



ANNUAL REPORT

of The Board of Directors Abdullah
Al-Othaim Markets Company

2021





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



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

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Overview

Historical about Abdullah AL-Othaim Markets Company:

It is an extension to Saleh Al-Othaim Trading Establishment being founded in the year 1376H (1956G) by the late Sheikh Saleh Al-Othaim whereby the establishment opened its first location in the heart of the commercial business area by that time in the village of Al-Gusman at Al-Bathaa and started doing business in trading of food stuffs. In 1401H/1980G Abdullah Al-Othaim Markets Trading Company was founded to continue the line through widening the business and opening wholesale and retail stores in the same activity. The largest turning point in the company course was in the year 1410H/1990G when the number of stores reached fourteen (14), at that time the system of consumers wholesale trade was applied in all stores belonging to the company and as such Abdullah Al-Othaim Markets Company became leading in this field. In the year 1412H/1992G, big warehouses with international standards of warehousing were opened to support growth and development of this company with its numerous centers and these warehouses were equipped with the most modern dry and cold storage in addition to increase in the distribution vehicles fleet to promote the service level provided to clients together with facilitating cooperation with suppliers. The company is continuing its expansion strategy and increase of stores base all over the Kingdom according to an integrated vision and renewed concern aiming to provide distinguished and comprehensive services to all clients.

Vision:

Better life at lower costs.

Mission:

To contribute to enabling our society to live a better life in order to achieve the vision of our kingdom.

Values:

Responsibility, mastery, charity, trust, honesty.

Quality:

Abdullah Al-Othaim Markets Company aims to provide consumer goods to its customers with a high level of quality and safety with its commitment and the commitment of employees to meet the requirements of the customer and satisfy him on a permanent and continuous basis to achieve the desired goal, which is for the company to remain at the forefront with the high levels of quality for its services, and to reach Those goals the company has pursued the scientific approach by developing a quality management system and safe food in terms of coordinating work and raising the degree of performance efficiency, providing human resources, technology and necessary training systems, partnering with trusted suppliers, and coordinating with them to achieve continuous development and improvement of the quality of the product and service provided to the customer.

Consumer friend:

To enhance Abdullah Al-Othaim Markets Company aims to raise awareness of consumer rights, improve services provided, comply with laws and regulations, and improve the customer's experience, the company has obtained the «Consumer Friend Certificate» issued by the Consumer Protection Association.



Abdullah Al-Othaim Markets Company. A Saudi joint stock company listed on the Saudi Stock Exchange.



Currently present in the Kingdom of Saudi Arabia and the Arab Republic of Egypt.



It ranked fourth in the brand share index and 17th in terms of brand value in the Kingdom in 2017G.



Abdullah Al-Othaim Markets Company ranked 65th among the top 100 companies in the Middle East from Forbes for the year 2021G.



The principal activities of the company are retail, wholesale and shopping mall ownership and operation of supermarkets, hypermarkets and convenience stores.

