



# ANNUAL REPORT 2023





بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah, the Most Gracious, the Most Merciful



— Custodian of the Two Holy Mosques —  
**King Salman bin Abdulaziz Al Saud**

May Allah bless him



— His Royal Highness —  
**Mohammed bin Salman bin Abdulaziz Al Saud**

The Crown Prince, Prime Minister  
May Allah bless him



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# Board Members

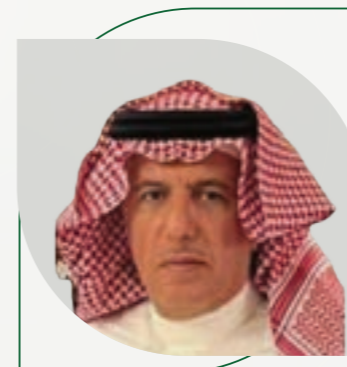
## Board of Directors' Photos



Vice Chairman of the Board  
**Dr. Rasheed bin Rashid bin Saad Awwain**



Chairman of the Board  
**Eng. Badr Bin Hamed Al-Ojayan**



Board Member  
**Mr. Abdulrahman bin Abdulaziz Al-Yemni**



Board Member  
**Mr. Muqaid Bin Abdullah Al-Khamees**



Board Member  
**Ms. Nawar Bint Hamad Ibrahim Al Bahli**



Board Member  
**Mr. Ali Bin Riyadh Bin Mohammed Al-Humaidan**



Board Member  
**Mr. Omar Bin Riyadh Bin Mohammed Al-Humaidan**



Board Member  
**Mr. Ahmed bin Ibrahim bin Mohammed Hejjan**



Chairman of the Board Message  
Eng. Badr Bin Hamed Al-Ojayan

## CHAIRMAN'S MESSAGE

**Dear Shareholders, Partners in Success,**

Peace, mercy, and blessings of Allah be upon you.

On behalf of myself and my fellow board members of your esteemed company, I am pleased to present to you the annual Board of Directors' report. Through this report, we will review the operational, financial, and investment performance of the company, along with the audited financial statements and the auditor's report for the fiscal year ended on December 31, 2023.

We are delighted to inform you that your company continues to execute its strategy of transitioning from an agricultural company to an agricultural-industrial entity, manufacturing agricultural products into food items that cater to consumer demands. The company also continues its development and enhancement efforts in olive oil extraction, refining, and packaging. It is with gratitude that we announce the completion of the construction of the potato finger factory, which commenced production in the third quarter of the fiscal year 2023.

The report includes detailed information on the company's financial performance as per the audited financial statements, accompanying disclosures, the external auditor's report for the fiscal year ended on December 31, 2023. In the realm of governance, the report encompasses a summary of corporate governance mechanisms and relevant disclosures regarding the composition, responsibilities, and remuneration of the Board of Directors, its committees, executive compensation, and related party transactions, if any.

Moreover, the report includes the Board's affirmations and the company's alignment with corporate governance principles, praying that our efforts are met with success as we welcome a new year with increased confidence and determination, under the guidance of the Almighty, to continue our growth and expansion plans across all business sectors. We are committed to advancing and propelling the company forward by optimally utilizing its resources to meet the expectations of its shareholders, contributing to the sustainability of our beloved Kingdom's food security and supporting the national economy by venturing into broad areas to enhance agricultural development and related manufacturing industries, in line with our beloved country's Vision 2030.

In conclusion, I extend my heartfelt gratitude to the wise leadership of our country, represented by the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness the Crown Prince, Mohammed bin Salman bin Abdulaziz Al Saud, praying for the preservation of our nation, the perpetuation of security and stability under our righteous government and wise leadership. May Allah grant us success.

Sincerely,

Chairman of the Board of Directors

Engineer: Badr bin Hamed Al-Oujan



Chief Executive Officer's Statement

Eng. Mazen Bin Abdullah Badawood

## Chief Executive Officer's Message

**In the name of Allah, the Most Gracious, the Most Merciful,**

**Dear Shareholders of Al-Jouf Agricultural Development Company,  
Greetings and best wishes,**

For years, we at your esteemed company have chosen to speak the language of ambition, optimism in our future outlook, and determination to achieve our desired goals. We have resolved to exert all efforts and perseverance towards this end, working diligently and sincerely - all thanks and praise be to Allah - starting from the company's Board of Directors, through its executive management, and down to all its employees. Our aim has been continuous development and comprehensive improvement of the company's performance, ensuring sustainability and continuity, ultimately striving to make it one of the leading agricultural-industrial companies in the Kingdom of Saudi Arabia.

The strategic transformation, approved by the company long time ago, to shift from solely agricultural to agricultural-industrial aligns with Vision 2030 of the Kingdom, has had a significant impact in shaping a clear future vision. The first tangible outcome of this strategy is the commercial operation of the French fries factory in the fourth quarter of 2023, which is expected to have a positive impact on the company and all its shareholders, by the will of Allah.

As always known, Al-Jouf Agricultural Development Company, with its perpetual passion to lead in both agricultural and industrial fields, continues to top the list of companies in the Kingdom of Saudi Arabia engaged in olive cultivation, organic olive oil extraction, and maintaining its leading position as the largest modern olive farm globally. It is on track - with Allah's permission - to excel in potato finger production in the Kingdom, in addition to its ongoing leadership in cultivating various other strategic agricultural crops contributing to ensuring food security in our beloved Kingdom.

In conclusion, I am pleased to present to you the annual report on the company's activities during the fiscal year 2023. On this occasion, I extend my sincere thanks and appreciation - after thanking Allah the Almighty - to the company's Board of Directors for their continuous support, and to my colleagues, the team members at the company, for their dedication, commitment, and continuous efforts towards achieving our goals. Gratitude is also extended to all the company's partners in its various successes, including shareholders, clients, and suppliers, praying to the Almighty to protect our nation, and to continue blessing it with security and stability under our wise government and leadership.

**With best regards,**

**Chief Executive Officer  
Engineer / Mazen bin Abdullah Badawood**



# Board Report





01

## Brief About The Company

01

## Brief About The Company

Al Jouf Agricultural Development Company is a Saudi joint-stock company listed on the stock market. The company was established by Royal Decree No. 4/237/M dated 27/01/1409 H corresponding to License No. 535 dated 08/06/1408 H under the Saudi Companies Law issued by Royal Decree (M/6) dated 22/03/1385 H with a capital of 200 million Saudi Riyals. On 10/04/1435 H corresponding to 10/02/2014, the capital was increased to 300 million Saudi Riyals divided into 30 million shares with a par value of 10 Riyals per share. Since its inception, the company has progressed through various stages and diverse activities to reach its current status.

The company's projects are located in Bseeta Al Jouf in Wadi Al Sarhan in the northern part of the Kingdom. The project area is considered one of the best in the Kingdom for the company's agricultural projects due to its groundwater reserves, soil fertility, and climate suitability for year-round cultivation. The project covers an area of 60 thousand hectares, with the company acquiring 42 thousand hectares in 2021 under the ownership decree issued by the Ministry of Environment, Water, and Agriculture on 30/1/1443 H corresponding to 8/9/2021.

In the agricultural production sector, Al Jouf Company owns the world's largest modern olive farm and is the largest producer of organic olives in the Middle East, with over 5 million olive trees. The company also owns a modern nursery for propagating olive and fruit seedlings to preserve its unique varieties for producing various olive and fruit types to meet its needs and those of farmers in the region.

Furthermore, Al Jouf Agricultural Development Company cultivates extensive wheat areas allocated by the Seed Producers Committee under the Ministry of Environment, Water, and Agriculture in Saudi Arabia. These areas are invested in producing certified wheat seeds for farmers to grow wheat for supply to silos. The company owns 5 silos with a total capacity of 15,000 tons, in addition to a free storage area with a total capacity of 8,000 tons. The company also excels in potato production throughout the year (spring and fall seasons) due to favorable weather conditions, meeting local markets' and factories' needs with fresh potatoes, showcasing diversity in its potato production.

In the processing industry, the company owns the largest olive oil production, extraction, and packaging plant in the Middle East. The production capacity of the extraction lines is 600 tons of fruits per day, with olive oil packaging lines in all sizes having an annual capacity exceeding 8,000 tons. The olive oil storage capacity is 6,000 tons. Al Jouf Company is a leading entity in Saudi Arabia in wheat, potato, and fruit cultivation with high productivity levels in the region. The company employs the latest global irrigation methods to conserve water resources. Transitioning to processing industries, the company established a factory to produce potato fingers, commencing operations in the fourth quarter of the fiscal year 2023.



02

## Main activities of the company

02

## Main activities of the company

The purposes of the company, according to its founding contract, its bylaws, and amendments, are summarized as follows

- 01 Crop and animal production, hunting and related service activities.
- 02 Establishing and managing plant and animal farms related to achieving the company's goals, reclaiming agricultural land and its investments.
- 03 Carrying out agricultural production in its two branches - plant and animal - and raising poultry, eggs, beehives, fish, and shrimp.
- 04 Investing in the industrial sector by establishing, managing, and operating industrial projects of various types.
- 05 Wholesale and retail sector in food and non-food items.
- 06 Retail sale of fresh, preserved fruits and vegetables, and dates.
- 07 Investing in the field of import and export for the company and others in agricultural food and animal products of all kinds, health products, grains, seeds, feed, barley, feed additives and fisheries.
- 08 Support activities for crop production and agricultural services  
- Rental of agricultural equipment  
- Irrigation projects and installation of greenhouses  
And all other activities related to support activities for crop production.
- 09 Retail sale of dairy products, eggs, olives, pickles, and honey.
- 10 Buying and selling lands, real estate, and factories necessary to achieve the company's objectives.
- 11 Production and packaging of water and ice.
- 12 Manufacturing food products.
- 13 Overland transportation of goods.
- 14 Pickling industry.
- 15 Commercial agency activities and distribution contracts.
- 16 Fishing and Aquaculture.
- 17 Production, manufacturing, packaging of olive oil, vegetable oils, marketing, selling, importing all necessary machinery, equipment, devices, transportation, building and establishing the necessary factories and facilities for the company's purposes and industries, warehouses for storing, stocking, displaying its products, and for other aspects that the company needs to use in manufacturing, storage, sales, purchases, imports, exports, and establishing other complementary industries on its own or in partnership and participation with other companies, institutions, and individuals.
- 18 Production and manufacturing of potato fingers.

The company conducts its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the relevant authorities, if any.



# 03 Company Strategy

## 03 Company Strategy



**First**  
Transitioning from the agricultural sector to the agro-industrial sector.

**Second**  
Preserving natural resources and water through the use of the latest modern irrigation technologies to increase productivity in cultivated areas.



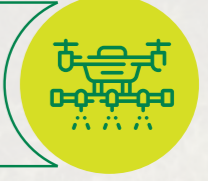
**Third**  
Focusing on high-profit crops and transforming them into value-added products.

**Fourth**  
Increased market share for all company products.



**Fifth**  
The largest company in the French fries market in the Kingdom, producing locally.

**Sixth**  
Reducing production costs.



**Seventh**  
One of the largest producers of wheat, wheat seeds, olives, olive oil, and processed potatoes in the Kingdom.



