14/2025G
	Jal Al-Sahraa Company for Agricultural Production	1439015215	21/09/1439AH 06/04/2018G	Saudi Arabia	03/07/1439AH 03/19/2018G	07/02/1449AH 11/30/2027G

# Company Activities

• Forty years of giving in the production of compound chemical fertilizers for agricultural purposes, liquid and suspension fertilizers, insecticide packaging, ironing stabilization preparations, perfumery preparations, room deodorization preparations, wood furniture polishing preparations, metal polishing preparations, glass and mirror polishing preparations, hand and shower washes, disinfectants, fabric softener, towels, dish washing liquid, liquid detergents, liquid disinfectants, plastic containers, opaque plastic covers, food trays, and waste bags.

• Since the company establishment, it has worked to be one of the leading companies in the Kingdom, through the manufacture of high quality products and increase its market share, where the company started its work with the production line of simple granular chemical fertilizers, and coincided with the agricultural renaissance witnessed in the Kingdom and the urgent need to use chemical fertilizers the company developed its activity and added production lines for the manufacture of liquid and powder fertilizers, and with the growth and industrial development in the Kingdom the company worked to expand its industrial activity to include the manufacture and production of household cleaners, insecticides and all home care products, which led to the spread of the company's products in the market and thus to increase its market share in the Kingdom, and with the increasing growth of the company's various products, whether chemical fertilizers or home care products, a factory was established to produce plastic containers of various sizes to cover the needs of the detergent factory of plastic packaging and to produce and sell other products such as tablecloths and garbage bags. In addition, the company worked during over the past years to develop its production lines in line with its efforts from the beginning to be one of the leading companies in the Kingdom and achieve the highest levels of growth and profitability, and the company will continue its efforts to continue its production lines in line with its efforts from the beginning to be one of the leading companies in the Kingdom and achieve the highest levels of growth and profitability, and the company will continue its efforts by continuing to work on operational efficiencies, reducing costs and improving profit margins.

- Manufacturing industries and their branches according to industrial licenses.
- Electricity, gas, water, and its branches.
- Social services.
- Transportation, storage, and refrigeration.
- Agriculture and fishing.
- Detergent Production, fertilizers, potatoes, and ice cream.
- Information technology.
- Mines, petroleum, and its branches.

The company has also received several certified international certificates, the ISO Quality Certificate 2015 for the company's commitment with international standards for the production and manufacture of pesticides, detergents, disinfectants, and polishing materials.



# Risks

## Credit risk:

Credit risks represents the inability of one party to meet its obligations, which leads to the other party incurring a financial loss. Financial assets subject to the concentration of credit risk consist mainly of cash and its provisions, and trade receivables, and the group retains cash with banks with a good credit rating and therefore determines the risks, and the receivables appear after deducting the allowance for impairment. The Group is committed to managing customer-related credit risk by setting credit limits for each customer and monitoring outstanding receivables.

## Liquidity risk:

Liquidity risks represent the difficulties that the Group faces in raising funds to meet commitments related to financial instruments. Liquidity risk results from the inability to sell a financial asset quickly at an amount equivalent to its fair value. The Group manages liquidity risks by maintaining sufficient cash balances with banks and ensuring that it can obtain sufficient facilities, if required to cover their short-term obligations on an ongoing basis.

## Market risk:

Market risk represents risks resulting from fair value fluctuations or future cash flows of financial instruments due to changes in market prices. Market risk consists of two types of risk:

- **Currency risk:**

Currency risks resulting from the fluctuation in the value of financial instruments because of changes in foreign exchange rates. The Group is subject to fluctuations in foreign exchange rates during its normal business cycle. The company did not make any transactions except the Saudi riyal, the US dollar, and the European euro during the period.

- **Transaction price risks:**

Special commission risk relates to risks resulting from fluctuating financial performance because of the change in the prevailing commission rates in the market. The group monitors commission price fluctuations and believes that the impact of commission rate risk is not substantial on the financial position and consolidated cash flows.



# Corporate Governance

First: the applicable provisions of the Corporate Governance Regulation, the provisions that have not been applied and the reasons for the non-application:

Article/paragraph number	Paragraph case	Article/paragraph text	Reasons for not applying
Article (23) Paragraph (1)	Indicative	Approving and developing the internal policies related to the company's work, including defining the tasks, competencies and responsibilities assigned to the various organizational levels.	Under the procedure.
Article (25) Paragraph (8)	Indicative	Develop an administrative succession plan for executive management.	Under the procedure.
Article (39)	Indicative	Training and qualifying the members of the Board of Directors and the executive management and setting the necessary programs for this.	No programs have been approved and are being prepared.
Article (43)	Indicative	A clear written policy to deal with potential conflicts of interest that may affect the performance of board members, executive management or other employees of the company when dealing with the company or other stakeholders.	Under the procedure.
Article (70-71-72)	Indicative	The formation of the Risk Management Committee and the determination of its competence and meetings.	It has not been approved
Article (73)	Indicative	Adopt an internal control system to evaluate policies and procedures related to risk management.	Under the procedure.
Article (84)	Indicative	Develop the necessary policies or procedures of stakeholders to file complaints or report offending practices.	Under the procedure.
Article (85)	Indicative	The company sets programs to develop and motivate participation and performance for the company's employees.	No programs have been approved and they are under study.
Article (86)	Indicative	Develop a policy of professional conduct and ethical values.	In the process of accreditation.
Article (87)	Indicative	Develop a policy that ensures a balance between its goals and the goals that society aspires to achieve to develop the social and economic conditions of society.	Under study.
Article (88)	Indicative	Develop measurement indicators related to the company's performance with its social work initiatives and compare this with other companies with similar activity.	Under study.

