

المتطورة
Saic ..•

الشركة السعودية للصناعات المتطورة
Saudi Advanced Industries Company

Saic Annual Report 2023

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ





**Custodian of the Two Holy Mosques King
SALMAN BIN ABDULAZIZ AL SAUD**



His Royal Highness Prince
MOHAMMED BIN SALMAN BIN ABDULAZIZ-Crown Prince
Prime minister
President of the Council of economic and
Development Affairs

Dear shareholders of the Saudi Advanced Industries Company Peace be upon you and God's mercy and blessings be upon you:

On behalf of my fellow members of the Board of Directors of the Saudi Advanced Industries Company, I am pleased to present to you the company's annual report for the year 2023 AD, through which we review the most prominent milestones filled with real successes and achievements, forming a new chapter of balanced performance between maintaining current work processes and developing them in accordance with the company's strategy, future directions, and its endeavors. It continues to expand and diversify its portfolio of investment projects, by targeting new promising sectors to achieve greater returns and profits and develop the company's assets.

The year 2023 witnessed many challenges and obstacles, which were successfully overcome to reach historic profits and growth that the company had never witnessed before, praise be to God. The Saudi Advanced Industries Company emerged from it, thanks to God, with distinguished performance, relying in this on God first, then the combined efforts and distinguished work team and our expertise. The wealth accumulated over the past years.

In conclusion, I extend my sincere thanks to our esteemed shareholders for their trust and investment in the Saudi Advanced Industries Company. We look forward, God willing, to more success and achieving growth and development in raising the company's performance for the better.

God grants success...



Mr. Abdullah
bin Muhammad Al-Humaidhi
Chairman of Board of Directors

Dear shareholders of the Saudi Advanced Industries Company Peace be upon you and God's mercy and blessings be upon you:

Based on the strategy adopted by the company to focus on investing in the various sectors that are considered the most growing in light of the Kingdom's Vision 2030, we have become fully confident in our capabilities after the success of our plans to expand investment in the education sector, health care, food sector and various other sectors, where, thanks to God and His success, the best has been achieved. Financial performance in the company's history, which will be reflected in the future growth and revenues and maximizing shareholders' rights.

We have achieved many successes that we are proud of, and we still aspire to the importance of investing in the health, food, and education sectors, and pushing the national economy to a higher level by working to attract more promising opportunities.

The company will continuously work to evaluate and distribute its investments in accordance with its strategy, with the aim of raising the efficiency of the performance of its investment assets and strengthening its financial position to achieve better results in the coming years, God willing.

In conclusion, I would like to thank our valued shareholders for their trust in their company, and we look forward to more success and prosperity with you.

God grants success...



Dr. Abdullah bin Sulaiman Al-Jarish
Managing Director and CEO

Formation:

The company was established in 1988 as a Saudi joint stock company with a capital of 108 million Saudi riyals in the city of Riyadh. The company is witnessing a shift in its strategic plan from focusing its investments on shifting from product companies to growth companies, through acquisition and purchase of influential shares or through participation in its investments in the most prominent sectors. Important and targeted in the Kingdom's Vision 2030.

Activity:

Working to study the best short or long term investments in a number of different sectors that have a positive future financial impact on the company and building integrated capabilities and finding diverse financing methods while working on sustainable cash dividends and diversifying assets across asset classes such as stocks through multiple markets to achieve predetermined investment objectives through selecting the best investments.

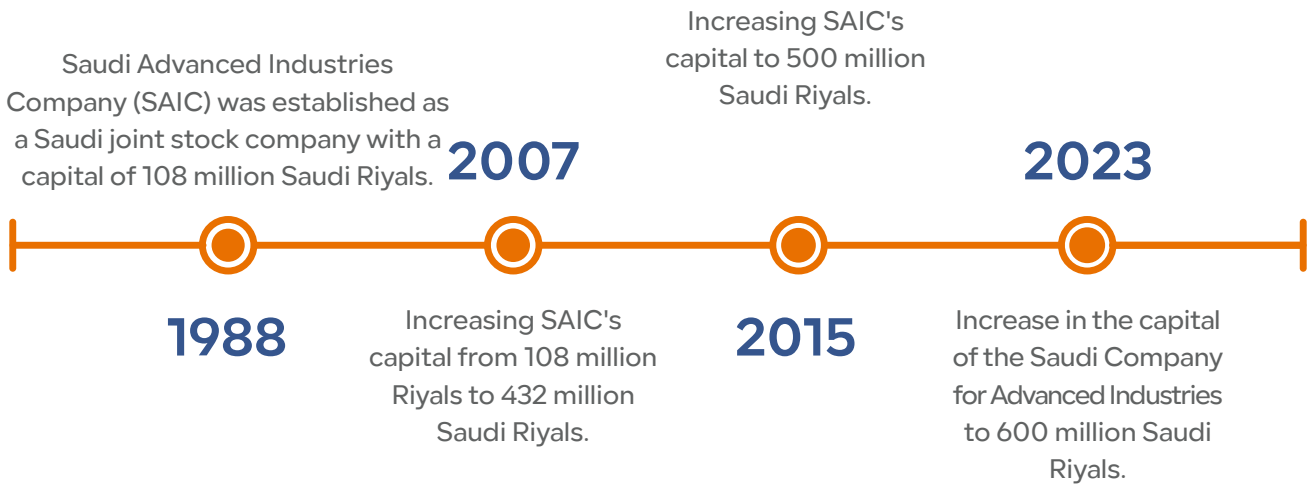


Based on the company's pioneering activity in the investment and financing sector, we continuously study investment opportunities through the executive management and committees within the company, we seek to harness all our capabilities and expertise to provide highly selective investment opportunities, according to reliable mechanisms and by attracting opportunities in all investment sectors targeted by Vision 2030, which may result in future projects for the company, thus enhancing its investment portfolio and consequently increasing asset diversification and enhancing investment returns while focusing on increasing cash flows. The company also works to push and encourage associate companies to list their shares on the stock market because of the positive impact on shareholders' rights and the company's financial position whenever possible.



Saudi Advanced Industries Company (SAIC) invests in several different sectors, and through the company's future vision, we work to develop shareholders' rights and increase cash flows, while applying the highest standards of total quality with an emphasis on the company's investment activity. We also aim to develop the company's assets and achieve strong financial performance and build integrated capabilities and find diverse financing methods while working on sustainable cash dividends. The future financial impact on shareholders' equity in the company's financial position over the next five years is expected to be positive.

Company History:



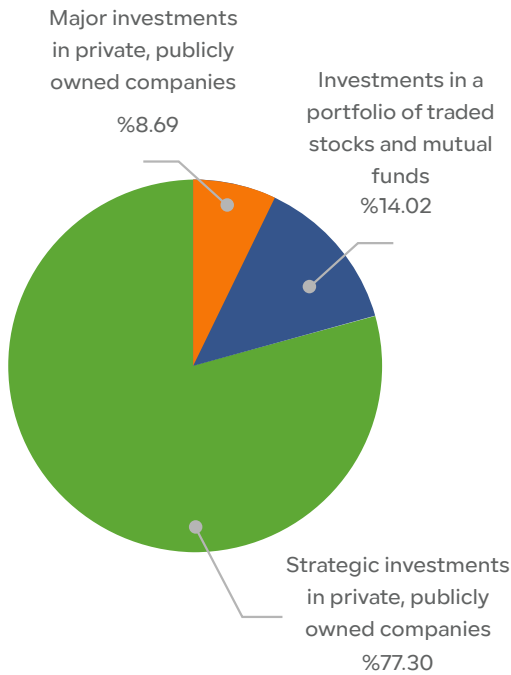
Key events in 2023 by months:



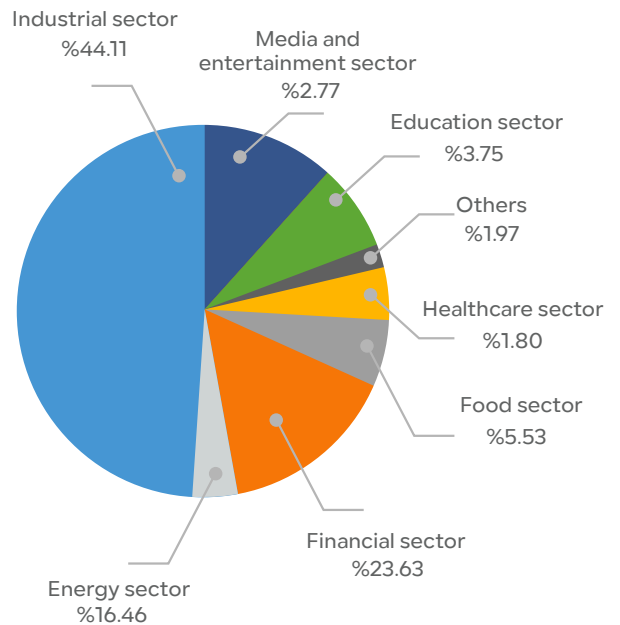
Investment Plan :

Maximizing investments in promising sectors in the short and long term that help achieve sustainable growth to achieve the company's vision and mission, which in turn seeks to achieve the objectives of Saudi Vision 2030 through ambitious leadership by highly competent and extensively experienced individuals.

Distribution of the company's investments according to classification:



Distribution of the company's investments according to sector:



First: Investment Subsidiaries :

Sn.	Subsidiary	Sector	Headquarter	Ownership % (Direct / Indirect)
1	Permanent Growth United Investment Company	Investment	Riyadh	%100

Permanent Growth United Investment Company

The subsidiary (Permanent Growth United Investment Company) was established on 08/06/2023 to be the investment arm of SAIC with a capital of 5 million Saudi Riyals, and is 100% owned by it, which worked on quality and promising investments in vital sectors such as health, education, food, and others. It also works to extract the necessary licenses from the authorities to practice other financial activities.

Ownership %
100%


Share Capital
5,000,000


Year of Establishment
2023


The Company aims to:

Develop investment opportunities, provide financing solutions, enhance competitiveness, growth and prosperity with the national investment strategy launched by Crown Prince Mohammed bin Salman, which the Kingdom seeks to invest the strengths God has endowed it with in terms of strategic location, pioneering investment power, and Arab and Islamic depth. The strategy represents one of the main enablers to achieve the goals of Saudi Vision 2030.

 Be the investment arm.

 Possibility of obtaining financing independently.

 Increase investment efficiency and sustainability of returns.

 Manage investments on its own by issuing an investment management license from the Capital Market Authority.

Affiliated Companies

Sn.	Affiliate Companies	Sector	Headquarter	Ownership % (Direct / Indirect)
1	Obeikan Glass Company	Glass Industries	Riyadh	37.05%
2	Masar Al-Numou Finance Co.	Financing	Riyadh	31.62%

Obeikan Glass Company

(A joint stock company listed on the parallel market with the symbol 9531)

Under the umbrella of Saudi Vision 2030, the Kingdom continued to support manufacturing and development in this promising sector and build national capabilities. The glass market is one of the important and promising sectors locally and globally. The construction market is expected to witness significant growth due to huge investments and development projects. The Kingdom will contribute to and support increasing local content, and accordingly, demand and the growing need for glass in the construction industry will rise.