# Governance Regulations

## Governance regulations

The purpose of establishing these rules is to outline Al Jouf Agricultural Development Company's approach to corporate governance. Al Jouf Agricultural Development Company is committed to adhering to high corporate governance standards, considering sound corporate governance as a fundamental tool in maximizing long-term shareholder value. This commitment aligns with its dedication to quality in all its operations and products. The governance regulations issued by the Capital Market Authority define corporate governance as rules for guiding and directing the company, including mechanisms to regulate the various relationships between the board of directors, executive managers, shareholders, by establishing specific rules and procedures to facilitate decision-making processes, enhance transparency, credibility, protect shareholder rights, stakeholders' interests, promote fairness, competitiveness, transparency in the market, and business environment.

The corporate governance framework defines the distribution of powers and responsibilities among various parties within the company such as the board of directors, executive management, shareholders, among others, while establishing rules and procedures for making decisions related to the company's affairs. This structure enables setting the company's objectives, means to achieve them, and monitoring performance.

Shareholders' role in governance involves electing board members, appointing independent auditors based on the board's recommendation, and reviewing the company's annual report to ensure the use of best governance standards and effectiveness.

The board of directors is responsible for setting the company's strategic objectives, providing leadership to achieve them, overseeing company management, and reporting to shareholders on their management of the company. The board's activities are subject to regulations and guidelines issued by relevant authorities. Al Jouf Agricultural Development Company has developed governance rules in accordance with the principles of the Capital Market Authority's governance regulations and regulatory requirements in the Kingdom. These rules form the basis of the governance framework within Al Jouf Agricultural Development Company. The company periodically introduces appropriate amendments to the governance rules embedded in the company's governance regulations in line with amendments made to the governance rules outlined in the Capital Market Authority's Model Corporate Governance Regulations, presenting them to the General Assembly for review.

The consideration of the governance regulations within the legislative frameworks is mandatory in the Kingdom of Saudi Arabia. It is also necessary to take into account the issues, requirements, and other matters not covered by the governance regulations, especially the following:

- Requirements of the Capital Market Authority and the Saudi Stock Exchange (Tadawul).
- Company regulations in the Kingdom of Saudi Arabia and related ministerial directives issued by the Ministry of Commerce.
- The basic system of Al Jouf Agricultural Development Company.

In this context, the board of directors of Al Jouf Agricultural Development Company continued to perform its duties during the fiscal year 2023, overseeing the company's operations in accordance with company regulations and the rules and regulations issued by the Capital Market Authority and the approved governance regulations and its amendments. Based on paragraph (1) of Article 90 of the governance regulations issued by the Capital Market Authority, the company applies the mandatory provisions of the governance regulations, especially regarding the following:

- 1) Shareholders' rights and the general assembly in terms of facilitating shareholders' exercise of their rights, obtaining information, their rights during company meetings, voting rights, shareholders' rights to dividends, and the right to deal in shares. The executive management provided shareholders with all the information necessary for them to exercise their rights fully, ensuring that this information is comprehensive, accurate, updated regularly, and provided without discrimination.
- 2) Public disclosure policies and transparency in the board of directors' report.
- 3) The board of directors, its core functions, responsibilities, composition, its subcommittees, their remuneration, and conflicts of interest.
- 4) Compliance with publishing quarterly financial results and annual financial results within the regulatory deadlines on the Tadawul website.
- 5) Preparation of the board of directors' report in accordance with the governance regulations.
- 6) Compliance with the format of advertisements determined by the Capital Market Authority and the timing of the disclosure of material information in accordance with the Authority's instructions on corporate announcements.
- 7) Formulation of professional conduct rules for directors and employees in the company to align with proper professional and ethical standards and regulate the relationship between them and stakeholders.

Al-Jof Company applies all provisions of the corporate governance regulations except for some guidance articles as follows:

Article/Paragraph Number	Text of the Article/Paragraph	Reasons for non-implementation
Article 25 Paragraph 8	Establishing succession plans for the company's management.	This clause is currently being activated
Article 41 Paragraph 5	The board of directors shall make necessary arrangements to obtain an assessment from an external specialized entity for its performance every three years.	This clause is currently being activated
Article 70 Guiding Provision	By a decision of the company's board of directors, a committee called the (Risk Management Committee) shall be formed, with its chairman and the majority of its members being non-executive board members - and it is required that its members have an appropriate level of knowledge in risk management and financial affairs.	This clause is currently being activated

## Company statements during the fiscal year 2023.

#	Event	2023
1	Announcement by Al-Jouf Agricultural Company of the annual financial results ending on 31-12-2022	05 - 03 - 2023
2	Announcement by Al-Jouf Agricultural Company of the distribution of cash dividends to shareholders for the second half of the financial year 2022	05 - 03 - 2023
3	Announcement by Al-Jouf Agricultural Company of the date and method of distributing dividends to shareholders for the second half of the financial year 2022	02 - 04 - 2023
4	Al-Jouf Agricultural Company invites its shareholders to attend the thirty-sixth ordinary general assembly meeting (first meeting) through modern technology means	16- 04 - 2023
5	Supplementary announcement from Al-Jouf Agricultural Company regarding attachments to the invitation announcement for the thirty-sixth ordinary general assembly meeting (first meeting)	17 - 04 - 2023
6	Al-Jouf Agricultural Company announces the start date of electronic voting on the agenda items of the thirty-sixth ordinary general assembly meeting (first meeting) (reminder announcement)	02 - 05 - 2023
7	Announcement by Al-Jouf Agricultural Company of the results of the ordinary general assembly meeting (second meeting)	08 - 05 - 2023
8	Announcement by Al-Jouf Agricultural Company of the preliminary financial results for the period ending on 31 - 03 -2023 (three months)	08 - 05 - 2023
9	Announcement by Al-Jouf Agricultural Company of the results of the ordinary general assembly meeting (second meeting)	11 - 05 - 2023
10	Announcement by Al-Jouf Agricultural Development Company of the resignation and appointment of a member of the audit committee	11 - 05 - 2023
11	Announcement by Al-Jouf Agricultural Company of obtaining the "Saudi GAP S.G.A.P" certificate	25 - 05 - 2023
12	Announcement by Al-Jouf Agricultural Company of the preliminary financial results for the period ending on 2023-06-30 (six months)	07 - 08 - 2023
13	Announcement by Al-Jouf Agricultural Development Company of the reopening of its exhibitions in Riyadh and Dammam after renovation and giving them a new unified identity.	03 - 09 - 2023
14	Al-Jouf Agricultural Development Company announces the signing of a contract to purchase energy produced from solar energy from the French company Engie Energy	04 - 09 - 2023
15	Announcement by Al-Jouf Agricultural Development Company of the board's recommendation to split the nominal value of the share	06- 09 - 2023
16	Supplementary announcement from Al-Jouf Agricultural Company regarding the signing of a contract to purchase energy produced from solar energy from the French company Engie Energy	07 - 09 - 2023
17	Announcement by Al-Jouf Agricultural Development Company (JADCO) regarding the latest developments in the project to establish a factory for producing potato chips (start of trial operation)	01 - 10 - 2023
18	Al-Jouf Agricultural Company invites its shareholders to attend the eleventh extraordinary general assembly meeting (first meeting) through modern technology means	30 - 10 - 2023
19	Announcement by Al-Jouf Agricultural Company of the preliminary financial results for the period ending on 30-09-2023 (nine months)	09- 11 - 2023
20	Announcement by Al-Jouf Agricultural Company of obtaining a loan from the Saudi Industrial Development Fund	09- 11 - 2023
21	Al-Jouf Agricultural Development Company announces to its shareholders the start date of electronic voting on the agenda items of the extraordinary general assembly meeting (the first meeting)	16- 11 - 2023
22	Announcement by Al-Jouf Agricultural Company of the non-convening of the extraordinary general assembly meeting of the company (the second meeting)	22 - 11 - 2023
23	Announcement by Al-Jouf Agricultural Company inviting its shareholders to attend the extraordinary general assembly meeting (the third meeting)	28 - 11 - 2023
24	Al-Jouf Agricultural Development Company announces to its shareholders the start date of electronic voting on the agenda items of the extraordinary general assembly meeting (the third meeting)	14 - 12 - 2023
25	Announcement by Al-Jouf Agricultural Development Company (JADCO) regarding the latest developments in the project to establish a factory for producing potato chips (commercial launch operation)	17 - 12 - 2023
26	Announcement by Al-Jouf Agricultural Company of distributing cash dividends to shareholders for the first half of the financial year 2023	17 - 12 - 2023
27	Announcement by Al-Jouf Agricultural Company of the results of the extraordinary general assembly meeting (the third meeting)	20 - 12 - 2023
28	Announcement by Al-Jouf Agricultural Company of opening the nomination for membership in the board of directors	21 - 12 - 2023

**Second: Names of the board members, committee members, executive management, their current positions, qualifications, and experiences.**

**A. Board members:**

• **Eng. Badr bin Hamed bin Abdul Razzaq Al-Ojjan**

Current position	Qualifications	The experiences
Chairman of the board	Bachelor of Engineering	31 years in engineering and business management

• **Dr. Rasheed bin Rashid bin Awain**

Current position	Qualifications	Experiences
Vice President of the Council	PhD in Engineering	40 years of business management

• **Mr. Ahmed bin Ibrahim bin Mohammed Hijan**

Current position	Qualifications	The experiences
Member	Bachelor's degree in Accounting	14 years in internal audit and risk management

• **\*Mr. Khaled bin Mohammed bin Abdullah Al-Arifi**

Current position	Qualifications	Experiences
Member	Master's in Accounting	24 years in accounting, auditing, and management

• **Mr. Abdulrahman Al-Yemni**

Current position	Qualifications	Experiences
Member	Bachelor of Arts - Geography specialization	31 years in the field of business management

\*Mr. Khaled bin Mohammed bin Abdullah Al-Arifi resigned on 31/05/2023.

**Second: Names of the board members, committee members, executive management, their current positions, qualifications, and experiences.**

• **Mr. Omar bin Riyad bin Mohammed Al-Humaidan**

Current position	Qualifications	Experiences
Member	Bachelor of Sharia and Law	24 years in management

• **Mr. Ali bin Riyad bin Mohammed Al-Humaidan**

Current position	Qualifications	Experiences
Member	High School Diploma	19 years in business management

• **Mr. Muqaid bin Abdullah bin Abdulmohsen Al-Khamees**

Current position	Qualifications	Experiences
Member	Bachelor's degree in Accounting	21 years in the fields of banking investment and management

• **Ms. Nuwar daughter of Hamad son of Ibrahim Al Bahli.**

Current position	Qualifications	Experiences
Member	Bachelor's degree in Finance	12 years in finance and management

**Second: Names of the board members, committee members, executive management, their current positions, qualifications, and experiences.**

### B. Executive Committee

• **Eng. Badr bin Hamed bin Abdul Razzaq Al-Ojjan**

Current position	Qualifications	Experiences
Committee Chairman	Bachelor of Engineering	30 years in engineering and business management

• **Dr. Rasheed bin Rashid bin Awain**

Current position	Qualifications	Experiences
Committee member	PhD in Engineering	39 years of business management

• **Mr. Omar bin Riyad bin Mohammed Al-Humaidan**

Current position	Qualifications	Experiences
Member	Bachelor of Sharia and Law	24 years in management

### C. Audit Committee:

• **Mr. Mohamed Ahmed Yassin Al-Sheikh**

Current position	Qualifications	Experiences
Committee Chairman	Bachelor of Business Administration	41 years in management and accounting

• **\*Mr. Khaled bin Mohammed bin Abdullah Al-Arifi**

Current position	Qualifications	Experiences
Member	Master in Accounting	32 Years of Experience in Accounting, Auditing, and Management

\*Mr. Khaled bin Mohammed bin Abdullah Al-Arifi resigned on 31/05/2023.

