

AI AKARIA

**Annual report
2022**

Since 1976

Table of contents

- **Chairman of the board**
- **Managing director and executive manager word**
- **Members of the board**

AI AKARIA

- **Vision and MISSION**
- **Main business**
- **Strategic orientation**
- **Organizational chart**
- **Major events of 2022**

Business sectors

- **The company facilities and occupancy percentage**
- **Projects sector**
- **Operating, leasing and purchasing**
- **Human resources**
- **Information technology**

Financial data and business results

- **Main activities within volume of business of the company and its stocks in the results (unified)**
- **Restructuring loans**
- **Affiliates data**
- **The description of the company main activities**
- **Business results for the financial year ended 31/12/2021**
- **Statutory payment paid and payable or any other outstanding payments till the of the financial year ended 31/12/2021**
- **The risks**

Disclosure and transparent

- **Direct financial investments**
- **Real property statement of the company**
- **The transactions between the company and the related parties**
- **Business or contracts AI AKARIA company involved in**
- **Categories or numbers of any transferable debt instruments or any contractual securities or subscription rights notes or similar rights was issued or granted by AI AKARIA company during the financial year 2022**
- **Penalties and sanctions imposed on AI AKARIA company**
- **Number of company application for stockholder record, its dates and its reasons.**
- **Unapplied provisions of companies' governance bylaw and the reason**
- **Evaluation the extent of company adherence to companies' governance principals**
- **Board of directors**
- **Executive administration**
- **Board members and chief executives' remuneration**
- **Committees emanating from the board of directors**
- **Dividends policy**
- **Members of board of directors' disclosures**

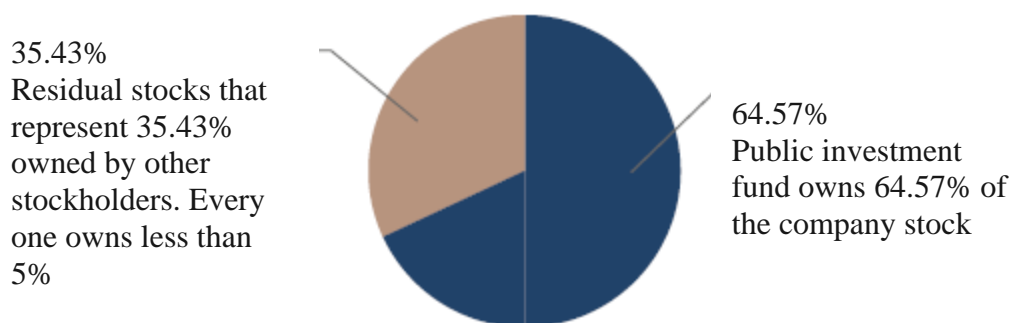
The board of directors of the real estate company is pleased to submit the annual report to the stockholders. The report describes the performance and the achievements accomplished by the company during the financial year ended 31/12/2022.

The report was prepared based on companies' governance bylaw and registration and listing regulations issued from capital market authority, company system and articles of association of the company.

An overview of Al AKARIA

1976 - Al AKARIA is a joint stock Saudi company established by the royal decree no. (M/58) dated 17/7/1396 AH corresponding to 15/7/1976 AD

1977- Registered in Riyadh city in Saudi Arabia under commercial register no. (1010012539) dated 17/6/1397 AH corresponding to 4/6/1977 AD



VISION

To build the finest living experience in the Kingdom of Saudi Arabia

MISSION

Redefining real estate experiences to be human-oriented, by adopting modern & innovative concepts

Main activity

Company's main activities description:

Represented by the company objectives according to articles of association as follows:

1-real estate development includes

- 1-land projects: developing the main undeveloped infrastructure of the lands
- 2- residential and commercial projects: developing residential and commercial projects and selling units in those projects

1-property administration and leasing

Represented by residential and commercial properties administration on their own account or on behalf of others

Naif bin Saleh Al-Hamadan
Chairman of the board

Dear stockholders of Al AKARIA

Since the beginning of 2022, Al AKARIA continue developing entrepreneurship and excellence standards set out in real estate development department taking sustainability approach based on developing and growth concepts in Saudi Arabia insight 2023.

The company adopted improving performance methods in all business aspects, achieving the goals in accordance with strict strategy to acquire the best outcomes by god's grace and adoption of the government of custodian of the Holy Land Salman bin Abdulaziz Al Saud and the crown prince Mohamed bin Salman

May god protect them

From the standpoint of thanks gratitude, I would like seize the opportunity and thank all who worked on that success, my colleagues in the board of directors, the stockholders and success partners in the company's journey. I especially want to thank real estate company affiliates for their exerted efforts to achieve Al AKARIA successes of 2022.

Peace and blessings to you;

Ibrahim bin Mohamed Al-Elwan
MANAGING DIRECTOR & CEO

Dear stockholders of Al AKARIA

While, year accelerates, the company provides continuous success throughout the past forty-seven years till what was achieved nowadays.

With eyes full of positivity, we offer you today Al AKARIA annual report and its financial statements of 2022.

This year was full of wishes and aspirations achieved by the board of directors and executive administration in implementation of the strategies and contribute in upgrading Saudi business sector.

Al AKARIA seek to achieve a developmental future coping with the great vision of Saudi Arabia 2030.

One of the achieved goals was implementing some qualitative projects and signing agreements of huge investment projects.

It is a pleasure to thank the custodian of the Holy Land Salman bin Abdulaziz Al Saud and the crown prince Mohamed bin Salman - May god protect them – for their great support of all the sectors towards our country progress and development. I also want to thank our partners and stockholders for their continuous support and our technical staff and all who work in the company.

Strategic orientation

The company operate on applying its strategy of 2021 – 2025 that was approved at the beginning of 2021, includes:

- **The company's internal development**

Focusing on developing and updating the internal structure of the company via restructuring loans, increasing the company's capital, providing cash flow via selling part of non-strategic land portfolio and assets with low income, continue to develop the company's internal capabilities and developing work system to respond to market requirements and competitiveness.

The company already achieved some advances, as we managed to increase the capital worth 1,6 billion riyal. The company managed to restructure loans and already provided the cash flow. Also, non-strategic land was sold and disposed like Qortoba land and Tilal Riyadh. The company now is working on keeping its financial position through cash flow administration, increasing performance quality and ensure enabling risk administration

- **Renewing current company's assets**

The company operate on renewing the current assets by about 100 hundred square meters at the beginning of 2025 to enhance its profit of these assets and keeping customers satisfied benefits from these assets.

Nearly 65 hundred square meters was fulfilled by the end of 2022.

- **Restructuring affiliates company profile**

The company's strategic plan include reviewing the affiliates status strategy in terms of disposing low performance company, support, and focusing on companies satisfactory performance. Give the company the opportunity to increase its market share based on this orientation. And administrative company was already disposed on 2021. The company achieved rapid growth of profits growth as it increased from 26 million on 2020 to 92 million in 2022.

- **Working on achieving sustainable profit growth**

Follow up growth plan execution while the company focus on its mixed – use projects and premium residential projects that match current market requirements. Also, the company contributes in local real estate sector development. The company directed towards strategic partnerships to enhance Al AKARIA status and increase its market share. The company seeks to expand prominent projects execution in the main cities in Saudi Arabia up to 7 billion riyal Saudi during the coming years initiatives through projects like roshn projects.

First and second phase of booking real estate project lands successfully. Also, the company signed a conditioned land agreement with roshn aiming at developing residential villas in Sedra in Riyadh worth up 142 million riyals for nearly 135 unit.

Also, Reef project was launched which aims at building 238 residential units in the diplomatic quarter in Riyadh.

Major events of 2022

Increase on the capital of 2022

The company increase its capital in of 2.4 billion riyals to **3.750 billion riyals** through proposing priority stock rights worth 1,593 billion Riyal.

Al AKARIA residential compound (gate 7)

Terraforming of Al AKARIA residential compound (gate 7) in Riyadh city was finished:

Terraforming of gate (7) of Al AKARIA residential compound in El-Olia district wad done. The project contains 128 residential unit that was 100% leased on December 2022, as terraforming work, modernizing the buildings and accompanied services was done including finishings, some electromechanical work, building facades, and fencing around the residential compound.

(Al AKARIA MASAKEN) project

Terraforming of residential units located in El-Sefarat district in Riyadh city was done:

The company terraformed some residential units under the second phase in terms of finishings, some electro mechanical work and plumbing.

Redeveloping the commercial façade of Al AKARIA plaza in Riyadh city:

The company redeveloped the commercial façade of Al AKARIA plaza on an area (530 square meter) as the whole region will be developed via developing lease areas, adding outside areas to Al AKARIA plaza façade.

Al AKARIA park project

Al AKARIA bought at the beginning of 2022 a raw land at the east of Riyadh with total area 1,913,399 million square meter worth 727,09 million riyals (excluding real estate transactions tax and pursuit commission). The work is currently being to develop the infrastructure of the land totaling 120 million riyals approximately. The first and second phases of 1,778 plots was 100% sold.

ERRF project – diplomatic district

Al AKARIA signed a long-term land lease contract (area 39,10 square meter) for 28 years (extendable for a same period) with royal commission for Riyadh city in the diplomatic district near El-Yamama park. The contract includes building a semi- closed residential compound providing 238 residential unit distributed among mixed-used apartments, villas and town houses. Excavation work started in this project on October 2022.

Rochan projects (fai Sedra)

(fai Sedra) 1

On June 2022, Al AKARIA bought lands to develop rochan real estate development (within K1 and K2 package of the main layout of sedra district in Riyadh city) worth 141,977,600 Saudi riyals. The company aimed at developing residential plots through 138 residential unit to provide various areas and a unique design expressing the company's orientation in the residential sector.

(fai Sedra) 2

On December 2022, Al AKARIA bought conditional lands to develop rochan real estate development (within c 1,2, 3 within 2a phase of the main layout of sedra district in Riyadh city) worth 323,667,450 Saudi riyals. The company aimed at developing 290 residential plots.

Contracts authentication Ejar site for 80% of the projects

The company authenticated 100% of la casa project contracts, 93% of El-Olia residential project, 80% of second and third Al AKARIA, 74% of first Al AKARIA and 70% of AKARIA plaza on Ejar site.

AIDhahia project

The company done conveyance for 526 of 536 deed up to 98.13% of residential neighborhood project. the company was awarded accomplishment certificate from WAFI against selling on the map.

Adoption of Al Olya Scheme

- The real estate company applied for a partial amendment to the approved plan No. (2879) – Al Olya Scheme - for the purpose of modifying the status of the scheme, especially the parts owned by the company
- - The reorganization of AL Olya scheme, which is 420,732 square meters, was approved by the municipality and the Land Divisions Committee No. (4) on the date of its / 15/03 1444. With obliging the real estate company to apply the outputs of the scheme to which the adjustment was made within a period not exceeding three years from the date of approval.
- The company is working on the implementation of development measures through a company specializing in construction contract to obtain the approval of the municipality on the final scheme.

Business sectors

- **Company's buildings and occupation percentage**
- **Projects sector**
- **Operation, lease and sell**
- **Human resources**
- **Information technology**
- **Cyber security**

Company's buildings and occupation percentage:

The company continued the income-generating operational performance for the assets during 2022. The following is an illustration for shopping malls and residential apartments (villas and apartments) occupation percent (commercial offices and stores) compared o occupation percent of 2021.

Compound name	Financial year 2020		Financial year 2021		Financial year 2022		
Plaza Al AKARIA compound	94% offices	75% commercial	92% offices	70% commercial	95% offices	59% commercial	
Al AKARIA compound 1	80% offices	71% commercial	71% offices	50% commercial	67% offices	51% commercial	
Al AKARIA compound 2	85% offices	49% commercial	84% offices	37% commercial	98% offices	35% commercial	
Al AKARIA compound 3	64% offices	32% commercial	67% offices	29% commercial	95% offices	33% commercial	
El-Seteen commercial compound	59% offices	75% commercial	58% offices	41% commercial	51% offices	54% commercial	
Diplomatic district compounds	89% villas	91% apartments	90% villas	98% apartments	94% villas	78% apartments	Town house 86% duplex
La casa compound	61% villas	11% apartments	95% villas	52% apartments	90% villas	77% apartments	
Al AKARIA residential compound (El-Olia)	95% apartments		70% apartments		79% apartments		

Projects sector

The real estate development sector is considered the main and vital hub to execute the company projects. This sector is responsible for planning, studies, designs, and execution in addition to developing and updating projects and existing facilities to benefit from the company experience coping with modern methods, and local and international technologies within development and execution area.

The following is the description of the projects done during this year, in addition to under development and execution projects and the projects that still under investigation and design.

- **Completed projects (4 projects)**
- **Under development projects (7 projects)**
- **under investigation and design**

Completed projects

The company has completed and developed some projects. The are as follows:

Terraforming Al AKARIA residential project (gate 7) in Riyadh city

The company started renovation and modernization operations for El-Olia compound no. (7) located on the extension of Mosaed El-Ankari street in El-Olia district in the center of Riyadh city on a land owned by the company area of (17,077 cubic meter). The project contains 128 residential apartments for lease. Given that the age of the residential building within gate (7), the company began terraforming and modernization of buildings and accompanied services including finishings, some electromechanical work, facades, and fencing. Renovation work was done in third forth of 2022.

(Al AKARIA MASAKEN) project

Developing and terraforming residential units located within El-Sefarat district in Riyadh city

On 2021, terraforming of some residential units under the second phase begun. The finishings, electrotechnical work, and plumping begun aiming at reposting those high-quality apartments in the market against competitive prices. Terraforming work was done in the first quarter of 2022.

Terraforming commercial façade in Al AKARIA Plaza in Riyadh city

Terraforming work of commercial façade in Al AKARIA Plaza was done over an area (530 cubic meter). The region was fully developed via developing lease locations and adding external areas to Al AKARIA Plaza facades.

AIDhahia compound

El-Riaml district in Riyadh city

The company finished all architectural and finishing work for El-Daheya compound in northeast of Riyadh city. The compound is considered semi-closed on area (430,296.26 cubic meter) and contains 557 residential units and park on area (20,646>21 cubic meter). The project is full equipped with infrastructure services worth (794 million Saudi riyals). The project was finalized by the end of September

2021. The project provides a comprehensive life style in Riyadh city containing residential units, parks and green areas. The project located in El-Riaml district enjoying all infrastructure services (water, drainage, electricity, phone, roads, foot paths, lightning, rainwater drainage network). Regarding drainage network, the station renovations was done, configured, and operated. The project in preparation and coordination with national water company phase for be delivered and operated by them. The residential units was sold in full and the company is now delivering the units as 529 units was delivered after finishing 557 project deeds screen and connivance of 529 was done for customers.

Under development projects

Al AKARIA park layout

El-Kadesya district in Riyadh city

Al AKARIA park project land located in El-Kadesya district in Riyadh city north El-Damam road totaling (1,913,399 cubic meter). The board of directors decided to buy the land on December 2021 as a raw land has a initial layout approved by regulatory bodies. The company signed a contract for design and execution of infrastructure in coordination with Mohamed Alojami group on February 2022 totaling 120 million riyals. Thus, acquiring selling license on the map through wafi program (license no. 123). The project was officially announced in restatex real estate Riyadh showroom on march 2022. The first and second phase was sold equal 1,778 plot.

In addition, building selling centers was done to facilitate selling transactions and after sale services all in one center servicing all customers.

Supervision contract was signed to execute infrastructure with the consultant to supervise review of designs and execution in site. Design phases culminated by secretary approval of flood and roads network, issuing coordination minutes and begin work. Also, medium and low voltage network was approved and allocating main transformer station of area (4,177,58) square meter. It will deal with via expropriation system for public benefit and compensating the company.

Phone and drainage network was approved. Execution of network, flood drainage network and establishing special civil work in electricity sub-stations was approved as accomplishment percent was 40%.

Al AKARIA MSAKEN project

Developing and terraforming residential units in the diplomatic district in Riyadh city

Al AKARIA via its teams has done a full survey on all residential units owned by the company located in the diplomatic district aiming at reviewing its architectural, rental and overall status. Thus, a report, a detailed study, and screening units based on need nature in terms of development “developing, changing, designing, general maintenance and renovations”, cleaning, simple maintenance, marketing was prepared. Based on that, tracked were followed and new designs plan was executed aiming at developing the designs for modern, flexible and more open design which was executed before in some units was paid off in terms of development and launching the rent with improved rates which served purposes.