OGC was established as a closed joint stock company in Riyadh with a capital of 200 million Saudi riyals in 2007. The company is engaged in the manufacture and production of all types of glass, as well as wholesale and retail trade of all types of glass, raw materials for glass manufacturing, and accessories. The company also manufactures, cuts, colors and installs glass, and establishes and manages mining quarries. OGC is located in Yanbu Industrial City and is one of the largest flat glass manufacturers in the Middle East. The company has other products such as safety glass, mirrors Obeikan Glass Company announced the decision of its Board of Directors dated 27/12/2023 AD corresponding to 14/06/1445 AH, which included approval for the company's transfer from the parallel market (Nomu) to the main market, and the appointment of Al Rajhi Capital Company (Al Rajhi Capital) as a financial advisor for the purpose of the transfer, noting that the transfer To the main market subject to the approval of the Saudi Stock Exchange and conditional on fulfilling all requirements stipulated in the listing rules.. Its capital also increased by 33% To become 320 million riyals through the distribution of bonus shares during 2023.

On October 24, 2023 AD, the group acquired a 60% stake through the establishment of the Saudi Aluminum Casting Foundry Company LLC, headquartered in Medina - Kingdom of Saudi Arabia. The main activity is the casting of non-ferrous metals, the production of metal shapes directly from powder, the manufacture of metal patterns, the manufacture of fluid bumps, the manufacture of automobile spare parts and the manufacture of military equipment. The Saudi Aluminum Casting Foundry Company did not begin its commercial activity until December 31, 2023 AD.

Obeikan Glass Company faces risks including:

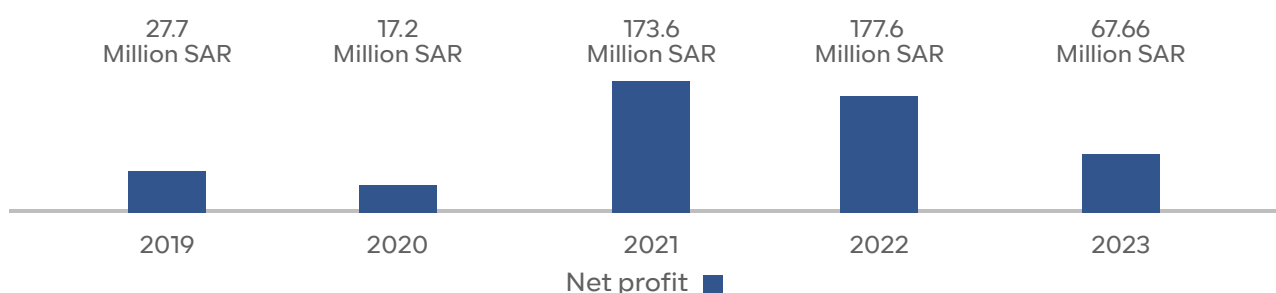
1- The Red Sea crisis continues, with shipping companies canceling most of their usual trips to the region's ports, which results in shipping costs rising significantly, making it more difficult to compete in global markets.

2- The continued decline in demand in many global markets for glass as a result of the Ukrainian war, inflation and competition from Chinese companies as a result of the change in the Chinese government's orientations after the crisis of real estate developers. This has led Chinese glass companies to significantly increase export quantities and thus reduce global glass prices.

3- The economic conditions of some countries led to a decrease in demand, as their factories went to international markets to dispose of the increasing surpluses of their production, which led to them falling out of the circle of competition.

4- The rise in gas and diesel prices will have an impact on the increase in the cost of production.

The company achieved net profits for the year 2023 amounting to 67.66 million riyals, where SAIC's share amounted to 25.07 million riyals. On December 27, 2023, the Board of Directors of Obeikan Glass Company approved the distribution of cash dividends for the second half of 2023 at 2 riyals per share, which will be distributed at 01/04/2024.



Information on the Company's loans:

Sn.	Name of Loan Provider	Original Loan Amount	Loan Tenure	Amounts Paid Towards Loan During the Year	Remaining Loan Balance	Total Indebtedness of the Company and its Subsidiaries
1	Industrial Development Fund (IDF)	309,500,00	11 Years	58,500,000	0	0





Masar Al-Numou Finance Co.

(formerly Deutsche Gulf Finance)

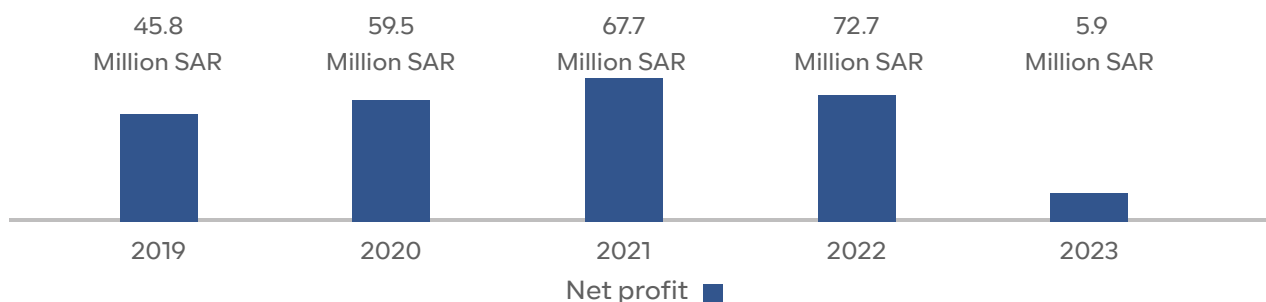
With Saudi Vision 2030, the Financial Sector Development Program stimulates diversification of financing sources and plays an important role in transforming the Saudi financial sector into a hub for economic growth and diversification. Starting with financing solutions for small and medium enterprises and individuals, there are great opportunities for financing companies in the Kingdom to finance the small and medium enterprises sector. The current market environment and effective support provided by the government to the small and medium enterprises sector provide great opportunities for companies to expand their financing activities. Under the application of responsible financing standards as well as the reorganization of installments in the market, the opportunity has become greater to expand individual financing with the aim of providing them with liquidity. Real estate financing in the Kingdom, which is one of the main pillars of Vision 2030, as the government of the Kingdom led by the Custodian of the Two Holy Mosques races to restructure the housing sector to contribute to raising homeownership rates for Saudis. The Housing Program was launched in 2018 and focused from the outset on increasing the supply of high quality housing products at affordable prices and in a short time for the Kingdom to be at the forefront of countries that have a clear national housing strategy. The program brought about a major shift in the housing sector by organizing the real estate market, expanding access to financing, simplifying regulations, providing diverse options to suit different needs, and increasing supply in the market, paving the way to achieve one of the goals of Vision 2030 by raising household ownership rates to 70% by 2030.

Masar Al-Numou Finance Co. a closed joint stock company, started its activity in 2010 in Riyadh. Deutsche Gulf Finance played an important role in the financing sector and its role grew and increased to appear with higher capabilities under the name of Masar Al-Numou Finance Co.. SAIC's share in Masar Al-Numou Finance Co. is 31.62% of the capital.

The company works in providing financing solutions compliant with Islamic Sharia and contributes to achieving various personal, residential and commercial goals, and provides a diverse range of products: personal financing, real estate personal financing, and small and medium enterprise financing.

The company has also appointed Al Bilad Capital as a financial advisor for the public offering process in the main stock market in accordance with the registration and listing rules in force. On June 5, 2022, it obtained initial approval from the Saudi Central Bank to offer the company in the main stock market. SAIC also noted that this comes as part of the efforts it makes to urge and encourage affiliated companies to list their shares in the stock market whenever possible, due to the positive reflection on the rights of shareholders and the company's financial position.

The company achieved net profits for the year 2023 in the amount of 5.9 million riyals, of which the Advanced Company's share amounted to 1.87 million riyals. It should be noted that profits were distributed by Growth Path Finance for the fiscal year 2022, equivalent to 8.5% of the capital, and the company's share amounted to 15.45 million riyals.



Sn.	Name of Loan Provider	Original Loan Amount	Loan Tenure	Amounts Paid Towards Loan During the Year	Remaining Loan Balance	Total Indebtedness of the Company and its Subsidiaries
1	Saudi banks	638,199,713	Up to three years	(517,200,132)	120,999,581	1,575,022,706

Company Investments

The Industrialization & Energy Services "Taqa"

The Kingdom follows a continuous and escalating pattern that aims first and foremost to achieve further development in the energy sector in a way that achieves the Kingdom's goals and aspires to its vision for the energy sector. These goals include: Diversifying the national energy mix used in electricity generation, achieving the optimal energy mix that is more efficient and lower in cost, increasing , the Kingdom's share in renewable energy production to the optimal level, achieving a balance in the local energy source mix, fulfilling the Kingdom's commitments to reduce carbon dioxide emissions.

The Kingdom also seeks to take advantage of its distinguished geographical and climatic location, which makes its available energy sources a central and fundamental economic supporter. This made the main objective of the Ministry of Energy to ensure the sustainable development of the integrated petroleum, gas and mining industry at all stages to achieve the highest added value to the national economy, in addition to working to discover and exploit the Kingdom's resources of oil, gas and minerals and achieve the highest returns, as the Kingdom progresses at a steady and escalating pace. towards achieving more gas discoveries in the Kingdom, confirming that the Kingdom is moving forward in implementing the strategies of the stage, and everything that supports the requirements of Vision 2030 for a stronger economy and diversifying sources of income, because gas plays an important and vital role in the vision.

The Industrialization & Energy Service Started in 1965 but not under the name Taqa, through two companies, Arabian Drilling Company and another foreign company. It was established as a holding company in the Kingdom in 2003, and is a Saudi closed joint stock company located in Dhahran in the Eastern Region. SAIC's share in Taqa is 3.38% of the capital.

Taqa was active in investment in the oil and gas sector until 2017, after which it shifted to operational activity in the sector, and continued acquisition operations to enhance its operational performance and competitiveness in the Saudi market

The company's main activities, and its subsidiaries, are to carry out industries and services related to the petroleum, mineral, petrochemical, electrical and water desalination industries directly, or by establishing specialized subsidiaries in one or more of those industries or services, as well as drilling oil and natural gas wells and geophysical activities and related activities necessary for exploring and developing hydrocarbon resources.

The company's tasks and activities are:

- Providing land, air and marine geophysical studies related to exploring reservoirs of hydrocarbons, minerals and groundwater sources and developing them.
- Carrying out all other activities related to exploring natural resources, including seismic surveying, oceanography, geodetic studies and map preparation.