• **\*Mr. Ali bin Riyad bin Mohammed Al-Humaidan**

Current position	Qualifications	Experiences
Member	High School Diploma	19 years in management

• **Mr. Ahmed bin Ibrahim bin Mohammed Hejjan**

Current position	Qualifications	Experiences
Member	Bachelor's degree in Accounting	13 years in internal audit and risk management

### D. The Nominations and Rewards Committee:

• **Mr. Muqaid bin Abdullah bin Abdulmohsen Al-Khamees**

Current position	Qualifications	Experiences
Committee Chairman	Bachelor of Accounting	20 years in the fields of banking investment and administrative

• **Mr. Abdul Rahman bin Abdul Aziz Al-Yemni**

Current position	Qualifications	Experiences
Member	Bachelor of Arts - Geography specialization	30 years in the field of business management

• **\*Mr. Ali bin Riyad bin Mohammed Al-Humaidan**

Current position	Qualifications	Experiences
Member	High School Diploma	19 years in management

• **Ms. Nawar Bint Hamad Bin Ibrahim Al Bahli**

Current position	Qualifications	Experiences
Member	Bachelor's degree in Finance	12 years in finance and management

\*Mr. Ali bin Riyad bin Mohammed Al-Humaidan has been transferred from the Nominations and Rewards Committee to the Audit Committee on 01/06/2023.

**Second: Names of the board members, committee members, executive management, their current positions, qualifications, and experiences.**

**E. Executive Management:**

**Mazen Abdullah Badawood**

Current position	Qualifications	Experiences
Chief Executive Officer Company Representative at the Capital Market Authority Senior executive at the company	Bachelor of Engineering	30 years in management

**Ahmed Muneer Al-Salwi**

Current position	Qualifications	Experiences
Director of Human Resources and Public Affairs Department Senior executive at the company	Bachelor of Business Administration	Over 32 Years of Experience in Accounting, Auditing, and Management

**Sarhan Saud Shuwait Al-Subayie**

Current Position	Qualifications	Experiences
Manager of the Agricultural Sector Management Senior executive at the company	Bachelor of Agricultural Engineering	26 years in the agricultural sector

**Ziyad Mohammed Al-Jaafreh**

Current Position	Qualifications	Experience
Financial Management Director Senior executive at the company	Holder of a Bachelor of Commerce - Accounting, with a CPA and CFE certification.	26 years in accounting and management

**Abdulmohsen Ahmed Al-Jarah Allah**

Current Position	Qualifications	Experience
General Manager of the Industrial Sector Senior executive at the company	Master of Business Administration	years in management 20





**Third: The names of companies inside and outside the Kingdom where a member of the company's board of directors is a member of its board of directors:**

Name	Position	Membership in other joint stock company boards
Eng. Badr bin Hamed bin Abdul Razzaq Al-Ojayan	Chairman of the Board	Othaim Markets Company (Saudi Arabia) (listed), Arab Company for Agricultural Services (Arasco) (closed), Fourth Mills Company (closed), Othaim Markets Egypt Company (closed), National Biscuit Industries Company LLC, Saudi Company for Agricultural Investment and Animal Production "Salic", Nuqul Company, National Food Industries Company LLC.
Dr. Rasheed bin Rashid bin Saad Awwin	Vice Chairman	Al-Silak Wire Industries Union (ASLAK) (Listed) - Al-Manif Trading and Industry Company (Listed Joint-Stock Company), Numerals (Investment Company (Limited Liability
Mr. Ahmed bin Ibrahim bin Mohammed Heijan	Board Member	-
Mr. Khalid bin Mohammed bin Abdullah Al-Ali Al-Arfi	Board Member	Raza Real Estate Company
Mr. Abdul Rahman bin Abdul Aziz Al-Yemni	Board Member	Saudi Chemical Company (Listed Joint-Stock Company)
Mr. Ali bin Riyadh bin Mohammed Al-Humaidan	Board Member	Life Towers Factory LLC, a subsidiary of .Andalus Gateway Holdings LLC
Mr. Omar bin Riyadh bin Mohammed Al-Humaidan	Board Member	National Glass Industries Company (Zoujaj) (listed), a part of the Fattahi Group.
Mr. Muqaid bin Abdullah bin Abdul Mohsen Al-Khamis	Board Member	United International Transportation Company (Budget Saudi Arabia), National Glass Industries Company (Zoujaj) (Listed)
Ms. Nawar bint Hamad bin Ibrahim Al-Bahli	Board Member	-

\*Mr. Khaled bin Mohammed bin Abdullah Al-Arfi resigned on the 31/5/2023.

**Fourth: Formation of the Board of Directors and Classification of its Members:**

	Name	Position	Executive	Non-executive	Independent
1	Eng. Bader bin Hamed bin Abdul Razzaq Al-Ojayan	Chairman			✓
2	Dr. Rasheed bin Rashid bin Saad Awwan	Vice-Chairman		✓	
3	Mr. Ahmed bin Ibrahim bin Mohammed Heijan	Board Member			✓
4	Mr. Khalid bin Mohammed bin Abdullah Al-Ali Al-Araifi	Board Member			✓
5	Mr. Abdul Rahman bin Abdul Aziz Al-Yemni	Board Member		✓	
6	Mr. Ali bin Riyadh bin Mohammed Al-Humaidan	Board Member		✓	
7	Mr. Omar bin Riyadh bin Mohammed Al-Humaidan	Board Member		✓	
8	Mr. Muqaid bin Abdullah bin Abdul Mohsen Al-Khamis	Board Member			✓
9	Ms. Nawar Bint Hamad Bin Ibrahim Al Bahli	Board Member			✓

**Fifth: The measures taken by the board of directors to inform its members - especially non-executive ones - of the shareholders' proposals and comments regarding the company and its performance.**

- Holding regular meetings between the chairman of the board and non-executive board members to encourage non-executive board members to effectively carry out their duties in a manner that serves the company's public interest, ensures the neutrality of opinions, and gathers their views on the company's operations.
- Empowering board members and their committees to review the minutes of board and committee meetings (Audit Committee, Nomination and Remuneration Committee, Executive Committee), discuss proposals from attending shareholders at the general assembly, document their inquiries in the meeting minutes, discuss them with board members, and act upon them if beneficial to the company, working to address them if they are observations on the company's performance.
- Communication with shareholders and investors: The company acknowledges the importance of communicating with its shareholders and providing them with information. In line with the principles of disclosure and transparency, the company has undertaken the following:
  - Publishing quarterly financial statements and the annual accounts for the financial year 2023 on the Tadawul website within the specified period.
  - Adhering to the format of announcements specified by the Capital Market Authority, including essential information that should be included and the publication dates of these announcements.
  - Preparing a board of directors report in accordance with the disclosure requirements outlined in the governance regulations.
  - Every shareholder of the company - without exception - can access the minutes of general assemblies, any annual reports of the board of directors on the Tadawul website and the company's website, either in person, by request via email or fax.
  - A dedicated company email has been established to receive complaints and suggestions from all stakeholders (shareholders, customers, suppliers, employees).

\*Mr. Khaled bin Mohammed bin Abdullah Al-Arfi resigned on the date of 31/05/2023.

## Evaluation of Board of Directors Meetings Attendance during the Financial Year 2023:

Name	Title	2 March	7 May	6 August	8 November	14 December	Attendance Rate
1 Eng. Badr bin Hamed bin Abdul Razzaq Al-Ojjan	Chairman of the Board	✓	✓	✓	✓	✓	100 %
2 Dr. Rasheed bin Rashid bin Saad Awwin	Vice Chairman	✓	✓	✓	✓	✓	100 %
3 Mr. Ahmed bin Ibrahim bin Mohammed Heijan	Board Member	✓	✓	✓	✓	✓	100 %
4 * Mr. Khalid bin Mohammed bin Abdullah Al Ali Al-Arfi	Board Member	✓	✓				100 %
5 Mr. Abdul Rahman bin Abdul Aziz Al Yemni	Board Member	✓	✓	✓	✓	✓	100 %
6 Mr. Ali bin Riyad bin Mohammed Al-Humaidan	Board Member	✓	✓	✓	✓	✓	100 %
7 Mr. Omar bin Riyad bin Mohammed Al-Humaidan	Board Member	✓	✓	✓	✓	✓	100 %
8 Mr. Muqaid bin Abdullah bin Abdul Mohsen Al-Khamis	Board Member	✓	✓	✓	✓	✓	100 %
9 Ms. Nawar bint Hamad bin Ibrahim Al-Bahli	Board Member		✓	✓	✓	✓	80 %

### Sixth: A brief description of the mandates of the main committees of the Board of Directors, their tasks, chairpersons, members, number of meetings, meeting dates, and attendance records of members for each meeting.

#### 1 - The Executive Committee:

##### (1) Overview of the Executive Committee Formation:

The executive committee consists of a president and two members, all of whom are board members.

##### (2) Committee Members:

- 1- Eng. Bader bin Hamed bin Abdulrazak Al-Ojjan, Committee Chairman
- 2- Dr. Rasheed bin Rashid bin Owein, Committee Member
- 3- Mr. Omar bin Riyad bin Mohammed Al-Humaidan, Committee Member

- The executive committee of the company is appointed by the board of directors to provide the ability to respond quickly in emergency situations, in addition to assisting the board in carrying out its duties.

#### 2 - Audit Committee:

##### (1) Overview of the Audit Committee Formation :

- The audit committee consists of three members, including one member from outside the board of directors, and two independent members..

##### (2) Committee members:

- Mr. Mohamed Ahmed Yassin El-Sheikh, Chairman of the Committee - External Board Member
- \* Mr. Khaled Mohammed Abdullah Al-Arfi, Committee Member, Board Member - Independent Member of the committee and an independent member of the board of directors.
- Mr. Ahmed bin Ibrahim bin Mohammed Heijan
- \*\* Mr. Ali bin Riyad bin Mohammed Al-Humaidan Committee Member, Non-Executive Board Member.

##### (3) Tasks and Responsibilities:

The Audit Committee is responsible for monitoring the company's operations, verifying the integrity and accuracy of financial reports and statements, as well as its internal control systems. The committee's specific tasks include:

\*Mr. Khalid bin Mohammed bin Abdullah Al-Arfi resigned on the 31/5/2023.

\*\* Mr. Ali bin Riyad bin Mohammed Al-Humaidan was appointed on 01/06/2023.