On 2022, terraforming of residential units under the first and second phase was initiated in terms of finishings, some electrotechnical work and plumbing. This aimed

at reposting those high-quality apartments in the market against competitive prices. Renovation work is expected to be done on the first quarter of 2023.

Porta Jeddah project

The project is located in El-Nahda district on king Abdul Aziz road in Jeddah city on area (49,800 cubic meter) in front of red sea commercial compound. The economic feasibility study was done to determine the best uses of project's land including mixed-use commercial project concept that contains entertaining compound, commercial stores, restaurants, and offices in addition to top- level hotel. The hostel will be operated by one of the international hotel operators. The internal design of the hotel is now in progress in coordination with "di Leonardo" consultant office. The project's initial design concept was done which was introduced via a tender. Chapman Taylor company was awarded, as finishing all detailed designs in progress together with "Brouj" consultant office. Fencing and excavation has already begun.

Terraforming Al AKARIA housing compound (gate 8) – Riyadh

The company begin to renovate and modernize El-Olia compound (gate 8) located in the extension of Mosaed El-Ankary street in El-Olia area in the center of Riyadh city on a land owned by the company of area (13,120 cubic meter). The project include 92 residential apartments for rent. Given that the age of the residential building within gate (8), the company began terraforming and modernization of buildings and accompanied services including finishings, some electromechanical work. It is expected that the renovation work will be done by the third quarter of 2023.

REEF project

El-Sefarat district – Riyadh

The project is constructed on a land owned by royal commission for Riyadh city inside the diplomatic district in Riyadh city beside El-Yamama park on area totaling (38,997.29 cubic meter). The company has offered and opportunity to develop the project through the commission. This development will be done via renting the land and developing it as a residential and commercial project. The project will include some residential units (238 residential unit distributed on multi-space apartments, villas, and town houses) in addition to some entertaining services such as mixed-used sports club, playgrounds, swimming pools, areas allocated for restaurants and other entertaining services. All the architectural designs was done, as the design concept was done by Chapman Taylor company and other phases by "james Quiplied" consultancy office. Fencing and excavation has begun and the tender note of the main contractor will be prepared.

fai sedra 1

Al AKARIA bought lands to develop rochan real estate development (within K1 and K2 package of the main layout of sedra district in Riyadh city) worth 141,977,600 Saudi riyals dated (23/06/2022). This deal was done to profit from the location, and the main layout characteristics in Sedra district in riyadh city. The company aimed at developing residential plots through 138 residential unit to provide various areas and a unique design expressing the company's orientation in the residential sector. The Saudi architect Bander El-Mansour is now finishing detailed designs and internal

designs. The construction of the residential units will begin during the second quarter of 2023.

(fai Sedra) 2

Al AKARIA bought conditional lands to develop rochan real estate development (within c 1,2, 3 within 2a phase of the main layout of sedra district in Riyadh city) worth 323,667,450 Saudi riyals dated 12/12/2022. This deal was done to profit from the location, and the main layout characteristics in Sedra district in riyadh city. The company aimed at developing 290 residential plots as a whole including designing and developing the infrastructure to provide multi-spaces residential units. Those units will sold via Wafi program after acquiring sell license on map. Some of the specialized consultants will be called for design concept phase and designing the infra structure.

Projects Under

Study & Design

The company is working on studying and designing a future projects

▪ **Operation, Rent and Sale**

1- Rent Activity:

The management of the company conserved a relative high rent rates during the year 2022 although the aggressive competition due to increasing commercial and office spaces of new compounds.

The occupation percentage for housing compounds of the company amounts to (97%) of the rentable units after excluding ongoing units for development in both of the housing Al Alia and Embassy District, wherever to the commercial compounds, it amounts to (95%) at the end of 2022 of the rentable units.

Recently, work is going to develop and improve commercial exhibitions located in the ground and 1st floors of the second and third commercial centers, aiming to enhance the rental and operational performance, to cope with the coming of inauguration of Riyadh Metro located on the extension of Al Alia Public Street.

For the last years, the Real Estate Company established and operated many of housing and commercial buildings, as follows:

1st Al Aqaria Center (1982)

The first and biggest commercial compound in the Middle East which built during the era of Seventieth. The center established on a space of land 19.000 square meters, the construction landscape area is amount about 63.300 square meters. The ground and first floors were designated for the commercial stores which its number amount to about 160 stores. The second and third floors have been designated as office floors for institutions and companies. The basement was used as a vehicle parking to include 388 cars. An adjacent land plot has been designated to be vehicle parking to adopt 403 cars. Al Aqaria owns Al Aqaria 1st and manage it fully.

2nd Al Aqaria Center (1985)

The project is comprised of a set of commercial stores and office spaces at the heart of Riyadh City Business Center which is located on Al Alia Road and Mussa Ibn Nussair Road. The center is considered of the most luxuriant urban projects in Saudi Arabia for what involving from commercial stores and offices. The center has been erected on a land with space 15.952 square meters and the gross landscape is amount to about 121.150 square meters. The center is comprised of three floors designated to commercial stores and exhibitions, and six floors for offices. In addition, extended spaces were provided for car parking, where the center involves

three floors under the building as car parking comprehended for 772 cars. Al Aqaria owns 2nd Al Aqaria center and manage it fully.

Al Aqaria Housing Compound in Al Alia (1-10)

It is the first closed residential complex in the Kingdom, providing all services, such as parking, swimming pools, playgrounds, green spaces, children's games, and fiber optic technology for the Internet High Speed plus immediate maintenance service. The areas of the apartments range from 134 to 241 square meters distributed to few closed complexes. And the complex enjoys round-the-clock services, includes security, maintenance and cleaning, and Al Aqaria owns Al Aqaria residential complex and manage it fully.

3rd Al Aqaria Center (1995)

It is comprised of commercial complex involving offices and retail stores, and the center was built on an area 711.13 square meters, and the total area of the building is 437.115 square meters. The center consists of three main parts that include car parks, shops and offices and the center is in the middle of a huge main lobby overlooking the shops and offices, and each the floor has been allocated the floors from the third to eighth are extended so that: ground, first and second floors for shops. It overlooks the eastern and western sides of the city of Riyadh, and the rest of offices overlook spaces cars in addition to support services such as luxurious interiors. 654 positions were allocated to the mosque, which can accommodate more than 900 worshippers. The third real estate is owned and managed by Al Aqaria.

Al Aqaria Al Malaz Center (1995)

The center consists of four towers, each containing eight floors, in the middle of these towers spacious lobby with glass ceiling. The center was established on a land area of 307.9 square meters. Its construction area is about 830.62 square meters, and the ground floor has been allocated for exhibitions, commercial and restaurants, and the basement of the two-storey building is allocated for parking which can accommodate about 334 cars. Al Malaz Real Estate Center is fully owned and managed by Al Aqaria.

Al Aqaria Plaza Center (2010)

The Plaza Center is located in Riyadh, on Olaya Street, between the Kingdom Tower and Al Faisaliah Tower. And report for business in a main A, which can be an address Square. The center's land area is 397.19 meters with SMART technology Riyadh. The Plaza Center is the first fully integrated commercial development in the Kingdom, Cisco Certification in the Kingdom of Saudi Arabia. It is the first smart building, it is spread over an area of 547.145 square meters. The Plaza Center includes many features that support it in Riyadh, including a parking lot with a capacity of 1.400 reputation as one of the most distinguished business centers, car and retail markets spread over an area of 13.000 square meters. The real estate owns the Plaza Center and fully managed.

AI AKARIA MSAKEN Diplomatic Quarter – Riyadh

The Diplomatic Quarter is headquarter to foreign embassies, consulates, international organizations, residential complexes, and shopping centers. It is an ideal place due to its design, fine building, and high operational standards.

The Real Estate Housing Project was divided into three phases, all of which were completed to establish 21 buildings such as apartments and residential units that vary between luxurious villas, spacious apartments, villas, and duplexes. The total area of the plot of land for all three phases is 287,959 square meters.

This investment is denoted by the establishment of these units on lands leased from the Royal Commission for Riyadh City under two contracts for 99 years and 50 years. The company manages the project and rents the housing units.

La Casa Residential Compound Project in Al Narjis neighborhood – Riyadh

It is a closed residential complex project and an entertainment center owned by Al-Aqaria on a plot of land of 25,570 square meters. The project consists of 162 furnished housing units.

It includes 31 townhouses and 131 residential apartments of different areas, in addition to a sports center, landscaping, and infrastructure that includes roads, sidewalks, lighting poles, and a telephone and water network, in addition to a sewage treatment plant.

Its construction work was carried out by an affiliated company of Al-Aqaria. As well as a subsidiary company of Al-Aqaria has been contracted to take over maintenance and facilities management tasks for a period of two years. The project was completed in May 2019. The company is currently renting units to clients.

Human resources:

Recruitment and localization

In 2022 AD, the company focused its efforts on preserving and developing national competencies by maintaining the localization (Saudization) rate of 79.57%.

Education and talent development

The company has invested in short and long-term development in order to enhance the skills and capabilities required for performance, whether technical, professional or individual.

Among the most important factors that have been applied to enhance capabilities is the application of the concept of psychometrics professional and behavioral assessment, through the application of the Birkam scale to identify training needs and design development programs.

The company also designs talent development programs, which identifies the best promising competencies within the company according to certain standards, after which the employee is given a specialized training program.

Information Technology

Through the Information Technology Department, the company has accomplished attainments denoted in activating and launching important initiatives, most notably:

- Automation of the main systems (finance - budget - financial statements – procurement - personnel affairs, salaries.
- Automation of the commercial sector (sales - leasing, real estate management - property management - collection - customer service.
- Project management automation for the development sector.
- Automation of human resource systems (performance management and objectives - recruitment - education and development - benefits and compensation management.
- Rationalization of the operating expenses of information technology through re-reviewing the technical programs and systems.
- Ensuring the effectiveness of the cyber security systems applied in the company through the implementation of preventive measures and tests from third parties to ensure the safety of technical systems.
- Completing the first phase of developing the electronic invoice and starting the second phase by linking it with the Zakat and Income Authority.
- Preparing a plan to complete the digital transformation for implementation in 2023 AD.

Cyber-Security

The Cyber Security Department has achieved many achievements and initiatives, the most notably of it:

- Connecting the company's technical systems and solutions in the event records center to monitor and respond to threats.
- Establishing a cyber-security operations center to monitor systems and networks 24/7.
- Gap analysis of the requirements of the National Cyber security Authority and their application.
- To ensure the effectiveness of the cyber security systems applied in the company by taking preventive measures to detect vulnerabilities and conducting penetration testing of the website and technical systems to ensure their integrity.
- Raising awareness of cyber security within the company and raising the level of culture in cyber security through workshops and info graphic publications.
- Implementing Aramco's cyber security requirements with an infrastructure company.
 - To create a system to follow up the governance, risks and cyber compliance of the real estate company

Financial Statements and Business Findings

- The basic activities in the company's business turnover and its contribution to the (consolidated) findings.
- Capital increase
- Subsidiaries data
- Description of the main activities of the company
- Business findings for the fiscal year ending on 31/12/2022 ad.
- Paid and due regular payments or any other dues that were not paid until the end of the financial period on 31/12/2022 ad.
- Risks

The main activities that are related to the company's turnover and its contribution to the (consolidated) findings:

Activity Type		Revenue (thousands of riyals)	
		Activity revenues	Ratio
1	Infrastructure revenue	531,167	25.90%
2	Lease income	289,619	14.12%
3	Revenues from the sale of residential units	541,577	26.40%
4	Land sales revenue	539,372	26.29%
5	Facilities management revenue	37,195	1.81%
6	Construction revenue	112,346	5.48%
Total		2,051,276	100%

Capital increase

The company's capital in which its amount is 3,750 million Saudi Riyals as on December 31, 2022 AD (2022 AD : 2,400 million Saudi Riyals) consists of 375 million shares (December 31, 2021 AD: 240 million shares), the value per share is 10 SAR. During the fiscal year ending on December 31, 2022 AD, the Board of Directors agreed to increase a recommendation to the Extraordinary General Assembly to increase the company's capital by 1.6 billion by offering shares of preemptive rights for subscription. The shares of the capital increase were introduced at the market value in the amount of 11.8 Saudi riyals, the value per share. This increase resulted in a capital issuance premium of 2.43 million Saudi riyals and subscription expenses of 20.3 million Saudi riyals.

ON may 18, 2022 add, the capital increase was approved by the Extraordinary General Assembly , and the completed the introduction procedures by collecting the full value of the capital increased which is required, during the year, the legal and regulatory procedures for increasing the capital and amending the commercial register and the company's articles of association were completed .

Subsidiaries data

Subsidiary Name	Capital (million)	Ratio of ownership	The basic activity	Operations headquarters	The country of incorporation
Al Wedyan Real Estate Saudi Company	0.5	100%	Developing Al Wedyan Project	KSA	KSA
Saudi Real Estate Construction Company	34	100%	Building construction and maintenance works	KSA	KSA
Saudi Real Estate Infrastructure Company (BINYAH)	50	60%	Implementation of infrastructure works	KSA	KSA
Saudi-Korean company for Maintenance and Property Management - Mumtalakat	20	60%	Maintenance, operation and property management	KSA	KSA
Alinma Real estate Fund	3.3	100%	Real estate development	KSA	KSA
Hudoud Real Estate Investment Company	0.01	100%	Real estate development	KSA	KSA

*During the year 2022, the Saudi Real Estate Company signed an agreement to close and liquidate the Alinma Fund, and on 10-11-2022 all regular procedures for liquidating the fund were finished and all transfer all of its assets to Hudoud Real Estate Investment Company, which is 100% owned by Real estate Company.

Details of shares and debt instruments of subsidiaries:

There are no debt instruments in the subsidiaries, and the details of the shares are attached in the following table:

Company	(Million)		
	Capital	Number of shares	Ownership ratio
Al Wedyan Real Estate Saudi Company	0.5	0.05	100%
Saudi Real Estate Construction Company	34	3.4	100%
Saudi Real Estate Infrastructure Company (BINYAH)	50	5	60%
Saudi-Korean company for Maintenance and Property Management -Mumtalakat	20	2	60%
Hudoud Real Estate Investment Company	0.01	0.01	100%
Total	10.45	104.5	

Subsidiaries:

1-Al Wedyan Real Estate Saudi Company- :

Al Widyen Real Estate Saudi Company, is a one-person closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010455071 dated Dhu al-Qi`dah 16, 1439 AH (corresponding to July 29, 2018 AD). the company is in charge of electricity works, maintenance of parks and gardens, building construction, maintenance and operation of buildings, maintenance and operation of water and sewage networks, construction of roads, construction of bridges, construction of tunnels, purchase, sale and leasing of land and real estate, real estate development and investment activities, maintenance and operation of hospitals, medical centers and governmental and private dispensaries.

1-Saudi Real Estate Development Company (Tamear):

a) **Saudi Real Estate Construction Company**, it is a closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010466367 on Rabi` al-Awwal 15, 1438 AH (corresponding to December 14, 2016)

Description of the main activities of the company:

The company is in charge of building construction, building maintenance, construction project management, developing detailed engineering designs, purchasing materials, and implementing what it manages of these projects under the license of the General Investment Authority No. 10206371070302 dated Shawwal 6, 1437 AH (corresponding to July 11, 2016). On February 28, 2021, the Group acquired an additional 40% share in the Saudi Real Estate Construction Company, which led to increase its ownership percentage to 100%.

A statement of the impact of the main activities on the turnover of the company's business and its contribution to the results:

Activity Type		Revenue volume (in thousands of riyals)	
		Revenue	Ratio
1	Contracting	112,346	100%
Total		112,346	100%

3- Saudi Real Estate Infrastructure Company (BINYAH)

Saudi Real Estate Infrastructure Company (BINYAH) is a closed Saudi joint stock company incorporated in March 2017 ad, under a capital of (50,000,000) fifty million riyals. The Saudi Real Estate Company owns (60%), and Mohammed Al-Ali AlSwailem Trading and Contracting Company owns (40%) of its capital.