Second: The names of the members of the Board of Directors, the committees and the executive management, and their current and previous jobs, qualifications, and experience:

Name	Current jobs	Previous jobs	Experiences	Qualifications
<b>Fahd Mohamed Al-Nasser</b> Chairman	Chairman of the Board of Directors of the National Chemical Fertilizer Industry Company.	Executive Vice President of the National Chemical Fertilizers Industry Company.	Held the position of Executive Vice President	Riyadh Intermediate
<b>Abdullah Mohamed Al-Nasser</b> Vice Chairman	CEO and Vice Chairman of the Board of Directors of the National Chemical Fertilizer Industry Company.	He served as a board member of Mafad Trading Co. Ltd. (Cone Zone), a closed joint stock company working in the ice cream industry, from 1993 to 2015.	He served as a member of the Board of Directors of Mafad Trading Co. Ltd. (Cone Zone) (a closed joint stock company working in the ice cream industry) from 1993 to 2015	University of California - Bachelor of Electronic Engineering
<b>Yasser Hamed Al-Qahtani</b> Member of the Board of Directors	Executive Vice President of Jarir Business Investments.	1/ Senior Director - International Operations Group - Samba Bank 2/ Director of Supply and Logistics Support - Abdullah Al-Ali Al-Munajjim Sons Company. 3/ Assistant Credit Officer - Riyadh Bank.	26 years.	King Saud University - Bachelor of Computer Science and Information
<b>Bandar Suleiman Al-Beheiry</b> Member of the Board of Directors, Member of the Nominations and Remunerations Committee, and Member of the Audit Committee	Member of the Board of Directors, Chairman of the Audit Committee and member of the Nominations and Remuneration Committee of the National Chemical Fertilizer Industry Company, Member of the Board of Directors and member of the Nomination and Remuneration Committee of Al-Othaim Holding Company, member of the Board of Directors and Chairman of the Audit Committee of Riyadh Food Industries Company, member of the Board of Directors of Mueen Human Resources Company, member of the Audit committee of Riva Investment Company, member of the Board of Directors and member of the Executive Committee of Ijmal LTD, Secretary of the Board of Directors of Abdullah Al-Othaim Markets Company, Secretary of the Board of Directors of Abdullah Al Othaim Investment Company.	Member of the Remuneration and Nominations Committee of Abdullah Al Othaim Markets Company, Chairman of the Audit Committee, Executive Committee of Mueen Human Resources Company, Director of Internal Review Department of Al-Othaim Trading Company, Board Member and Member of the Audit Committee at Abdullah Al-Othaim Investment Company.	Accumulated experience in the fields of finance, review, investment, corporate governance and business development.	King Saud University - Bachelor of Accounting
<b>Asmaa Talal Hamdan</b> Member of the Board of Directors, Chairman of the Nominations and Remunerations Committee	Member of the Board of Directors and Chairman of the Nominations and Remunerations Committee, non-executive member represented by a legal person of Paper House Trading Company (paper and advertising materials) a limited liability company.	1/2016-2021 AD: flynas: Chief Executive for Support Services (Project Management, Human Resources, Information Technology, Procurement Management). 2/2011-2016 AD: Hewlett-Packard: Project Management, Sales Operations Planning. 3/2007-2011 AD: Paper House Trading Co: Strategic Business Planning.	1) 2011-2016: Hewlett-Packard: Project Management, Sales Operations Planning. 2) 2007 - 2011 Dar Al Waraq Company: Strategic Business Planning	1/ Bachelor of Business Administration - 2007. 2/ Master of Business Administration -2011. 3/ The Art of Negotiation Program - Harvard University -2013 4/ Leadership Communication Program - INSEAD University -2020
<b>Saad Ajlan Al-Ajlan</b> Member of the Board of Directors	Member of the Board of Directors of the National Company for the Chemical Fertilizer Industry, General Manager of the Asia Plastic Factory.	1/2005 AD - until now: Plastic 2/2011 AD - until now: Information systems	General Manager in Asia Factory	Petroleum University Bachelor of Mechanical Engineering
<b>Essam Abdullah Al-Nasser</b> Member of the Audit Committee	Member of the Executive Committee of the Project Development Company, member of the Audit Committee of the National Chemical Fertilizer Industry Company.	----	Director of the Financial Support Department for Projects at Project Development Company, a subsidiary of The Saudi Electricity Company.	Bachelor of Business Administration - Finance

Name	Current jobs	Previous jobs	Experiences	Qualifications
<b>Abdullah Ahmed Balsharaf</b> Member of the Audit Committee	Executive Vice President of the National Company for Learning and Education, Member of the Audit Committee of the National Company for the Chemical Fertilizer Industry, Member of the Investment Committee of the National Company for Learning and Education, Member of the Audit Committee of the Saudi Recruitment Company.	1/ Director of internal review management at the National Chemical Fertilizer Industry Company. 2/ Director of internal review at Saudi Recruitment Company. 3/ Review Supervisor at Deloitte and Touche.	Accumulated experience in the field of finance, internal review, and external review.	1/ Bachelor of Financial Management -2009. 2/ Fellowship in Internal Audit - 2013 AD.
<b>Hanan Abdel Hamid Al-Sayegh</b> Vice Chairman	Secretary of the Board of Directors, Member of the Nominations and Remuneration Committee, Compliance and Governance Officer.	1/2019 AD: Work in the office of lawyer Asem Al-essa (collaborative training). 2/2020-2021 AD: Work for the National Company for Learning and Education in Governance and Law (Tamheer Program). 3/2021 AD: Work for Thob Al Aseel and Al-Jedaie Company in the field of governance.	Experience in the field of governance and compliance and holds certificates in governance.	Prince Sultan University - Bachelor of Laws