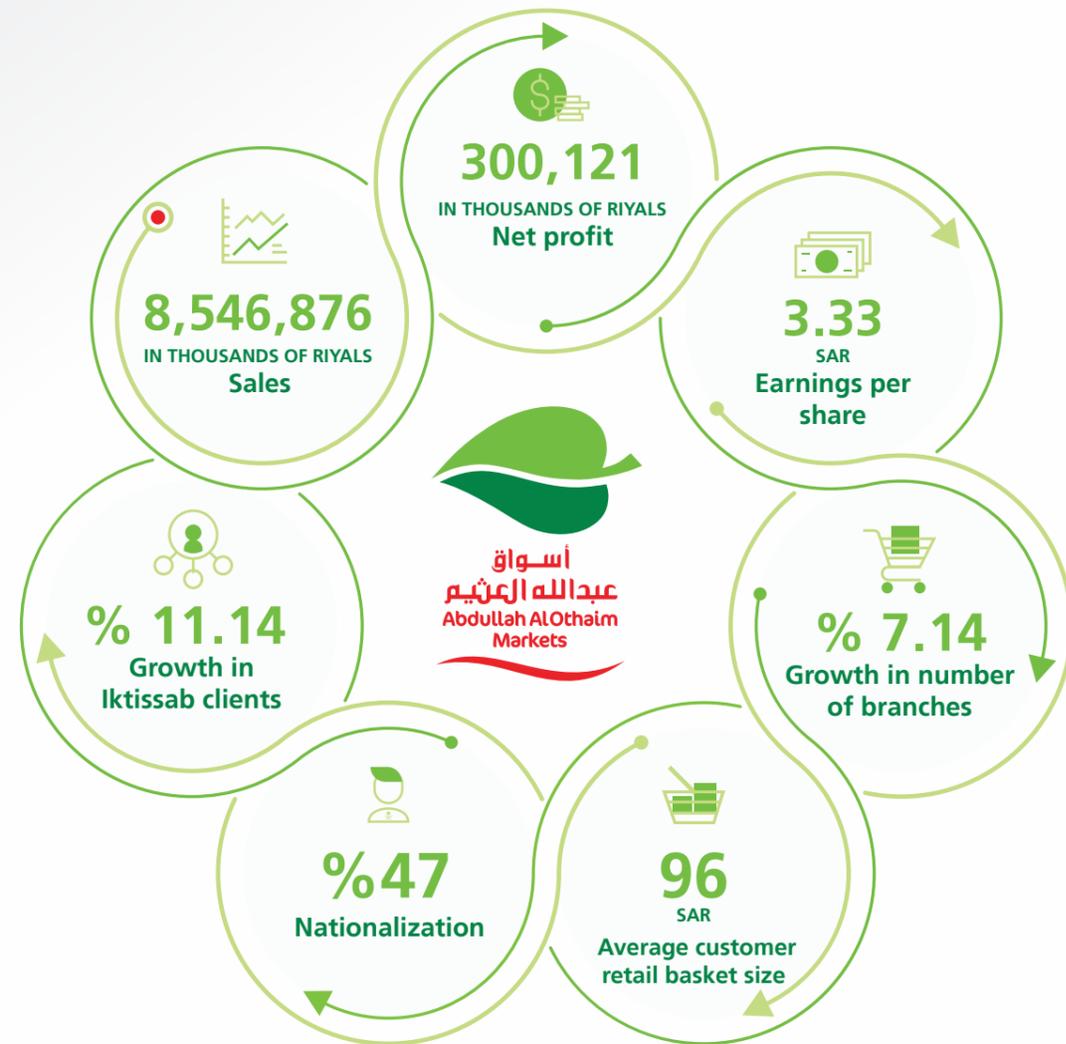


It has several investments in various sectors such as manufacturing and distributing general foodstuffs and manpower.



Abdullah Al-Othaim Markets Company seeks, through ambitious plans, to strengthen its position in the minds of customers, and its brand, and improve the shopping experience, which will enhance its leadership in the Saudi retail sector.

Talking Numbers



315



Branches inside and outside the Kingdom to provide customers with the best quality and price.

Board of Directors



Mr. Abdullah Saleh Ali Al-Othaim
Chairman of Board of Directors



Eng. Bader Hamed Abdulrazaq Alaujan
Deputy Chairman of the Board



Mr. Muwaffaq Mansour Mohammed Jamal
Board Member and CEO



Mr. Bandar Nasser Hamad Al-Tamimi
Board Member



Dr. Raed Abdullah Ibrahim Al-Hogail
Board Member



Mr. Saad Ibrahim Saad Al-Mushawah
Board Member



Mr. Abdulaziz Abdullah Saleh Al-Othaim
Board Member



Dr. Abdulkarim Hamad Abdulkarim Al-Nujaidi
Board Member



Mr. Mohammed Hasan Ibrahim Al-Shuhail
Board Member

chairman's speech

Chairman Speech



Mr. Abdullah Saleh Ali Al-Othaim
Chairman of The Board

Successes and growth in community service through pioneering innovative concepts in dealing with customers and suppliers and one of the retail and wholesale trade models through its branches throughout the Kingdom.



To: M/S Shareholders of Abdullah Al-Othaim Markets Co.