#### A. Financial Reports :

- 1) Reviewing the company's quarterly and annual financial statements before presenting them to the board of directors, providing an opinion, and making recommendations regarding them.
- 2) Providing a technical opinion at the request of the board of directors on whether the board's report and the company's financial statements are fair, balanced, understandable, and include information that enables shareholders and investors to assess the company's financial position, performance, business model, and strategy.
- 3) Examining any important or unfamiliar issues included in the financial reports.
- 4) Thoroughly investigating any issues raised by the company's CFO, compliance officer, or auditors.
- 5) Verifying the accounting estimates in the essential matters in the financial reports.
- 6) Reviewing the financial and accounting policies followed by the company and providing an opinion and recommendations to the board of directors regarding them.

#### B. Internal Audit :

- 1) Study and review of the company's internal control, financial systems, and risk management.
- 2) Review of internal audit reports and monitoring the executive management in implementing corrective actions and addressing the observations included therein.
- 3) Oversight and supervision of the internal auditor's performance and activities and the company's internal audit management, if any, including the approval of its regulations, verifying the availability and effectiveness of necessary resources in carrying out its assigned tasks, and if the company does not have an internal auditor, the committee should recommend to the board the need for its appointment.
- 4) Approval of the annual audit plan and any amendments that may arise, as well as the approval of the estimated budget for internal audit management and the training plan.
- 5) Recommendation to the board of directors regarding the appointment or dismissal of the internal audit manager, along with proposing their remuneration.

#### C. Auditors:

- 1) The recommendation to the Board of Directors to nominate auditors, define their fees, evaluate their performance, review their scope of work, and establish terms for engagement.
- 2) Verifying the independence, objectivity, fairness, and effectiveness of the audit activities, considering relevant rules and standards.
- 3) Reviewing the company's audit plan, ensuring no provision of technical or managerial services beyond the audit scope, and providing feedback on such matters.
- 4) Studying the auditor's report and comments on the financial statements, and monitoring actions taken in response.
- 5) Monitoring the auditors' activities, approving any work outside the audit scope assigned to them during the audit.
- 6) Finding solutions for any discrepancies that may arise between management and auditors regarding financial statement disclosures or financial accounting policies.

#### D. Commitment Guarantee:

- 1) Reviewing the results of regulatory authorities' reports and verifying the company's implementation of necessary actions regarding them.
  - 2) Elevating any issues deemed requiring action to the Board of Directors and providing recommendations on the necessary steps to be taken.
- The Audit Committee supervises the internal audit in the company, examines the periodic financial reports, internal and external audit reports, and assesses their effectiveness. It also verifies the efficiency of control systems, recommends the establishment of robust control systems, and monitors the work of the auditors. The committee's membership lasts for three years concurrently with the Board of Directors' term.

**Sixth: A brief description of the responsibilities of the main committees of the Board of Directors, their tasks, chairpersons, members, number of meetings, meeting dates, and attendance details for each member at every meeting.**

**2) Audit Committee Meetings during the year 2023.**

The Audit Committee held (10) meetings during the year 2023 as follows:

Name	Position	06 Feb	21 Feb	26 Feb	27 Ma	10 Apr	6 May	4 Jun	3 Aug	21 Sep	2 Nov	Attendance Rate
1 Mr. Mohammed Ahmed Yassin Al-Sheikh	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100 %
2 Mr. Khalid bin Mohammed Al-Arifi	Member	✓	✓	✓	✓	✓	✓					100 %
3 Mr. Ahmed bin Ibrahim bin Hijan	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100 %
Mr. Ali bin Riyad bin Mohammed Al-Humaidan	Member							✓	✓	✓	✓	100 %

**3 - Nominations and Remuneration Committee :**

The committee assists the board of directors in efficiently and effectively carrying out its supervisory duties. Specifically, the committee is responsible for identifying competent board members and executive directors, ensuring that the company's nomination policy results in appropriate appointments, fostering the development and retention of distinguished board members and executives, thereby aiding the company in achieving its objectives. The committee establishes criteria for determining the independence of a board member, implements a suitable mechanism to inform shareholders of any changes that may compromise a member's independence, and verifies the absence of any conflicts of interest if the member holds a position on another company's board.

Furthermore, the Nominations and Remuneration Committee conducts an annual review of the requirements for board membership in accordance with approved policies and standards, assesses the board's structure, makes recommendations regarding changes, and annually confirms the independence of independent members and absence of conflicts of interest for members holding positions on other boards. The committee's term is three years, coinciding with the board of directors' term. The responsibilities of the Nominations and Remuneration Committee are outlined below.

**Nomination and Remuneration Committee Responsibilities:**

**A. Regarding Nominations:**

- 1) The annual review of the required skills for suitable membership of the Board of Directors and the preparation of a description of the capabilities and qualifications required for Board membership, including determining the time that the member needs to allocate to Board activities.
- 2) Reviewing the Board of Directors' structure and making recommendations regarding possible changes.
- 3) Identifying the weaknesses and strengths in the Board of Directors and proposing remedies in line with the company's interests.
- 4) Establishing criteria to determine the independence of a Board member, developing a suitable mechanism to inform shareholders of any changes that may lead to the loss of the member's independence, and ensuring there are no conflicts of interest if the member holds a position on another company's Board of Directors.
- 5) Formulating recommendations for the Board of Directors concerning the specific criteria for selecting individuals to fill the positions of executive director, CEO, and department managers who report directly to the executive director/CEO.
- 6) Conducting an initial assessment of candidates for the positions of Executive Director or Chief Executive Officer, as well as department managers who directly report to the Executive Director/CEO.
- 7) Drafting job descriptions and contract terms for both the CEO position and department managers within the company.

**B. Regarding Bonuses:**

- 1) Establish appropriate criteria and procedures to evaluate the performance of the CEO and department managers within the company.
- 2) Conduct periodic evaluations of the activities of the CEO and department managers within the company.
- 3) Develop policies related to continuous improvement in the performance of employees at the senior management levels.
- 4) Review the CEO/General Manager's recommendations regarding the directions and general criteria for financial rewards, other benefits for senior executives, their approval, and implementation by the CEO.

**C. Regarding Governance:**

- 1) Study the topics referred by the Board of Directors to the Committee and submit recommendations to the Board regarding them.
- 2) The Committee will conduct an annual review and evaluation of its charter to ensure the fulfillment of its duties and submit recommendations to the Board regarding any necessary amendments.
- 3) The Committee will provide a regular report on its activities to the Board of Directors annually.

**D. Recommendations of the Nominations and Remuneration Committee:**

- 1) Recommendation to the Board of Directors to increase the Chairman's remuneration by \$100,000 for the year 2023 until the current board term concludes on 21/03/2024.

The following is a statement of the committee's membership and attendance record at its meetings during the year 2023 as follows:

Name	Position	9 November	20 September	11 October	Attendance Rate
1 Mr. Muqaid Bin Abdullah Bin Abdulmohsen Al Khamees	Committee Chairman	✓	✓	✓	100 %
2 Mr. Abdulrahman Bin Abdulaziz Al Yemni	Committee Member	✓	✓	✓	100 %
3 *Mr. Ali Bin Riyad Bin Mohammed Al Hameidan	Committee Member	✓			100 %
4 Ms. Nawar Bint Hamad Bin Ibrahim Al Bahli	Committee Member	✓	✓	✓	100 %

\*Mr. Ali bin Riyad bin Mohammed Al-Humaidan's transfer from the Nominations and Rewards Committee to the Audit Committee is effective as of 01/06/2023.



**Sixth: A brief description of the main responsibilities of the Board of Directors' committees, their tasks, chairpersons, members, number of meetings, meeting dates, and attendance records of members for each meeting.**

**2- The Executive Committee:**

**(1) Overview of the formation of the Executive Committee:**

- The executive committee consists of a chairman and two members, all of whom are board members.

**(2) Committee members:**

- 1- Eng. Badr bin Hamed bin Abdul Razzaq Al-Ojayan Committee Chairman
- 2 - Dr. Rasheed bin Rashid bin Awain Committee Member
- 3- Mr. Omar Bin Riyad Bin Mohammed Al-Humaidan Committee Member

•The executive committee of the company is appointed by the board of directors to provide the ability to respond quickly in emergency situations, in addition to assisting the board in efficiently and effectively performing its supervisory duties, especially concerning the implementation of the company's strategic objectives and prioritizing its financial and operational activities.

**(3) Tasks and Responsibilities:**

The Executive Committee provides recommendations to the Board of Directors on various matters related to operational issues, with the board delegating certain tasks to the committee. The following outlines the responsibilities of the Executive Committee according to the latest update of the Company's Corporate Governance Charter:

- 1- Participating in developing new strategic plans for the company, evaluating proposals presented by the executive management for such plans, including, but not limited to, mergers, acquisitions, entry into new projects, expanding existing production capacity, and making recommendations on these matters to the Board of Directors.
- 2- Reviewing the company's performance based on monthly management reports in light of set objectives and budget estimates, measuring performance against results, studying the impact of future external and internal factors on the company's operations.
- 3- Providing recommendations to the Board of Directors regarding the budget estimates.
- 4- Reviewing and evaluating proposals for new capital investments and making decisions on matters within the committee's jurisdiction in accordance with the approved Powers and Responsibilities Manual of the company.
- 5- Reviewing proposed policies and regulations from the executive management and recommending the appropriate decision to the Board of Directors.
- 6- Periodically reviewing the company's governance rules, policies, and professional conduct controls in accordance with the company's governance rules, and making recommendations to the Board of Directors for any necessary amendments.
- 7- Monitoring the implementation of decisions by the board and the executive committee and executing any tasks referred by the Board of Directors to the committee.
- 8- Reviewing the annual budget with the management before submission to the Board of Directors for approval.

- 9- Supervising the preparation of economic feasibility studies, consultancy studies, and executive plans.
- 10- Monitoring the company's financial position, cash flow, sources of financing as necessary, and its operational and marketing policies.
- 11- Studying and monitoring any activities that may impact the company's reputation and image.

**• The most important decisions and recommendations of the Executive Committee meetings in the eleventh session of the Council for the year 2023.**

- \* Studying and amending the bylaws to align with the new Companies Act and recommending it to the board, then to the general assembly for approval.
- \* Monitoring the timely and cost-effective implementation of the Potato Finger Factory project without any incidents.
- \* The committee has approved the potato supply plan for the factory for the years 2023 and 2024.
- \* Recommending the signing of a memorandum of understanding with ENGIE Energy Company for utilizing solar energy for the company's project in the (Basita) area.
- \* The committee has endorsed the capital budget and recommended it to the board for approval, which has been granted.
- \* The committee has recommended the signing of a memorandum of understanding with the Korean company EGG, the owner of Mycetiose technology, to develop potato seeds for conducting necessary studies to establish a partnership for seed production in the Kingdom of Saudi Arabia.