- Assisting oil and gas companies in the Kingdom of Saudi Arabia to increase their reserves, reduce exploration costs, and maximize their production activities.
- Providing maximum coordination between partners while enhancing, developing and expanding operations High quality drilling services for oil and gas exploration.
- The company owns heavy offshore drilling rigs capable of drilling in the Arabian Gulf waters.
- The company owns a self-propelled multi-purpose offshore platform for oil well services.

During the first half of 2023, Taqa achieved significant growth compared to the same period in 2022, thanks to the improvement in the company's revenues through increased sales in the sector, increased number of rigs, results of affiliated companies, resulting in a net profit during the first half of 2023 an increase of 76%.

The company also has a strategic plan to expand its business and technologies offered to the Saudi market in terms of services and technical products, through the acquisition of international companies in technical fields. It also has an IPO and public offering plan in the Saudi market between 2026 and 2027 as part of the company's strategic plan.

The company aims to reach sales volume and gain significant market share suitable for investors before the IPO, and it currently has an integrated system for its business and activity in the Saudi market.

The company acquired at the beginning of 2023, 100% of the shares of Al Mansouri Petroleum Services, which will expand the scope of the company's well services business globally. The acquisition was financed by increasing the company's capital by the current major shareholders. This investment will provide Taqa with a prestigious and diverse commercial activity in the Middle East and North Africa with a strong track record in service quality as well as long-standing relationships with the largest oil and gas companies in the region. As a result of this acquisition, the number of Taqa's employees will be more than 5,500, serving a large and diverse customer base in 20 countries, leading to the formation of a specialized and integrated regional and global well services company headquartered in Dhahran, Saudi Arabia.

This acquisition will enable the company to achieve global reach and continue growing the services we provide to our customers in the Gulf, Middle East and North Africa; in fulfillment of the company's strategy and in line with the objectives of Saudi Vision 2030.

The company also acquired 3 other companies prior to acquiring Al Mansouri Petroleum Services, targeting the acquisition of technologies to provide in the Saudi market, and completing the supply chain to enhance the strategy. The company also has operations spread across a large number of countries including all GCC countries, Iraq, Egypt, Libya, Pakistan, India and several African countries. It is worth noting that the company's strategy focuses on drilling operations for gas companies, well engineering, as well as entering into renewable energy businesses to reduce carbon emissions to achieve net zero and sustainability in the technologies it provides.

The Saudi Advanced Industries Company received profits from Taqa Company amounting to (0.3) riyals, and the advanced share of these distributions amounted to 5,06 million riyals.

TAQA also has two subsidiaries, namely the "Arab Drilling Company and the Arab Geophysics and Surveying Company." TAQA is currently moving to expand its portfolio of oil well services and equipment through various investment approaches that vary between purchasing a share of shares and fully acquiring international companies specialized in the field of well service technology. Oil and its equipment. The company's proximity to the largest oil reserves, in addition to its strong partnership with the largest oil and gas producer in the world, gives the company a unique position that qualifies it to achieve the maximum possible value and generate the highest return on these investments.

In the year 2022, the Arabian Drilling Company was listed on the main market, which resulted in achieving capital gains for the company of more than 1.5 billion riyals during the past year.

TAQA owns 35.7% of the Arabian Drilling Company, and it is worth noting that the Arabian Drilling Company won the award for the best initial public offering on the main market.







Academy of Learning Co.

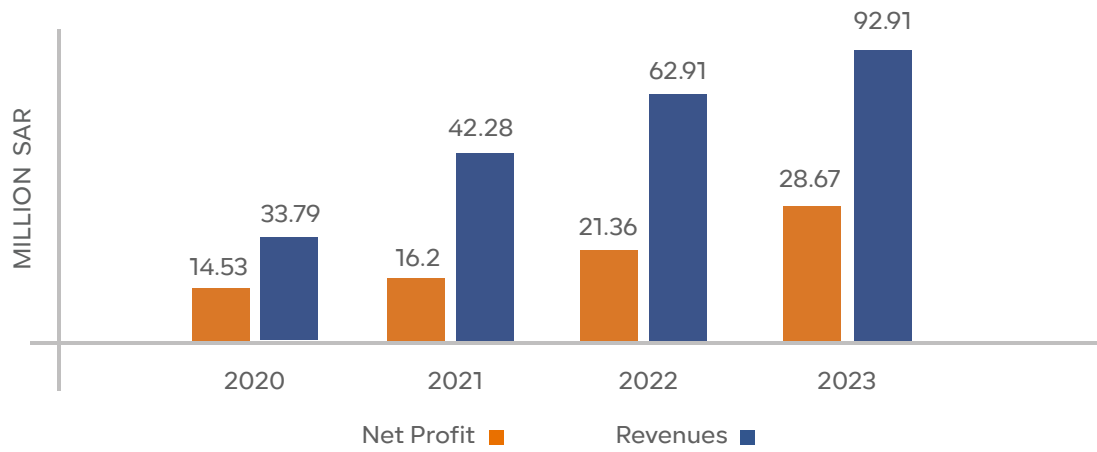
(A joint stock company listed on the parallel market with the symbol 9541)

The education sector is one of the important and vital sectors and one of the targeted sectors in Vision 2030. The Kingdom has embarked on a new path to excellence and sophistication in developing education through its various stages, curricula and methods. Vision 2030 also enhances the education system by relying on secure and trusted sources, programs and projects that enhance investment opportunities and generate employment opportunities through contributing to human capital development and meeting labor market requirements and needs.

SAIC and its subsidiary, Permanent Growth United Investment Company, purchased a share in Academy of learning Co. Academy of learning Co. is one of the leading companies in the field of training and education, as it qualifies all students for the labor market and gaining more practical experience through a number of accredited diploma programs in the Kingdom. It teaches and trains more than 8,000 male and female students and graduates more than 5,000 male and female diploma students annually.

Academy of learning Co. was established in 2004 as an individual facility with a capital of 100,000 Saudi Riyals in Dammam. Its current capital is 60 million Saudi riyals. The company works primarily in the education and training sector, through numerous educational and training institutes spread across most of the Kingdom.

Academy of learning Co. was also directly listed on the Nomu-Parallel Market in July 2022, and the company operates in the education and training sector through 12 education and training institutes spread across 6 centers in Dammam, Khobar, Ahsa, Jubail, Qatif. It also obtained a training license for women from the Technical and Vocational Training Corporation for the first branch of the Academy of learning Co. in Riyadh.

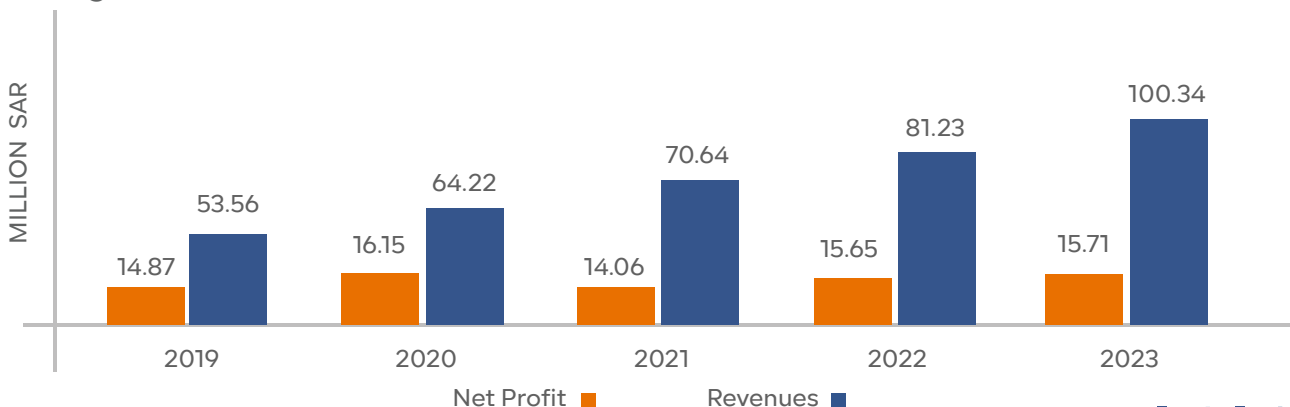


The 2030 Vision for the health sector is one of the most important developmental aspects and pillars on which it was built, especially since confronting the three elements of decline, which include ignorance, poverty and disease, all at once and eliminating them, is the bright hope for progress, prosperity and advancement. Therefore, the Kingdom has sought through the Vision to provide the finest and most important health services.

Through this, SAIC purchased a stake in Canadian General Center Co. The health sector has achieved remarkable growth. Likewise, the trend towards privatizing health services to raise their quality and efficiency and achieve a better quality of life, and from this perspective the Canadian General Center Co. was among our investments during the past period as the company provides health services to oil companies and is one of the first national companies to be approved by Aramco. Canadian General Center Co. was established as a limited liability company in 2008, then converted into a joint stock company.

The company operates in the health sector and the company's operations fall under two main scopes: medical center operations and implementation of medical clinic project contracts. It also manages hospitals, health centers, and trading in hospital equipment, tools and ambulances.

Canadian General Medical Center Complex Company announced its Board of Directors Resolution No. (15/2023) dated 06-07-2023 AD corresponding to 18-11-1444 AH approving the company's transfer from the parallel market (Nomu) to the main market, and Al-Dakheel Financial Group was appointed As a financial advisor for the purposes of moving from the parallel market (Nomu) to the main market, noting that the move to the main market is subject to the approval of the Saudi Financial Market and is conditional on fulfilling all requirements stipulated in the listing rules.



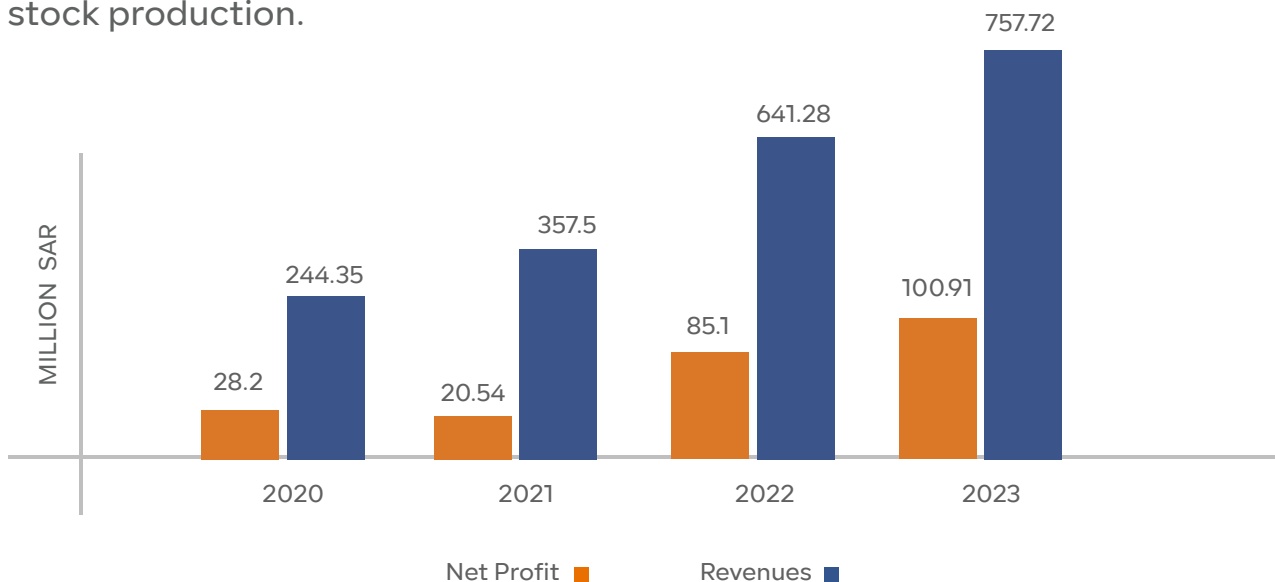


Balady Poultry Trading Co.