### Executive Management:

Name	Current job	Previous job	Experiences
<b>Abdullah Mohamed Barjas Al-Nasser</b>	CEO and Vice Chairman of the Board of Directors of the National Chemical Fertilizer Industry Company.	Executive Vice President of the National Chemical Fertilizers Industry Company.	He served as a member of the Board of Directors of Mafad Trading Co. Ltd. (Cone Zone) (a closed joint stock company working in the ice cream industry) from 1993 to 2015

**Third: The names of companies inside and outside the Kingdom for which a member of the company's board of directors is a member of its current and previous boards of directors or one of its managers:**

Name	The names of companies for which a member of the company's board of directors is a member of its current boards of directors or one of its managers	Inside/ outside the Kingdom	Legal entity	The names of companies for which a member of the company's board of directors is a member of its previous boards of directors or one of its managers	Inside/ outside the Kingdom	Legal entity
<b>Fahd Mohamed Al-Nasser</b>	National Chemical Fertilizer Industry Company	Inside the Kingdom	Listed contribution	Mafad Trading Company	Inside the Kingdom	Closed contribution
<b>Abdullah Mohamed Al-Nasser</b>	National Chemical Fertilizer Industry Company	Inside the Kingdom	Listed contribution	Mafad Trading Company	Inside the Kingdom	Closed contribution
<b>Yasser Hamed Al-Qahtani</b>	National Chemical Fertilizer Industry Company	Inside the Kingdom	Listed contribution	Jawharat Al Sharq Company (One Person Company)	Inside the Kingdom	Limited liability company (One Person)
	Imtiaz Al Arabia Company.		Closed contribution	Director of Sama Al Asema Investment Company (one person company)		Limited liability company (One Person)
<b>Bandar Suleiman Al-Beheiry</b>	Al-Sahm Al-Fared Investment Company	Inside the Kingdom	Limited liability company (One Person)	Abdullah Al-Othaim Investment	Inside the Kingdom	Limited liability company
	National Chemical Fertilizer Industry Company		Listed contribution			
	Mueen Human Resources Company		Closed contribution			
	Riyadh Food Industries Company		Closed contribution			
<b>Asmaa Talal Hamdan</b>	Al-Othaim Holding Company	Inside the Kingdom	Limited liability company	Paper House Company	Inside the Kingdom	Limited liability company
	Ijmal Company LTD		Limited liability company			
<b>Saad Ajlan Al-Ajlan</b>	National Chemical Fertilizer Industry Company	Inside the Kingdom	Listed contribution	----	----	----
	Asia Plastic and Packaging Factory	Inside the Kingdom	Limited liability company			

### Fourth: Composition and classification of the Board of Directors :

The Board of Directors of the National Chemical Fertilizer Company consists of six (6) members and the following table shows the classification of the main board members:

S	Member's name	Membership Classification		
		Executive	Non-executive	Independent
1	Fahd Mohamed Al-Nasser		✓	
2	Abdullah Mohamed Al-Nasser	✓		
3	Yasser Hamed Al-Qahtani		✓	
4	Saad Ajlan Al-Ajlan		✓	
5	Bandar Suleiman Al-Beheiry			✓
6	Asmaa Talal Hamdan			✓

### Fifth: Board meetings during the year 2021 AD as follows:

S	Name	Date of Board Meetings				Total
		10/01/2021AD	02/05/2021AD	30/08/2021 AD	09/09/2021AD	
Previous board of directors						
1	Barjas Mohamed Al-Nasser*	✓	✓	✓	✓	4
2	Nayef Abdulaziz Al-Farhoud*	✓	✓	✓	✓	4
3	Ajlan Ibrahim Al-Ajlan*	✓	✓	✓	✓	4
4	Fahd Mohamed Al-Nasser	✓	✓	✓	✓	4
5	Abdullah Mohamed Al-Nasser	✓	✓	✓	✓	4
6	Bandar Suleiman Al-Beheiry	✓	✓	✓	✓	4
The new board of directors						
				13/10/2021AD	22/12/2021AD*	Total
1	Abdullah Mohamed Al-Nasser			✓		2
2	Fahd Mohamed Al-Nasser			✓		2
3	Bandar Suleiman Al-Beheiry			✓		2
4	Asmaa Talal Hamdan			✓	✓	2
5	Yasser Hamed Al-Qahtani			✓		2
6	Saad Ajlan Al-Ajlan			✓		2

\*Their membership expired on 10/2021/10/ AD

**Sixth: The actions taken by the Board of Directors to inform its members - particularly non- executives - of shareholders' proposals and observations about the company and its performance:**

The company's management briefs the members of the Board of Directors, especially non-executives, and their observations about the company and its performance to hear and respond to shareholders' proposals, in addition to providing members with minutes of meetings of associations containing shareholder inquiries (if any), and members are notified of any inquiries or questions received by the company from various means of contacts.

### Seventh: A brief description of the terms of reference and functions of the committees:

A brief description of the committees and their terms of reference and functions working for the company for two committees, which are the Audit Committee and the Remuneration and Nomination Committee, and the details of these committees are as follows:

#### • Audit Committee

The Audit Committee consists of 3 members. The committee is concerned with, for example, but not limited to "monitoring the company's business and verifying the integrity of reports, financial lists and internal control systems, studying and reviewing the internal control system and risk management in the company, recommending to the Board of Directors the appointment of a unit manager or internal review department or proposing its reward, recommending to the Board of Directors to nominate and dismiss reviewers, determine their fees and evaluate their performance, after verifying their independence, reviewing the scope of their work and the terms of their contract, verify the company's compliance with the relevant laws, regulations, policies and instructions, develop plans and strategies to deal with crises and emergencies" Here is a table showing the committee's membership and meetings that took place during 2021:

s	Name	Membership Type	Number of meetings (3)		
			First meeting 04/01/2021 AD	Second meeting 30/08/2021 AD	Third meeting 16/11/2021 AD
1	Bandar Suleiman Al-Beheiry	Chairman of the Committee	✓	✓	✓
2	Essam Abdullah Al-Nasser	Member	✓	✓	✓
3	Abdullah Ahmed Balsharaf	Member	His membership began at the current session on 11/10/2021 AD		
-	Abdullah Abdul-Aziz Al-Nasser	Member	✓	✓	The committee's membership expires on 10/10/2021 AD