Dears,

I and on behalf of my brothers members of the Board of Directors has the honor we pleased to present its Annual Report for the fiscal year ended December 31, 2021, which includes a comprehensive summary of the of the company's activities & its progress, operational and financial performance, and also its strategic directions and corporate governance, and programs in the field of social responsibility , and in light of the economic challenges that society is witnessing which have affected the market competitiveness and consumer spending behavior, especially the Corona pandemic, which affected businesses, individuals and the economy as a whole, The company also seeks to support the goals of the National Vision for the year 2030G, and the main themes on which the vision is based, "a vibrant society, a thriving economy, and an ambitious nation" to achieve its strategic goals and its close orientation. And In recognition of the importance of transparency, and in line with the valid regulations issued by the concerned authorities, the Board of directors is keen hard to enhance the company's practice to comply with corporate governance regulations issued by Capital Market Authority (CMA) and the requirements of disclosure and transparency.

Whereas, Abdullah Al-Othaim Markets Company is considered as one of the leading joint stock companies in the field of governance, and by applying the best practices in place in this field, and these efforts have received appreciation and gratitude at the national level, as the company was ranked among the best (10) among the non-financial sector companies and shares are listed in the Saudi Arabia financial market "Tadawul", in the Corporate Governance Index issued by the Corporate Governance Center at the College of Business Administration at Al-Faisal University, and we will continue to work to raise the value of the company and achieve growth to reach its ambition

In conclusion, I extend my sincere thanks and appreciation to the company's shareholders for their trust in the Board of Directors, as well as to my brothers, members of the Board of Directors and the committees, for their efforts and wise guidance, and to the executive management team and the employees who were keen to adhere to the company's values, and continued to provide the highest levels of service to the company's clients society and raise the value achieved for its shareholders, All of them play an essential role in the company's progress and contribute significantly to its continuous success story.

CEO's Speech

Chief Executive Officer Speech



Mr. Muwaffaq Mansour Jamal
Board of Directors Member & Chief Executive Officer

The company has taken effective steps that employees, customers, and society. It has also strengthened its procedures and systems to keep pace with digital transformation and automation, upgrading its logistics services and launching an e-commerce platform.



To: M/S Shareholders of Abdullah Al-Othaim Markets Co.

The year 2021 was full of successes, challenges, growth, and development for Abdullah Al-Othaim Markets Company. The company exercised flexibility in coping with economic conditions and changes capitalizing on its strengths. Strategic planning played a key role in its success towards achieving future growth on the financial and execution levels. That was achieved through proactive response, improving cash flow levels and continuing to creatively and effectively improve the efficiency of supply chain and all the services provided by the company.

Flexibilities has always been one of the main foundations of our values which has been driving all our resources' commitment towards maintaining quality and leadership in the grocery retail sector. That was proven through the operations track record as well as the health and safety records of the company.

With the support of the authorities' active management throughout the pandemic, the company picked up many initiatives on the fronts of health and safety that resulted in significant contributions to the safety of its employees, customers, and the whole communities we operate within. We further enforced procedures and systems to keep pace with digital transformation and automation, upgrade logistics services, and launch an e-commerce platform under the directives of the Board of Directors.

I take this opportunity to express my gratitude to the company's Board of Directors for the continuous support to Executive Management and to my fellow employees of Abdullah Al-Othaim Markets Company in various departments for their efforts that contributed to the development of the company and the achievement of its goals. The company will continue to focus its efforts on implementing its strategic directions and providing the best value for its customers.

Strategic frame

First: Company Strategy, Plans, and Decisions:

A. Company's Strategic and Plans:

Based on changes in the food and consumer market, customer behaviors, global trends during 2021G, and the future market projections, the company developed an ambitious strategy which serves. The strategy aims to strengthen the company's positioning and strategic expansion inside the Kingdom of Saudi Arabia in line with positive expectations for the growth of the market.