Description of the main activities of the company:

The main activities of the company are represented in the work of roads, streets and bridges, the construction and extension of the water, sewage and flood network, its cleaning, maintenance and operation, and the construction and extension of distribution networks for electric power and gas and its stations.

A statement of the impact of the main activities on the turnover of the company's business and its contribution to the results:

Activity Type		Revenue volume (in thousands of riyals)	
		Revenue	Ratio
1	Infrastructure contracting	531,167	60%
Total		531,167	60%

4-Saudi-Korean Company for Maintenance and Property Management -Mumtalakat

Saudi-Korean company for Maintenance and Property Management -Mumtalakat is a mixed limited liability company, established on October 2017, with a capital of (20,000,000) twenty million riyals. The Saudi Real Estate Company owns (60%), and Posco E&C Saudi Arabia owns (21%). And Bosmeet Company Ltd. (19%) of its capital.

Description of the main activities of the company:

The main activities of the company represent in the operation and building maintenance under the license of the General Investment Authority No. (10214381076997) dated Shawwal 29, 1438 AH, corresponding to August 21, 2017 AD.

A statement of the impact of the main activities on the turnover of the company's business and its contribution to the results:

Activity Type		Revenue volume (in thousands of riyals)	
		Revenue	Ratio
1	Facilities management	37,195	60%
Total		37,195	60%

5-Hudoud Real Estate Investment Company

Hudoud Real Estate Investment Company (a one-person company with limited liability wholly owned by the group), which was incorporated during October 2022 pursuant to a commercial registration certificate issued by the Ministry of Commerce No. (101836057) on October 24, 2022 corresponding to Rabi` al-Awwal 28, 1444 AH, with a capital of 10,000 Saudi riyals, divided into 1,000 shares of equal value, and the value per share is 10 Saudi riyals. The Saudi Real Estate Company owns the full shares of the company for the purpose of transferring the ownership of the instruments from the Alinma Real estate Fund to the Hudoud Real Estate Investment Company, which is owned in full by the Saudi Real Estate Company. The company's head office is located in the city of Riyadh.

The description of the main activities of the company:-

The activities of the Saudi Real Estate Company are represented in owned or leased properties

Business findings for the fiscal year ending on 31/12/2021 AD:

The group also achieved in the fiscal year 2022, profits of 145.2 million riyals, compared to profits of 80.5 million riyals in 2021, an increase of 80%. The profits are due to the following reasons:

- 1- An increase of the lease income
- 2- An increase in land sales revenues
- 3- Improving performance and expanding activity of subsidiaries

Essential variables in operating results from the results of the previous year:

(thousands of riyals)

Statement	<u>2021 ad.</u>	<u>2022 ad.</u>	Variables	Ratio
Activity revenues	2,051,276	1,028,841	1,022,435	99%
Activity costs	(1,595,162)	(681,345)	(913,817)	134%
Gross Activity income	456,114	347,496	108,618	31%
Operating profit	259,738	119,145	140,594	118%

Financial position statement:

The assets of the group reached to 8,848 million riyals in 2022 AD, compared to 7,780 million riyals in 2021 AD, by an increase of 1,072million riyals, and percent of 14%, and the reason for the increase is due to the increase in current assets. The following table shows a summary of income balances and financial position in the last five years:

	(thousands of riyals)				
Statement	<u>2022 ad.</u>	<u>2021 ad.</u>	<u>2020 ad.</u>	<u>2019 ad.</u>	<u>2018 ad.</u>
Activity revenues	2,051,276	1,028,841	553,466	338,021	296,569
Activity costs	(1,595,162)	(681,345)	(368,012)	(166,387)	(111,369)
Gross Activity income	456,114	347,496	185,454	171,634	185,200
Administrative, general and marketing expenses	(196,375)	(228,351)	(224,161)	(256,284)	(146,164)
Net other income and expenses	(96,331)	(6,852)	(90,421)	(86,790)	(215,284)
Zakat	(18,166)	(31,770)	(25,304)	(12,687)	(21,028)
Net profit attributable to the shareholders of the parent company	110,539	54,909	(140,741)	(186,351)	(183,069)
Current assets	1,672,761	1,639,480	779,108	386,435	601,547
Non-current assets	7,180,132	6,141,161	6,753,585	6,812,619	6,739,888
Current liabilities	767,346	3,078,179	2,784,525	3,488,891	2,827,767
Non-current liabilities	3,392,269	1,703,915	1,914,745	743,874	1,342,809
Shareholders' equity	4,693,278	2,998,547	2,839,268	2,966,289	3,170,859

Geographical analysis of the group's total revenue:

Year	Statement of the geographical analysis of the Saudi real estate company - unconsolidated (in thousands of riyals)			
	Total revenue	Riyadh	-	Total
2022	1,370,568	1,370,568		1,370,568

Geographical analysis of total subsidiaries revenue:

Year	Statement of the geographical analysis of the subsidiary company - Saudi Real Estate Development Company (Tamear): (in thousands of riyals)			
	Total revenue	Riyadh	Umluj	Total
2022	112,346	109,907	2,439	112,346

Year	Statement of the geographical analysis of the subsidiary company - Saudi Real Estate Infrastructure Company (BINYAH) (in thousands of riyals)			
	Total revenue	Riyadh	Umluj-Tabuk region	Total
2022	531,167	413,099	118,068	531,167

Year	Statement of the geographical analysis of the subsidiary company - Saudi-Korean company for Maintenance and Property Management - Mumtalakat (in thousands of riyals)			
	Total revenue	Riyadh		Total
2022	37,195	37,195		37,195

paid and due regular payments of any zakat, taxes, fees or any other dues that were not paid until the end of the financial period on 31/12/2021 AD, with a description and reasons:

Statement	2022 AD (in thousands of riyals)		Summary description	Reasons
	Paid	Due until the end of the period and has not been paid		
Zakat	21,100	18,166	The due amount based on the Zakat (Zakah) base for the fiscal year 2022 AD.	According to the instructions of the Zakat, Tax and Customs Authority.

Inalienable lands:

a) Land not available for use:

Some of the plots of land owned by the company are not currently available for disposal and are not available for development for various reasons, some of which are related to the areas in which those lands are located, and some of which are under study by the competent committees for treatment. The administration is currently working with the concerned government agencies to address these reasons to allow disposal of these lands. The impact of this matter on the recoverable value of those lands is still uncertain and depends on the final results of the work of the competent committees and authorities.

b) Al Wedyan Project:

During the year 2021, the management was informed by the concerned government agencies that the company's land that was allocated for Al Wedyan Project is located within an area under study with the aim of developing it by those government agencies, which may lead to a fundamental change in the project's master plan and the recoverable value of that land. The impact of this is still uncertain and depends on the completion of the study by government agencies and future developments in the area.

White Land Fee Claims (cases related to fee objections):

The white land fee decisions that the real estate company received from the Ministry of Housing since the implementation of the white land fee amounted to 213 million Saudi riyals until the end of the fiscal year 2022, and during the year ending on December 31, 2022. The company continued the procedures of objection to the land fee decisions issued against the company, whether in front of the Ministry of Municipal, Rural Affairs and Housing or the judicial authorities. The fees and fines that were canceled according to final provisions or decisions in favor of the company since the beginning of the application of white land fees amounted to an amount of 190 million Saudi riyals. There is one case of fees issued during this fiscal year 2022 and it is still pending before the Administrative Court in Riyadh, and it concerns land in the city of Riyadh, with a value of (1.7) million Saudi riyals.

Legal issues:

In 2014, the company purchased land from Saudi Limitless Real Estate Development Company under a land sale contract concluded between the two parties, on which Al Wedyan Project is located. Saudi Limitless Real Estate Development Company emptied the group with an area less than the contract and the amount paid for the purchase of the land. The real estate company filed a lawsuit with the General Court, requesting compensation from the Saudi Limitless Real Estate Development Company related to space differences, as the transferred area of ownership is less than the agreed sold area. The total amount of the claim is (19,141,007) Saudi riyals. A final judgment dismissing the case was issued by the Court of Appeal. The real estate company submitted a request to revoke the judgment and request a reconsideration of the judgment, and this case is still pending before the Supreme Court.

In 2015, the real estate company entered into an agreement with two companies, Saudi Limitless Real Estate Development Company and Al Enmaa Investment Company, to establish a real estate fund. According to the agreement, the company must pay an amount of (50) million Saudi riyals. The company paid its obligations by contributing an amount of (50) million Saudi riyals. The proposed fund has not been established as stipulated in the agreement. During the fiscal year 2021, a final judgment was issued in favor of the real estate company to recover the contribution amount (50) million Saudi riyals because the fund was not established. After obtaining a final judgment in favor of the company against Saudi Limitless Real Estate Development Company, the company filed a lawsuit to claim compensation in the amount of approximately (73.2) million Saudi riyals representing attorneys' fees and other damages against Saudi Limitless Real Estate Development Company. During the current fiscal year 2022, a final judgment was issued to dismiss the real estate company's claim for compensation.

In 2016, the company entered into an agreement with Al-Bayan Group Holding Company for Investment regarding Al-Bayan Group Holding Company's sukuk in the amount of \$50 million, with an annual interest rate of 4.5%, due in June 2018. Al-Bayan Group Holding Company failed to fulfill its obligations. In 2017, the parties entered into an amendment to the agreement to reschedule the maturity date. The real estate company demanded that Al-Bayan Group Company pay its financial obligations, but the latter did not respond to that. During the fiscal year 2021, the real estate company filed a lawsuit against it, and a final judgment was issued to dismiss the lawsuit. Accordingly, during the fiscal year 2022, the Saudi real estate company filed a lawsuit against the investment guarantor. A judgment was issued to dismiss the lawsuit for submitting it prematurely, and the company objected to the judgment. The case is still pending before the Court of Appeal.

In 2018, the Saudi Real Estate Company concluded a framework agreement with the Presidency of State Security to provide comprehensive real estate services to the Presidency. As a result, this agreement resulted in work incurred by the real estate company in the amount of 15 million Saudi riyals. The real estate company demanded that the presidency pay the due fees related to the agreement, but the presidency did not respond to these demands. During the fiscal year 2022, the real estate company filed a lawsuit against the Presidency with the Administrative Court to claim the fees of the agreement. An interlocutory judgment was issued obligating the Presidency of State Security to pay an amount of 4.3 million Saudi riyals.

There are also some cases filed against the company during the normal business cycle, and they are currently being litigated. These issues do not have a material impact on the consolidated financial statements.

Reserves:

Statutory Reserve:

According to the Saudi Companies Law and the Company's Articles of Association, the Company (after covering accumulated losses) is required to transfer 10% of the net income every year until the total of this reserve reaches 30% of the capital. The company decided to stop making such a transfer due to the fact that the reserve balance

has reached the specified amount, noting that this reserve is not available for distribution.

Conventional Reserve:

According to the Company's Articles of Association, the Ordinary General Assembly may, upon a proposal by the Board of Directors, set aside a certain percentage of the net profits to form reserves for a specific purpose agreement. The Board did not propose to set aside a certain percentage of net profits for this year.

Information related to the loans and debts of the company and its subsidiaries:

A loan from the Ministry of Finance - related party

The Saudi Real Estate Company signed an agreement with the Public Investment Fund of the Kingdom of Saudi Arabia, which is the main shareholder of the Company, with the aim of obtaining a long-term loan in the amount of 1.5 billion Saudi riyals for the purposes of financing the construction of real estate projects.

- During the month of June 2020, the Company rescheduled the loan, and according to that scheduling, the loan amount amounted to 1.306 billion Saudi riyals, by reducing the original facility by an amount of 194 million Saudi riyals. The loan is payable in 16 unequal semi-annual installments starting from January 1, 2022. The last installment is due in July 2029. The loan is subject to SIBOR plus a profit margin.

- During 2021, the Company received a letter from the Public Investment Fund of Saudi Arabia (a major shareholder) indicating that the loan of SAR 1.306 billion has been transferred from the Public Investment Fund of Saudi Arabia to the Ministry of Finance of Saudi Arabia without any changes to the terms and conditions of the original loan agreement. The Saudi Real Estate Company agreed to transfer the loan to the Ministry of Finance in the Kingdom of Saudi Arabia.

- The loan agreement is subject to financial and non-financial covenants from the date of repayment of the first installment as follows:

- The ratio of debt to equity.
 - Ratio of current assets to current liabilities (liquidity ratio).
 - The debt coverage ratio.
 - Mortgage contract on plots of land owned by the Saudi Real Estate Company in favor of the Ministry of Finance in the Kingdom of Saudi Arabia.
- During the year ending on December 31, 2022, the company complied with all pledges and financial ratios in accordance with the terms of the loan.

Term loans

During the year 2016, the Company obtained a loan in accordance with the provisions of the Sharia Committee of a local bank in the amount of 2.12 billion Saudi riyals according to the loan agreement that was due to be repaid in one payment at the end of the term of this agreement in May 2019. In March 2020, the company rescheduled the loan. Under this new scheduling, the amount of SAR 450 million is due to be repaid in May 2020. The rest of the loan amounting to SAR 1.6 billion is to be repaid in equal semi-annual installments over a period of five years after a two-year grace period from the date of the rescheduling agreement. The first installment will be paid on November 2021, and the last installment will be paid on May 2026.

In June 2022, the Company rescheduled the loan for the second time. The loan principal of SAR 2.068 billion is to be repaid in equal semi-annual installments over eight years after a grace period of four years from the date of the rescheduling agreement. The first installment will be paid on December 2026 and the last installment will be paid on December 2033. The loan is subject to prevailing Saudi interbank commission rates (SIBOR) plus an agreed profit margin. The company has mortgaged a piece of land in exchange for the long-term loan granted to it.

The Company also, during the fiscal year ending on December 31, 2022, obtained an additional loan from a local bank and paid it in full during the same year, in addition to the Company's payment of the entire amount owed by it in exchange for a third loan it had obtained during the year 2018. Thus, there are no existing obligations on the company against the term bank loans except for the first loan, which has been rescheduled.

(SR million)

#	Loan source	Principal amount of the loan	Loan term	Amounts paid in repayment of the loan during the fiscal year 2022	Remaining amount of the loan	Total debt of subsidiaries	Total debt of the Group and its subsidiaries
1	Ministry of Finance	1,318	10	133	1,189	-	1,189
2	Saudi National Bank	2,068	7	-	2,068	-	2,068
3	Riyad Bank	528	7	(528)	-	-	-
4	Al Jazeera Bank	383	1	(383)	-	-	-
Total		4,297			3,257		3,257

Risks facing the Company's business:

The Company is exposed to the following risks arising from financial instruments:

- Market Risk
- Commission Rate Risk
- Foreign Exchange Risks
- Equity Price Risk
- Credit Risk
- Liquidity Risk

The Group's comprehensive risk management program focuses on managing liquidity as well as monitoring various changes in the relevant market. Hence, it constantly seeks to minimize potential negative effects on the Group's financial performance. The Board of Directors reviews and approves policies for managing each of these risks, which can be summarized as follows:

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices involve three types of risks: commission rate risk, currency risk and other price risks such as stock price risk and commodity risk. Financial instruments affected by market risk include loans, deposits and financial assets available for sale.

The sensitivity analyzes in the following sections relate to the situation as at December 31, 2022 2021.

Sensitivity analyzes have been prepared on the basis that net debt value, fixed-to-floating debt commission rates, derivatives and foreign exchange financial instruments ratio are all constant and based on specific hedge allocations as at 31 December 2022.

The analyzes exclude the effect of market changes on the book value of pensions and other post-retirement liabilities and provisions.

The following assumptions were used when calculating the sensitivity analyses:

- The sensitivity of the relevant consolidated statement of income items represents the effect of assumed changes in the respective market risks. This depends on the financial assets and financial liabilities acquired as at December 31, 2022.

Commission Rate Risk:

Commission rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the prevailing commission rates in the market.

The Group's exposure to changes in market commission rates relates mainly to borrowings. On floating rate loans, the Group is exposed to the risk of fluctuations in cash flows due to changes in interest rates. The Group enters into commission rate swaps to hedge its risks. A potential increase (decrease) of 20 basis points in the commission rate at the reporting date, with all other variables held constant, would increase the Group's loss by SAR 7.2 million.