**• The Executive Committee of the Council held a total of 8 meetings in the year 2023, with the following attendance:**

	Name	Position	2 May	20 May	22 June	26 July	30 August	1 October	30 October	7 December	Attendance Rate
1	Eng. Badr bin Hamed bin Abdul Razzaq Al-Ojjan	President	✓	✓	✓	✓	✓	✓	✓	✓	100 %
2	Dr. Rasheed bin Rashid bin Saad Awwen	Member	✓	✓	✓	✓	✓	✓	✓	✓	100 %
3	Mr. Omar bin Riyad bin Mohammed Al-Humaidan	Member	✓	✓	✓	✓	✓	✓	✓	✓	100 %

**Seventh: The methods relied upon by the Board of Directors in evaluating its performance, the performance of its committees and members, and the external entity that conducted the evaluation and its relationship with the company.**

We are currently working on activating this item

**Eighth: Disclosure of the remuneration of the Board of Directors, its committees, and the executive management.**

**Policy for distributing bonuses to board members, committees, and executive management: -**

In light of the regulations governing the remuneration of the Board of Directors and its subcommittees as stipulated in the company's bylaws, corporate governance regulations, and the regulatory controls and procedures issued in compliance with the regulations governing listed companies; and the company's articles of association; the remuneration of the Board of Directors and its subcommittees, as well as the executive management, aims to organize remuneration to attract board members or committee members with scientific, technical, managerial efficiency, and relevant experience enabling them to perform their duties and responsibilities professionally and efficiently, considering the sector in which the company operates and the necessary skills to manage it.

The company also aims to create an attractive working environment through which it can attract human resources with the required skills and experiences and retain them to sustain its growth and achieve its vision; this is achieved through the organizational framework of executive compensation in the company in line with relevant regulations, legislation, and related practices falling under the authority of the General Assembly of shareholders to determine and approve the fees received by the Board members for their service on the Board or its affiliated committees.

The remuneration of the Board of Directors is calculated as follows:

The remuneration of a Board member may be a specific amount, attendance fees, in-kind benefits, or a certain percentage of net profits. It is permissible to combine two or more of these benefits while adhering to the guidelines set forth in the governance regulations issued by the Capital Market Authority and the company's regulations.

**(A) Board of Directors' Bonuses Paid for the Year 2023**

Name	Fixed Bonuses					Variable Bonuses					Expenses (transportation - accommodation)	
	Certain amount (annual bonus)	Attendance allowance for board meetings	Total attendance allowance for subcommittees	Membership bonus in subsidiaries and committees	Attendance allowance for subsidiaries and Chairman of the board	Total	Percentage of profits	Periodic bonuses	Short-term incentive plans	Long-term incentive plans		Value of granted shares
Eng. Badr bin Hamed bin Abdul-razak Al Awjan	350,000	15,000	24,000	50,000	-	439,000	-	-	-	-	-	-
Dr. Rasheed bin Rashid bin Awwin	200,000	15,000	24,000	50,000	-	289,000	-	-	-	-	-	-
Mr. Ahmed bin Ibrahim bin Mohammed Hejjan	200,000	15,000	30,000	75,000	-	320,000	-	-	-	-	-	-
Mr. Khalid bin Mohammed bin Abdullah Al Ali Al Arifi	116,667	6,000	15,000	31,250	-	168,917	-	-	-	-	-	-
Mr. Abdulrahman bin Abdulaziz Al Yemni	200,000	15,000	9,000	50,000	-	274,000	-	-	-	-	-	-
Mr. Ali bin Riyad bin Mohammed Al Humeidan	200,000	15,000	15,000	64,583	-	294,583	-	-	-	-	-	-
Mr. Omar bin Riyad bin Mohammed Al Humeidan	200,000	15,000	24,000	50,000	-	289,000	-	-	-	-	-	-
Mr. Muqaid bin Abdullah bin Abdul-mohsen Al Khamees	200,000	15,000	9,000	50,000	-	274,000	-	-	-	-	-	-
Ms. Nawar bint Hamad bin Ibrahim Al Bahli	200,000	12,000	9,000	50,000	-	271,000	-	-	-	-	-	-
<b>Total</b>	<b>1,866,667</b>	<b>123,000</b>	<b>159,000</b>	<b>470,833</b>	<b>-</b>	<b>2,619,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(B) Statement showing the total salaries, wages, allowances, and highest bonuses received by five of the top executives in the company, including the CEO and CFO, for the year 2023.**

According to Article 93 of the Corporate Governance Regulations, the disclosure of executive management bonuses during the year 2018 is shown in the table below, detailing the bonuses granted to five top executives who received the highest bonuses from the company, including the CEO and CFO.

Name	Salaries	Allowances	Non-monetary benefits	Total	Periodic bonuses	Profits	Short-term incentive plans	Long-term incentive plans	Value of granted shares	Total	End-of-service bonus	Board executives' bonus	Total
<b>Executive Bonuses</b>	<b>5,376,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,277,045</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,653,791</b>



Committee members' remuneration for the board that commenced its term in 2023:

The Statement	Total Attendance Allowance Fixed Bonuses	Meeting attendance allowance	Total
<b>Audit Committee</b>			
Mr. Mohammed Ahmed Yassin Al-Sheikh	120.000	30.000	150.000
Mr. *Khaled Mohammed Abdullah Al-Arifi	31.250	15.000	46.250
Mr. Ahmed bin Ibrahim bin Mohammed Heijan	75.000	30.000	105.000
Mr. **Ali bin Riyad bin Mohammed Al-Humaidan	43.750	12.000	55.750
<b>Total</b>	<b>270.000</b>	<b>78.000</b>	<b>357.000</b>
<b>Nomination and Remuneration Committee</b>			
Mr. Muqaid bin Abdullah bin Abdulmohsen Al-Khamees	50.000	9.000	59.000
Mr. Abdulrahman bin Abdulaziz Al-Yemni	50.000	9.000	59.000
Mr. **Ali bin Riyad bin Mohammed Al-Humaidan	20.833	3.000	23.833
Ms. Nawar bint Hamad bin Ibrahim Al-Bahli	50.000	9.000	59.000
<b>Total</b>	<b>170.833</b>	<b>30.000</b>	<b>200.833</b>
<b>Executive Committee</b>			
Engineer Badr bin Hamed bin Abdul Razzaq Al-Ojjan	50.000	24.000	74.000
Dr. Rasheed bin Rashid bin Saad Awin	50.000	24.000	74.000
Mr. Omar bin Riyad bin Mohammed Al-Humaidan	50.000	24.000	74.000
<b>Total</b>	<b>150.000</b>	<b>72.000</b>	<b>222.000</b>

**Ninth: Any penalty, sanction, precautionary measure, or provisional restriction imposed on the company by the regulatory authority or any supervisory, regulatory, or judicial body.**

Penalty or Punishment	Reason for the fine	The entity that imposed the penalty	Ways of treatment and prevention	Value of the fine in Saudi Riyals
Violation of Saudization	Employing foreign workers in jobs reserved for Saudis (Dammam).	Ministry of Human Resources	The issue has been resolved, and a local employee has been appointed.	SAR 7,000
Violation of the Water and Electricity Authority	Failure to obtain the necessary licenses before advertising.	Electricity Regulatory Authority	The fine has been paid and charged to the executing entity.	SAR 70,000

\*Mr. Khaled bin Mohammed bin Abdullah Al-Arifi resigned on 31/05/2023.

\*Mr. Ali bin Riyad bin Mohammed Al-Humaidan's transfer from the Nominations and Rewards Committee to the Audit Committee is effective as of 01/06/2023.



**Tenth: The results of the annual review of the effectiveness of the company's internal control procedures, in addition to the opinion of the Audit Committee on the adequacy of the company's internal control system.**

The Audit Committee can provide reasonable assurance about the adequacy of the company's internal control systems. The Audit Committee has not identified any significant weaknesses or material deficiencies in the internal control systems and policies that should be disclosed or believed to exist. It should be noted that complete assurance of the effectiveness of any internal control system cannot be provided. The Committee recommends the company to continuously update systems, policies, and procedures that enhance the internal control environment.

**Eleventh: Recommendation from the Audit Committee regarding the need to appoint an internal auditor in the company:**

- 1) Contracting with a certified internal audit firm to update the infrastructure for internal audit management and implement certain audit programs based on risk-based auditing.
- 2) Due to the passing of the Internal Audit Department Manager, the search is ongoing for a new manager to oversee internal audit functions and fill the position.

**Twelfth: Recommendations of the Audit Committee that are in conflict with the decisions of the Board of Directors, or those rejected by the Board, regarding the appointment of the company's auditor, their dismissal, fee determination, performance evaluation, or the appointment of the internal auditor, along with justifications for these recommendations and reasons for not adopting them.**

There is no conflict or rejection between the recommendations of the Audit Committee and the decisions of the Board of Directors.



**Social contributions**



# Social contributions

## Thirteen: Details of the Company's Social Contributions for the Year 2023.

The company has fulfilled its corporate social responsibilities as part of its commitment to social responsibility.

### Environment, Health, Safety, and Security

- Al Jouf Company is committed to achieving the highest levels of performance in the fields of environment, health, safety, and security in its project, by exceeding the desired commitment level in executing its operations and instilling this approach among all employees and stakeholders. The company strives to align with the best standards in all its operations, aiming to set an example of commitment and environmental, health, safety, and security preservation. By the grace of Allah, the year 2023 was completed without any lost work hours.
- The company's performance in the areas of environment, health, safety, and security is among the highest known levels among companies, with a continuous improvement in this performance and its inclusion in its future objectives. This outstanding performance has been achieved through the commitment of all executive leadership in the company, with unlimited support and assistance in all technical, training, and educational fields to support the company's journey towards leadership.

### Work Environment

- Considering the interests of employees and the diversity of cultures resulting from the different nationalities of the employees, and providing care, security, and safety precautions.
- Improving the living conditions of employees through a commitment to a policy of granting incentives and production bonuses.
- Providing social, cultural, and suitable housing services for employees and their families, as well as providing appropriate means of transportation for them.
- Focusing on cultural, sports, and religious activities for all employees of the company with their various nationalities and cultures.
- Organizing sports, religious, and cultural competitions for all nationalities.
- Arranging regular trips to sacred places.
- Establishing a harmonious urban community of different nationalities and cultures within the company's project.



## Thirteen: Details of the Company's Social Contributions in 2023.

### Markets and Clients

- Prioritizing consumer satisfaction and providing all necessary facilities to deliver the company's products to the farthest corners of the kingdom.
- Taking into consideration the interests of clients and consumers in selecting the company's agricultural and commercial investment types.
- Our commitment to quality forms the foundation of our investments, with quality management and product development efforts dedicated to consistently delivering the best products to ensure the highest standards of excellence.
- Our progress is the result of our continuous pursuit of improvement and excellence, encompassing a unique mix of infrastructure including farms, factories, and distribution networks with global standards.
- We strive to achieve the necessary balance between market supply and demand while maintaining prices at levels that make food products accessible to all segments of society, regardless of income levels.
- Adhering to the implementation of quality systems at various production points and stages to ensure and confirm that consumers receive high-quality products at competitive prices.

### Community Contribution

Al Jouf Agricultural Development Company believes in its pioneering and social role, aiming to embrace economic social responsibility and environmental sustainability, encouraging positive impacts through the company's activities for sustainable development on the environment, employees, and the community. This includes supporting education, employment projects, innovation, and economic development plans. This has been reflected in the following:

#### 1- Sponsorship of the First International Al-Jouf Agricultural Forum:

The company sponsored the first International Al-Jouf Agricultural Forum, held in Sakaka on 5/12/2022, under the patronage of His Royal Highness Prince Faisal bin Nawaf bin Abdulaziz, the Prince of Al-Jouf region, in the presence of His Excellency the Minister of Environment, Water, and Agriculture, Engineer Abdulrahman Al-Fadli. The forum witnessed numerous events and presentations of scientific papers by scholars worldwide focusing on agriculture and its applications aimed at optimizing water consumption while achieving superior crop yields. Participants, including international experts, discussed various working papers in the agricultural sector. Additionally, an exhibition featuring major agricultural entities and farmers was held on the sidelines of the forum.