The company aims to continue its efforts increasing its market share in the food and consumer market in the Kingdom of Saudi Arabia through the opening of new stores, upgrade current stores, and build an uplifted image supported by improved customer experience, omni-channel, and advanced technologies used in the retail sector, This is in addition to diversifying and integrating the company's investments which will support its main activity and enhance the company's ability to improve and diversify its revenue and its cost structure. The company's expansion plans by the end of 2021G resulted in the opening of (24) new stores in various cities across the Kingdom of Saudi Arabia and closed (2) stores bringing the number of stores throughout the Kingdom to (272) That increased the company's branch network efficiency and ensured better service for our customers, In addition, some existing stores were upgraded to better serve our customers, The company plans to increase the number of its stores in 2022G, which is expected to increase the company's sales and boost its market share in the Kingdom of Saudi Arabia.

Similarly, the company strengthened its operations in the Arab Republic of Egypt by opening (1) new better sales generating stores and closed down (2) of the low-performing stores the total number of trading stores in (43) stores.

B. The Most Important Decisions:

In supporting the role of the Board of Directors in performing its responsibilities and tasks, seeking towards achieving distinguished performance, during the year 2021G the board took several decisions and works, most notably:

1. Approving plans, setting policies, objectives, main strategic directions of company and supervision on implementing them such as:
 - Put Performance objectives and performance control and overall performance in the company and ensuring the availability of human and financial resources to achieve them.
 - Determine the optimal capital structure of the company and financial objectives and approve financial results and budgets.
 - Approving the company's estimated budget for the fiscal year 2022G.
 - Update and approve internal policies for organizing company business.
 - Approve the plan to extend in different locations and cities by taking advantage of the good and appropriate opportunities, thus contributing to increasing their expansion and spread and raising their market share.
2. Entering into a consortium with Allana International Company and United Feed Manufacturing Company to acquire one of the two milling companies by the General Grain Corporation.
3. Distribution of interim cash dividends to the company's shareholders for the first half of the year 2021G

with a total amount of SR (180,000,000) one hundred and eighty million riyals at the rate of (two riyals) per share and at a rate of (20%) of the capital.

4. Recommending to the general assembly of the company's shareholders to amend some articles of the company's bylaws.
5. Recommending to the general assembly of the company's shareholders to amend the charter of the Audit Committee, and the charter of the Remuneration and Nominations Committee.
6. Recommending to the general assembly of the company's shareholders to form an audit committee, define its tasks, work controls, and remunerations for its members for a period of (3) years, starting from 03/10/2021G.
7. Formation of the Remuneration and Nominations Committee for a period of three years, starting from 03/10/2021G.
8. Formation of the Executive Committee for a period of three years, starting from 03/10/2021G.
9. Appointing the chairman of the board of directors, the vice-chairman of the board, and the secretary of the board, for the term of the board, which began on 03/10/2021G and for a period of three years.
10. Appointing the company's representatives to the Capital Market Authority, the Saudi Stock Exchange "Tadawul" and the Securities Depository Center Company.
11. Approval, based on the recommendation of the Executive Committee, to adopt the amended powers and responsibilities matrix.
12. Approval, based on the recommendation of the Remuneration and Nomination Committee the company's succession plans and system.
13. Increasing the number of members of the Remuneration and Nominations Committee to consist of (4) members and appointing the Mr. Nabil AbdelAziz Al-Fraih - a member from outside the Board - in it.
14. Approval and based on the recommendation of the Remuneration and Nominations Committee to accept the resignation of the Chief Executive Officer / Mohsen Saqr Hussain from the position of CEO and appointing Mr. Muwaffaq Mansour Jamal as the CEO-designate of the company, as of 17/12/2021G.

Second: The Company's Investments:

A. Investments in companies according to Equity:

① Abdullah Al-Othaim Investment Company

The Company invests in Abdullah Al-Othaim Investment Company (A closed Saudi Joint Stock Company) It owns (13.65%) with a nominal investment of SR 136,538,000, The main activity of the company is managing and operating shopping malls, commercial, real estate and entertainment centers, where the Company share in the net profits for the year 2021G amounted SR 29,426,906 compared to SR 14,412,593 for the year 2020G, no dividends were distributed during the year 2021G, While the company's share of dividends in 2020G compared to the results of the year 2019G amounted to 13,653,850 riyals.