Foreign Exchange Risk:

Currency risk represents the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The functional and presentation currency of the Group is the Saudi Riyal. The Group's transactions are in Saudi Riyals and US Dollars. The management monitors the fluctuations in foreign exchange rates and believes that the currency risk is not significant. The majority of exposure is in US dollars and the Saudi Riyal is pegged at 3.75 SAR: \$1. Accordingly, the Group is not exposed to any risk from financial instruments denominated in US dollars.

Equity Price Risk:

The Group's listed and unlisted shares are exposed to market price risk resulting from uncertainty about the future value of the investment bonds. The Group manages equity price risk through diversifying the investment portfolio and setting limits for each financial instrument individually and in aggregate. Reports on the equity portfolio are submitted to the senior management of the Group on a regular basis. Senior management reviews and approves all decisions related to equity investments.

Credit Risk:

Credit risk represents the risk arising from the failure of the counterparty to fulfill its obligations in relation to a financial instrument or a customer contract, which leads to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade debtors) and its financing activities, including deposits

with banks and financial institutions, transactions in foreign currencies and other financial instruments.

To reduce exposure to credit risk, the Group has approval procedures through which credit limits are applied to its customers. The management also constantly monitors exposure to credit risks related to customers and sets aside a provision for expected credit losses, based on the customer's status and payment history. Outstanding customer receivables are also monitored on a regular basis.

Financial Instruments and Cash Deposits:

Credit risk arising from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The surplus funds are invested with other approved parties only and within the credit limits specified for each party. Credit limits for third parties are reviewed by the Group's Board of Directors on an annual basis and may be updated during the year subject to the approval of the Group's Finance Committee. These limits are placed to reduce the concentration of risk and thus limit the occurrence of financial loss through the potential failure of the other party in the payment process.

Liquidity Risk:

Liquidity risk represents the Group's difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk arises from the inability to sell a financial asset quickly at an amount close to its fair value. Liquidity is managed by ensuring, on a regular basis, that sufficient funds are available through committed credit facilities to meet any future obligations.

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. For this purpose, the Group has maintained lines of credit with commercial banks in order to meet its liquidity requirements. As at 31 December 2022, the Group's current liabilities exceeded its current assets, due to the reclassification of a long-term loan to current liabilities that was due for one lump sum payment to a local bank.

Management is confident that the Group will be able to settle all its liabilities in a timely manner and liquidity will be managed as follows:

- use of cash and current bank balances available with the group,
- sale of investments in equity instruments at fair value through other comprehensive income and investments at fair value through profit or loss, and
- sale of lands and real estate investments under construction and developed real estate.

Excessive Risk Focus:

Concentrations of risks arise when a number of other parties are engaged in similar activities or activities in the same geographical area, or have economic characteristics that may limit their ability to fulfill their contractual obligations as a result of changes in economic, political or other circumstances. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

General risks associated with the real estate market:

The Company's performance is subject to all risks associated with investing in the Saudi real estate sector, including adverse changes in economic conditions at the regional or global level, local market conditions and the financial situation of real estate tenants, buyers and sellers, excessive supply in the commercial sector, lack of demand and competition, changes in relative demand for real estate types and locations, and other events, emergency conditions, and other factors beyond control.

Any of these factors, or a number of them if they occur together, may lead to tangible risks that negatively affect the Company's revenues.

The Company faced special circumstances during the years 2020 and 2021 due to the negative changes that occurred with the introduction of the COVID-19 pandemic, which negatively affected the Company's leasing activity, whether by a decline in rental rates or delays and a decrease in collection and income rates. The Company dealt with these circumstances professionally, as the Company's flexible systems helped to quickly adapt to remote work, and to restore the operating wheel as quickly as possible.

Risks associated with real estate development:

The Company operates in the field of real estate development, which exposes it to the general risks associated with construction and development projects.

These risks may include:

- Lack of financing on appropriate terms.
- Exceeding costs beyond estimates due to increased costs of materials, labor or other costs, which makes the completion of the project not economically feasible.
- Late completion of work.
- Lack of manpower at an appropriate cost.
- Inability to complete the construction of any real estate or sell it on the scheduled date, which will result in an increase in debt servicing and construction costs.

Any of the above factors can negatively affect the project. The company has developed the following strategies to reduce the risk of exceeding the estimated cost and not completing the project:

- Allocating reserve funds to cover some unexpected expenses within the project budgets. The technical team managing the projects as well as the contractor will try their best to control the costs. The project is completed within the estimated costs allocated, the prescribed time frame, and the expected quality standards;
- Follow-up and monitor the performance of each contractor closely by the project management team and the company on an ongoing basis to ensure the completion of each stage of the project in a timely manner.
- Awarding some project work, whether basic or subsidiary, to third parties in order to transfer part of the risks to these parties.

Risks related to the nature of liquidation or disposal of real estate assets:

Real estate is a highly liquid asset class. Therefore, the company may not be able to sell its projects that are being established or liquidate one of its real estate assets

at the appropriate time and at the ideal price. Accordingly, the delay or difficulty in the Company's action may significantly affect the desired return of the project or liquidated asset, which is reflected in the Company's cash flows. The Company has taken the following measures to reduce these risks:

- The Company's investment department manages and monitors the risks related to the company's investments under the direct supervision of the company's executive management and the board of directors.
- All investment decisions are based on an investment strategy in which strategic plans have been developed to liquidate and dispose of the Company's real estate assets.

Risks of changing real estate market conditions:

Real estate investment depends heavily on the changes that occur in the conditions of supply and demand in the real estate sector in general, which are affected by economic, political, regional, local, seasonal and competition conditions, which may lead to a decrease in real estate and its rents. The company adopts several strategies to reduce the risks of changes in real estate market conditions as follows:

- The Company's investment department monitors market conditions directly and periodically reviews the latest reports of specialists in this field.
- The Company adopts a policy of diversification within the real estate services it provides, including real estate investment, administrative services, real estate services, property management and real estate development, which reduces the expected impact in the event of a decline in the performance of any part of the market.
- The Company's real estate portfolio is characterized by different uses of its real estate assets (residential assets - commercial assets - financial assets).

Risks of decline in the evaluation of real estate assets:

Valuation of real estate investments depends on various factors which can be difficult to identify. The market value of real estate may decline as a result of deterioration in economic, regulatory and market conditions. No guarantee can be given that real estate valuations will accurately reflect the price that an investment would achieve upon actual sale. The values of the real estate assets may not be realizable at the prices shown by the valuations. Accordingly, any decrease in the values of real estate assets may affect investors.

The Company's strategy to reduce this type of risk depends on the strategy of diversification in the uses, sizes and geographical locations of the company's real estate assets. The Company's investment plan also includes a strategy for the optimal combination of real estate assets owned by the Company.

Risks associated with changes in the real estate sector, taxes and zakat regulations:

The Company's activities are subject to the real estate, tax and zakat regulations in force in the Kingdom, and therefore any tangible changes in these laws or interpretations of them that are not in the interest of the Company, especially with regard to transfer of ownership, taxes and zakat, may have a significant negative impact on the company's financial performance. The Company is keen to remain in effective communication with the various executive and legislators, in order to be aware of the latest developments in this field.

Disclosure and Transparency

- Direct cash investments
- Statement of the real estate company's property
- Transactions between the company and a related party
- Works or contracts to which the Saudi Real Estate Company is a party
- Categories and numbers of any convertible debt instruments and any contractual securities, subscription right notes or similar rights issued or granted by the Saudi real estate company during the fiscal year 2021
- Penalties and penalties imposed on the Saudi real estate company
- Number of the company's requests for the register of shareholders, and the dates and reasons for those requests
- Unless applied by the provisions of the Corporate Governance Regulations and the reasons for the same
- Evaluation of the Company's commitment to the principles of corporate governance
- Board of Directors
- Executive management
- Remuneration of members of the Board of Directors and senior executives
- Committees of the Board of Directors
- Dividend policy
- Declarations of members of the Board of Directors
- Direct cash investments:

Direct cash investments:

The Saudi Real Estate Company invests in the capital of a number of companies, which are shown in the following table:

Company	Book value (2022 year) (Figures in thousands of riyals)	Legal entity	Shareholding %
Riyadh Holding Company	278,014	Limited Liability Company	16.77 %
Knowledge Economic City Developers Company	76,308	Limited Liability Company	9.48 %
Umm Al-Qura Development and Reconstruction Company	96,340	Closed Shareholding	0.84 %
Dar Al Tamleek Company	60,686	Closed Shareholding	9.18 %
Kinan Real Estate Development Company	48,398	Closed Shareholding	2.11 %
United Glass Company	15,678	Closed Shareholding	4.4 %
Taiba Holding Company	43	Listed Shareholding	0.0 %

A statement of the company's real estate properties, including residential and commercial lands:

S.No.	Land Banks	Other Used Names	City	District	Land Area	
1	Dammam Airport Road Plot (No.9)*	Al-Owaiziriya Land	Dammam	Al Bautha	7,883,932.00	Urban
2	Dammam Industrial - 957k - (No.2/1)	2/1	Dammam	Industrial	957,652.00	Industry/Logistics
3	Dammam Industrial - 957k - (No.2/2)	2/2	Dammam	Industrial	957,646.21	Industry/Logistics
4	Dammam Industrial - 949K - (No. 2/3)	2/3	Dammam	Industrial	949,641.06	Industry/Logistics
5	Dammam Industrial - 934k - (No. 2/4)	2/4	Dammam	Industrial	934,792.01	Industry/Logistics
6	Dammam Industrial - 937k - (No. 2/5)	2/5	Dammam	Industrial	937,933.21	Industry/Logistics
7	Dammam Industrial - 937k - (No. 2/6)	2/6	Dammam	Industrial	937,933.21	Industry/Logistics
8	Jeddah (1)	King Road	Jeddah	Nahdah	49,800.08	Commercial/Residential
9	Al Madinah (1) - Al Anahi - 63k	3rd Ring Road Madinah Plot (63T)	Madinah	Al Anahi	63,493.34	Commercial/Residential
10	Al Madinah (2) - Al Dweekhla - 157k	3rd Ring Road Madinah Plot (157T)	Madinah	AL Afoul	157,280.15	Agricultuer
11	Al Madinah (No.19) - Meetan - 87k	Al-Qaseem Road Plot (19)	Madinah	Mytan	87,750.60	Agricultuer
12	Al Madinah (No.29) - 1.5K	Al-Qaseem Road Plot (29)	Madinah	Mytan	1,578.28	Agricultuer
13	Al Aarid (No.7-8)	Al Aarid (7-8)	Riyadh	Al Arid	30,000.00	Commercial/Residential
14	Al Akaria Park	Akaria Park Project	Riyadh	Al Qadesyah	1,913,399.61	Commercial/Residential
15	Al Aqeeq (No.416)	L'avenir	Riyadh	Al Aqiq	25,500.00	Commercial/Residential
16	Al Narjes - LaCasa	Lacasa	Riyadh	Al Narjes	25,570.37	Residential
17	Al Narjes (No. 4/A)	Al Narjes 4-A	Riyadh	Narjis	40,000.00	Healthcare-Hospital
18	Al Rabie School Land (30)	Al Rabie School land	Riyadh	Al Rabie	9,450.00	Education
19	Al-Dhahia Commercial (No. 01)	Commercial# 1	Riyadh	Al Remal	2,658.55	Commercial/Residential
20	Al-Dhahia Commercial (No. 02)	Commercial# 2	Riyadh	Al Remal	2,587.64	Commercial/Residential
21	Al-Dhahia Commercial (No. 03)	Commercial# 3	Riyadh	Al Remal	2,544.19	Commercial/Residential
22	Al-Dhahia Commercial (No. 04)	Commercial# 4	Riyadh	Al Remal	2,486.75	Commercial/Residential
23	Al-Dhahia Commercial (No. 05)	Commercial# 5	Riyadh	Al Remal	2,404.93	Commercial/Residential
24	Al-Dhahia Commercial (No. 06)	Commercial# 6	Riyadh	Al Remal	2,303.08	Commercial/Residential
25	Al-Dhahia Commercial (No. 07)	Commercial# 7	Riyadh	Al Remal	2,190.04	Commercial/Residential
26	Al-Dhahia Commercial (No. 08)	Commercial# 8	Riyadh	Al Remal	2,069.82	Commercial/Residential
27	Al-Dhahia Commercial (No. 09)	Commercial# 9	Riyadh	Al Remal	3,220.86	Commercial/Residential
28	Al-Dhahia Commercial (No. 10)	Commercial# 10	Riyadh	Al Remal	3,169.38	Commercial/Residential
26	Al-Dhahia Commercial (No. 11)	Commercial# 11	Riyadh	Al Remal	3,003.94	Commercial/Residential
30	Al-Dhahia Commercial (No. 12)	Commercial# 12	Riyadh	Al Remal	2,843.07	Commercial/Residential

31	Al-Dhahia Commercial (No. 13)	Commercial# 13	Riyadh	Al Remal	2,646.78	Commercial/Residential
32	Al-Dhahia Commercial (No. 14)	Commercial# 14	Riyadh	Al Remal	2,479.96	Commercial/Residential
33	Al-Dhahia Commercial (No. 15)	Commercial# 15	Riyadh	Al Remal	2,313.05	Commercial/Residential
34	Al-Dhahia Commercial (No. 16)	Commercial# 16	Riyadh	Al Remal	2,147.63	Commercial/Residential
35	Al-Dhahia Commercial (No. 17)	Commercial# 17	Riyadh	Al Remal	2,246.21	Commercial/Residential
36	Al-Dhahia Commercial (No. 23)	Commercial# 23	Riyadh	Al Remal	4,770.00	Commercial/Residential
37	Al-Dhahia Commercial (No. 34)	Commercial# 34	Riyadh	Al Remal	4,770.00	Commercial/Residential
38	Al-Dhahia Commercial (No. 50) (STP)	Commercial# 50 - STP	Riyadh	Al Remal	2,967.30	Residential
39	Al-Dhahia Residential (No. 172 L)	Residential# 172 L	Riyadh	Al Remal	267.08	Residential
40	Al-Dhahia Residential (No. 172 R)	Residential# 172 R	Riyadh	Al Remal	267.08	Residential
41	Al-Dhahia Residential (No. 260)	Residential# 260	Riyadh	Al Remal	527.25	Residential
42	Al-Dhahia Residential (No. 27c,d)	Residential# 27c,d	Riyadh	Al Remal	1,070.80	Residential
43	Al-Widyan (No. 23/B/1)	Widyan Land	Riyadh	Al Malqa	6,988,106.35	Mixed Uses
44	Az Zahra (No.39)	New Steen	Riyadh	Az Zahra	4,942.06	Commercial/Residential
45	Az Zahra (No.52)	New Steen	Riyadh	Az Zahra	4,914.61	Commercial/Residential
46	Az Zahra (No.5-8)	Parkings	Riyadh	Az Zahra	2,241.00	Residential
47	Az Zahra (No.91)-Steen	Al Steen (rented land)	Riyadh	Az Zahra	9,325.00	Residential
48	BanBan (1)	Benban Salbukh Road Plot	Riyadh	BanBan	648,188.96	Mixed Uses
49	BanBan (2)	Banban Labour Camp	Riyadh	BanBan	596,700.00	Mixed Uses
50	BanBan (No.13)	BanBan (13)	Riyadh	BanBan	871,597.87	Mixed Uses
51	BanBan (No.15)	BanBan (15)	Riyadh	BanBan	519,059.37	Mixed Uses
52	Olaya 132 و	Gate 10	Riyadh	Olaya	10,126.55	Residential
53	Olaya 133 هـ	Gate 8-9	Riyadh	Olaya	30,485.58	Residential
54	Olaya 134 د	Gate 7	Riyadh	Olaya	17,888.67	Residential
55	Olaya 255 أ	Gate 6	Riyadh	Olaya	17,007.92	Residential
56	Olaya 255 ب	Gate 4-5	Riyadh	Olaya	14,980.22	Residential
57	Olaya 255 ج	Gate 3	Riyadh	Olaya	16,506.47	Residential
58	Olaya 256 ع- BLAZA	Akaria Plaza	Riyadh	Olaya	19,397.00	Mixed Uses
59	Olaya 257 - Akaria 3	Akaria Shopping Center 3	Riyadh	Olaya	13,150.14	Mixed Uses
60	Olaya 258 - Akaria 2	Akaria Shopping Center 2	Riyadh	Olaya	15,737.10	Mixed Uses
61	Olaya 259	Akaria Shopping Center 1	Riyadh	Olaya	19,681.83	Commercial
62	Olaya 260 - Parkings	Parkings	Riyadh	Olaya	9,274.08	Mixed Uses
63	Olaya 260 ص	Gate 10	Riyadh	Olaya	4,215.83	Residential
64	Olaya School Land	School Land	Riyadh	Olaya	4,869.00	Education
65	Qurtoba (No.10-12)	Qurtoba - 10-12 Land	Riyadh	Qurtoba	10,509.00	
66	Qurtoba School Land (No.141)	Qurtoba - Education Land	Riyadh	Qurtoba	4,310.75	Education
67	Tilal Al-Riyadh Commercial (No.56)	Tilal Al-Riyadh	Riyadh	Al Malqa	21,575.12	Commercial
68	Roshan Wave 2 K1,K2	Roshan 1	Riyadh	Sedra	0.00	Residential
69	Roshan Wave 5 C1, C2, and C3	Roshan 2	Riyadh	Sedra	92,450.00	Residential