(A joint stock company listed on the parallel market with the code 9559)

The Kingdom of Saudi Arabia seeks to enhance food security and achieve sustainable development. The food sector is part of the targets of Vision 2030, which aims to improve living standards and quality of life, reflecting the Kingdom's commitment to improving the sustainability of natural resources and maximizing their benefits. Based on our confidence in the state's strategic direction and Vision 2030, the investment was made in Baladi Poultry Trading Company.

Baladi Poultry Trading Company Limited was established in 2007, with a capital of SR 600,000 in Khamis Mushait, then converted into a closed joint stock company in 2022. It is one of the largest factories in poultry production and is supported by several poultry farms using the latest techniques for breeding and producing poultry to achieve high quality production rates that meet domestic needs using the best types of natural basic materials to provide quality products. The company also markets and distributes its products in stores or through its approved distributors. It works to keep pace with the best global production and manufacturing systems in this vast consumer field and seeks to achieve domestic and regional stability in terms of food security, maintaining superior productivity and sustainable poultry stock production.



Alsalam Aerospace Industries Company

A Saudi limited liability company established in 1988 under the umbrella of the Economic Tawazun Program. The company is located in the Technical Industries Zone at King Khalid International Airport in Riyadh. The advanced company participated in establishing Alsalam Aerospace Industries Company, and the advanced company's share in Al-Salam Company amounts to 10% of the capital. In 12-12-2023, The company was completely exited as part of advanced plans to exit troubled investments and enter into better investments that are compatible with the directions of the Kingdom's Vision 2030, which is what actually happened, Agreement to sell all the shares of the current partners in Alsalam Aerospace Industries Company, including the Saudi Advanced Industries Company's share of 10% of the company's capital, to the buyer (the Saudi Military Industries Company (SAMI), affiliated with the Public Investment Fund) according to a number of conditions, the most important of which is the responsibility of the selling partners. For a number of obligations, each according to its percentage of ownership, as the losses realized from the sale of the investment amounted to 36.9 million Saudi riyals.

Arabian Industrial Fibers Company:

A subsidiary of the Saudi Basic Industries Corporation (SABIC), it was established in 1993 as a limited liability company. The company is located in Yanbu Industrial City, and the advanced share is 0.62% of the capital amounting to 2 billion riyals.

At the extraordinary general assembly meeting of the Arabian Industrial Fibers Company (Ibn Rushd) on December 31, 2017, the shareholders decided to reduce the company's capital from 8.5 billion Saudi riyals to 2 billion Saudi riyals, as the company's share of this reduction amounted to 40.7 million Saudi riyals, to become The investment amounted to 12,493,540 riyals as of December 31, 2023 (December 31, 2022: 12,493,540 Saudi riyals). In a previous period, the company recognized impairment losses on the full investment value.

Investments in a portfolio of traded stocks and investment funds

The company has a portfolio managed through one of the companies licensed by the Capital Market Authority to invest in Saudi public stocks that are compatible with Islamic Sharia regulations. The value of the company's portfolio in the Saudi market is estimated at one billion riyals.

Out of concern for the trends of the Saudi economy and the Kingdom's Vision 2030, we worked at "Advanced" during the past year to re-examine our investments and draw up a clear plan, to exit from product companies to growth companies. Indeed, since January 2023, we have begun to exit from distressed investments and product companies that suffer from price fluctuations and disturbances. Supply chains to growth companies that are compatible with the company's strategy, and which we see sustainable prosperity in the coming years, which is what the company's plan is based on, as these changes have resulted in achieving historical returns.

**Board of Directors Report
For the Financial Year 2023**



Second: Financial Results:

1) Operating Revenues:

Total operating revenues reached 180,154,806 riyals for the year 2023, compared to total operating revenues of 116,047,600 riyals for the year 2022, an increase of 55.23%.

2) General and Administrative Expenses:

General and administrative expenses amounted to 17,921,666 riyals for the year 2023 AD, compared to expenses amounting to 13,342,558 riyals for the year 2022 AD.

3) Profits and Losses:

Net profits amounted to 148,799,189 riyals for the year 2023 AD, compared to net profits amounting to 100,207,371 riyals for the year 2022 AD, an increase of 48.49%.

The Company's revenues are also geographically distributed as follows:

Statement	Inside the Kingdom of Saudi Arabia	Outside the Kingdom of Saudi Arabia	Total
	(Saudi Riyal)	(Saudi Riyal)	(Saudi Riyal)
December 31 AD 2023 Total Realized Revenues	180,154,806	-	180,154,806
December 31 2022 AD Total Realized Revenues	116,047,600	-	116,047,600

Company's Main Activities:

	Activity Revenues	Percentage
Petrochemical Industries Sector	2,500,000	%1.39
Glass Industries Sector	62,070,243	%34.45
Industrial Services Sector	37,579,557	%20.86
Finance and Financial Investments Sector	78,005,006	%43.30
Total	180,154,806	%100

The main activities of the subsidiary:
(Permanent Growth United Investment Company)

	Activity Revenues	Percentage
Glass Industries Sector	21,550,910	%69.02
Finance and Financial Investments Sector	9,673,757	%30.98
Total	31,224,667	%100

Main Activities of Affiliate Companies:

	Activity Revenues	Percentage
Glass Industries Activity	25,069,534	%93.07
Real Estate Financing Activity	1,866,969	%6.93
Total	26,936,503	%100

Affiliate Companies:

Name of Affiliate Company	Capital	Company Ownership Percentage	Main Activity	Country of Main Operations	Country of Incorporation
Obeikan Glass Company	320,000,000	37.05%	Flat Glass Manufacturing	Saudi	Saudi
Deutsche Gulf Finance Company	575,000,000	31.62%	Real Estate Financing	Saudi	Saudi

4) Shareholders' Equity:

Shareholders' equity increased for the fiscal year 2023 by 94,225,286 riyals, reaching 995,408,806 riyals, compared to 901,183,580 riyals for the year 2022, or by 10.46%, due to the increase in capital, the increase in the fair value reserve, and the increase in retained earnings.

5) Accounts Payable and Accruals:

Movement of Provision for Zakat during the financial year 2023:

	(Saudi Riyal)
Balance at beginning of year	2,225,140
Paid during the year	(2,403,673)
Provided during the year	10,266,756
Balance at end of year	10,088,223

Statement of statutory payments made and owed for payment of any zakat, taxes, fees or other dues that have not been paid until the end of the annual financial period, with a brief description and statement of reasons:

Statement	2023		Brief Description	Reasons
	Paid	Owed until end of annual financial period and unpaid		
Zakat	2,403,673	10,266,756	Zakat paid for the year 2022 and previous years, and what is due is the estimated zakat for the year 2023.	In compliance with the requirements and rules of the zakat ordinance in the Kingdom.
GOSI	550,220	48,683	—	Payment is made in the month following accrual
Visa and passport fees	800		—	Visas and Recruitment Fees
Labor Office Fees	47,025		—	Residence Renewal Fees and Financial Consideration for Employees

6) Loan Costs:

Obtained of Saudi Advanced Industries Company credit facilities compatible with the provisions of Islamic Sharia at competitive prices in amount (100,000,000) SAR from Al Rajhi Financial Company Financing cost ratio 7% for the purpose of expanding the company's investments.

Sn.	Name of Loan Provider	Original Loan Amount	Loan Tenure	Amounts Paid Towards Loan During the Year	Remaining Loan Balance	Total Indebtedness of the Company and its Subsidiaries
1	Al Rajhi Financial	100,000,000	1 Year	0	100,000,000	103,183,562

7) Treasury stocks:

The number of treasury shares held by the company	Its value	Retention date	Details of its use
1,000,000	30,665,894	For 5 years	Keep them as treasury shares

*The Assembly approved on January 25, 2023, the company's purchase of a number of its shares, up to a maximum of (2,500,000) shares, and keeping them as treasury shares.

Third: Board of Directors Declaration:

- 1) The financial statements have been prepared in accordance with accounting standards appropriate to the circumstances of the Company.
- 2) We attest that the Company does not have any contracts in which any Board member, CEO, CFO or any related party has an interest.
- 3) The Company obtained a loan during 2023.
- 4) The Board of Directors and senior executives of the Company acknowledge that there are no competing businesses
- 5) Based on the information that has come to our knowledge and based on the report of the Certified Public Accountant and current market facts and future indicators, we attest to the following:
 - A) The accounting records have been properly prepared.
 - B) The internal control system has been established on sound grounds and implemented effectively.
 - C) There is no significant doubt about the Company's ability to continue its activity.

Fourth: Dividend Distribution Policy:

The decision to distribute dividends is under the authority of the General Assembly based on a recommendation from the Company's Board of Directors and is fundamentally based on the amount of net profits realized each year and the expected spending on future investment projects and expected cash flows.

The Company follows, in accordance with Article (42) of the Bylaws, the distribution of the annual net profits as follows:

1-The Company may distribute profits to its shareholders at any time, whether on a quarterly, semi-annual or annual basis, from the distributable profits according to the audited or reviewed financial statements and in accordance with the controls and procedures of the regulations issued by the competent authorities.

2-The Company may deduct the statutory reserves and other reserves, taking into account the controls, procedures and regulations issued by the authorities concerned in this regard.

	Dividend Ratio Distributed During the Year		Proposed Dividend Ratio for Distribution at Year End	Total Dividends Distributed and Proposed for Distribution for
	For the year 2022	Entitlement and Distribution Date		
%	5%	Entitlement Date 04/06/2023	-	5%
Total	30,000,000	Distribution Date 19/06/2023	-	30,000,000

*The Ordinary General Assembly approved in its meeting held on 04/06/2023 the distribution of dividends for 2022 at the rate of 0.50 Riyals per share with a total value of 30 million Riyals.

Fifth: Risks:

The Company may face a number of risks, especially through its multiple investments, including:

- Changes in the global economy in terms of recession, which leads to decreased demand for the products of those investments and lower profit margins for the petrochemical sector (Ibn Rush) and glass sector (Obeikan Glass Company) due to the correlation of their product prices with the global market and their exposure to fluctuations in oil prices and other economic factors.