#### • The results of the annual review of the effectiveness of the company's internal control procedure.

The Audit Committee enhances the independence of the company's internal review by controlling its activities and following up on the implementation of its recommendations, and the company attaches the utmost importance to internal control as part of its efforts to improve the efficiency and effectiveness of performance, increase profitability and consider the regulations through which the company operates. The elements on which the company's internal control is based ensure the availability of sufficient resources and systems to manage risks, monitor the risks that the company may be exposed to and face those risks, conduct ongoing risk assessments, and develop plans and strategies to deal with crises and emergencies. In this context, the company has developed policies and procedures that provide a reasonable basis for internal control to meet potential risks at the company level as a whole and at different levels of the process.

The internal review implemented the work plan for the year 2021 and issued the necessary reports, including recommendations made in the context of improving performance, and did not make any substantive observations on the internal control system during 2021.

#### Recommendation of the Audit Committee on the need to appoint an internal reviewer in the company if it does not exist.

The Audit Committee recommended the appointment of an internal reviewer of the company and Al-Kharashi office has been nominated to be an internal reference for the company for fiscal year 2021.

There are no recommendations from the Audit Committee that are incompatible with the board's decisions, or the Board's refusal to take them on the appointment of the company's reviewer, the dismissal and determination of fees and evaluation of its performance or the appointment of the internal reviewer.

#### • Nominations and Remunerations Committee

The Remuneration and Nominations Committee shall consist of 3 members, and the duties and responsibilities of the Nomination and Remuneration Committee include, for example, but not limited, "prepare and update the policies necessary for the remuneration of board members and committees arising from the Board and executive management, clarify the relationship between the remuneration granted and the applicable remunerations policy, indicate any substantial deviation from this policy, periodic review of the remuneration policy, recommend to the Board of Directors the remuneration of members of the Board and its committees and senior executives of the company in accordance with the approved policy, proposing clear policies and criteria for membership in the Board of Directors and the executive management. Recommending to the Board of Directors to nominate and re-nominate members in accordance with the approved policies and standards, considering the conditions to be met to run for the Board," the following is a table showing the membership and meetings of the Committee that took place during 2021

s	Name	Membership Type	Number of meetings (1)
			First meeting 16/11/2021 AD
1	Asmaa Talal Hamdan	Chairman of the Committee	✓
2	Bandar Suleiman Al-Beheiry	Member	✓
3	Hanan Abdel Hamid Al Sayegh	Member	✓

### Eighth: The means adopted by the Board of Directors in assessing its performance and the performance of its committees and members, and the external party that evaluated its relationship with the company, if any:

The Nominations and Remunerations Committee will develop an annual self-assessment of the Board of Directors and committees submitted to the Board of Directors, and the company will appoint a third party to carry out future evaluation functions when needed.

### Ninth: Disclosure of the remuneration of the members of the Board of Directors and the Executive Management:

The company is committed to the policy of distributing remuneration stipulated in the company's statutes and during 2021 AD, remunerations and expenses were disbursed to members of the Board of Directors, executive management and members of committees, without prejudice to the statutory requirements, the company's articles of association and the requirements of the relevant governance regulations, and the remunerations of members of the board, members of its committees and senior executives of the company are subject to the following criteria:

- 1- The remuneration should be fair and proportionate to the skills and competences of the member, the business and the responsibilities he undertakes, and the value of the remuneration may vary from member to member based on the experience of the member and the tasks assigned to him by the Board, the number of meetings he attends and any other considerations that are in the interest of the company.
2. The remuneration may be a certain amount, attendance allowance for meetings or in-kind benefits, and two or more of these benefits may be combined, and in any case the total remuneration of a board member must not exceed (500) thousand riyals annually in accordance with the regulations set by the competent regulators.
- 3- The remuneration should be consistent with the company's strategy and objectives.
- 4- To provide the remuneration for the purpose of urging board members to make the company successful

- and develop in the long term, such as linking the variable of the remuneration to long-term performance.
- 5- To be determined based on the functional level, the tasks and responsibilities assigned to its occupant, scientific qualifications, practical experiences, skills, and level of performance.
  - 6- To be considered in its consistency with the size, nature, and degree of risks with the company.
  7. Considering the practices of other companies in determining remunerations, avoiding the unjustified rise in remunerations and compensation that may arise.
  8. Aim to attract and maintain motivation of professional competencies, and not to exaggerate the amount of remuneration.
  - 9- The remuneration of independent board members should not be a percentage of the profits or be based directly or indirectly on the profitability of the company.
  - 10- The remuneration is due to the member of the Board of Directors or a member of the Committee by the end of each fiscal year.
  - 11- A member of the Board of Directors may be granted a remuneration in return for his membership in the Audit Committee, or in exchange for any additional executive, technical, administrative or advisory work or positions assigned to him by the company, in addition to the reward he receives as a member of the Board of Directors and any other committees.
  12. The remuneration is calculated until the expiry date of membership, and if it is decided to terminate membership because of the absence of three consecutive meetings without a legitimate excuse or emergency reasons, the member's remuneration is calculated to the last meeting attended by the member before the termination of his or her membership.