- * **The land of Dammam Airport is jointly owned by several owners.**
- * **Roshen land development agreement ended with ownership**
 - **Redemption, purchase or cancellation by the Company of any redeemable debt instruments, and the value of the remaining securities:**
 - There is no refund, purchase or cancellation by the Company for any redeemable debt instruments.
 - **Arrangement or agreement whereby a member of the company's board of directors or senior executives waives any remuneration:**
 - There are no arrangements or agreements under which a member of the Board of Directors or a senior executive has waived any salary, compensation or share of profits.
 - **Arrangement or agreement whereby a shareholder of the company waives any rights to profits:**
 - There are no arrangements or agreements under which a shareholder has waived any rights to profits.
 - **Investments or reserves created for the benefit of the company's employees:**
 - There are no investments or reserves created for the benefit of the Group's employees.
 - **Explanation of any difference from the accounting standards:**
 - There are no differences from the international accounting standards approved by the Saudi Organization for Certified Public Accountants.
 - **Any penalty, penalty, precautionary measure, or precautionary restriction imposed on the company by the Authority or any supervisory, regulatory, or judicial authority, with an indication of the reasons for the violation, the agency that signed it, and ways to remedy it and avoid it from happening in the future:**
 - The total penalties and penalties imposed on the Saudi real estate company in 2022 amounted to 95,531,05 Saudi riyals, as follows:

Fine	Fine Cause(s)	Fine Amount (SR)	Signatory of the Fine	Remedy(s) and Future Prevention Measures
Sanctions and Fines	Work injury and company failure to respond in 30 days	42, 366.62	Social Security	The company submitted a formal objection on teh validity of the fine and it is still under process with the Social Security In order to avoid incurring any further fines, the Human Resources Department follows the statutory procedures of the social security system.
Sanctions and Fines	Fine for delay in filing acknowledgement statement	3,170.43	Zakat, Tax and Custom Authority	Fine was settled and acknowledgment statement submitted
Construction Violations	Non-compliance with civil defense regulations (Sixteen Project)	47,000.00	Civil Defense	Civil defense regulations were complied with and civil defense license request submitted
Construction Violations	Zinc Sheet Violation	3,000.00	Municipality	Zinc Sheets were removed

Data related to any works or contracts to which the Saudi Real Estate Company is a party thereof, or in which a member of the Board of Directors of the company, its senior executives or any person related to any of them has an interest:

Board of Directors:

Name	Concerned with the contract	Contract Nature	Conditions	Term	Amount
Ibrahim Alwan	Chief executive officer, Member of the Board of Directors and his family	Purchasing lands from the company in Al-Akaria Park project	Without preferential terms	Two years	10,510,868
Ayman bin Mohammed Al-Mudayfer	Ayman bin Muhammad Al-Mudayfer, who is one of the senior executives of the major shareholders in the Public Investment Fund.	Purchasing lands from the company in Al-Akaria Park project	Without preferential terms	Two years	8,584,817

Senior executives:

Name	Concerned with the contract	Contract Nature	Conditions	Term	Amount
Fahad Al-Shammari	Finance Sector Head	Purchasing lands from the company in Al-Akaria Park project	Without preferential terms	Two years	2,314,890
Moaz Al-Makhdoub	The head of the development sector and his family	Purchasing lands from the company in Al-Akaria Park project	Without preferential terms	Two years	4,615,950

**Contracts of the Saudi Real Estate Company with ROSHN Company
(a related party)**

	#	Contract name	Date of contract	Amount	Contract term/Contract expiry
ROSHN Company	1	A conditional land purchase agreement for the purpose of development within Package C 1, 2, and 3 within Phase 2A of the master plan for Sidra neighborhood – ROSHN Real Estate Company.	18\05\1443 AH corresponding to 12/12/2022 AD	323,667,450 Saudi riyals	Delaying completion of buyer's business 36 month
	2	A conditional land purchase agreement for the purpose of development within Package C 1 and 2 of the master plan for Sidra neighborhood – ROSHN Real Estate Company	24\11\1443 AH corresponding to 23/06/2022 AD	141,977,600 Saudi riyals	Delaying completion of buyer's business 36 month
Total		465,645,050 Saudi riyals			

**Contracts of the Saudi Real Estate Company with subsidiaries
(Concerned party)**

	#	Contract name	Date of contract	Amount	Contract term/Contract expiry
Saudi Real Estate Construction Company	1	Design and construction of a sales center in Akaria Park	23/02/2022	4,602,251	One month
	2	Renovation of (19) housing units in Al Sefarat Neighborhood	15/06/2022	9,242,071	One year
	3	Amendment to the above contract (24 units), amended: (contract scope - execution period - contract value - payments)	10/08/2022	14,009,034	(7) months
Total		63,311,223 Saudi riyals			
Saudi-Korean company for Maintenance and Property Management - Mumtalakat	1	Facilities management services	1/1/2021	82,835,340	Two years

The means that the Board of Directors in evaluating its performance and the performance of its committees and members:

The Board is in charge of evaluating its performance through active participation in the Board of Directors and evaluates its committees and their members through periodic follow-up reports and reports submitted to the Board.

The procedures adopted by the Board of Directors to inform its members – particularly non-executives - of shareholders' proposals and observations regarding the company and its performance:

All shareholder proposals presented during the previous general assembly meeting were discussed in the assembly.

Waive arrangement or agreement whereby a member of the company's board of directors or senior executives of any remuneration:

There are no arrangements or agreements under which a member of the Board of Directors or a senior executive has waived any salary, compensation or share of profits.

Arrangement or agreement whereby a shareholder of the company waives any rights to profits:

There are no arrangements or agreements under which a shareholder has waived any rights to profits.

The number of the company's applications for the shareholder register, the dates and reasons for those applications:

	Application Reason	Ownership file date	Application time
1	General Assembly	31/12/2021	02/01/2022 12:29
2	Company procedures	03/02/2022	06/02/2022 14:12
3	Company procedures	23/03/2022	24/03/2022 09:50
4	Company procedures	31/03/2022	03/04/2022 13:53
5	General Assembly	18/05/2022	18/05/2022 19:05
6	Company procedures	26/06/2022	26/06/2022 16:06
7	Company procedures	30/06/2022	30/06/2022 15:47
8	Company procedures	30/09/2022	05/10/2022 14:08

What are not applied of the provisions of the Corporate Governance Regulations and the reasons for that:

Article	Paragraph	Statement of the article according to the corporate governance regulations	obliged	Partially committed	Uncommitted	Reason for non-compliance
39	2	Developing the necessary mechanisms for each of the members of the Board of Directors and the executive management to obtain training programs and courses on an ongoing basis in order to develop their skills and knowledge in areas related to the company's activities			√	Indicative article
70	-	Establishment of the risk committee			√	Indicative article
71	-	Competences of the risk management committee			√	Indicative article
72	-	Risk Management Committee meetings			√	Indicative article
85	3-1	<p>The develops development programs, motivating the participation and performance for the workers in the company, provided that it includes-particularity –the following:-</p> <ul style="list-style-type: none"> ●Forming committees or holding specialized workshops to listen to the views of the employees of the company and discuss with them the issues and topics subject to important decisions. ●Programs for granting employees their shares in the company or a share of the profits it achieves, retirement programs, and the establishment of an independent fund to spend on these programs. ●Establishment of social institutions for the employees of the company. 		√		The article is indicative, however, the company has an internal appeal committee for its employees.
95	-	Formation of the Corporate Governance Committee			√	

Evaluation of the company's commitment to the principles of corporate governance:

Principle of commitment	Obliged	Partially committed	Uncommitted	Reason for non-compliance
General rights of shareholder	√			
Rights related with the General Assembly meeting	√			
Formation of the Board of Directors	√			
Responsibilities and competences of the Board of Directors	√			
competences of the Chairman and members of the Board of Directors	√			
Board work procedures	√			
General shareholder rights	√			
Training, support and evaluation	√			
Conflict of interest	√			
Company commissions	√			
Internal Control	√			
Company auditor	√			
stakeholders	√			
Ethical and professional standards	√			
Disclosure and transparency	√			
corporate governance application	√			
Document retention				

Board of Directors:

Names of board members, committee members, and executive management, their current and previous positions, qualifications, and experience:

Board of Directors:

Members of the Board of Directors for the term ending on 30/1/2022 AD				
Name	Current Positions	Previous positions	Qualifications	Experiences
Engineer /Ayman bin Mohammed Al-Mudayfer (Chairman)	Head of the General Administration for Local Real Estate Investments in the Public Investment Fund	Credit Advisor - Saudi Industrial Development Fund from 1998 until 2005. Director of the Inspection Department - Capital Markets Authority from 2005 to 2006. CEO of Al-Andalus Company from 2006 to 2017. CEO of Shumool Real Estate from 2017 to 2018.	Bachelor of Systems Engineering Credit Training Program	Member of the Board of Directors of Alkhair Capital Company.
Mr. Bandar bin Abdul Rahman bin Muqrin (Vice Chairman)	Chief Executive Officer of the Shared Services Department at the Public Investment Fund	Member of the human resources team at the Saudi Telecom Company from .2000 to 2007 Head of Human Resources Department - Jadwa Investment from 2007 until .2014 Head of the General Department of Human Resources and Support Services - Al Ahly Capital from 2014 to 2016.	Bachelor's degree in Human Resources and Business Administration	Member of the Board of Directors and the Remuneration and Nomination Committee - King Abdullah Financial District Member of the Board of Directors - Jasara Member of the Nominations Committee - Arriyadh Development Member of the Remuneration and Nomination Committee - Qiddiya Member of the Rewards and Nominations Committee - NEOM Company
Mr. Ibrahim bin Mohammed Alwan (member)	CEO and Managing Director of the Saudi Real Estate Company.	Head of Research and Financial Analysis, Osool & Bakheet Investment Company, from 2006 to 2007. Chief Executive Officer - KASB Capital, from 2007 to 2014. Chairman of the AL Oula Real Estate Development Company from 2014 AD to 2017 AD.	Bachelor of Accounting Cooperative program (credit)	Various experience in financial analysis, investment, budgets, financial reports, financial advisory and strategic planning.
Mr. Nayef bin Saleh Al-Hamdan (member)	Head of the local real estate projects portfolio - Public Investment Fund	Executive Vice President For investment and business development in " Sulaiman A. Al-Rajhi Real Estate Investments Company" Director of the Investment Banking Services Group at the Global Investment House	Masters - Business Administration - University of Wales, Cardiff Business School Bachelor's degree - Finance - King Fahd University of Petroleum and Minerals	Executive Vice President for Investments and Business Development - Sulaiman A. Al-Rajhi Real Estate Investments Company from 2013 to 2016 Director of the Investment Banking Services Group - Global Investment House from 2008 to 2013 Senior Analyst, Real Estate Deals Department - Ernst & Young Company, from 2006 to 2008 Assistant Relationship Manager, Corporate Banking Division - The Saudi British Bank, from 2005 to 2006
Mr. Abdel Fattah Khalil Abdel Fattah Kurdi (member)	Director of Real Estate Investment Department - Raidah Investment Company.	Riyad Bank from 2010 AD to 2012 AD. The Saudi Investment Bank from 2013 to 2015. Banque Saudi Fransi from 2016 AD to 2018 AD.	Bachelor of Financial Sciences	Various experience in financial analysis, investment, budgets, financial reports, financial advisory and strategic planning
Dr. Nasser bin Saeed bin Kadsa (member)	-Head of Dr. Nasser Bin Kadasah Center for Consultation. Founder and Partner - Managing	Senior Project Manager for the Industrial Development Fund from 1994 to 2001. Establishing and developing many real estate, industrial and health projects from 2007 AD to 2022 AD.	-Bachelor of Mechanical Engineering - King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia.	Various experiences in developing many real estate, industrial and health projects.

	Director of Edafat Company (manufacturing and industrial services)	Member of several Saudi foreign business councils: Previously: Member of the Saudi-American Business Council, Saudi-British, Saudi-French, Saudi-Italian, Saudi-Irish, Saudi-Australian, Saudi-Turkish. Currently: Member of the Executive Committee in Business Councils: The Finnish Saudi, the Norwegian Saudi, the Danish Saudi, and the Icelandic Saudi. Currently: Member of the Executive Committee in Business Councils: The Finnish Saudi, the Norwegian Saudi, the Danish Saudi, and the Icelandic Saudi. Member of the Audit Committee of Al-Balad Al-Ameen Company. Member of the Saudi Council of Engineers. Member of the Saudi Economic Association. Member of the Saudi Management Association. Administrative Consultant (License No. 821) Financial Consultant (License No. 156) Industrial Consultant (License No. 37) Economic Consultant (License No. 218) Professional Consultant - Saudi Council of Engineers (License No. 3508)	-Master of Engineering Sciences - University of Bridgeport, USA. -Master of Business Administration - University of Birmingham, United Kingdom. PhD in International Trade - Foreign Investment in the Kingdom - University of Birmingham, United Kingdom	
Engineer / Abdul Aziz bin Saleh Al-Anbar (Member)	businessman	Real Estate Development Fund: Assistant Director for Technical Affairs The Saudi Hotels Company (currently Dur Hospitality Company), CEO, from 1986 to 2011	bachelor of Civil Engineering University of Petroleum and Minerals	Member of the Board of Directors - Saudi Industrial Investment Group Member of the Board of Directors - Aqalat Company
Mr. Muhammad bin Saad bin Dawood (member)	free business	Chief Executive Officer and member of the Board of Directors of Mohammed bin Abdulaziz Al-Rajhi & Sons Investment Company from 2014 AD to 2018 AD.	Bachelor of Accounting	Member of the Board of Directors - Mohammed Al-Rajhi & Sons Investment Company Member of the Board of Directors - Abdullah Al-Othaim Holding Company Member of the Board of Directors - Aqalat Company Member of the Board of Directors - Abdul Latif Alissa Group
Engineer / Abdul-Aali bin Muhammad Al-Ajmi (member)	Director of Studies and Tenders Department - Abdul Ali Al-Ajmi Company	The Golden Office for Consultant Engineering in the position of Road Design Engineer from 2012 AD to 2013 AD. Abdul Ali Al Ajmi Company as a site engineer from 2013 AD until 2014 AD. Abdul Ali Al-Ajmi Company as Project Coordinator from 2014 AD to 2016 AD.	Bachelor of Civil Engineering and Infrastructure. Diploma in Civil Technology. Engineering accreditation certificate from the Saudi Council of Engineers.	Various experiences in civil engineering, infrastructure and construction work.
Members of the Board of Directors for the initial session on 1/31/2022 AD				
Mr. Nayef bin Saleh Al-Hamdan (member)	Head of the local real estate projects portfolio - Public Investment Fund	Executive Vice chairman For investment and business development in "Sulaiman A.	Masters - Business Administration - University of	Executive Vice chairman for Investments and Business Development - Sulaiman A. Al-