② Riyadh Food Industries Company

The Company invests in Riyadh Food Industries Company (a closed Saudi Joint Stock Company) with a (55%) ownership. Through its subsidiary, Bayt Al Watan Company, the nominal value of the investment is SR 44,000,000, The main activities of the company are the establishment of buildings and industrial facilities, invest in the benefit of the company, operation, maintenance, and development of factories for others, marketing food, and consumer products, and importing and exporting food and consumer goods. The Company's share of the net profits for the year 2021G amounted to SR 551,280 compared to SR 3,961,402 for the year 2020G.

③ Al Wousta Company for food Services

The Company invests in Al Wousta Company for food Services (limited liability Company) with a (25%) shareholding and an investment of SR 25,000,000 which was established in the year 2015. Its main activity is the management and operation of restaurants, the company's share of the profits in 2021G amounted to SR 1,273, 241 against SR 1,187,734 profit in the year 2020G.

④ Gulf Flour Milling Industrial Company

During the year 2021G, the company began investing in the Gulf Flour Milling Industrial Company - a joint venture (limited liability company) with an ownership percentage of (33%) and the nominal value of the investment is SR 50,000,000. The Company's main activities are packing and milling grains, flour industry, fodder industry and storage in silos, flour, and agricultural products, and the company's share of the net profits for the year 2021G amounted to SR 549,999.

B. Investments in available-for-sale securities:

① National Laboratories Company Limited

The company invests in the National Laboratories Company Limited (a limited liability company) with a (6%) shareholding and an investment of SR 3,400,000 The company was established in 2009G Its main activity is the management and operation of food analysis laboratories, medicines, gas, petroleum materials, petrochemicals and providing the technical services in this field, the main branch of the company is located in Al Dammam city, The registered investment amount as on 31/12/2021G reached SR 2,012,105.

② South Europe Investment Company

The company invests in the South Europe Investment Company (a limited liability company) registered in the Republic of Bosnia and Herzegovina with (18%) ownership and an investment of 900,000 Euros (SR 4.54 million), the company's activity is to invest in real estate, development, tourism, and renewable energy. The company also provides financial, technical, and administrative advisory services to the various business sectors, 2017G the company had transferred a sum of SR1.55 million as capital decrease. A fair value provision for this investment was made at an amount of SR 800,000 during 2017G, and the provision was increased by SR 800,000 during the year 2018G, and the provision was increased by SR 675,000 during the year 2021G, and the recorded value of the investment as on 31/12/2021G is SR 711,629

Third: Risks:

The Board of Directors is keen to raise awareness of risk management surrounding the sector's operations through permanent follow-up to the internal audit and the application of the highest levels of governance, in order to enhance audit efforts in following up on raising the level of risk management. By the nature of retail operations, there are risks that may affect the company's activity and financial position. These risks are categorized as follows:

1. Non- achievement of sales targets due to:

- Like-to-Like sales drop of performance-driven by low on-shelf availability of products or low customer shopping experience.
- Closure of Like-to-Like stores due to municipalities demolition activities.
- Non-opening of New Stores according to plan.
- Non-delivery of required product quantities by vendors.
- The Capability of Direct-to-Stores' vendors.
- Retail prices increases due to costs increases.
- Downtime of information systems.

2. Increase of cost of products and its impact on margins without being able to increase retail prices

3. Increase of Operating Expenses above planned levels as follows:

- Manpower localization requirements are higher than planned for increasing labor costs.
- Electricity.
- Transportation.

4. Internal infrastructure to support the continuous growth according to the following:

- Products warehousing and shipping to stores out of the company's facilities.
- Information Technology capabilities to support the growth of the operations.
- Availability of the financial detailed information needed for decision making.
- Financial capacity to support operations and expansion.

5. Availability of skilled resources to provide the required shopping experience.

6. Availability of grocery retail skilled management resources.

7. The introduction of new competitive activities inflecting customers' shopping habits.

8. The existence of rental real estate spaces that constitute a large part of the company's income, The income in the retail sector may not be able to compensate for it in the event that the real estate sector does not flourish.

9. The performance of the subsidiaries, their achievement of the targets, and the risks they carry in the invested sectors.