**The policy of disbursing remunerations to the Board and committees in the annual report according to the approved rules and regulations):**

**First: The general principles and conditions for entitlement to remuneration for members of the Board of Directors and the Audit Committee:**

1. The remuneration is due to a member of the Board of Directors or a member of the Audit Committee at the end of each fiscal year.
2. The remuneration shall be withheld from any member when he or she is absent from more than 50% of the Board and/or committee meetings per year, and when he or she is absent for three consecutive meetings without a legitimate excuse, he or she is not entitled to any rewards for the period following the last meeting he attended.
3. An amount of (2,000) two thousand riyals shall be disbursed as attendance allowance to a board member who is not an executive member or company employee for the board meetings for each session.
4. The maximum remuneration for a member is (300,000) three hundred thousand riyals, including any other in-kind and financial benefits, except excluded in accordance with the applicable regulations.
5. An annual basic remuneration is paid to committee members who are not executive members or company employees in the amount of (60,000) sixty thousand riyals, and an attendance allowance for each session of (2,000) two thousand riyals.
6. The remuneration shall be due to the committee member at the end of the year from the date of the board/or assembly's decision to appoint him, and a portion of the remuneration shall be paid to him in proportion to the term of his membership in the year.
7. A remuneration of (2,000) two thousand riyals is paid to the Secretary of the Board of Directors and the committees for each meeting of the board or committees.
8. The executive management remuneration is disbursed on the basis of criteria related to the achievement of performance indicators and in accordance with the results of the evaluation that are carried out annually and the extent to which the employee contributes to the company's results

based on appropriate methods and evaluation tools and not more than 10% of the net operating profit in accordance with the policies adopted, provided that the annual net profit from the company's continuing operations is not less than (5,000,000) riyals.

9. A member of the Board of Directors may be granted a remuneration for his membership in the committees, or for any additional technical, administrative, or advisory work assigned to him by the company, in addition to the remuneration he receives as a member of the Board of Directors and any other committees.
10. The remuneration is calculated until the expiry date of the membership, and if it is decided to terminate the member's membership because he or she does not attend three consecutive meetings without a legitimate excuse or for emergency reasons. The member's remuneration is calculated to the last meeting attended by the member before the termination of his membership.
11. In case of disbursing any remuneration is disbursed and is based on incorrect or misleading information presented to the General Assembly of the company's shareholders or included in the board's report, the litigant must return it to the company, and the company has the right to demand its refund.
12. The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all the Board members received during the fiscal year in terms of remunerations, financial and in-kind allowances, and other benefits. It shall also include a statement of what the board members received in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. It shall also include a statement of the number of board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
13. The remuneration policy must be disclosed in the Board's annual report for each year as approved by the regulations.

**Second: Board Remunerations:**

1) The remunerations are paid to the executive and non-executive members of the Board of Directors based on the annual net profit from the company's continuing operations according to the following table:

S	Net profit for the year from continuing operations (in Saudi Riyals)	Remunerations due (in Saudi Riyals) per member
1	From (5) million riyals to less than (10) million riyals	50,000 riyals
2	From (10) million riyals to less than (20) million riyals	100,000 riyals
3	From (20) million riyals to less than (30) million riyals	150,000 riyals
4	(30) million riyals or more	200,000 riyals

2) Remunerations are paid to independent members of the Board of Directors in the amount of (100,000) one hundred thousand riyals annually.

3) A remuneration is paid to the Chairman of the Board of Directors in the amount of (250,000) two hundred and fifty thousand riyals annually.



### Detailing the remuneration of the members of the Board of Directors for the year 2021 AD: Current Board of Directors session

Name	Fixed Remunerations					Changing Remunerations									
	A certain amount	Allowance for attending board sessions	Total allowance for attending committee meetings	In-kind benefits	Statement of what the board members have received as workers or administrators or what they received in return for technical or administrative work or consultancy if he is a member	Total	Percentage of profits	Periodic Remunerations	Short-term incentive plans	Long-term incentive plans	Value of shares granted	Total	End of service gratuity	Total	Expense allowance
<b>First: Independent members</b>															
Bandar Suleiman Al-Beheiry	72,466	10,000	4000	-	-	86,466	-	-	-	-	-	-	-	-	-
Asmaa Talal Hamdan	22,466	4000	2000	-	-	28,466	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>94,932</b>	<b>14000</b>	<b>6000</b>			<b>114,932</b>									
<b>Second: Non-executive members</b>															
Fahd Abdullah Al-Nasser	106,164	10,000	-	-	-	116,164	-	-	-	-	-	-	-	116,164	-
Saad Ajjan Al-Ajjan	22,466	4000	-	-	-	26,466	-	-	-	-	-	-	-	26,466	-
Yasser Hamed Al-Qahtani	22,466	4000	-	-	-	26,466	-	-	-	-	-	-	-	26,466	-
Barjas Mohamed Al-Nasser*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ajjan Ibrahim Al-Ajjan*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>151,096</b>	<b>18000</b>				<b>169,096</b>								<b>169,096</b>	
<b>Third: Executive members:</b>															
Abdullah Mohamed Al-Nasser	72,466	10000	-	-	-	82,466	-	-	-	-	-	-	-	82,466	-
Nayef Abdulaziz Al-Farhoud*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>72,466</b>	<b>10000</b>				<b>82,466</b>								<b>82,466</b>	
<b>Grand Total</b>	<b>318,494</b>	<b>42,000</b>	<b>6000</b>			<b>366,494</b>								<b>366,494</b>	

\*His membership expired on 10/10/2021 AD



#### • Detailing the remuneration of senior executives:

Remuneration paid to the five highest paid executives, including the CEO and CFO:

Name	Fixed Remunerations			Changing Remunerations				End of service gratuity	Total executive remuneration for the board if any	Total
	Salaries	Allowances	In-kind benefits	Periodic remunerations	Profits	Long-term incentive plans	Shares granted			
CEO	600,000			600,000	72,465.75			72,465.75	10,000	682,465.75
CFO	60,600	21,144		81,744				-		81,744
Factory Manager	144,000	36,000		180,000	138,020			138,020		318,020
Sales Manager	126,000	31,500		157,500	138,020			138,020		295,520
Collection and Credit Manager	94,500	94,500		126,000	138,000			138,000		264,020