		Al-Rajhi Real Estate Investments Company" Director of the Investment Banking Services Group at the Global Investment House	Wales, Cardiff Business School Bachelor's degree - Finance - King Fahd University of Petroleum and Minerals	Rajhi Real Estate Investments Company from 2013 to 2016 Director of the Investment Banking Services Group - Global Investment House from 2008 to 2013 Senior Analyst, Real Estate Deals Department - Ernst & Young Company, from 2006 to 2008 Assistant Relationship Manager, Corporate Banking Division - The Saudi British Bank, from 2005 to 2006
Mr. Ibrahim bin Mohammed Alwan (member)	CEO and Managing Director of the Saudi Real Estate Company.	Head of Research and Financial Analysis, Osool & Bakheet Investment Company, from 2006 to 2007. Chief Executive Officer - KASB Capital, from 2007 to 2014. President of the Aloula Real Estate Development Company from 2014 AD to 2017 AD.	Bachelor of Accounting Cooperative program (credit)	Various experience in financial analysis, investment, budgets, financial reports, financial advisory and strategic planning.
Faisal Dhafer Al-Enezi (member)	Senior Department Manager - Local Real Estate Investments Department in the Public Investment Fund	Senior Manager in Real Estate Asset Management at Investment Capital	Executive MBA - Al Yamamah University Diploma in International Management and Leadership - Washington State University Bachelor of Business Administration, King Faisal University Diploma in Administrative Sciences University of London (SAOS) Financial fellowship degree from King Saud University	Senior Manager in Real Estate Asset Management at Al Investment Capital Director of Control and Administration, Asset Management Department at Samba Financial Senior Asset Management Officer at Bakheet Investment Group Member of the Saudi Society for Real Estate Sciences.
Faisal bin Farqad Al-Khani (member)	Director of the Treasury Department - Public Investment Fund	Vice Chairman, Global Markets - Deutsche Bank AG, Dubai Branch Vice President of Treasury, JPMorgan Chase Head of Treasury and International Markets - Deutsche Bank Head of Treasury and International Markets Department - Saudi Real Estate Refinance Company	Bachelor's degree - Economics	Founder - Faisal Al-Khani Trading Est. since 2017 until now Head of Treasury and Global Markets Department - Saudi Real Estate Refinance Company from 2017 to 2019 Head of Treasury and Global Markets - Deutsche Bank Vice President of Treasury - JPMorgan Chase from 2010 to 2013 Vice President of Global Markets - Deutsche Bank AG, Dubai Branch, from 2009 to 2010 Treasury Department - Banque Saudi Fransi from 2005 to 2009
Fahd bin Abdul Rahman Al Mojil (member)	-----	Operations Manager of the National Metal Manufacturing & Casting Company (Maadaniya) Credit Manager - Financing Operations and Risk Management - Arab National Bank Executive Vice President of the Bahrain Shamil Bank Chief Executive Officer - Gulf Real Estate Development Company	Bachelor's degree in Industrial Sciences Management and Marketing from King Fahd University of Petroleum and Minerals	More than 30 years of experience in the field of credit and investment and a former executive officer in many financial institutions and real estate companies. He holds several courses in the field of Islamic banking and specialized courses in the field of accounting, finance and investment, as well as courses in leadership skills and people management.

Muhammad bin Abdullah Al-Semari (member)	Membership of boards and committees in several companies	Auditor of accounts and financial statements in the Saudi Deloitte & Touche company Investment companies licensing specialist at the Capital Markets Authority Several positions in Samba Financial Group- Internal Auditor in Al Faisaliah Group Assistant Director of Compliance and Head of the Compliance Committee at Arab National Bank Mohammed Al Semari office - consulting services Advisor to the Managing Director and Chief Executive Officer of Alkhair Capital Saudi Arabia	Bachelor of Accounting CMA Exam (1) Fellowship of Internal Auditors Operations risk specialist fellowship Risk-Based Auditing Professional Certificate Certified expert in strategy analysis and planning Certified Business Strategy Reviewer	Various experience in compliance, corporate governance, risk management, internal control and financial management
Muhammad bin Misfer al-Maliki (member)	Chief Executive Officer – Al-Madar Investment Company	- Deputy Governor for Finance - General Authority for Small and Medium Enterprises (Monshaat) (11/2019 - 07/2022)	Master - Business Administration	Acting Chief Executive Officer - Small and Medium Enterprises Bank Acting Chief Executive Officer - Saudi Venture Investment Company -Founder and CEO - Nataj Financial Consulting -Chief Executive Officer - Kasab Financial Company -Several positions in the Capital Markets Authority from 2007 to 2014 Several positions in Samba Financial Group from 1994 to 2007 Customer Service Representative - Riyadh Bank from 1992 to 1994
Fahd bin Ibrahim Al-Hammad (member)	Chief Executive Officer - Building Development Company	-	bachelor of Civil Engineering	<ul style="list-style-type: none"> •General Supervisor of the Buildings Agency - Ministry of Education from 2010 to 2013 •General Manager - AD Engineering Company from 2005 to 2010 •Part-time consultant - Aqar Holding Company, from 2003 to 2005 •Advisor to the founding team - Aries Real Estate Development Company (Century 21) from 2001 to 2002 •Part-time consultant - Rawaj Marketing Company, from 2000 to 2001 •Director General of Support Services Department - Saudi Commission for Tourism and Antiquities from 2000 to 2005 • Project Manager - Saudi Real Estate Company from 1993 to 2000
Hisham bin Hussein Al-Khalidi (member)	Head of Business Support Sector - Saudi National Shipping Company (Bahri)	Head of Human Resources - Alshaya Group	Master - Business Administration	Member of the Board of Directors of Leejam Sports Company Member of the Human Resources and Labor Market Committee - Riyadh Chamber Member of the Remuneration and Nomination Committee - Saudi Facilities Management Company Member of the Board of Trustees of the National Naval Academy

Committee members other than the Board of Directors:

Name	Committee member	Current Positions	Previous positions	Qualifications	Experiences
Dr. Nasser bin Said bin Kadsa	Chairman of the audit committee	Head - Dr. Nasser Bin Kadasa Center for Consultations.	Senior Project Manager for the Industrial Development Fund from 1994 to 2001. Establishment and development of many real estate, industrial and health projects from 2007 AD to 2018 AD	Bachelor of Mechanical Engineering Master of Engineering Sciences. Master of Business Administration PhD in International Trade	Various experiences in developing many real estate, industrial and health projects.
Adeeb bin Mohammed Abdulaziz Abanami	Audit Committee	Executive Director - Abanumi Chartered Accountants	Continuous disclosure advisor, Capital Market Authority Vice Dean of the Community College of Sharjah	University of Miami Masters in Accounting	Experience in accounting and auditing
Ahmed bin Abdul Karim bin Abdul Rahman Al Muhaimid	Audit Committee	Professor Doctor at King Saud University	Professor, Doctor and faculty member in the Department of Economics, Vice Dean of the College of Postgraduate Studies, Vice Dean of the King Salman Institute for Entrepreneurship Consultant to many private sector companies Settlement member of the Competition Protection Council	PhD in Macroeconomics, Study of Economic Development, Quantitative Analysis, University of Nebraska, USA	Various experiences in the field of economics and teaching
Muhammad Abdul Rahman Al-Qasim	Audit Committee	Managing Director of Riyadh Account Company Limited	Director of Internal Audit at the Centennial Fund Director General of Audit at the Communications and Information Technology Commission Chief internal auditor at Advanced Electronics Company Chief auditor at KPMG Advisor at the Communications and Information Technology Commission	Bachelor of Accounting - King Saud University	Diverse experiences in the field of auditing and internal auditing
Aziz Muhammad Mubarak Al-Qahtani	Audit Committee	Financial and accounting consulting	Director of Internal Audit at the Centennial Fund Director General of Audit at Communications, Space & Technology Commission Chief internal auditor at Advanced Electronics Company Chief auditor at KPMG Advisor at the Communications and	Bachelor of Accounting, King Fahd University of Petroleum and Minerals Master of Accounting, King Fahd University of Petroleum and Minerals	-Member of the Board of Directors and Chairman of the Audit Committee at Alujain Company -Member of the Board of Directors and Chairman of the Audit Committee at Al Hammadi Holding Company

			Information Technology Commission		-Chairman of the Audit Committee of Themar Development Holding Company Member of the review committee in each of (Basic Chemical Industries Company - Nayifat Finance Company - Malaz Financial Company)
Abdulaziz bin Mohammed Al-Babtain	Audit Committee	Head of Internal Audit at Bahri Company	Internal auditor at KPMG Director of Internal Audit at Al Rajhi Bank Director of Internal Audit at the Saudi Hollandi Bank	Bachelor of Accounting Master of Finance	Diverse experience in auditing and internal auditing
Mohammed bin Omar Al-Aidi	Audit Committee	Partner in Al-Eaidi and OCPAs	Public Relations Supervisor in consulting clinics Auditor at Ernst & Young Internal auditor at the World Bank Group Director of Periodic Inspection at the Capital Market Authority Executive Director of Risk Consulting, KPMG Lecturer in the Accounting Department, Imam Muhammad bin Saud University	Bachelor of Accounting Master of Business Administration - Finance Chartered accountant in the Kingdom of Saudi Arabia Chartered accountant in the United States of America Licensed commercial bankruptcy trustee and expert	Diverse experience in accounting and auditing

On 03/17/2022 AD, the work session of the Audit Committee, headed by Dr. Nasser bin Saeed bin Kadsa, ended.

The Audit Committee was formed for the beginner session on 31/1/2022 AD, headed by Mr. Muhammad Al-Semari.

Current executive management positions:

senior executives	Current Position	Current position	Qualifications	Experience
Mr. Ibrahim bin Mohammed Alwan	CEO and Managing Director of the Saudi Real Estate Company.	Head of Research and Financial Analysis, Osool & Bakheet Investment Company, from 2006 to 2007. Chief Executive Officer - KASB Capital, from 2007 to 2014. President of the First Real Estate Development Company from 2014 AD to 2017 AD.	Bachelor of Accounting Cooperative program (credit)	Various experience in financial analysis, investment, budgets, financial reports, financial advisory and strategic planning.
Mr. Fahd bin Ayed Al-Shammari	Chief Financial Officer of Al-Aqaria and its subsidiaries	National Housing Company (Chief Financial Officer)	Bachelor of Accounting Cooperative program (credit) Bachelor's degree in Accounting Fellowship of the Saudi Organization for Auditors and Accountants SOCPA CMA Certified Management Accountant CFA Chartered Financial Analyst	Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO) (Financial Manager) April 2014 - March 2017 .Ma'aden Aluminum Company (Director of the Accounting Department) July 2012 - March 2014 SATORP Company (Director of Accounting Services) April 2011-June 2012. Accounting Communications Company (project manager and accountant financial specialist) October 2000-March 2011.
Mr. Muhammad Sari Anabtawi	Chief of investment	Investment Manager - Al-Oula Real Estate Development Company	Bachelor of Accounting Master of Financial Management	Banking Senior Manager and Financial Solutions at SWICORP (2013-2015) Executive Director of Real Estate Consulting and Valuation at Colliers International (2008-2013) Business Analyst and Management Consulting at Ernst & Young (2004-2008)
Engineer / Moath bin Abdulaziz Al-Makhdoub	Chief of development	Head of real estate development at Mask	Bachelor's degree in Mechanical Engineering	Construction Manager - Directors of Environmental Programs, Ministry of Interior 2010-2012

		Investments Company	from King Saud University He holds an Engineering Inspector Certificate from the British Engineering Council	Chief Engineer - BAE Systems 2010 - 2007 Project Manager - Saudi-British Defense Cooperation Project 2002-2006 Member of the Board of Directors of the Fadhili Housing Company Member of the Executive Committee of Mumtalakat Company Member of the Board of Directors of Mumtalakat Company Chairman of the Board of Directors of Al Wedyan Company Member of the Board of Directors of the Saudi Facilities Management Company Member of the Executive Committee of the Saudi Facilities Management Company
Mr. Muhammad bin Saud Al-Ghazwani**	Chief Operations Officer	Consultant at the Real Estate Development Agency at the Ministry of Housing	Bachelor of Business Development Management master of Business Administration	Executive Director of the Kingdom Dates Company September 2013-2015 AD Director General of Financial and Administrative Affairs and Advisor to the Organization and Development Affairs Committee at the Ministry of Commerce and Investment February 2012 AD - 2013 AD Treasury and Operations Supervisor, Samba John Bank 2009 - December 2012
Mr. Khaled Mohammed Al-Dubaie *	Chief of the commercial sector	Chief Commercial Officer at Arabian Centers Company	Bachelor of Media	Vice President of Leasing - Arabian Centers Advisor to the Managing Director - Arabian Centers
Mr. Khaled Al-Suhaibani	Chief of the commercial sector	Chief Commercial Officer (RRC) Retail Real Estate Co	Master of Business Administration	22 years of experience in the trade sector.

**Professor Khaled Al-Dubaie resigned on 31/01/2022 AD, and Professor Khaled Al-Suhaibani was appointed on 18/07/2022 AD.

**Professor Muhammad bin Saud Al-Ghazwani resigned on 18/06/2022 AD.

Names of companies inside or outside the Kingdom in which a member of the Board of Directors of the Group is a member of its current and previous boards of directors or one of its managers

member name	Names of companies in which a board member is a member of their current boards of directors or a manager	Inside/Outside the kingdom	legal entity	Names of companies in which a member of the Board of Directors was a member of their previous boards of directors or one of their managers	Inside/Outside the kingdom	legal entity
Engineer Ayman bin Mohammed Al-Mudayfer	Alkhair Capital	Inside the Kingdom	Closed stock			
	Chairman of the Board of Directors of Al-Wedyan Real Estate Company	Inside the Kingdom	Closed stock			
Mr. Bandar bin Abdul Rahman bin Muqrin	King Abdullah Financial Center	Inside the Kingdom	Closed stock			
	Jasara	Inside the Kingdom	Closed stock			
	Riyadh Central Development Company	Inside the Kingdom	Closed stock			
	Qiddiya Member of the Nominations Committee	Inside the Kingdom	Closed stock			
	NEOM Company Member of the Nominations Committee	Inside the Kingdom	Closed stock			
Mr. Ibrahim bin Mohammed Alwan	Member of the Board of Directors of Riyadh Holding Company	Inside the Kingdom	Closed stock			
	Chairman of the Board of Directors of the Saudi Real Estate Infrastructure Company (BINYAH)	Inside the Kingdom	Closed stock			
Mr. Abdel Fattah Khalil Abdel Fattah Kurdi	Member of the board of the real estate company, Hanmi Project Management	Inside the Kingdom	Limited liability			
	Member of the Board of Directors of Al-Wedyan Real Estate Company	Inside the Kingdom	Closed stock			
Dr. Nasser bin Saeed bin Kadsa	-	-	-	-	-	-
Engineer / Abdul-Aali bin Muhammad Al-Ajmi	-	-	-	-	-	-
Mr. Muhammad bin Saad bin Dawood	Rajhi Invest Company	Inside the Kingdom	Closed stock			
	Al Othaim Investment Company	Inside the Kingdom	Listed company			
	Abdul Latif Alissa Group	Inside the Kingdom	closed stock			
	Aqalat company	Inside the Kingdom	Limited liability			