Changes in raw material and energy input prices for some invested industrial companies and subsidiaries.

- Fluctuations in the financial market, which affect the valuation of the Company's investment in Saudi joint stock companies and mutual funds.
- Fluctuations in interest rates, which may increase the financial burden of loans for the Company and its subsidiaries.
- Stagnation in the real estate finance sector, which may affect the revenues of Masar Al-Namou Finance.
- Changes in operating contracts for service companies (Energy Manufacturing and Services Company).

The Company manages its investment risks in affiliate companies by participating in the management of these companies through supervision and monitoring of performance and developing their operational processes, which is reflected in the development of investments and returns and reducing any investment risks.

- Precautionary measures and preventive measures to address epidemics that may be imposed by the authorities for public safety purposes, which may directly or indirectly affect the operations of the Company and its subsidiaries.

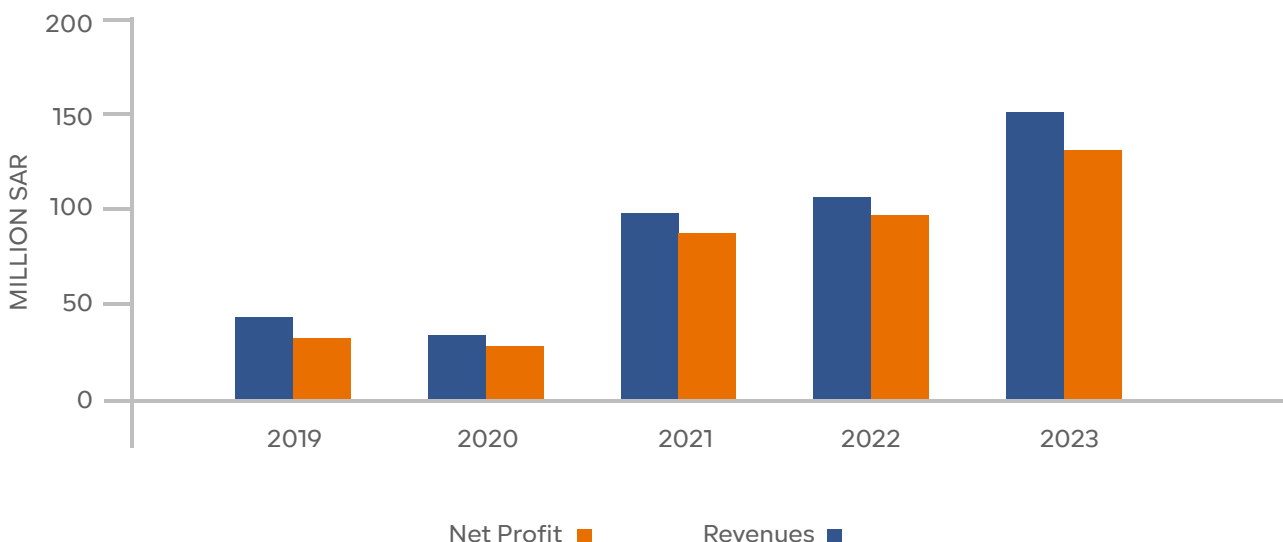
Sixth: Future Outlook and Plans:

Based on the Company's activity in the investment and financing sector, the Company studies various investment opportunities in different sectors through the investment management and business development department, which may result in new investments for the Company

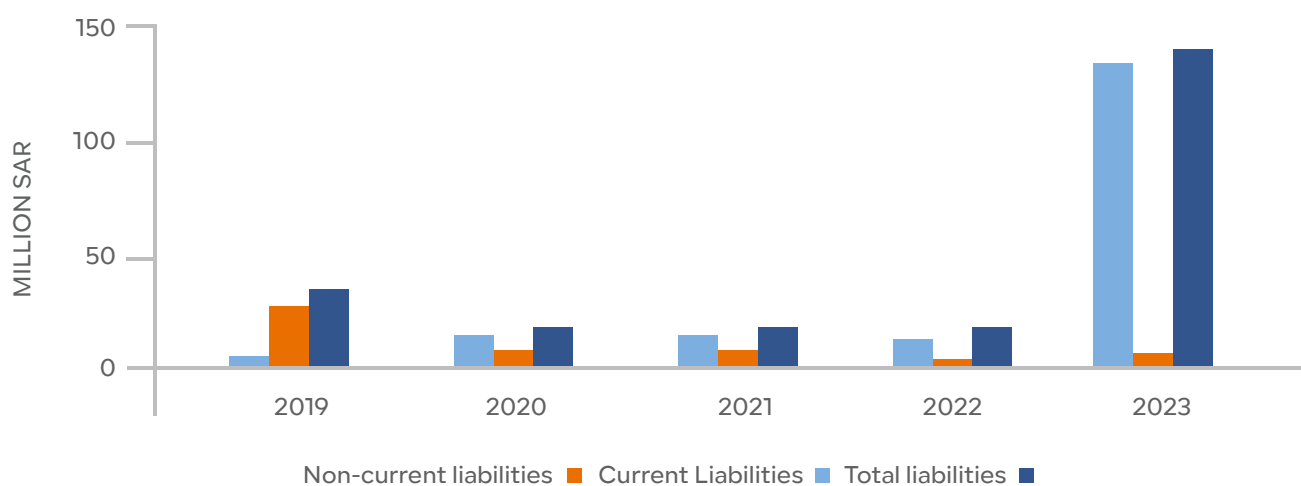
enhancing its investment portfolio and thus increasing asset diversification and reducing risks and enhancing return on investments while focusing on increasing cash flows from both current investments and future investments. The Company also aims to develop its assets and achieve strong financial performance and build integrated capabilities and find diverse financing methods while working on sustainable cash dividend distributions. The Company also works on pushing and urging affiliate companies to list their shares on the stock market whenever possible, due to the positive impact on shareholders' rights and the Company's financial position. Thanks to God, Obeikan Glass Company was listed on the Saudi Stock Market (Parallel Market), and Masar Al-Namou Finance also obtained the preliminary approval of the Saudi Central Bank for the company's offering in the Main Market, provided that the company obtains the final no-objection from the Saudi Central Bank and the necessary approvals from the authorities concerned within one year from its date.

Seventh: Results of Operations for the Last Five Years:

(Thousands SAR)	2023	2022	2021	2020	2019
Revenues	180,171	116,057	101,536	36,851	44,456
Revenues Costs	31,372	15,850	10,403	10,780	15,911
Net Profit	148,799	100,207	91,133	26,071	28,545



(Thousands SAR)	2023	2022	2021	2020	2019
Current Assets	338,177	54,110	24,043	25,096	32,876
Non -Current Assets	788,717	855,004	921,150	822,161	778,151
Total Assets	1,126,894	909,113	945,192	847,257	811,027
Current Liabilities	129,569	6,412	4,880	5,301	2,441
Non -Current Liabilities	1,916	1,518	2,376	2,201	9,759
Total Liabilities	131,485	7,930	7,256	7,502	12,200



Explanation of substantial differences in operating results compared to previous year's results (SAR thousands):

Statement	2023	2022	Change	Change Percentage
Operating Revenues	180,155	116,048	64,107	55.24%
Main Business Expenses	17,922	13,343	4,579	34.32%
Total Operating Profit	162,233	102,705	59,528	57.96%
Less: Zakat	10,267	2,126	8,141	382.96%
Net Profit	148,799	100,207	48,592	48.49%

The most important reasons for significant and fundamental deviations and changes in the results shown in the table above are:

- Increased revenues for the following reasons:
 - Increased profits achieved from selling shares in associated companies
 - Increased profits achieved from selling financial assets at fair value through profit or loss.
 - Increase in unrealized profits from financial assets at fair value through profit or loss.
 - High dividends earned.
- Despite the decrease in the company's share of the profits of associated companies.
- An increase in the estimated legal zakat on the company's accounts for the year 2023 AD compared to the year 2022 AD.
- An increase in general and administrative expenses due to an increase in employee expenses, consulting and professional fees, and other expenses.
- Increased financing costs for the year 2023.

I Eighth: Corporate Governance Regulations

The Company constantly and continuously seeks to develop corporate governance rules in accordance with the Corporate Governance Regulations issued by the Capital Market Authority and any amendments thereto, in order

to establish an effective supervisory system that enables the effective management of the Company. The Company seeks to protect the rights of shareholders and stakeholders by organizing the relationship between them. The Company's General Assembly adopted the Corporate Governance Regulations on 14/5/2018. The Extraordinary General Assembly held on 25/10/2023 also approved a number of regulations and policies aimed at enhancing governance principles between shareholders, the Board of Directors and stakeholders, namely:

- By laws .
- Audit Committee Charter.
- Nomination and Remuneration Committee Charter.
- Board Membership Nomination Policy.
- Board of Directors and Sub-Committees Remuneration and Compensation Policy.

The company applies all the provisions contained in the Corporate Governance Regulations, except for the provisions mentioned below.

Below is a comparison of the requirements of the regulations with what has not been implemented yet and the reasons for non-implementation:

Subject No.	Paragraph/Text of Paragraph	Applying	Reasons and Details
Article (67) Formation of Risk Management Committee	Formation of Risk Management Committee (optional)	not applied	The article is still optional and will be complied with once adopted
Article (68) Risk Committee Responsibilities	Risk Committee Responsibilities (optional)	not applied	The article is still optional and will be complied with once adopted
Article (69) Risk Committee Meetings	Risk Committee Meetings (optional)	not applied	The article is still optional and will be complied with once adopted

Subject No.	Paragraph/Text of Paragraph	Applying	Reasons and Details
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Article (82): Employee Motivation	<p>2- Employee stock or profit sharing programs and retirement programs.</p> <p>Establishing an independent fund to spend on such programs</p> <p>3- Establishing social institutions for company employees</p>	not applied	The article is still optional and will be complied with once adopted
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Article (84): Social Responsibility	The General Assembly - based on a proposal from the Board of Directors - shall establish a policy that ensures a balance between its objectives and the objectives that society aspires to achieve: In order to develop the social and economic conditions of society	not applied	The article is still optional and will be complied with once adopted
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Article (85): Social Work Initiatives	<p>1- Develop metrics that link the company's performance to its social work initiatives, and compare that to other companies with similar activities.</p> <p>2- Disclose the social responsibility objectives adopted by the company to its employees, and raise their awareness and educate them about it.</p> <p>3- Disclose plans to achieve social responsibility in periodic reports related to the company's activities</p> <p>4- Develop community awareness programs to introduce the company's social responsibility</p>	not applied	The article is still optional and will be complied with once adopted
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Subject No.	Paragraph/Text of Paragraph	Applying	Reasons and Details
Article (92): Forming a governance committee	The committee is responsible for following up on any issues related to governance applications	not applied	The article is still optional and will be complied with once adopted

I Ninth: Board of Directorst

1- Composition and Classification of the Board of Directors:

The Board of Directors of Saudi Advanced Industries Company (SAIC) consists of seven (7) members. The following table shows the classification of the basic Board members:

Sn.	Member Name	Membership Classification		
		Executive	Non-Executive	Independent
1	Abdullah Mohammed Al-Humaidhi		✓	
2	Abdulrahman Nasser Al-Obaid			✓
3	Abdullah Sulaiman Al-Juraish ¹	✓		
4	Faisal Abdullah Al Al-Moshwah ²			✓
5	Ahmed Abdulrahman Al Rabeah ³			✓
6	Yasser Rashid Al Rasheed ⁴			✓
7	Fahad Mohammed Al Ruwaih ⁵			✓
8	Yousef Mohammed Al Qafari ⁶			✓
9	Musa Abdullah Al Ruwaili ⁷	✓		

¹ Appointed as Managing Director and Acting CEO on 18/01/2023.