#### 2- The Gold Sponsor of the 15th edition of the International Olive Festival:

The Al-Jouf Olive Festival is one of the largest and most renowned olive festivals not only in the region but globally. It aims to market olive production and olive oil to farmers and major companies in the Al-Jouf region. The first edition was launched in 2008 and is held annually at the Prince Abdul Ilah Center in the city of Sakaka. In its fifteenth edition, several Arab and foreign countries participated, and the festival witnesses significant development each year.

**Thirteen: Details of the Company's Social Contributions in 2023.**



The Diamond Sponsor of the Prince Faisal bin Nawaf bin Abdulaziz Al Saud Award for Educational and Institutional Excellence. The launch of the award for educational and institutional excellence in its second edition on November 17, 2022, is an extension of the company's efforts in this vital field and is in line with the support and attention provided by the wise leadership - may Allah support them - towards human development and investing in intellects. This initiative aims to engage the creative minds of the nation in striving for excellence.

**Fourteenth: Statement of the dates of the ordinary and extraordinary general meetings of the shareholders held during the last financial year and the names of the board members present at these meetings.**

	Name	Ordinary 8 May 2023	Extraordinary 19 December 2023
1	Eng. Badr Bin Hamed Bin Abdul Razzaq Al-Ojayan	☑	☑
2	Dr. Rasheed Bin Rashid Awwin	☑	☑
3	Mr. Ahmed Bin Ibrahim Bin Mohammed Heijan	☑	☑
4	*Mr. Khalid Bin Mohammed Bin Abdullah Al-Ali Al-Areifi	☑	
5	Mr. Abdul Rahman Bin Abdul Aziz Al-Yemni	☑	☑
6	Mr. Ali Bin Riyad Bin Mohammed Al-Humaidan	☑	☑
7	Mr. Omar Bin Riyad Bin Mohammed Al-Humaidan	☑	☑
8	Mr. Muqaid Bin Abdullah Bin Abdul Mohsen Al-Khamis	☑	☑
9	Ms. Nawar Bint Hamad Bin Ibrahim Al-Bahli	☑	☑

**Fifteenth: Key Company Activities**

Al Jouf Agricultural Development Company is intensifying its activities in agricultural production, manufacturing, and marketing. The company's project is considered one of the best in the Kingdom in terms of its inventory of groundwater and soil fertility, enabling it to achieve high average productivity across all crops. Shortly after its establishment, it has become one of the most important and leading agricultural companies in the food security sector. Al Jouf has pursued excellence in marketing and sales, aiming to reach high levels of efficiency. The company consistently strives to deliver its products to all consumer sectors within the Kingdom through sales outlets spread across the country to meet the citizens' food needs with its products. By doing so, the company seeks to achieve its goal of maximizing sales and consequently maximizing profits for the benefit of its shareholders.

**Below is a description of the most important activities of the company:**

\*Mr. Khaled bin Mohammed bin Abdullah Al-Arifi resigned on 31/05/2023.

## Wheat

Wheat is considered one of the company's strategic crops, distinguished by its high productivity compared to other companies and the modern irrigation methods used in its cultivation. This crop is also among the most important crops contributing to the state's strategy, may Allah protect it, in ensuring food security. The company, accredited by the Ministry of Environment, Water, and Agriculture, provides seeds to farmers and is one of the largest wheat producers in the Kingdom.

## Olive

The olive sector is one of the important sectors in the company and a key pillar. The company has made significant investments in this field after studying market needs and demand. Thanks to Allah, Al Jouf Olive Oil is considered the best olive oil in the Middle East and even globally, according to our participation results in international competitions in Italy, America, and Spain (New York Olive Oil International Competition). Exclusive new varieties have been selected for the company, distinguished by increased productivity and quality, setting us apart by producing high-quality oil. The company's oil is organic, 100% IC, and has obtained certifications from leading centers specializing in overseeing organic farming (BCS) and the German TAWTHIQ. Additionally, the company is:

1) A member of the Saudi Organic Agriculture Association and the largest producer of organic olive oil in the Middle East.

2) Holder of HACCP & ISO22000 certifications, ensuring compliance with global food safety standards.

3) It owns production lines with a capacity of processing 600 tons of fruits daily and olive oil packaging and filling lines with an annual capacity of 8,000 tons.

4) During the 2022 fiscal year and ongoing, the company is continuously developing and improving equipment and production lines at the olive oil factory to be among the world's top in quality and olive oil production.

5) The company consistently participates in specialized associations and globally published conferences on olive production and industry, staying updated on the latest technologies to enhance its performance in olive cultivation, processing, and olive oil production. It provides intensive training to its workforce in this field to achieve these goals.

## Fruit

The company is currently finalizing its plan regarding the replacement of economically unviable varieties with modern ones. The efficiency of these new varieties has been confirmed both in terms of production and marketing. Modern agricultural methods, in a V-shaped layout, have been adopted to increase the number of trees per unit area and achieve higher productivity at a lower cost. It is worth noting that the company's cultivated varieties include peaches, apricots, nectarines, and grapes.



## Potatoes

Al-Jouf Company excels in potato production throughout two seasons (spring and autumn) due to the suitability of weather conditions. The project ranks among the most productive ventures in the Kingdom, catering to the local markets and factories with fresh potatoes. The company stands out for its diverse range of potato varieties.

## Palm Trees

Date Palm is classified after the success of its experience in the company. Al-Jouf Date Palm stands out as the best in the Kingdom in terms of size and quality. The company currently produces in a vast area estimated at around 150 hectares, containing over 15,000 palm trees.

## Nursery

The company has a large nursery equipped with a modern irrigation system to propagate various seedlings such as fruit seedlings, olive seedlings, and ornamental tree seedlings. This is to meet the company's need for seedlings instead of importing them at a high cost, as well as to fulfill the local market's demand for seedlings and support farmers by providing reliably sourced seedlings suitable for the region's climate.



### Contribution of sectors to company revenues and profits

(Contribution of Sectors to Company Revenues and Profitability in 2023)

Type of Activity	Operating Revenues	Ratio	Impact on Results
Agricultural Manufacturing Sector	235,154,328	68%	42,319,599
Agricultural Sector	191,280,973	17%	10,630,252
Others*	0	15%	9,019,000
<b>Total</b>	<b>426,435,301</b>	<b>100%</b>	<b>61,968,851</b>

\* Investment with Rakha Company in Egypt

## The most important future plans and decisions include the following:

- 1) In line with the state's policy aimed at conserving water resources, the company has been prompted to seek alternatives that add value, particularly in the industrial environment. The focus on this environment within the company represents a key pillar in meeting the requirements of the upcoming phase after conducting a feasibility study in this regard, applying the latest global technologies in the field of irrigation.
- 2) Optimal utilization of the company's resources.
- 3) Attracting national competencies and expertise needed to carry out tasks and achieve the strategic objectives established for them.
- 4) Enhancing the productivity efficiency of all crops with lower water requirements.
- 5) Continuing efforts to reduce costs, cut expenses, and achieve lucrative returns for shareholders in line with their aspirations.
- 6) The company's management aims to maintain a positive, stimulating work environment with high productivity.
- 7) The company's management is committed to providing training and qualification programs for its employees to enhance their efficiency and prepare them for available positions within the company.
- 8) Working on the initiative to shift from liquid fuel to electricity within the company instead of diesel.

**Seventeenth: Information related to any risks facing the company (risks confronting the company amid current and future challenges).**

## Financial Risk Management

The company's activities are exposed to a variety of financial risks: market risks (including currency risks, fair value risks, cash flow risks, interest rate risks, and price risks), credit risks, and cash flow risks. The company's overall risk management program focuses on financial market fluctuations, aiming to mitigate potential negative impacts on the company's financial performance. Therefore, the company utilizes derivative financial instruments to hedge against specific risks.

### Financial Risk Management Framework:

- The risk management policy is implemented by senior management in accordance with policies approved by the board of directors. Senior management identifies, evaluates, and hedges financial risks in close collaboration with the company's operating units.
- The most significant types of risks are credit risks, currency or fair value risks, and interest rate risks for cash flows.
- The board of directors is responsible for establishing and overseeing the risk management framework for the company.
- The executive management team is responsible for developing and monitoring the company's risk management policies, with the working team holding regular meetings.
- Any changes or policy compliance matters are reported to the board through the audit committee.
- Risk management systems are regularly reviewed by the executive management team to reflect changes in market conditions and company activities.
- The company aims to develop a responsible and constructive regulatory environment through training, management standards, and procedures, ensuring all employees are aware of their roles and obligations.
- The audit committee oversees management's compliance with the company's risk management policies and procedures, reviewing the appropriateness of the risk management framework concerning the company's faced risks.
- Financial instruments listed in the financial position include cash, trade receivables, prepaid expenses, other current liabilities, loans, trade payables, accrued expenses, and other current liabilities.
- The disclosure methods have been outlined in the policy statement related to each item.
- Offsetting is performed between financial assets and liabilities, with net amounts recognized in the financial statements when there is a legally enforceable right to set off the recognized amounts and when the company intends to settle on a net basis or to realize the assets to settle the liabilities simultaneously.



### Market Price Risks

Market price risks involve fluctuations in the fair value or cash flows of financial instruments due to changes in market prices. Market risks consist of three types of risks: interest rate risk, currency risk, and other price risks.

### Credit Risks

The risks associated with a party's inability to meet its obligations, resulting in financial losses for the other party - Management consistently manages credit risk exposure and creates provisions against doubtful receivables to mitigate such risks.



### Interest Rate Risks



The company faces various risks associated with the impact of fluctuations in prevailing interest rates on its financial position and cash flows. The company manages these risks through risk management policies, and management believes that the company is not fundamentally exposed to interest rate risks.

### Concentration Risk

Concentration risks arise when multiple counterparties engage in similar activities, operate in the same geographical area, or share common economic advantages. This can impact their ability to fulfill contractual obligations similarly in the face of economic, political, or other changes. Concentrations indicate the relative sensitivity of a company's performance to developments affecting specific industries.



### Fair Value Risks



Fair value is the amount that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As financial statements are prepared on a historical cost basis, differences may arise between the carrying amounts of assets and liabilities and their fair values - management believes that the fair values of current assets and liabilities do not differ significantly from their carrying amounts.

### Cash flow risk

Cash flow risks refer to the company's exposure to difficulties in obtaining the necessary financing to meet obligations related to financial instruments. Cash flow risks may arise when there is an inability to quickly sell a financial asset at a value close to its fair market value. These risks are managed through regular monitoring of the adequacy of available cash flow to meet the company's financial obligations.



**Seventeenth: Information related to any risks facing the company (the risks facing the company amid current and future challenges).**

### Capital Management Risks

The company aims, in managing its capital, to ensure the company's ability to continue providing returns to shareholders and to maintain a strong capital base to support its operations.