Engineer / Abdulaziz bin Saleh Al-Anbar	Saudi Industrial Investment Group	Inside the Kingdom	Listed company			
	Safco Company	Inside the Kingdom	Listed company			
	Saudi Public Transport Company	Inside the Kingdom	Listed company			
	Southern Province Cement	Inside the Kingdom	Listed company			
	Dur Hospitality Co	Inside the Kingdom	Listed company			
	Aqalat company	Inside the Kingdom	Limited liability			
Nayef bin Saleh Al-Hamdan	Member of the Board of Directors and Executive Committee - Albalad Development Company	Inside the Kingdom	Closed stock			
	Member of the Board of Directors - Saudi Down Town Company	Inside the Kingdom	Closed stock			
	Member of the Board of Directors and the Remuneration and Nominations Committee - Visions of the City Holding Company	Inside the Kingdom	Closed stock			
	Member of the Board of Directors and Committee Boutique group	Inside the Kingdom	Closed stock			
Fahd bin Abdul Rahman Al Mojl	Member of the Board of Directors - Saudi Tharwa Company	Inside the Kingdom	Closed stock			
	Member of the Board of Directors - Amlak National Investment Company	Inside the Kingdom	Closed stock			
	Member of the Board of Directors - AL-Khumasia Feed And Animal Products	Inside the Kingdom	Closed stock			
	Member of the Board of Directors – blom Investment Company	Inside the Kingdom	Closed stock			
	Member of the Board of Directors and the Remuneration and Nominations Committee - Rua AlMadinah Holding	Inside the Kingdom	Closed stock			
	Member of the Board of Directors – Retal development Company	Inside the Kingdom	Listed company			
Faisal Dhaher Al-Enezi	The National Real Estate Registry Services Company (Real Estate Registry)	Inside the Kingdom	Closed stock			
	Saudi Real Estate Construction Company (tamear)	Inside the Kingdom	Closed stock			
Faisal bin Farqad Al-Khani	-	-	-	-	-	-

Muhammad bin Abdullah Al-Semari	Member of the Board of Directors of the SRC Saudi Real Estate Refinance Company	Inside the Kingdom	Closed stock			
	Member of the Board of Directors of Tamkeen Technologies Company	Inside the Kingdom	Limited liability			
	Member of the Risk and Governance Committee, Saudi Credit Bureau (SIMAH)	Inside the Kingdom	Closed stock			
	Member of the Board of Directors of Al Ahly Capital		Private funds			
	Chairman of the Board of Directors of DOM Capital Group	Inside the Kingdom	Closed stock			
	Member of the Board of Directors of the Saudi Golf Company	Inside the Kingdom	Limited liability			
Muhammad bin Misfer al-Maliki	Member of the Board of Directors - Saudi Bangladesh Agricultural and Industrial Investment Company	Outside the kingdom	Shared government ownership			
	Member of the Board of Directors of Bayan Credit Information	Inside the Kingdom	Closed stock			
	Member of the Board of Directors - Saudi Fintech	Inside the Kingdom	Closed stock			
	Member of the Board of Directors of Alanesoon Trading Company	Inside the Kingdom	Closed stock			
	Member of the Board of Directors of Raz Holding Group Co	Inside the Kingdom	Closed stock			
	Member of the Board of Directors of Thakher Development Company	Inside the Kingdom	Closed stock			
	Member of the Board of Directors of Quara Finance	Inside the Kingdom	Closed stock			
	Member of the Board of Directors of the Fund of Funds Company "Jada"	Inside the Kingdom	Shared government ownership			
	Member of the Board of Directors - Saudi Venture Investment Company (SVC)	Inside the Kingdom	Closed stock			
Fahd bin Ibrahim Al-Hammad	Member of the founding board of Amanat Al-Jouf Company	Inside the Kingdom	under construction	Educational Transport Development Company Al-Liwan Arab Company for Investment and Real Estate Development	Inside the Kingdom	Limited liability
Hisham bin Hussein Al-Khalidi	Member of the Board of Directors of Leejam Sports Company	Inside the Kingdom	Listed company	Member of the Human Resources and Labor Market Committee	Inside the Kingdom	Shared government ownership

	Member of the Remuneration and Nomination Committee - Saudi Facilities Management Company	Inside the Kingdom	Closed stock	Member of the Board of Trustees of the National Naval Academy	Inside the Kingdom	Closed stock
--	---	--------------------	--------------	---	--------------------	--------------

A statement of the dates of the general assemblies of shareholders held during the fiscal year 2022 AD and the names of the attending members of the Board of Directors:

Record attendance at the General Assemblies meeting during the fiscal year 2022 AD					
Sn	Name	General (Assembly(50 01-26-2022 AD	General (Assembly(51 03-13-2022 AD	General (Assembly(52 05/18/2022 AD	General (Assembly(53 06-22-2022 AD
1	M / Ayman bin Muhammad Al-Mudayfer	Attended	-	-	-
2	A / Bandar bin Abdul Rahman bin Muqrin	Attended	-	-	-
3	A / Ibrahim bin Mohammed Alwan	Attended	Did not attend	Attended	Attended
4	A / Nayef bin Saleh Al-Hamdan	Attended	Attended	Attended	Attended
5	A/ Abdel Fattah Khalil Abdel Fattah Kurdi	Attended	-	-	-
6	Dr. Nasser bin Saeed bin Kadsa	Attended	-	-	-
7	M / Abdul Aziz bin Saleh Al-Anbar	Attended	-	-	-
8	A / Muhammad bin Saad bin Dawood	Attended	-	-	-
9	M / Abdul Ali bin Muhammad Al-Ajmi	Attended	-	-	-
10	A / Fahd bin Abdul Rahman Al Mojil	-	Attended	Attended	Attended
11	A / Faisal bin Dhaher Al-Anzi	-	Attended	Attended	Attended
12	A / Faisal bin Farqad Al-Khani	-	Attended	Attended	Attended
13	A / Muhammad bin Abdullah Al-Samary	-	Attended	Did not attend	Attended
14	A / Muhammad bin Misfer Al-Maliki	-	Attended	Attended	Attended
15	A / Fahd bin Ibrahim Al-Hammad	-	Attended	Did not attend	Did not attend
16	A / Hisham bin Hussein Al-Khalidi	-	Attended	Attended	Did not attend

The Board of Directors was formed for the current session, according to the decision of the General Assembly held on January 26, 2022 AD, for a period of three years.

Formation of the Board of Directors and classification of its members:

	member name	Membership Category		
		Executive	Non-Executive	Independent
For the session ending on 30/1/2022 AD	Engineer Ayman bin Mohammed Al-Mudayfer		✓	
	Mr. Bandar bin Abdul Rahman bin Muqrin		✓	
	Mr. Ibrahim bin Mohammed Alwan	✓		
	Mr. Nayef bin Saleh Al-Hamdan		✓	
	Mr. Abdel Fattah Khalil Abdel Fattah Kurdi		✓	
	Dr. Nasser bin Saeed bin Kadsa			✓
	Mr. Muhammad bin Saad bin Dawood		✓	
	Engineer / Abdul-Aali bin Muhammad Al-Ajmi			✓
	Engineer / Abdulaziz bin Saleh Al-Anbar			✓
For the Primitive session on 31/1/2022 AD	Mr. Nayef bin Saleh Al-Hamdan		✓	
	Mr. Ibrahim bin Mohammed Alwan	✓		
	Mr / Faisal bin Dhaher Al-Anzi		✓	
	Mr / Faisal bin Farqad Al-Khani		✓	
	Mr / Fahd bin Abdul Rahman Al Mojil		✓	
	Mr / Muhammad bin Abdullah Al-Samary			✓
	Mr / Muhammad bin Misfer Al-Maliki		✓	
	Mr / Fahd bin Ibrahim Al-Hammad			✓
	Mr / Hisham bin Hussein Al-Khalidi			✓

Board meetings during the fiscal year 2022 AD:

Number of meetings (8)									
Member Name	nature of members hip	The first meeting is 01/02/2022 AD	The second meeting 8/2/2022 AD	Third meeting 28/3/2022 AD	Fourth meeting 29/06/2022 AD	Fifth meeting 27/09/2022 AD	Sixth meeting 07/11/2022 AD	Seventh meeting 07/12/2022 AD	Eighth meeting 27/12/2022 AD
Mr . Nayef bin Saleh Al-Hamdan	Chairman	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Fahd bin Abdul Rahman Al Mojil	member	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Ibrahim bin Mohammed Alwan	member	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Hisham Al-Khalidi	member	Attended	Attended	Attended	Attended	Attended	Attended	Did not attend	Attended
Mr. Muhammad Abdullah Al-Maliki	member	Attended	Attended	Did not attend	Attended	Attended	Attended	Attended	Attended
Mr. Faisal bin Dhaher Al-Anzi	member	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr.. Faisal bin Fargad Al-Khani	member	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Did not attend
Mr. Fahd bin Ibrahim Al-Hammad	member	Attended	Attended	Did not attend	Attended	Attended	Attended	Attended	Attended
Mr. Mohammed bin Abdullah Al-Semari	member	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

the interests in the category of shares with the entitlement to vote belong to persons (other than members of the Board of Directors, senior executives and their relatives) who have informed the Group of those rights under Article 85 of the Rules on the Offer of Securities and Continuing Obligations, and any change in those rights during the fiscal year 2022 AD.

There are no interests in the category of voting shares belonging to persons (other than members of the Board of Directors, senior executives and their relatives) who have informed the Group of those rights under Article 85 of the Rules on the Offer of Securities and Continuing Obligations.

Movement of shares owned by members of the Board of Directors, senior executives and their family members:

The following tables include a description of any relevant interest of the members of the Board of Directors, their representatives and senior executives, including their wives and children (minors) in shares or debt instruments of the company:

The Ownership of the members of the Board of Directors, their representatives and their family members:

Board directors	beginning of the year		End of year		Net change	percentage change
	Number of shares	Debt instruments	number of shares	Debt instruments		
The previous session ended on 30/01/2022 AD						
Engineer Ayman bin Muhammad Al-Mudaifer (Chairman of the Board of Directors)	-	-	-	-	-	-
Bandar bin Abdulrahman bin Muqrin, Vice President	-	-	-	-	-	-
Mr. Abdel Fattah Khalil Abdel Fattah Kurdi	-	-	-	-	-	-
Mr. Ibrahim bin Mohammed Alwan	-	-	-	-	-	-
Dr. Nasser bin Saeed bin Kadsa	-	-	-	-	-	-
Mr. Muhammad bin Saad bin Dawood	-	-	-	-	-	-
Engineer / Abdul-Aali bin Muhammad Al-Ajmi	-	-	-	-	-	-
Engineer / Abdulaziz bin Saleh Al-Anbar	100000	-	156250	-	56,250.00	52.56
The current beginner session is on 31/01/2022 AD						
Nayef bin Saleh Al-Hamdan (Chairman of the Board of Directors)	-	-	-	-	-	-
Mr. Fahd bin Abdul Rahman Al Mojil	-	-	-	-	-	-
Mr. Ibrahim bin Mohammed Alwan	-	-	-	-	-	-
Mr. Faisal bin Dhaher Al-Anzi	-	-	-	-	-	-
Dr. Faisal bin Farqad Al-Khani	-	-	-	-	-	-
Mr. Hisham Al-Khalidi	-	-	-	-	-	-
Engineer / Muhammad Abdullah Al-Maliki	-	-	-	-	-	-
Mr. Fahd bin Ibrahim Al-Hammad	-	-	-	-	-	-
Engineer / Mohammed bin Abdullah Al-Semari	-	-	-	-	-	-

On 18/05/2022 AD, the extraordinary general assembly approved to increase the company's capital from 2400,000,000 to 3750,000,000

Ownership of senior executives and their family members:

Board directors	beginning of the year		End of year		Net change	percentage change
	Number of shares	Debt instruments	number of shares	Debt instruments		
Mr. Ibrahim bin Mohammed Alwan	-	-	-	-	-	-
* Professor / Fahd bin Ayed Al-Shammari *	-	-	-	-	-	-
Mr. Muhammad Sari Anabtawi	-	-	-	-	-	-
Engineer / Moaz bin Abdulaziz Al-Makhdoub	-	-	-	-	-	-
Professor / Muhammad bin Saud Al-Ghazwani	-	-	-	-	-	-
Mr. Khalid bin Al-Dubaie	-	-	-	-	-	-
Mr. Khaled Ali Al Suhaibani	-	-	-	-	-	-

Rewards of the members of the Board of Directors and senior executives:

Remuneration policy and how to determine the remuneration of board members and executive management:

Remunerations shall be decided according to the remuneration policy for members of the Board of Directors, sub-committees, and executive management approved by the Ordinary General Assembly on 22-06-2020 AD, in addition to the regulatory procedures issued by the Companies Law for listed joint-stock companies issued by the Capital Market Authority.

Rewards and fees of members of the Board of Directors:

	Fixed rewards					Variable rewards				End of service gratuity	total	Expense allowance
	Specific amount	board of directors meeting attendance allowance	Allowance for attending committee sessions	Kind advantages	Technical, administrative and advisory work reward	Remuneration of the Chairman, Managing Director or Secretary, if he is a member	Total	percentage of profits	Periodic bonuses			
First: the independent members												
1. Mr. Muhammad bin Abdullah Al-Semari	200,000	40,000	21,000			261,000						261,000
2. Mr / Fahd bin Ibrahim Al-Hammad	200,000	35,000	30,000			265,000						265,000
3. Mr. Hisham bin Hussein Al-Khalidi	200,000	35,000	30,000			265,000						265,000
Total	600 ,000	110,000	81,000			791 ,000						791 ,000
Second: Non-executive members												
1. Mr. Nayef bin Saleh Al-Hamdan *	250 ,000	40,000				290 ,000						290 ,000
2. A/ Fahd bin Abdul Rahman Al Mojil	200,000	40,000	30,000			270,000						270,000

3. Prof. Faisal bin Dhaher Al-Enezi	200,000	40,000	60,000				300,000						300,000	
4. Prof. Faisal bin Farqad Al-Khani	200,000	35,000	51,000				286,000						286,000	
5. A/ Muhammad bin Abdullah Al-	200,000	35,000	30,000				265,000						265,000	
Total	1,50,000	190,000	171,000				1,411,000						1,411,000	
Third: Executive members														
1. Prof. Ibrahim bin Mohammed Alwan*	200,000	40,000					240,000						240,000	16,000
Total	200,000	40,000					240,000						240,000	16,000

- Full transfer of dues, bonuses and allowance for attending the board sessions for Mr. Nayef bin Saleh Al-Hamdan for the Public Investment Fund, according to the exchange regulations for representatives of the Public Investment Fund.
- Full transfer of dues, bonuses and allowance for attending the board sessions for Mr. Ibrahim bin Muhammad Al-Alwan for the Public Investment Fund, according to the exchange regulations for the representatives of the Public Investment Fund.
- Full transfer of dues, bonuses and allowance for attending the board sessions for Mr. Faisal bin Dhaher Al-Anzi to the Public Investment Fund, according to the exchange regulations for representatives of the Public Investment Fund.
- Full transfer of dues, bonuses and allowance for attending the board sessions for

Remuneration and fees of senior executives:

Senior executive positions	Fixed rewards				Variable rewards						Indemnity	Total remuneration of executives on behalf of the board, if any	total summation
	salaries	allowances	Kind advantages	Total	Periodic bonuses	Profits	Short term incentive plans	Long term incentive plans	Granted shares (the value is entered)	Total			
chief executive officer	2,880,000	720,000	Car	3,600,000	2,160,000	0	0	0	0	2,160,000			5,760,000
Chief Financial Officer	1,200,000	420,000		1,620,000	599,958.00	0	0	0	0	599,958.00			2,219,958
Head of Shared Services	252,000	440,885		692,885	785,700	0	0	0	0	785,700.00	158,216,30		1,636,801
Chief investment	1,068,000	267,109		1,335,109	0	0	0	0	0	915081.12			2,250,190
Head of development	1,333,332	466,633		1,799,965	915081.12	0	0	0	0	906,000.00			2,705,965
the total	6,733,332	2,314,627		9,047,959	5,366,739	0	0	0	0	5,366,739.12	158,216,30		14,572,914

Committee members rewards:

	allowance for attending sessions	Fixed remuneration (except for attendance allowance)	Total
Audit committee members			
1. Dr. Nasser bin Saïd bin Kadasa	15,000	-	15,000
2. Mr. Mohammed bin Abdul Rahman Al-Qasim	15,000	-	15,000
3. Mr. Aziz bin Mohammed Al-Qahtani	15,000	-	15,000
4. Mr. AdeeB bin Mohammed Abanmi	15,000	-	15,000
5. Mr. Ahmed bin Abd al-Karim al-Muhaimi al-Karim al-	15,000	-	15,000
6. Muhammad Abdullah Al-Semari	21,000	125,000	146,000
7. Faisal bin Farqad Al-Khani	21,000	-	21,000
8. Abdulaziz bin Muhammad Al-Babtain	18,000	85,714	103,714
9. Muhammad bin Omar Al-Ayidi	21,000	100,00	121,000
Total	156,000	310,714	466,714
Members of the Nomination and Remuneration Committee			
1. Engineer Abdul-Aali bin Muhammad Al-Ajmi	3,000	-	3,000
2. Mr. Bandar bin Abdulrahman bin Muqrin*	3,000	-	3,000
3. Engineer / Abdulaziz Al-Anbar	3,000	-	3,000
4. Hisham bin Hussein Al-Khalidi	30,000	125,000	155,000
5. Faisal bin Dhafer Al-Anzi	30,000	-	30,000
6. Muhammad bin Misfer al-Maliki	30,000	100,000	130,000
Total	99,000	225,000	324,000
Executive Committee members			
1. Faisal Al-Enezi	30,000	125,000	155,000
2. Fahad Al Mojil	30,000	100,000	130,000
3. Fahd Al-Hammad	30,000	100,000	130,000
4. Faisal Al-Khani	30,000	100,000	130,000
Total	120,000	425,000	545,000

- Mr. Bandar Bin Abdul Rahman Bin Muqrin's attendance allowance was transferred and paid to the Public Investment Fund in accordance with the disbursement regulations.
- Remuneration was transferred under the fixed allowance paragraph for Mr. Faisal Bin Zahir Al-Enezi and paid to the General Investment Fund in accordance with the disbursement regulations to representatives of the Public Investment Fund, in addition to the amount of the stated 60,000 Riyals under the attending committee meetings allowance paragraph.
- Remuneration was transferred under fixed allowance paragraph to Mr. Faisal Al-Khani and paid to the General Investment Fund in accordance with the disbursement regulations to representatives of the General Investment Fund; in addition, the stated amount of 51,000 Riyals was paid under the attending committee meetings allowance paragraph.