² Membership started on 08/01/2023, and the Ordinary General Assembly approved his appointment on 04/06/2023.

³ Membership started on 08/01/2023, and the Ordinary General Assembly approved his appointment on 04/06/2023.

⁴ Appointed to the vacant position on 23/05/2023 after the Board of Directors approved it by circulation, and the appointment was ratified by the Extraordinary General Assembly on 25/10/2023.

⁵ Appointed to the vacant position on 30/05/2023 after the Board of Directors approved it by circulation, but his appointment was not approved by the Extraordinary General Assembly held on 25/10/2023.

⁶ Resigned on 19/01/2023 and the Board of Directors approved his resignation by circulation on 23/01/2023.

⁷ His assignment as CEO and Managing Director Board Member was terminated on 18/01/2023, he resigned on 30/01/2023 and the Board approved his resignation by circulation on 05/02/2023.

2- Current and Previous Positions, Qualifications and Experiences of Board Members:

Sn.	Name	Current Position	Previous Position	Qualifications	Experiences
1	Abdullah Mohammed Al Humaidhi ¹ Chairman of the Board	Executive Director	Executive Director	Master's Degree	<p>Holds a Master's Degree in Private Law from the Arab East University. Worked in several companies in various fields.</p> <p>He holds a Bachelor's degree in Public Relations from Imam Muhammad bin Saud University and a Diploma in Real Estate Management from the Real Estate Academy in Dubai.</p>
2	Abdulrahman Nasser Al Obaid ² Chairman Deputy	Partner Manager	Domestic Procurement Manager	Bachelor's Degree	<p>He worked in several real estate, investment and industrial companies. Partner and founder of the Innovative Leadership Entertainment Company. Partner and founder of the Palm Trunk Commercial Company.</p>
3	Abdullah Sulaiman Al Juraish	Businessman	Businessman	PhD. in Commercial Law	<p>Holds a Bachelor's, Master's and PhD in Commercial Law.</p>
4	Faisal Abdullah Al Moshwah	Attorney	Attorney	Bachelor's Degree	<p>Holds a Bachelor's Degree in Sharia from Qassim University and a Diploma in Advocacy from the Higher Institute of Judiciary at Imam Muhammad Ibn Saud Islamic University. He has experience in various fields and is an advisor to several family joint stock companies. He has 15 years of experience in corporate systems and financial market regulations. Partner in Al Marzouq, Al Mashouh & Partners Law Firm, Legal Consultations.</p>
5	Ahmed Abdulrahman Al Rabeah	Engineer	Engineer	Bachelor's Degree	<p>Holds a Bachelor's Degree in Mechanical Engineering from King Fahd University of Petroleum and Minerals. He has 10 years of practical experience in various companies where he held senior administrative positions and conducted many successful deals and investments.</p>
6	Yasser Rashid Al Rasheed	Chief Financial Officer (CFO)	Chief Financial Officer (CFO)	Master's Degree	<p>Holds a Master's Degree in Financial Management from Dunivier American University. He has over 20 years of experience in the banking, finance and investment sectors, during which he held several leadership positions. He is also a Board Member of Malath Insurance Company.</p>
7	Fahad Mohammed Al Ruwaih	Investments Director	Investments Director	Bachelor's Degree	<p>Holds a Bachelor's Degree in Business Administration from King Faisal University. He has extensive experience of over 24 years in strategic planning management, management of local, regional and international stock market coverage, business development and development of financial products</p>
8	Yousef Mohammed Al Qafari	Businessman	Businessman	High School Certificate	<p>Experience in various investment, industrial and petrochemical sectors and finance sector</p>
9	Musa Abdullah Al Ruwaili	Businessman	Businessman	Bachelor's in Education	<p>Experience in management, organization, industrial and service sectors</p>

¹ Appointed Chairman of the Board instead of Mr. Yousef Mohammed Al Qafari on 18/01/2023

² He was appointed Vice Chairman of the Board on 18/01/2023

3- Current and Previous Positions, Qualifications & Experiences of Committee Members (External Board Member):

Sn.	Name	Current Position	Previous Position	Qualifications	Experiences
1	Ammar Abdulrahim Qadi	General Manager at Middle East Specialized Cables Company	Chairman of the Saudi Arabian Auto & Motorcycle Federation	Bachelor's Degree in Architectural Engineering from King Saud University	Chairman of the Saudi Arabian Auto & Motorcycle Federation, CEO of Hawazen Contracting Company and Al-Ahmad Engineering Company, and Board Member of Al-Qadi Poultry Company, Al-Aseel Company for Water and the Saudi Society for Urban Sciences
2	Faisal Sultan Al-Subaie	Internal Auditor in the Internal Audit Department at Bouan Holding Company	Internal Auditor in the Internal Audit Department at Othaim Markets Company	Bachelor's Degree in Accounting from King Saud University	Internal Auditor in the Internal Audit Department at Nadec, He has extensive experience in the field of accounting and auditing, and has high experience in the field of internal auditing

4-Executive Management:

Sn.	Name	Current Position	Previous Position	Qualifications	Experiences
1	Abdullah Sulaiman Al Juraish ¹	Managing director Board Member & Acting CEO	Businessman	PhD. in Commercial Law	Holds a Bachelor's, Master's and PhD in Commercial Law
2	Musa Abdullah Al Ruwaili ²	Managing Director Board Member	Businessman	Bachelor's in Education	Has over 20 years of management and investment experience. Holds a Bachelor's degree from King Saud University and is a Board Member of several public joint stock companies.
3	Muhannad Mustafa Al Ashqar	CFO	CFO	Bachelor's Degree in Finance and Banking	Holds a Bachelor's Degree in Finance and Banking from Yarmouk University. Worked in several companies in various industrial and investment fields in addition to his current role at Saudi Advanced Industries Company (SAIC)

¹ Appointed Chairman of the Board instead of Mr. Yousef Mohammed Al Qafari on 18/01/2023

² His assignment as CEO and Managing Director Board Member was terminated on 18/01/2023, he resigned on 30/01/2023 and the Board approved his resignation by circulation on 05/02/2023

5- Names of companies inside or outside the Kingdom in which a Board member is a current or former Board member:

Member Name	Names of Companies in which the Board Member is a Current or Former Board Member or Manager	Inside the Kingdom / Outside the Kingdom	Legal Status (Listed Joint Stock / Unlisted Joint Stock / Limited Liability / ...)	Names of Companies in which the Board Member was Previously a Board Member or Manager	Inside the Kingdom / Outside the Kingdom	Legal Status (Listed Joint Stock / Unlisted Joint Stock / Limited Liability / ...)
Abdullah Mohammed Al Humaidhi	National Aluminum Factory Co. (NAFCO) (Investment Committee Member)	Inside the Kingdom	Listed Joint Stock	—	—	—
Abdulrahman Nasser Al Obaid	Judh Al Nakhla Commercial (Executive) Al Riadah Al Mubtakerah (Executive)	Inside the Kingdom Inside the Kingdom	Limited liability Limited liability	—	—	—
Abdullah Sulaiman Al Juraish	Al Oqailat Commercial Caravans (Chairman of the Board)	Inside the Kingdom	Closed	—	—	—
Faisal Abdullah Al Moshwah	Al Marzouk, Almoshawwah & Partners	Inside the Kingdom	Listed Joint Stock	—	—	—
Ahmed Abdulrahman Al Rabeah	—	—	—	—	—	—
Yasser Rashid Al Rasheed	Malath Cooperative Insurance (Chairman of Investment Committee - Member of Nomination and Remuneration Committee)	Inside the Kingdom	Listed Joint Stock	—	—	—
Fahad Mohammed Al Ruwaih	—	—	—	—	—	—
Yousef Mohammed Al Qafari	Naqi water Co. Abdullah Saad Abu Moati Libraries	Inside the Kingdom Inside the Kingdom	Listed Joint Stock Listed Joint Stock	Al Dawliyah Human Resources (Chairman of the Board)	Inside the Kingdom	Listed Joint Stock
Musa Abdullah Al Ruwaili	Middle East Cables Company (Board Member) Hisas Capital Company (Chairman of the Board)	Inside the Kingdom Inside the Kingdom	Listed Joint Stock Closed	Arabian Pipes Company (Board Member) Balah Trading Co. (Board Member)	Inside the Kingdom Inside the Kingdom	Listed Joint Stock Closed

6- Participation of Board Members and Senior Executives in Boards and Committees of Invested Companies:

Name	Company Name	Description
Abdullah Mohammed Al-Humaidhi	Massar AI Numu Finance Company (Closed)	Board Member - Executive Committee Member
Abdulrahman Nasser Al Obaid	Massar AI Numu Finance Company (Closed)	Audit Committee Member
Abdullah Sulaiman Al Juraish	Alsalam Aerospace Industries Company Massar AI Numu Finance Company (Closed)	Board Member Risk Committee Member
Ahmed Abdulrahman Al Rabeah	Alsalam Aerospace Industries Company Massar AI Numu Finance Company (Closed)	Board Member Nomination and Remuneration Committee Member

7- Board Meetings During 2023:

Name	Number of Board Meetings (9) Board Meeting Dates									Total
	08/01/2023	18/01/2023	30/01/2023	27/03/2023	10/05/2023	04/06/2023	24/08/2023	19/09/2023	26/12/2023	
Abdullah Mohammed Al-Humaidhi	✓	✓	-	✓	✓	✓	✓	✓	✓	8
Abdulrahman Nasser Al Obaid	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Abdullah Sulaiman Al Juraish	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Faisal Abdullah Al-Moshwah		✓	✓	✓	✓	✓	✓	✓	✓	8
Ahmed Abdulrahman Al Rabeah		✓	✓	✓	✓	✓	✓	✓	✓	8
Yasser Rashid Al-Rasheed						✗	✓	✓	✓	3
Fahad Mohammed Al-Ruwaih						✓	✓	✓		3
Yousef Mohammed Al-Qafari	-	✓								1
Musa Abdullah Al-Ruwaili	✓	✓								2

Attendance in person (✓)

Attendance by proxy (-)

Absent (✗)

The Nomination and Remuneration Committee annually identifies areas of weakness and strength in the Board of Directors, and proposes ways to address them in line with the Company's interest. The Board also evaluates and monitors the work of the sub-committees through periodic follow-up reports. In application of the requirements of Article (41) of the Corporate Governance Regulations, the Board of Directors approved during the year policies and procedures for evaluating the performance of the Board of Directors, its members and committees, and executive management.