#### • Detailing the remunerations paid to committee members during 2021 AD:

Name	Fixed remunerations, except for sessions allowance	Allowance for attending sessions	Total
Members of the Audit Committee			
Bandar Suleiman Al-Beheiry	13,479	2000	15,479
Abdullah Ahmed Balsharaf	13,479	2000	15,479
Essam Abdullah Al-Nasser	13,479	2000	15,479
Abdullah Abdul-Aziz Al-Nasser	No remuneration was paid to non-continuing members of the Board		-
<b>Total</b>	<b>40,437</b>	<b>6000</b>	<b>46,437</b>
Members of the Nominations and Remunerations Committee			
Asmaa Talal Hamdan	13,479	2000	15,479
Bandar Suleiman Al-Beheiry	13,479	2000	15,479
Hanan Abdel Hamid Al Sayegh	-	-	-
<b>Total</b>	<b>26,958</b>	<b>4000</b>	<b>30,958</b>

#### Ninth: Waiver of Remunerations:

There are no arrangements or agreement under which a member of a board or a senior executive will waive any remunerations during 2021 AD.

#### Tenth: Sanctions and penalties:

During the year 2021 AD, no penalties, sanctions, precautionary measures, or precautionary measures were imposed the Authority or by any supervisory or regulatory authority.

#### Eleven: The Company's Social Contributions:

The company aims to have an effective community role that serves in different community areas, where the company has achieved its plans and objectives by giving samples of detergents including:

- For the Al-Wafa Women's Charitable Society.
- The Leading Autism Academy.
- BASMAT QUDRATI Center for Day Training and Rehabilitation.
- International Rehabilitation Team.

#### Twelve: Investments or reserves established for the benefit of the company's employees:

There are no investments or reserves established for the benefit of the company's employees during 2021 AD.

#### Thirteen: The ratio of ownership and change of shares and debt instruments during 2021AD belongs to board members, senior executives, and their relatives:

S	Name	Description	Shares beginning of the year	Shares end of the year	Net change	Rate of change
1	Fahd Mohamed Al-Nasser	Chairman	562,500	500,000	62,500 -	9 %
2	Abdullah Mohamed Al-Nasser	Vice Chairman	562,500	515,738.00	46,762 -	1 %
3	Ajlan Ibrahim Al-Ajlan	Member	511,000	467,322.00	43,678	1 %
4	Barjas Mohamed Al-Nasser	Member	562,500	515,738.00	46,762	1 %
5	Bandar Suleiman Al-Beheiry	Member	-	-	-	-
6	Nayef Al-Farhoud	Member	4,5574	45,750	4	-

#### Fourteen: Disclosure of details of treasury shares held by the company and details of the use of these shares:

There are no treasury shares held by the company.

#### Fifteen: Statement of the dates of the public associations held during 2021 AD and the names of the Board of Directors present at these associations:

S	Member's name	Number of meetings (1)
		Extraordinary Assembly Meeting 11/10/2021 AD
1	Abdullah Mohamed Al-Nasser	✓
2	Nayef Al-Farhoud*	✓
3	Fahd Mohamed Al-Nasser	✓
4	Bandar Suleiman Al-Beheiry	✓
5	Ajlan Ibrahim Al-Ajlan*	✓
6	Barjas Mohamed Al-Nasser*	✗

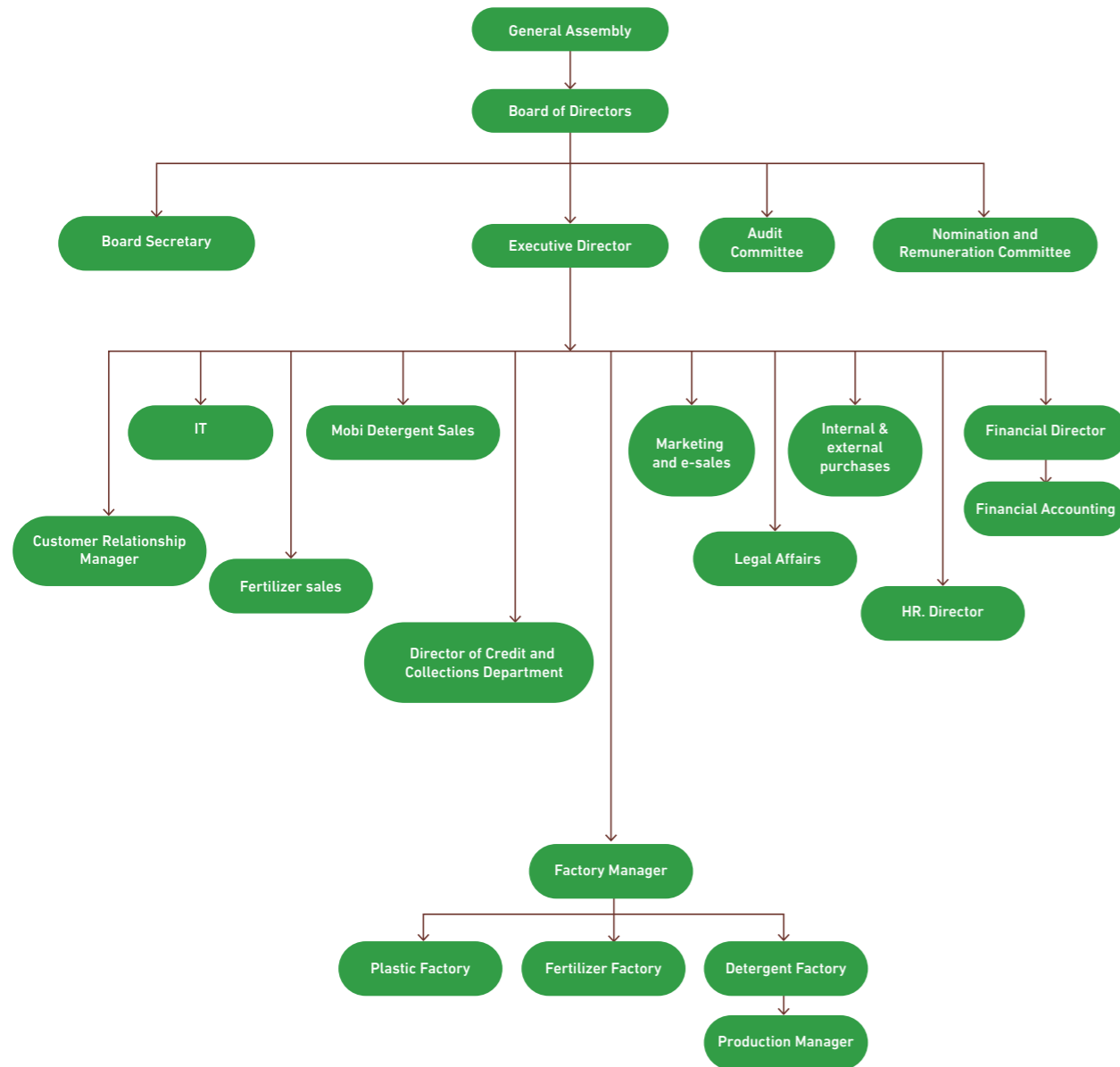
\*Their membership expired on 10/10/2021 AD