The company manages its capital structure by monitoring returns on net assets and adjusting them in light of changes in economic conditions. For the purpose of maintaining or adjusting the capital structure, the company may adjust the amount of dividends paid to shareholders or increase capital. The company also monitors capital using the leverage ratio, which is the total debt (interest-bearing loans and borrowings including financing costs, trade payables, and other current liabilities) Capital refers to shareholders' equity as stated in the financial position statement in addition to total debt.

### Risks Related to Human Resources

The company's performance primarily depends on the expertise, skills, and capabilities of its executives and other senior employees. The future performance of the company largely hinges on its ability to attract individuals with high competencies and qualifications, as well as the capacity to retain them. Given the intense competition for such experienced employees, the company strives to minimize employee turnover to mitigate the effects of losing key personnel. However, there are no guarantees that the company's operations will not be affected if it fails to attract, develop, and retain qualified employees or replace them with individuals of similar qualifications, capabilities, and experiences. The company may suffer from the loss of one or more key employees who cannot be readily replaced in the short to medium term, potentially leading to business disruptions and adversely impacting the company's financial position and operational results. Thus far, the company has been able to replace departing employees with other qualified individuals.

The company consistently seeks to attract qualified and professional employees while also developing the capabilities of current employees to undertake larger responsibilities and assume senior positions within the company. The human resources management monitors the performance evaluation of existing human resources and assesses the actual need to attract competencies in specific positions.

**Eighteenth: Company Achievements During the Fiscal Year 2023 and Challenges and Solutions:**

### Achievements:

**%5** In the field of agricultural management, wheat irrigation has been reduced by 5%. Additionally, a new wheat harvester with a capacity equal to that of 10 old harvesters has been introduced.

**45 Ton** Increase in potato production rate per hectare.

**4 Categories** Four new fingerling potato varieties were tested in both spring and fall seasons to select the best varieties among them and study their performance in each season and their storage capability.

**3500 Hectare** Cultivating 3,500 hectares of wheat for the purpose of producing wheat seeds for farmers.

**200 Hectare** Potato cultivation performance under drip irrigation system for the second season on an area of approximately 200 hectares.

Achieving a record high in olive and olive oil production.

Achieving a record high in pickles production and packaging.

## Company Achievements during the Financial Year 2023:

### Achievements:

- Achieving numerous global medals in the field of olive oil quality ranging from gold, silver, to bronze.
- Utilizing an ERP system to create production orders and manage product delivery and receipt as an alternative to the old system.
- Implementing an institutional development project covering organizational structure, job grades, salary scale, job families, career path, and job descriptions.
- Digitizing all human resources transactions from paper-based to an integrated digital system.
- Increasing the Saudization ratio from low green to high green through the developer ranges system.
- Launching Al Jouf Academy for training. Inaugurating a gym for employees.
- Upgrading several employee accommodations.
- Ensuring funding for the potato project according to the required cash flow schedule without impacting the project.
- Completing the implementation and activation of the factory costing program.
- Concluding the restructuring of bank facilities and signing facilities with banks at better terms and conditions than before.
- Adhering to financial statement release dates and company announcements on the Tadawul website without delay, as well as monthly closures and compliance with the financial market requirements, publishing financial reports on time.
- Achieving a growth in quantity and value of industrial sector sales from the previous year by 33% and 13% respectively.
- Commercial operation of the potato chips factory.
- Setting a record in olive and olive oil production.
- Achieving a 13% growth in the value of agricultural sector sales from the previous year.
- Market Share: Increasing the market share in volume and value for the brand.
- Leading the Saudi market as a key player in the olive market.
- Increasing sales in modern markets (hypermarkets and supermarkets) by 50% from the previous year.
- Zero work-related fatalities.
- Decrease in lost work hours to zero.
- Enforcing security and safety policies positively impacting employees.
- 60% increase in company website visitors.
- Upgrading company equipment, machinery, and vehicles to align with increases in the agricultural plan.

## Company Achievements during the Financial Year 2023:

### Achievements:

- The highest productivity harvester in the world has been purchased and put into operation, making it the first in the Middle East. It holds a Guinness World Record for productivity with a capacity of up to 80 hectares/10 hours.
- Contracts have been made for two new harvesters to be received. The purchase and operation of the latest olive oil extraction line with a capacity of 13 tons/hour, marking the sixth line at Al Jouf Agricultural Company.
- Launch of the new identity for the Al Jouf brand.

Old Identity Logo



New Identity Logo



## Company Achievements during the Financial Year 2023:

### Achievements:

- Increasing the storage space for the final product warehouses in the project.
- Automating shipping orders from branches in the system and activating S LA between warehouses and sales.
- Reducing product transportation prices. Cutting costs of some key materials used in warehouses. Decreasing transportation costs by 2%.
- Integrating the production and manufacturing unit into the ERP system.
- Transitioning from paper-based transactions to digital transactions.
- Completing the implementation of mobile applications for the human resources system in the company.





## Company Achievements during the Financial Year 2023:

### Future Plans:

- Expansion in olive cultivation. Diversification into potato farming in different regions to supply the French fries factory.
- Expansion in wheat cultivation. Focus on water conservation. Training sessions for the team. Cultivation of new economically viable crops in greenhouses.
- Establishment of a committee to evaluate irrigation efficiency for the 2024 season.
- Evaluation of the drip irrigation system in the wheat district.
- Enhancement and development of automated potato harvesting processes.
- Increase in storage capacity for olive oil and pickles. Purchase of a new automatic production line for packaging new market-suited containers.
- Working on increasing the value-added to by-products of olive pressing operations.
- Attracting new suppliers and ensuring required quantities. Increasing the number of approved suppliers and implementing a credit purchase system with them. Improving the procurement cycle and reducing the number of days taken to complete it.
- Implementation of the new Microsoft AX system.
- Expansion of the customer base.
- Continual increase in market share.
- Developing a brand for the French fries product.
- Rebranding and changing the corporate identity of Al-Jouf Company.
- Launching the new brand.
- Introducing electricity and replacing diesel as part of the liquid fuel displacement initiative.

## Company Achievements during the Financial Year 2023:

### Future Plans:

- Increase utilization of product storage capacity.
- Operate a seed purification and packaging station.
- Enhance the fuel materials supply chain within the company to reduce consumption costs.
- Full implementation of occupational health and safety models.
- Work on reducing olive oil extraction losses by improving press machine performance.
- Work on transitioning to clean energy project.
- Financial accounting program transition project.
- Introduce a quality system within the AX program.
- Activate audit programs and certification renewal for ISO systems.
- Implement ISO 9001 & 45001 systems throughout the company.
- Obtain BRC certification. Build ISO 17025 system.

## Challenges

- Achieving maximum production capacity by the year 2024.
- Achieving maximum sales capacity in the year 2024.
- Working on expanding the factory as planned.



## What has been accomplished

- Completion of the project on time and within the approved cost boundaries.
- Project completion without any incidents.
- Commencement of trial operation in September 2023.
- Successful completion of the trial phase and operation of the factory at maximum capacity before the end of the year.
- Meeting all product quality requirements during the trial operation period.
- Obtaining approval from the Saudi Food and Drug Authority.
- Production of 3,000 tons of premium-grade semi-fried potato fingers.



## Nineteenth: Company Assets, Liabilities, and Financial Results for the Last Five Years

2019 AD - 2023 AD

### (A) Company's Assets and Liabilities for Five Years:

Statement / Year	2019	2020	2021	2022	2023
<b>Total current assets</b>	231,859,074	241,426,875	241,161,830	284,877,098	335,757,202
<b>Net fixed assets</b>	542,247,953	490,456,438	509,452,573	623,843,781	774,315,682
<b>Total assets</b>	774,107,027	731,883,313	750,614,403	908,720,879	1,110,072,884
<b>Total current liabilities</b>	60,363,920	94,674,330	97,299,005	116,746,652	149,741,630
<b>Total non-current liabilities</b>	87,499,794	29,074,737	25,693,125	124,437,671	241,731,007
<b>Total liabilities</b>	147,863,714	123,749,067	122,992,130	241,184,323	391,472,637
<b>Shareholders' equity</b>	626,243,313	608,134,246	627,622,273	667,536,556	718,600,247
<b>Total liabilities and shareholders' equity</b>	774,107,027	731,883,313	750,614,403	908,720,879	1,110,072,884

### (b) Summary of Financial Results for Five Years:

Income Statement / Year	2019	2020	2021	2022	2023
<b>Revenues</b>	224,447,971	223,210,102	312,660,455	341,996,642	426,435,301
<b>Cost of Revenues</b>	183,955,192	158,922,930	244,161,514	221,711,058	300,088,343
<b>Gross Profit</b>	40,492,779	64,287,172	68,498,941	120,285,584	126,346,958
<b>Net Profit</b>	(20,798,707)	21,350,507	17,374,482	51,065,262	61,968,851

## Twenty: Geographic analysis of the company's total revenues for the year 2023.

Total Revenue	Northern Region	Central Region	Western Region	Eastern Region	Southern Region	E-commerce Sales
<b>426,435,301</b>	<b>224,826,374</b>	<b>83,746,010</b>	<b>68,539,590</b>	<b>22,796,152</b>	<b>20,036,428</b>	<b>6,490,746</b>

## Twenty-One: Summary of Key Operating Results Variances for the Year 2023 compared to 2022.

The Statement	2022	2023	Changes	Rate
<b>Total Sales</b>	<b>341,996,642</b>	<b>426,435,301</b>	<b>84,438,659</b>	<b>24.69%</b>
<b>Cost of Goods Sold</b>	<b>221,711,058</b>	<b>300,088,343</b>	<b>78,377,285</b>	<b>35.35%</b>
<b>Gross Income</b>	<b>120,285,584</b>	<b>126,346,958</b>	<b>6,061,374</b>	<b>5.04%</b>
<b>Marketing Expenses</b>	<b>33,966,953</b>	<b>38,202,380</b>	<b>4,235,427</b>	<b>12.47%</b>
<b>Administrative and General Expenses</b>	<b>29,615,364</b>	<b>31,978,119</b>	<b>2,362,755</b>	<b>7.98%</b>
<b>Operating Profit</b>	<b>56,703,267</b>	<b>56,166,459</b>	<b>-536,808</b>	<b>-0.95%</b>

- **Twenty-Second:** There is no discrepancy in the alignment of the accounting standards used by the company with those issued by the Saudi Organization for Certified Public Accountants.
- **Twenty-Third:** There are no - subsidiaries of the company within or outside the Kingdom of Saudi Arabia.
- **Twenty-Fourth:** There are no - shares or debt instruments issued by subsidiaries as the company does not own any subsidiaries.

## Twenty-Fifth: Description of the company's policy on distributing stock dividends:

Profit distribution is carried out in accordance with Article 47 of the Articles of Association and the Company's Bylaws, where annual net profits are distributed after deducting all general expenses and other costs as follows:

- Allocating 10% of the net profits to form the company's statutory reserve, and the Ordinary General Assembly may decide to stop this allocation when the mentioned reserve reaches 30% of the paid-up capital.
- The Ordinary General Assembly, upon the Board of Directors' proposal, may allocate 10% of the net profits to form a contractual reserve and allocate it for a specific purpose or purposes. This contractual reserve cannot be used for any purpose other than the one designated without a decision from the Ordinary General Assembly based on the Board of Directors' proposal.