Remuneration of Board Members and Executive Management:

- Alignment with the Company's strategy and objectives.

Remunerations and fees should be based on a recommendation from the Nomination and Remuneration Committee.

- Remunerations or fees are provided in return for their efforts in the mandated committees, and also with the aim of encouraging and motivating Board members and executive management to make the Company successful and achieve its medium and long term objectives.
- Remunerations are determined according to the job level, assigned tasks and responsibilities, academic qualifications, practical experiences, skills, and performance level.
- Alignment with the size, nature and degree of risks at the Company.
- Aiming to attract, retain and motivate professional competencies.

7- Board Committees:

A- Investment Committee:

The Investment Committee of Advanced Industries Company consists of:

Dr. Abdullah Sulaiman Al-Juraish	Chairman of the Investment Committee
Mr. Abdullah Mohammed Al-Humaidhi	Investment Committee Member
Mr. Ahmed Abdullah Al-Rabeah	Investment Committee Member

Authorities and Tasks of the Investment Committee:

The Board of Directors authorized the Investment Committee to execute specific delegated tasks, take any action or assume any powers and responsibilities that may be assigned to it from time to time as the technical investment arm of the Board of Directors. It also submits its recommendation to the Board regarding:

- 1) Developing the Company's overall investment strategy, overseeing its implementation and modifying it when necessary.
- 2) Amending the Company's Bylaws in line with the investment strategy when necessary.
- 3) The Company's investment funding sources.
- 4) New investment opportunities, whether existing establishments or establishing new ones.
- 5) Increasing or decreasing ownership stakes and percentages in existing investments.
- 6) Feasibility of exiting or retaining existing investments.
- 7) Writing off or forming investment provisions.
- 8) Investing in IPOs and securities.
- 9) Matters referred by the Board of Directors for study, evaluation and analysis.
- 10) Overseeing consulting services related to the Committee's tasks and responsibilities.

Investment Committee Member Attendance Schedule for 2023:

Name	Membership Type	Number of Meetings (8)							
		First Meeting 23/01/2023	Second Meeting 13/02/2023	Third Meeting 28/05/2023	Fourth Meeting 18/07/2023	Fifth Meeting 21/08/2023	Sixth Meeting 11/09/2023	Seventh Meeting 23/10/2023	Eight Meeting 20/11/2023
Abdullah Sulaiman Al-Juraish	Committee Chairman	✓	✓	✓	✓	✓	✓	✓	
Abdullah Mohammed Al-Humaidhi	Member	✓	✓	✓	✓	✓	✗	✓	
Ahmed Abdulrahman Al-Rabeah	Member	✓	✓	✓	✓	✓	✓	✓	
Musa Abdullah Al-Ruwaili	Committee Chairman	Their committee membership ended after its reformation by Board resolution on 18/01/2023							
Yousef Mohammed Al-Qafari	Member								
Mohammed Abdulaziz Al-Shetwi	External Board Member								
Mofreh Abdullah Al-Shehri	External Board Member								

B- Audit Committee:

The Audit Committee of Advanced Industries Company consists of:

Mr. Abdulrahman Nasser Al-Obaid	Chairman of the Investment Committee
Mr. Ammar Abdulrahim Qadi	Audit Committee Member (External Board Member)
Mr. Faisal Sultan Al-Subaie	Audit Committee Member (External Board Member)

Results of the annual review of the effectiveness of internal control procedures in the Company, in addition to the Audit Committee's opinion on the adequacy of the internal control system in the Company:

Based on the internal auditor's report, the internal audit processes did not reveal any fundamental weakness in the internal control system, nor any deficiency in the internal control system, and the policies and procedures in the Company are adequate.

Note that the Company relies on the implementation of internal audit by an internal audit office from outside the Company which is nominated and appointed by the Audit Committee.

Audit Committee Responsibilities:

Verifying the adequacy of the internal control system and its effective implementation, and make recommendations to the Board of Directors to activate and develop the system in a manner that achieves the Company's purposes and protects the shareholders' interests.

The Committee has the right, without any restrictions, to access all informations, data, reports, records, correspondence or any other matters it deems important. The Board of Directors shall take all measures that ensure the Committee can perform its duties. The Committee also has the right to evaluate the effectiveness of the Company's assessment of material risks that it may be exposed to and the steps taken by the Company management to monitor and confront these risks, and make suggestions to the Board of Directors.

Audit Committee Member Attendance Schedule for 2023:

Name	Membership Type	Number of Meetings (6)					
		First Meeting 27/03/2023	Second Meeting 03/04/2023	Third Meeting 17/05/2023	Fourth Meeting 24/05/2023	Fifth Meeting 09/08/2023	Sixth Meeting 02/11/2023
Abdullah Mohammed Al-Humaidhi	Committee Chairman	Resigned from committee membership on 18/01/2023					
Abdulrahman Nasser Al-Obaid ¹	Committee Chairman	✓	✓	✓	✓	-	✓
Ammar Abdulrahim Qadi	External Board Member	✓	✓	✓	✓	✓	✓
Faisal Sultan Al-Subaie	External Board Member	✓	✓	✓	✓	✓	✓

¹ He was appointed to committee membership on 18/01/2023

C- Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of Advanced Industries Company consists of:

Mr. Abdulrahman Nasser Al-Obaid	Nomination and Remuneration Committee Chairman
Mr. Faisal Abdullah Al-Moshwah	Nomination and Remuneration Committee Member
Mr. Abdullah Mohammed Al-Humaidhi	Nomination and Remuneration Committee Member

Nomination and Remuneration Committee Responsibilities:

- Annual review of the skills required for Board membership and preparing a description of the capabilities and qualifications required for Board membership, including determining the time that the member must allocate to Board work.
- Reviewing the Board structure and making recommendations regarding possible changes.

Identifying areas of weakness and strength in the Board of Directors and proposing ways to address them in line with the Company's interest.

- Annually verifying the independence of independent members and the absence of conflict of interest if the member holds a board membership in another company.

- Recommending Board membership nominations to the Board of Directors in accordance with approved policies and standards, taking into account that no person previously convicted of a crime involving honor and honesty should be nominated.
- Developing clear policies for the compensation and remuneration of Board members and senior executives, including performance-linked criteria.

Nomination and Remuneration Committee Member Attendance Schedule for 2023:

Name	Membership Type	Number of Meetings (5)				
		First Meeting 21/06/2023	Second Meeting 23/07/2023	Third Meeting 04/10/2023	Fourth Meeting 22/11/2023t	Fifth Meeting 10/12/2023
Abdulrahman Nasser Al-Obaid	Committee Chairman	✓	✓	✓	✓	✓
Faisal Abdullah Al-Moshwah ¹	Member	✓	✓	✓	✓	✓
Abdullah Sulaiman Al-Juraish	Member	His membership ended after its reformation by Board resolution on 18/01/2023				
Abdullah Mohammed Al-Humaidhi	Member	✓	✗	✓	✓	✓

¹ He was appointed to committee membership on 18/01/ 2023

Governance Committee:

The Governance Committee of Advanced Industries Company consists of:

Mr. Sultan Samah Al-Harbi	Governance Committee Chairman
Mr. Sulaiman Mohammed Al-Ghumaiz	Governance Committee Member
Mr. Mohammed Fahd Al-Dosari	Governance Committee Member

¹ The Governance Committee was canceled by a decision of the Board of Directors on 01/03/2023. The company has sufficient governance management for this committee.

Governance Committee Responsibilities:

The Governance Committee of Advanced Industries Company consists of:

- Achieving fairness, transparency and protecting the rights of shareholders and stakeholders in the Company.
- Ensuring the Company's compliance and fulfillment of governance requirements

by implementing systems, regulations and instructions issued by the Capital Market Authority and other relevant regulatory authorities.

- Taking preventive measures to ensure the Company achieves best practices, compliance and avoids violations, and assessing their suitability.
- Providing necessary advice to the Board of Directors, its committees and executive management in the field of governance and its applications, and constantly informing Board members and committees of developments in governance.

Governance Committee Member Attendance Schedule for 2023:

Name	Membership Type	Number of Meetings (0)
Sultan Samah Al-Harbi	Committee Chairman	The committee did not meet in 2023. The Governance Committee was cancelled by a Board resolution on 01/03/2023
Sulaiman Mohammed Al Ghumaiz	Member	
Mohammed Fahad Al Dawsari	Member	

10- Ownership of Board Members and Senior Executives: 1-Shares owned by Board Members, Senior Executives, their spouses and minor children:

Name	Description	Shares at Beginning of Year	Shares at End of Year	Net Change	Change Percentage
Abdullah Mohammed Al Humaidhi	Chairman of the Board	6456	7747	1291	20%
Abdulrahman Nasser Al Obaid	Deputy Chairman	2000	5000	3000	150%
Abdullah Sulaiman Al Juraish	Managing Director	3001	5000	1999	66%
Faisal Abdullah Al Moshwah ¹	Member	-	-	-	-
Ahmed Abdulrahman Al Rabeah ²	Member	-	-	-	-
Yasser Rashid Al Rasheed ³	Member	-	-	-	-
Fahad Mohammed Al Ruwaih ⁴	Member	-	-	-	-
Muhannad Mustafa Al Ashqar	CFO	-	-	-	-
Ownership of resigned members until resignation date					
Yousef Mohammed Al Qafari ⁵	Former Chairman of the Board	149,146	149,146	-	-
Musa Abdullah Al Ruwaili ⁶	Former Managing Director	251	251	-	-

- 1 His membership started on 08/01/2023
- 2 His membership started on 08/01/2023
- 3 He was appointed to the vacant position on 23/05/2023 after Board approval by circulation
- 4 Appointed to the vacant position on 30/05/2023 after the Board of Directors approved it by circulation, but his appointment was not approved by the Extraordinary General Assembly held on 25/10/2023
- 5 Resigned on 19/01/2023 and the Board of Directors approved his resignation by circulation on 23/01/2023
- 6 His assignment as CEO and Managing Director Board Member was terminated on 18/01/2023, he resigned on 30/01/2023 and the Board approved his resignation by circulation on 05/02/2023. The Extraordinary General Assembly approved an increase in the company's capital on January 1, 2023

2- Ownership of Relatives of Board Members:

Sn.	Name	Description	Shares at Beginning of Year	Shares at End of Year	Net Change	Change Percentage
1	-	-	-	-	-	-