**Sixteen: The number of the company's requests to the shareholders' register, the dates of those requests and their reasons:**

The number of the company's requests to the shareholders register	Request Date	Reasons for the request
1	20/09/2021 AD	Profits File
2	11/10/2021 AD	General Assembly
3	31/12/2021 AD	Company procedures

**Seventeen: Description of the company's important plans and decisions (including structural changes of the company, expansion of its business, or suspension of operations) and future expectations of the company's business:**

## Organizational structure



**Eighteen: Future expectations of the company's business:**

Expanding operations, increasing the company's market share (vertical and horizontal expansion) in addition to the company's acquisition of harmonious opportunities to acquire other integrated companies.

**Nineteen: Representations of the Board of Directors**

The Board of Directors approves the following:

- That the account records were prepared correctly.
- The internal control system was properly developed and implemented effectively.
- There is no doubt about the company's ability to continue its activity.

**Twenty: Information relating to any business or contracts to which the company is a party, in which it has or was in the interest of a member of the Board of Directors of the Company, its senior executives or any person involved in any of them:**

The Board of Directors approves that there are no dealings with related parties.



نافكال



# Financial Report

## First: Description of the company's main activity:

1) Description of the company's main activities and its impact on the size of the company's business and its contribution to the results as follows:

Description of activity	Net activity profit	The ratio
Fertilizer sector	-2,066,683	-10%
Detergent sector	19,081,547.00	110%
Total	17,014,864	100%

2) Description of the main activities of the subsidiaries and their business volume as follows :

Description of activity	Activity revenues (Thousands of riyals)	The ratio
Agricultural Sector	17,903,529	49%
Food Production Sector	18,281,287	51%
Total	36,184,816	100%

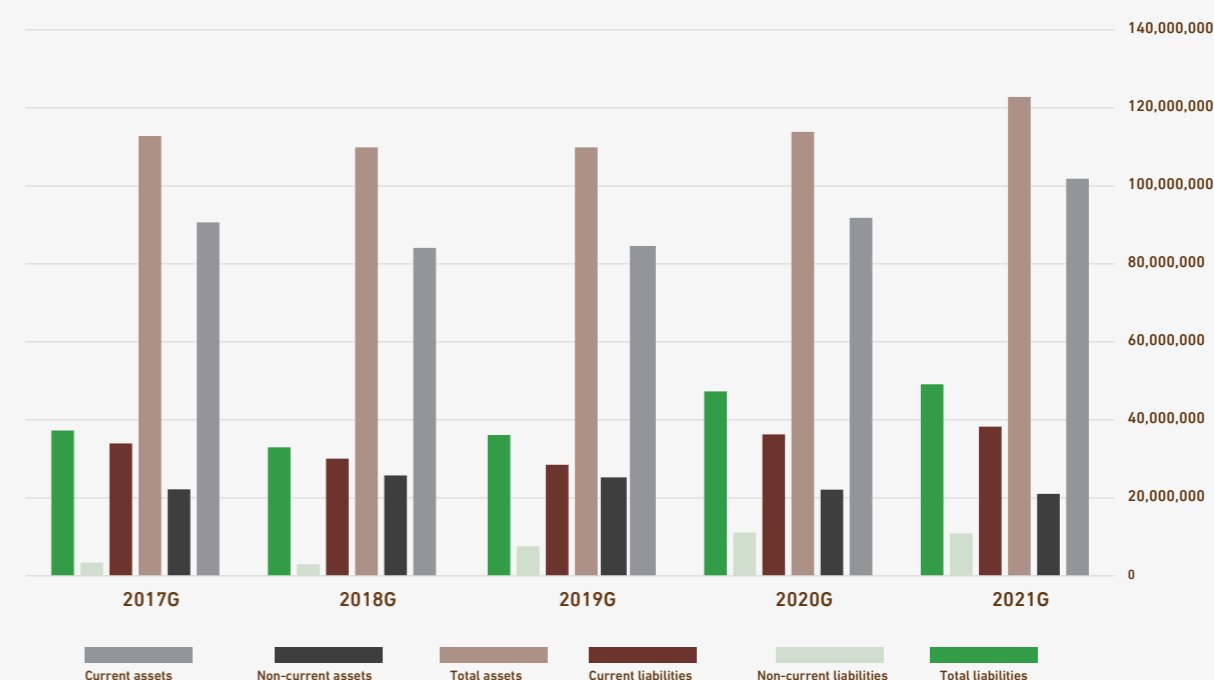
## Second: Summary of the company's financial results for the period 2017 to 2021:

### A) Company revenue and profit statement:

Statement	2021 AD	2020 AD	2019 AD	2018 AD	2017 AD
Activity revenues	202,877,077	180,426,757	155,005,749	138,516,087	128,378,778
Activity costs	(146,142,900)	(123,356,048)	(17,375,883)	(102,522,044)	(92,665,801)
Total activity profit	56,734,177	57,070,709	47,629,866	35,994,043	35,712,974
Administrative, general, and marketing expenses	(35,794,836)	(38,585,923)	(33,772,801)	(26,589,262.00)	(23,901,214)
Other income and expenses - net	(587,131)	(1,218,262)	(1,358,242)	(1,064,302)	(1,137,765)
Al-Zakat	(2,836,434)	(1,764,520)	(1,637,193)	(1,347,871)	(1,440,461)
Net profit from continuing operations after Al-Zakat	17,515,776	15,502,004	10,861,630	6,492,608	9,233,534
Profit attributable to shareholders of the parent company	16,124,525	17,382,372	10,323,352	6,421,393	6,992,874
Profit attributable to non-controlling equity	1,396,010	-1,880,368	538,278	71,215	2,240,660

### B) Assets and liabilities:

Statement	2021 AD	2020 AD	2019 AD	2018 AD	2017 AD
Current assets	101,837,264	91,785,073	84,623,310	84,131,142	90,615,391
Non-current assets	20,981,804	22,114,746	25,266,634	25,720,462	22,194,834
Total assets	122,819,068	113,899,819	109,889,944	109,851,604	112,810,225
Current liabilities	38,267,502	36,259,653	28,479,837	30,053,594	33,920,605
Non-current liabilities	10,878,957	11,031,553	7,608,627	2,928,181	3,347,738
Total liabilities	49,146,459	47,291,206	36,088,464	32,981,775	37,268,343



Third: Clarification of any fundamental differences in the operational results from the results of the previous year or any expectations announced by the Company:

Statement	2021 AD	2020 AD	Change	Change Ratio
Sales/revenue	202,877,077	180,426,757	22,450,320	12 %
Cost of sales/revenue	(146,142,900)	(123,356,048)	22,786,852	18 %
Total profit	56,734,177	57,070,709	-336,532	-1 %
Operating expenses - other	(36,579,160)	(39,230,503)	-3,422,220	-9%
Operating profit (loss)	20,155,017	17,840,206	3,085,688	18 %

A statement of the value of Statutory Payments made and due to pay any Zakat, taxes, fees, or other entitlements that have not been paid until the end of the annual financial period, with a brief description of them and a statement of the reasons:

Statement	2020 AD		Brief description of it	Statement of reasons
	The payer	Due until the end of the annual financial period and not paid		
Al-Zakat	1,931,862	2,836,434	-	-
General Social Insurance Corporation	1,293,348.94	121,959.97	Due for December	Calculated at the end of the month
Visa and passport costs	220,000	-		
Added value tax	16,214,807	1,457,746	Due for December	Paid after closing accounts

#### Loan costs:

S	Name of the loan donor	Facilities limit	Value of due at the end of the year
1	Alinma Bank	30,000,000	14,859,402

Loans are commercial facilities with a maximum of 30 million riyals and the due from the user at the end of the year was 14,859,402 With a financing cost of 209271

#### Geographical analysis of the company's revenues and subsidiaries: (status of the company's revenues and its subsidiaries)

Sales	2021AD
Riyadh	97,342,436.83
Al-Qassim	11,351,705.00
Hafar al-Batin	490,671.00
Alwadi	9,592,900.22
Hail	5,767,252.47
Jeddah	30,626,045.22
Dammam	17,474,584.73
Khamis Mushait	8,765,486.00
Al Madinah	4,137,748.33
Jazan	2,822,124.98
Al-Ahsa	6,410,513.88
Tabuk	2,092,888.88
Tabarjal	6,002,719.90
Total	202,877,077.44

#### Fourth: Dividend Policy:

The company's annual net profit is distributed as follows:

##### Article 48: Dividend Distribution:

1. (10%) of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to discontinue this deduction when the said reserve reaches (30%) of the paid-up capital.

2. The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside (10%) of the net profits to form a consensual reserve to support the financial position of the company.

3. The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders and the Association may also deduct from net profits amounts to establish social institutions for the company's employees or to assist the existing institutions.

4. After that, a percentage representing (1%) of the company's paid-in capital shall be distributed to the shareholders.

5. Taking into account the provisions in article (22) of this system and article (76) of the corporate system, after the above 10% of the rest is allocated to remunerate the members of the Board of Directors, if the remunerations of the members of the Board of Directors is a certain percentage of the company's profits, this percentage may not exceed (10%) of net profit after deducting reserves and distributing dividends to shareholders not less than (5%) of the company's paid capital, provided that the benefit of this remunerates is due. In proportion to the number of meetings attended by the member.

6. The Ordinary General Assembly, at the suggestion of the Board of Directors, has taken the appropriate decision on the rest of the profits in a manner that does not conflict with the decisions and instructions issued by the specialized authorities in this regard.

7. The company may distribute interim profits to its shareholders quarterly or semi-annually in accordance with the regulatory regulations and procedures issued in this regard by the competent authority.

In conclusion, the Board of Directors thanked the company's shareholders for their continued support and confidence in the Board of Directors.

And may the peace and blessings of Allah be upon you

Board of Directors

Disclaimer: In case of any contradiction or discrepancy in translation between the English version and the Arabic version of this report, the Arabic text shall prevail.

الشركة الوطنية  
لصناعة الأسمدة الكيماوية