- The Ordinary General Assembly may decide to form other reserves to serve the company's interests or ensure distributing fixed dividends to shareholders as much as possible. The mentioned assembly may also allocate a percentage not exceeding 10% of the net profits for establishing social institutions for the company's employees or assisting existing institutions.
- The remaining amount is then distributed to shareholders at a rate not less than 5% of the paid-up capital.
- Board members' remuneration consists of a specific amount, attendance fees for meetings, in-kind benefits, or a specific percentage of the net profits, as per the regulations and controls issued in this regard. Combining two or more of the aforementioned forms of remuneration is permissible according to the regulations and controls issued in this regard.
- If the remuneration is a specific percentage of the company's profits, this percentage must not exceed 10% of the net profits, after deducting the reserves decided by the Ordinary General Assembly in accordance with the regulations and the Company's Bylaws, and after distributing a profit to shareholders not less than 5% of the paid-up capital. The entitlement to this remuneration should be proportional to the number of meetings attended by the member.
- In all cases, the total financial or in-kind benefits received by a board member shall not exceed five hundred thousand Saudi Riyals annually, according to the regulations set by the relevant authority.
- The company may distribute interim dividends to its shareholders quarterly or semi-annually under an annual renewal of authorization from the General Assembly for the Board.

**The total profits distributed for the fiscal year 2023 and proposed to be distributed are as follows:**

1. On 02-03-2023, the Board of Directors decided to distribute cash dividends amounting to 15 million Saudi Riyals for the second half of the fiscal year 2022, with a due date of 16-03-2023, and the distribution was executed on 03-05-2023.
2. On 14-12-2023, the Board of Directors decided to distribute cash dividends amounting to 7.5 million Saudi Riyals for the first half of the fiscal year 2023, with a due date of 15-01-2024, and the distribution was executed on 30-01-2024.
3. On 05-03-2024, the Board of Directors decided to distribute cash dividends amounting to 15 million Saudi Riyals for the second half of the fiscal year 2023, with a due date of 15-04-2024, and the distribution will be executed on 30-04-2024.

**Total profits distributed for the fiscal year 2023 and proposed distribution are as follows:**

Statement	Profit distribution ratios for the year 2023	Proposed profit distribution ratio at year end	Net Profit
Date	5 / 3 / 2023	0	
Ratio	5.00 %	0	15,000,000
Total	15,000,000	0	

- **Twenty-seventh:** There are no individuals (excluding the company's board of directors, senior executives, and their relatives) who have disclosed their voting rights to the company under Article 68 of the Securities Listing Rules and Continuous Obligations. Any changes in these rights during the fiscal year 2023.
- **Twenty-eighth:** There are - any financial interests, contractual securities, subscription rights belonging to the members of the company's board of directors and senior executives and their relatives in the company's debt instruments or any change in such interests or rights during the financial year 2023. As for the shares, there are only ownership percentages for the board members and their relatives as per the following statement: -
  - **(A) Board members own the board**
  - **(B) Senior executives own:**
  - There is no ownership of the company's shares by the remaining senior executives.

**( 27 ) Information related to loans.:**

The company confirms that it does not have any loans from any party, whether repayable

Lender's Name	Original loan amount	Loan term	The amount paid during the year.	Remaining amount of the loan.	Total Debt of the Company
Adapted Translation:	15.350.000	5 years	2.225.000	0	0
Saudi Industrial Development Fund	172.437.994	10 years	0	172.437.994	172.437.994
Saudi Agricultural Development Fund	48.447.636	2 years	0	48.447.636	48.447.636
Saudi Industrial Development Fund	24.130.665	3 months	0	24.130.665	24.130.665

- **Twenty-nine:** There were no convertible debt instruments, contractual financial securities, subscription rights, or similar rights issued or granted by the company during the fiscal year 2023, with an explanation of any compensation received by the company in return.
- **Thirty:** There are no conversion rights, subscription rights, convertible debt instruments, contractual financial instruments, or subscription warrants or similar rights issued or granted by the company during the fiscal year 2023.
- **Thirty-first:** There are no redemptions, purchases, or cancellations by the company for any redeemable debt instruments, with the remaining value of securities distinguished between those purchased by the company and those purchased by its subsidiaries.

**Thirty-Second:** The number of board meetings held during the year 2023, their dates, and the attendance record of each meeting.

Name	Position	2 May	7 May	6 August	8 November	14 December	Attendance Rate
1 En. Badr bin Hamed bin Abdul Razzaq Al-Ojjan	Chairman of the Board	☑	☑	☑	☑	☑	100 %
2 Dr. / Rasheed bin Rashid bin Saad Awwin	Vice Chairman	☑	☑	☑	☑	☑	100 %
3 Mr. / Ahmed bin Ibrahim bin Mohammed Heijan	Board Member	☑	☑	☑	☑	☑	100 %
4 *Mr. / Khalid bin Mohammed bin Abdullah Al-Olayan	Board Member	☑	☑				100 %
5 Mr. / Abdul Rahman bin Abdul Aziz Al-Yemni	Board Member	☑	☑	☑	☑	☑	100 %
6 Mr. / Ali bin Riyadh bin Mohammed Al-Humaidan	Board Member	☑	☑	☑	☑	☑	100 %
7 Mr. / Omar bin Riyadh bin Mohammed Al-Humaidan	Board Member	☑	☑	☑	☑	☑	100 %
8 Mr. / Muqaid bin Abdullah bin Abdul Mohsen Al-Khamees	Board Member	☑	☑	☑	☑	☑	100 %
9 Ms. / Nawar bint Hamad bin Ibrahim	Board Member		☑	☑	☑	☑	80 %

**Thirty-third:** Number of company requests for the shareholders' register, the dates of those requests, and the reasons for them:

Statement	Demand Date	Reasons for Demand
Detailed - At the portfolio level (B)	2024/03/07	Annual General Meeting
Detailed - At the portfolio level (B)	2024/02/28	Corporate Procedures
Detailed - At the portfolio level (B)	2024/01/17	Profit File
Detailed - At the portfolio level (B)	2023/12/19	Annual General Meeting
Detailed - At the portfolio level (B)	2023/11/21	Annual General Meeting
Quantitative - At the entity level (A)	2023/05/07	Annual General Meeting
Detailed - At the portfolio level (B)	2023/03/20	Profit File
Detailed - At the portfolio level (B)	2023/02/19	Corporate Procedures

\* Mr. Khaled bin Mohammed bin Abdullah Al-Arifi resigned on 31/05/2023.

**Thirty-fifth:** Any businesses or contracts in which the company is a party, or in which there is an interest for any member of the company's board of directors, senior executives, or any related party during the year 2023.

Nature of Work	Working Capital amount	Duration of work	Work terms	The Related Party
Sales of olive oil and pickles	27,528,462	Year	Free Market	Eng. Badr bin Hamed bin Abdul Razzaq Al-Ojjan

- **Thirty-sixth.:** There is no arrangement or agreement whereby any members of the company's board of directors or senior executives will waive any bonuses during the fiscal year 2023.
- **Thirty-seventh:** There is no arrangement or agreement whereby any of the company's shareholders waive any rights to profits during the fiscal year 2023.
- **Thirty-eighth.:** Statement of outstanding regular payments due for the settlement of any Zakat, taxes, fees, or other obligations not yet paid by the end of the financial period 2023, along with a brief description and explanation of the reasons for such outstanding amounts.

The Statement	Paid	Outstanding as of the end of the fiscal year and has not been paid.	Brief Description of it	Statement of Reasons
Zakat	5.351.698	7.993.058	Zakat for the year 2023 will be paid after submitting the Zakat declaration.	-
Tax	11,416,051	0	-	-
General Organization for Social Insurance	3.683.341	327.503	The due amount for December 2023 was paid in January 2024.	-
Visa and passport costs	975.095	0	-	-
Labor office fees	7.934.325	0	-	-

- **Thirty-Ninth:** There are no investments or reserves established for the benefit of company employees during the fiscal year 2023.
- **Forty:** The Board of Directors acknowledges the following:
  - 1) The financial records have been prepared accurately.
  - 2) The internal control system requires development and updating.
  - 3) There is no significant doubt about the entity's ability to continue its operations..

- **Forty-First:** No reservations on the financial statements by the company's auditors.
- **Forty-Second:** No recommendation by the board of directors to change the company's auditors before the designated period expires.
- **Forty-Third:** No treasury shares held by the company.
- **Forty-Fourth:** The company confirms that it has not received requests from shareholders owning 5% or more of the capital to convene the general assembly during the ended financial year, or to add one or more items to the general assembly agenda when preparing it.
- **Forty-Fifth:** The company confirms that shareholders have the right to receive a share of the company's assets upon liquidation, the right to monitor the board of directors' activities, file claims against board members, attend general meetings, participate in discussions, vote on resolutions, and exercise all rights related to shares as per the Corporate Governance Regulations.
- **Forty-Sixth:** No party has requested access to the annual reports for investors from persons with fiduciary status acting on behalf of others, such as investment funds.

#### Board of Directors' Declarations and Executive Management Recommendations

The Board of Directors is committed to ensuring the professional performance of the company during the financial year 2023 ending on 31/12/2023 and acknowledges the following:

- There are no shares or debt instruments owned by subsidiaries, and there are no fundamental subsidiaries.
- There are no convertible debt instruments, securities, subscription rights, or similar rights issued or granted by Al Jouf Development Company, and no compensation received by Al Jouf in return.
- There are no conversion or subscription rights under convertible debt instruments, securities, subscription rights, or similar rights issued or granted by Al Jouf Development Company.
- There is no material conflict of interest during the financial year 2023.
- The Board has not received a request from external auditors to convene the Annual General Meeting during the financial year 2023.
- The Board has not received a request from shareholders owning 5% or more of the company's capital to convene the Annual General Meeting during the financial year 2023.
- There are no actions impeding shareholders' voting rights.
- The company has not provided loans or credit facilities to any Board member.
- The accounting records have been properly prepared and updated.

- An internal control system has been established on sound principles and effectively implemented.
- There are no significant doubts about Al Jouf Development Company's ability to continue its operations.
- There are no material events affecting the company's financial position after the end of the financial year 2023 that require disclosure, beyond the information available and disclosed in the supplementary notes to the financial statements.

#### Board Recommendations

After reviewing the key operational and financial activities for the fiscal year 2023, the Board recommends to the General Assembly the following:

1. Reviewing and discussing the Board of Directors' report for the previous year ending on December 31, 2023.
2. Voting on the audit report for the previous year ending on December 31, 2023, following discussions.
3. Reviewing and discussing the company's financial statements for the year ended on December 31, 2022.
4. Voting on the appointment of the company's auditors from the candidates based on the Audit Committee's recommendation; to examine, review, and audit the financial statements for the second and third quarters and the annual financial year of 2024, and the first quarter of the financial year 2025, and determining their fees.
5. Voting on exonerating the members of the Board of Directors for the financial year ending on 31-12-2023.
6. Voting on authorizing the Board of Directors to distribute interim dividends on a semi-annual/quarterly basis for the financial year 2024.

**Finally, the Board of Directors expresses gratitude and appreciation to the shareholders, executive management, employees of the company, and all stakeholders, praying to Allah Almighty to grant us and you success for the greater good of all.**