3- Statement of Payments to Board Members and Senior Executives

Member Name	Fixed Remunerations				Variable Remunerations					End of service Reward	Total Amount	Expense Allowance	
	Specified Amount	Attendance Allowance for Board Meetings	Total Allowance for Attending Committee Meetings <small>In-kind Benefits, Statement of Work Board Members Received as Employees, Administrators or for Technical, Administrative or Consulting Work</small>	<small>Remuneration of Chairman, Managing Director or Secretary, if a Board Member</small>	Total	Total	Percentage of Profits	Periodic Remunerations	Short-term Incentive Plans				Long-term Incentive Plans
First: Independent Members													
Abdulahman Nasser Al Obaid	250,000	27,000	20,000		297,000							297,000	
Faisal Abdullah Al-Moshwah	245,205.48	24,000	10,000		279,205.48							279,205.48	
Ahmed Abdulrahman Al-Rabeah	245,205.48	24,000	16,000		285,205.48							285,205.48	
Yasser Rashid Al-Rasheed	152,739.73	9,000	0		161,739.73							161,739.73	
Yousef Mohammed Al-Qafari	12,328.77	3,000	0		15,328.77							15,328.77	
Total	905,479.46	87,000	46,000		1,038,479.46							1,038,479.46	
Second: Non-Executive Members													
Abdullah Mohammed Al Humaidhi	250,000	24,000	22,000		296,000							296,000	
Total	250,000	24,000	22,000		296,000							296,000	
Third: Executive Members													
Abdullah Sulaiman Al Juraish	250,000	27,000	16,000		293,000							293,000	
Musa Abdullah Al-Ruwaili	11,643.84	6,000	0		17,643.84							17,643.84	
Total	261,643.84	33,000	16,000		310,643.84							310,643.84	
Senior Executives													
Senior Executive Remunerations	Fixed Remunerations				Variable Remunerations					End of service provision	Total Executive Remuneration for Board, if any	Total Amount	
	Salaries	Allowances	In-kind Benefits	Total	Periodic Remunerations	Profits	Short-term Incentive	Long-term Incentive Plans	Granted Shares (enter value)				Total
Senior Executives	1,599,333.34	138,600.00	0.00	1,737,933.34	3,795,303.00	00.0	00.0	00.0	00.0	3,795,303.00	00.0	261,644.00	5,794,880.34

Committee Member Remunerations:

Member Name	Fixed Fees (excluding Meeting Attendance Fees)	Meeting Attendance Fees	Total
Audit Committee Members			
Abdulrahman Nasser Al-Obaid	71,506.85	10,000	81,506.85
Ammar Abdulrahim Qadi	150,000	12,000	162,000
Faisal Sultan Al-Subaie	150,000	12,000	162,000
Total	371,506.85	34,000	405,506.85
Nomination and Remuneration Committee Members			
Abdulrahman Nasser Al-Obaid	150,000	10,000	160,000
Faisal Abdullah Al-Moshwah	145,479.45	10,000	155,479.45
Abdullah Mohammed Al-Humaidhi	75,000	8,000	85,000
Abdullah Sulaiman Al-Juraish	2,260.27	0	2,260.27
Total	372,739.72	28,000	400,739.72
Investment Committee Members			
Abdullah Mohammed Al-Humaidhi	150,000	14,000	164,000
Abdullah Sulaiman Al-Juraish	143,013.70	16,000	159,013.7
Ahmed Abdulrahman Al-Rabeah	143,013.70	16,000	159,013.7
Yousef Mohammed Al-Qafari ¹	6,986.30	0	6,986.30
Musa Abdullah Al-Ruwaili ²	6,986.30	0	6,986.30
Mohammed Abdulaziz Al-Shetwi	6,986.30	0	6,986.30
Mufarrih Al-Shehri	6,986.30	0	6,986.30
Total	463,972.60	46,000	509,972.60
Governance Committee Members ³			
Sultan Al-Harbi	24,246.58	0	24,246.58
Sulaiman Al-Ghumaiz	24,246.58	0	24,246.58
Mohammed Fahad Al-Dawsari	24,246.58	0	24,246.58
Total	72,739.74	0	72,739.74

¹ Resigned on 23/01/2023

² Resigned on 30/01/2023

³ The Governance Committee was cancelled by a Board resolution on 01/03/2023

11- General Assemblies

Dates of General Shareholder Assemblies held during the past fiscal year, and names of attending Board Members:

Name	Number of Meetings (3)		
	Extraordinary General Assembly meeting 25/01/2023	Ordinary General Assembly meeting 04/06/2023	Extraordinary General Assembly meeting 25/10/2023
1 Abdullah Mohammed Al-Humaidhi	✓	✓	✓
2 Abdulrahman Nasser Al-Obaid	✓	✓	✓
3 Abdullah Sulaiman Al-Juraish	✓	✓	✓
4 Faisal Abdullah Al-Moshwah ¹	✓	✓	✓
5 Ahmed Abdulrahman Al-Rabeah ²	✓	✓	✓
6 Yasser Rashid Al-Rasheed ³		✗	✓
7 Fahad Mohammed Al-Ruwaih ³		✓	✓

¹ His membership started on 08/01/2023

² His membership started on 08/01/2023

³ He was appointed to the vacant position on 23/05/2023 after Board approval by circulation

⁴ Appointed to the vacant position on 30/05/2023 after the Board of Directors approved it by circulation, but his appointment was not approved by the Extraordinary General Assembly held on 25/10/2023

2- Statement of number of Board meetings attended by each member since the date of the last General Assembly meeting:

Name	Date of Last General Assembly Meeting 25/10/2023
	26/12/2023
1 Abdullah Mohammed Al-Humaidhi	✓
2 Abdulrahman Nasser Al-Obaid	✓
3 Abdullah Sulaiman Al-Juraish	✓
4 Faisal Abdullah Al-Moshwah	✓
5 Ahmed Abdulrahman Al-Rabeah	✓
6 Yasser Rashid Al-Rasheed	✓

3- Number of the Company's requests for the shareholders register, dates of those requests, and their reasons:

Number of Company Requests for Shareholder Register	Request Date	Request Reason
1	08/01/2023	General Assembly Meeting
2	25/01/2023	General Assembly Meeting
3	07/02/2023	Company Procedures
4	08/03/2023	Company Procedures
5	27/03/2023	Dividends File
6	01/05/2023	Company Procedures
7	01/05/2023	Company Procedures
8	31/05/2023	General Assembly Meeting
9	31/05/2023	Company Procedures
10	20/07/2023	Company Procedures
11	30/07/2023	Company Procedures
12	26/09/2023	General Assembly Meeting
13	24/10/2023	General Assembly Meeting

Tenth: Social Responsibility Programs:

Seeking to play an active role in society, Advanced Industries Company studied programs through which it could contribute, most notably preparing a cooperative training program aimed at enhancing the efficiency of national cadres in the business sector in general, financial, business development and investment departments. During 2023, A number of male and female trainees were trained in investment management.

Eleventh: Transition to International Accounting Standards:

International standards have been applied since the beginning of 2017. There are also no differences from the accounting standards adopted by the Saudi Organization for Chartered Accountants.

Twelfth: Capital Market Authority Fines:

No fines were imposed on the Company during the financial year 2023.

Thirteenth: Company Compliance with the Model Template for Preparing Board of Directors Reports Issued by the Capital Market Authority:

1. Any penalty, sanction, precautionary procedure or provisional restriction imposed on the Company by the Authority, any supervisory or regulatory authority or judiciary: **No penalties or sanctions have been imposed on the Company.**
2. Audit Committee recommendations that conflict with Board resolutions or were rejected by the Board regarding the appointment, dismissal and fees of the Company's auditor, evaluating their performance, or appointing the internal auditor, justifications for those recommendations and reasons for not adopting them:
There is no conflict between the Audit Committee's recommendations and the Board's resolutions, and no recommendation has been rejected by the Board.
3. Clarification of any deviation from accounting standards adopted by the

Saudi Organization for Chartered Accountants: [There are no deviations.](#)

4. Description of any interest, contractual securities or subscription rights belonging to persons (other than the Company's Board members, senior executives and their relatives) who notified the Company of those rights pursuant to Article Forty Five of the Listing Rules, and any change in those rights during the past fiscal year: [There are no interests.](#)

5. Description of any interest, securities or contractual securities, subscription rights or similar rights issued or granted by the Company during the fiscal year to the Company's Board members, senior executives and their relatives: [There are no interests.](#)

6. Description of convertible debt instrument categories and numbers, if any, and any contractual securities or subscription memoranda or similar rights issued or granted by the Company during the fiscal year: [N/A](#)

7. Description of any conversion or subscription rights under convertible debt instruments, contractual securities, subscription memoranda or similar rights issued or granted by the Company: [N/A](#)

8. Description of any redemption, purchase or cancellation by the Company of any redeemable debt instruments and the value of remaining securities, distinguishing between listed securities purchased by the Company and those purchased by subsidiaries: [N/A](#)

9. Information on any transaction or contract in which the Company is a party and in which there is an interest for any Board member, senior executive, or any person related to any of them, including the names of the related persons, the nature of the transaction or contract and their terms, duration and amount: [N/A](#)

10. Statement of any waiver by any Board member or senior executive of any compensation: [N/A](#)

11. Statement of any waiver by any shareholder of any rights to dividends: [N/A](#)

12. Statement of the value of any investments or reserves set up for the benefit of the Company's employees: [N/A](#)

13. If the auditor's report contains reservations on the annual financial statements, the Board report shall explain those reservations and their reasons, and any related information: **There are no reservations on the annual financial statements.**

14. If the Board recommends changing the account auditor before the end of their term, the report shall include this, stating the reasons for recommending the change: **There is no such recommendation.**

15. Disclosure of details of treasury shares retained by the Company and details of uses of those shares: **The company has treasury shares.**

16. Clarification of the relationship between awarded remuneration and applicable remuneration policies, and any substantive deviation from those policies: **There are no substantive deviations in awarded remuneration and applicable remuneration policies.**

17. Details of policies regarding remuneration, mechanisms for determining it, amounts and financial consideration paid to each Board member in return for any executive, technical, administrative or consultative duties: **Board members do not carry out any executive, technical, administrative or consultative duties, and there are no related policies.**

18. Procedures taken by the Board to inform its members, especially non-executives, of shareholders' proposals and observations regarding the Company and its performance: **No proposals or observations were received from shareholders during 2023. Any notes or suggestions during the Company's General Assembly meeting are recorded in the minutes, which are reviewed by stakeholders. If there are observations outside the General Assembly, the Board of Directors is notified.**

| Fourteenth: Proposed Agenda:

The Board of Directors proposes that the esteemed shareholders approve the Board of Directors' Annual Report for 2023, the audited financial statements and the Auditor's Report for the same year, in addition to some other items that will be subsequently included in the invitation announcement for the General Assembly meeting, God willing.

Finally, the Board of Directors extends its thanks to the Company's shareholders for their continued support and confidence in the Board of Directors.

Thank you

Board of Directors
March 2024



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