Committees originating from the Governing Council

The Committee on Remuneration and Nominations:

The Nominations and Remuneration Committee shall operate following the rules governing the work of committees in joint stock companies and in accordance with the tasks specified in the Saudi Corporate Governance Regulation issued by the Capital Market Authority. The Nominations and Remuneration Committee held 11 meetings. The Committee was established by order of the Governing Council of 01/02/2022 under the chairmanship of Professor Hisham bin Hussein Al-Khalidi. The committee's specialties and main functions include:

- Providing recommendations to the Governing Council on the nomination of Board members in accordance with the policies and criteria adopted, bearing in mind that no person who has been convicted of an offense embellishing honor and trust shall be nominated.
- advising and recommending selecting executives with appropriate qualifications for the work of the group.
- Reviewing the structure of the governing body and making recommendations on possible changes.
- identifying the weaknesses and strengths of the governing council and proposing ways to address these issues in the best interest of the Group.
- ensuring, on an annual basis, the independence of independent members and the absence of any conflict of interest if a member is a member of the board of directors of another company.
- Establishing clear compensation and remuneration policies for board members and senior executives.
- Conducting a periodic review of the composition of the Board of Directors and senior executive management with the requisite skills, knowledge, experience, and independence and making recommendations to the Board of Directors regarding possible changes.
- Reviewing and recommending arrangements, requirements, and compensation for executives, including employment agreements, types, and annexes.

		Meeting	Meeting	Meeting	Meeting	Meeting	Meeting	Meeting	Meeting	Meeting	Meeting	Meeting
Name	Membership status	20/1/2022 AD	28/2/2022 AD	24/3/2022 AD	19/4/2022 AD	12/6/2022 AD	16/8/2022 AD	30/8/2022 AD	18/9/2022 AD	26/9/2022 AD	16/10/2022 AD	20/12/2022 AD
Abdulali Al-Ajmi	Chairman	Attended	-	-	-	-	-	-	-	-	-	-
Bandar bin Abdulrahman bin Muqrin	member	Attended	-	-	-	-	-	-	-	-	-	-
Abdulaziz Bin Saleh Al-Anbr	Member	Attended	-	-	-	-	-	-	-	-	-	-
Hisham bin Hussein al-Khalidi	Chairman	-	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Faisal bin Zahir Al-Enezi	member	-	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mohammed bin Misfer al-Maliki	member	-	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

The session of the Nominations and Remuneration Committee, chaired by Engineer Abdul Aali Al-Ajmi, ended at the conclusion of the Council sessions on 30/01/2022 AD. One (1) meeting was held during the period.

The Nominations and Remuneration Committee was formed under the chairmanship of Professor Hisham bin Hussein Al-Khalidi with the initial session on 31/01/2022 AD, in accordance with the Council's decision of 01/02/2022 AD. The Committee held a number of 10 meetings during the period.

Executive Committee:

The Executive Committee of the Real Estate Company was formed under the chairmanship of Professor Faisal bin Zahir Al-Anzi, and the membership of Professor Fahd bin Abdulrahman Al-Mojil, Professor Fahd Al-Hammad, and Professor Faisal Al-Khani.

The main functions of the Commission are as follows:

1. Review the activities and business of the real estate company and its internal regulations and policies and submit recommendations, observations, and notes to the Board of Directors.
2. To review the activities and work of the companies affiliated with the real estate company regarding their performance and regulate the relationship between the affiliate company and the real estate company in general in a manner that does not conflict with the performance of the functions of the boards of directors of these companies.

The session of the Executive Committee under the chairmanship of Professor Nayef Bensalah Al-Hamdan was completed by the end of the session of the Council on 30/01/2022 AD. No meetings were held during the period.

The Executive Committee was formed under the chairmanship of Mr. Faisal Bin Zahir Al-Anzi for the initial session on 31/01/2022, in accordance with the Council's decision of 01/02/2022 M. A number of 10 meetings were held during the period.

Review Committee

Name	Current Position	Previous Position(s)	Qualification	Experiences
Ahmed Abdul Karim Al-Muhaimid	Professor P.h.D. at King Saud University	Professor and faculty member, Department of Economics, Vice-Dean, Graduate School, King Salman Institute for Entrepreneurship Consultant to several private sector companies Charter Member of Competition Protection Board	Ph.D. in Macroeconomics Economic Development Study Quantitative Analysis University of Nebraska United States	Various experiences in economics and teaching
Mohammed Abdul Rahman Al-Qasim	Managing Director, Hisab Riyada Ltd.	Member of the Board of Directors of the Wealth Holding Company Chief External Auditor at KPMG Director-General, Internal Audit, Communications, and Information Technology Commission Director of Internal Audit in the Centennial Fund Chief Internal Reviewer at Advanced Electronics Company	Bachelor of Accounting - King Saud University	Miscellaneous audit and internal audit expertise
Aziz Mohammed Al-Qahtani	Financial and accounting consultancy	Financial and accounting consultancy Financial and Administrative Consultant, Takamul Holding Company (Tamil) Chief Internal Audit Officer, Saudi Development and Technical Investment Company (TEC) Vice President, Internal Audit, Petroleum, Chemicals and Mining Corporation Chief Financial Officer, Business Triangle Company Executive Director of Internal Audit at Saudi Research and Marketing Group Executive Director, Internal Audit, National Agricultural Development Company (NADC) Internal audit manager at Saudi Telecom Internal auditor at Saudi Aramco	Bachelor of Accounting - King Fahd University of Petroleum and Minerals Master of Accounting - King Fahd University of Petroleum and Minerals	-Member of the Board of Directors and Chairman of the Audit Committee of Al-Lujain Company -Member of the Board of Directors and Chairman of the Audit Committee of Al Hammadi Holding Company -Chairman of the Audit Committee of the Themar Al Takniy aHolding Company -Member of the Audit Committee of both (Basic Chemical Industries Company - Naifat Finance Company - Malaz Financial Company)

Name	Current Position	Previous Position(s)	Qualification	Experiences
Mohammed Abdullah Al-Samari		Auditor and financial statements at Saudi Deloit & Touche CMA Investment Company Licensing Specialist Several positions in the Samba Financial Group - Internal reviewer at Al Faisaliah Group Assistant Director of Commitment and Chairman of the Commitment Committee of the Arab National Bank Mohammed Al Samari Office - Advisory Services Adviser to Managing Director and CEO at Al Khair Capital Saudi Arabia	Bachelor of Accounting CMA (1) Internal Auditors Fellowship Operations Risk Fellowship Risk-Based Review Professional Certificate Certified Strategy Analysis and Planning Expert Approved Business Strategy Auditor Certificate	Diverse experiences in commitment, corporate governance, risk management, internal control, and financial management
Faisal Farqad al-Khani	Director, Treasury Department, Public Investment Fund	Treasury management at BSF Vice President Deutsche Bank AG Global Markets Dubai Branch Nasseb Chief Treasury - J.P. Morgan Chase Head of Treasury and Global Markets at Deutsche Bank Head of Treasury and Global Markets Management at Saudi Real Estate Refinancing Company Founder of Faisal Farqad Al-Khani Trading Foundation	Bachelor of Economics	Diverse experiences in economics and finance
Abdulaziz Mohammed Al-Babtain	Head of Internal Audit, Bahri Company	KPMG Internal Auditor Director of Internal Audit at Al-Rajhi Bank Director of Internal Audit at Saudi Hollandi Bank	Bachelor of Accounting Master of Finance	Diverse experience in auditing and internal audit
Mohammed Omar Al-Eidy	Partners at Eidi & Salloum Accountants & Legal Auditors	Public Relations Supervisor at Consulting Clinics Auditor at Earnest & Young Internal Auditor, World Bank Group Director of Periodic Inspection, Capital Market Authority Risk Consultancy Executive KPMG Lecturer, Department of Accounting, Imam Mohammed bin Saud university	Bachelor of Accounting MBA - Finance Chartered accountant in Saudi Arabia Chartered Accountant in the United States of America Trustee and licensed business bankruptcy expert	Miscellaneous experience in accounting and auditing

The Audit Committee of the Saudi Real Estate Company operates in accordance with the stipulations of Article (55) of the Regulations on Corporate Governance issued by the Council of the Capital Market Authority, and Article (42) of the Company's Regulations and Article (4) of the Regulations of the Company's Audit Committee, which specify its functions, competencies, powers, and responsibilities.

The Committee held 12 meetings during 2022, as follows:

Member									Meeting Date	Meeting No.
Mohammed Omar Al-Eidy	Abdulaziz Mohammed Al-Babtain	Faisal Farqad al-Khani	Mohammed Abdullah Al-Samari	Mohammed Abdul Rahman Al-Qasim	Adeeb Mohamed Abanmi	Ahmed Abdul Karim Al-Muhaimid	Aziz Mohammed Al-Qahtani	D. Nasser Said Bin Kadsa		
Independent Member	Independent Member	Non-executive Member	Independent Member	Independent Member	Independent Member	Independent Member	Independent Member	Independent Member		
				Attended	Attended	Attended	Attended	Attended	5\1\2022	1
				Attended	Attended	Attended	Attended	Attended	26\1\2022	2
				Attended	Attended	Attended	Attended	Attended	9\2\2022	3
				Attended	Attended	Attended	Attended	Attended	2\3\2022	4
				Attended	Attended	Attended	Attended	Attended	10\3\2022	5
Attended	Attended	Attended	Attended					23\3\2022	6	
Attended	Attended	Attended	Attended					19\5\2022	7	
Attended	Attended	Attended	Attended					30\6\2022	8	
Attended	Attended	Attended	Attended					21\8\2022	9	
Attended	Attended	Attended	Attended					21\9\2022	10	
Attended	Attended	Attended	Attended					3\11\2022	11	
Attended	Attended	Attended	Attended					11\12\2022	12	

- The previous session of the Commission ended 16/03/2022.
- The work session of the new Commission began on 17/03/2022

Functions and responsibilities of the Committee:

a. financial reports:

1. Examine the initial and annual financial statements of the company before submitting them to the Board of Directors and provide comments and recommendations on the financial statements to ensure their integrity, fairness, and transparency.
2. Examine thoroughly any matters raised by the company's chief financial officer, the company compliance officer, or the company's auditor.
3. Verification of principal accounting estimates contained in the financial reports
4. Examine the accounting policies of the company and render an opinion and recommendations to the governing council on them.

b. Internal audit:

1. Study and review the company's internal, financial, and risk management systems.
2. Examine internal audit reports and follow up on the implementation of corrective actions based on the observations contained therein.
3. Monitor and oversee the performance and activities of the internal audit sector of the company and verify the availability and effectiveness of the necessary resources in the performance of the work and tasks entrusted to it.
4. Recommend the appointment of the Director of the Internal Audit Sector and propose his reward to the Governing Council

c . Auditor:

1. recommend to the Governing Council that it nominate the auditor, determine his or her fees, and review the scope of his/her work and the terms of his/her contract.
2. Verify the independence, objectivity, and fairness of the auditor and the effectiveness of the audit work, considering the relevant rules and standards.
3. Answer company auditor inquiries.
4. Examination of the report of the Auditor and his comments on the financial statements and follow-up on it.

D. Ensure Compliance:

1. Review the results of the supervisory reports and verify that the company has taken the necessary action.
2. Verify the company's compliance with relevant regulations, regulations, policies, and instructions.
3. Review the contracts and transactions proposed to be conducted by the Company with the relevant parties and submit its comments on it to the Board of Directors.
4. Submit such matters as it deems necessary for action to the Governing Council and make recommendations on action to be taken.

Audit Committee opinion on the adequacy of the company's internal control system:

Upon review of risk assessment reports and internal audit work on the company's operations, the technology applied, and executive management, deficiencies were noted in the internal control environment. The executive department is working on a comprehensive internal auditing system that is more efficient and effective and the implementation of these corrective measures are being monitored.

The Committee has not been able to verify the efficiency of the control environment about cybersecurity and information technology. Work is currently under way by the external consultant to examine the controls.

Recommendations of the Audit Committee that are inconsistent with the decisions of the Board of Directors, or that the Board has refused to adopt regarding the appointment, dismissal, determination of his/her fees, evaluation of performance, or appointment of the internal auditor, the justification for those recommendations and the reasons for not adopting them.
There is no conflict between the audit committee's recommendations and the board's decisions.

Dividend Policy:

The company applies a balanced policy in distributing annual dividends to shareholders based on its financial position, realized annual actual profit levels, the company's balance of retained profits, the financing needs of its future business and projects, and financial market conditions. This is done taking into account the provisions of the regulations of the group, namely that the annual net profits of the company are distributed after the deduction of all general expenses and other costs, including zakat, as follows: -

1. Reserving (10%) of net profits to create a standard reserve, which may be discontinued by the General Assembly once the said reserve is half the capital.
- Reserving (10%) of net profits to form an agreed-upon reserve allocated for the purposes specified by the General Assembly, this reserve is discontinued if it amounts to half the capital.
3. From the remainder, a down payment equivalent to (%5) of the paid capital is distributed to shareholders.
4. After the specified payment is concluded, a payment of (5%) of the remainder is set aside as a maximum to reward board members. And the remainder is then distributed to shareholders as an additional share in the dividend.

Ratio to paid-up capital	Dividend (million)	Earnings per share (loss) (in Riyals)	Net earnings (loss) related to shareholders in the Company	Capital	Year
10%	120	0,72	86,4	1,200	2016
10%	120	1,1	132,5	1,200	2017
0	0	(0.76)	(183,069)	2,400	2018
0	0	(0.74)	(186,351)	2,400	2019
0	0	(0,57)	(140,741)	2,400	2020
0	0	0.23	54,909	2,400	2021
			No distributions	3,750	2022

Statements by members of the Board of Directors:

The Group's Board of Directors acknowledges:

1. The records of the Group's accounts, as of December 31, 2022, have been prepared correctly and in accordance with the accounting standards adopted by the Saudi Organization of Chartered Accountants, and show the fairness of the financial position in all material respects.
2. The internal control system has been properly developed and effectively implemented.
3. There is little doubt about the group's ability to continue its activity, and with God's help, the group has the capacity and resources to continue its future activity and work.
4. Neither the company nor its subsidiary issued any debt instruments or financial instruments as stock options or equity that could be converted into shares.
5. There are no treasury shares held by the company during the year.
6. The company has not made any deals related to its shares.