Risk Management:

Throughout the year the company has endeavored to mitigate risks with utmost effort. Various jobs worked relentlessly throughout the year to reduce the impact of the risks which made it possible for the company to achieve more than SAR (8) billions of sales.



Company's Governance

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

The Board of Directors of Abdullah AL-Othaim Markets Company Consist of (9) Members, below are the names and classification of the board members:

S	Name of Member	Capacity	Membership Classification
1	Mr. Abdullah Saleh Ali Al-Othaim	Board Chairman	Non-executive
2	Eng. Bader Hamed Abdulrazaq Alaujan	Deputy Chairman	Non-executive
3	Mr. Bandar Nasser Hamad Al-Tamimi	Member	Non-executive
4	Dr. Raed Abdullah Ibrahim Al-Hogail	Member	Independent
5	Mr. Saad Ibrahim Saad Al-Mushawah	Member	Independent
6	Mr. Abdulaziz Abdullah Saleh Al-Othaim	Member	Non-executive
7	Dr. Abdulkarim Hamad Abdulkarim Al-Nujaidi	Member	Independent
8	Mr. Mohammed Hasan Ibrahim Al-Shuhail	Member	Non-executive
9	Mr. Muwaffaq Mansour Mohammed Jamal	Member	Executive

Secondly: Names of Board of Directors, Committees, Executive Department, their Current and Previous Positions, Qualifications, and Experiences:

1. Members of Board:

S	Name of Member	Current Positions	Previous Positions	Qualifications
1	Mr. Abdullah Saleh Ali Al-Othaim (Board Chairman) Experiences Accumulated experience in wholesale and retail trade, activity of contracting, real estate investment activity, recreational activity, experience in management, planning and business.	Chairman of "Al-Othaim Holding Company, Riva Investment Company, Abdullah Al-Othaim for Investment, Board of Trustees of the Abdullah bin Saleh Al-Othaim and Sons Charitable Foundation' Member of the Board of Directors in Arab Union for Real Estate Development, Manager in Marafiq Al Tashgheel, Shorofat Al Jazira., Seven Services Companies.	Member of the committee of Remuneration and Nominations, Chairman of Abdullah AL-Othaim Markets Company - Egypt, Chairman of the Board of Directors of Chamber of Commerce in Qassim, Company, Board Member in each of "Saudi Authority for Industrial Cities and Technology Zones ,The Anti-Smoking Charitable Society" , Founding Member of the Board of Directors of Weqaya Association for Narcotics Control , Member of King Abdul Aziz and His Companions Foundation for the Care of Gifted, Chairman of the committee Friends of the Red Crescent, Board Member in Social Development Bank (previously Saudi Credit Bank), Board members in Charitable Society for Orphan Care, Founding Member of the Board of Directors of King Salman Charitable Housing Project, Member of King Salman Center for Disability Research.	Intermediate Stage.
2	Eng. Bader Hamed Abdulrazaq Alaujan (Vice Chairman of the Board chairman of Executive Committee). Experiences Multiple experiences in management, retail business, strategy and business planning, project management, leadership and team building, public relations and business development.	Chairman of Abdullah AL-Othaim Markets Company-Egypt, Board Member in Jarir Marketing Company, Chairman of Al-Jouf Agricultural Development Company, Vice Chairman Arab Agricultural Services Company, Chairman of "Fourth Milling Company, Mueen Human Resources Company", Vice Chairman of the Board of Riyadh Foods Industries Company. Member of the Managing directors of " Al Wousta for Foods Services Company, Al-Othaim Holding Company", Member The Governance Committee of Jarir Marketing Company, Member of the Executive Committee in "Al-Jouf Agricultural Development and Arab Agricultural Services Companies"	Member of the Managing directors in "Al Safi Danone Company, National Biscuits Manufacturing Company, National Foods Industries Company", Board Member and CEO of Savola Foods Company, Managing Director of "Al Muhaidib Foods Company, Alaujan Industrial Group", Member of the Human Resources Committee in the National Biscuits Manufacturing Company, and National Foods Industries Company".	Member Program of the International Board of Directors-INSEAD, France in 2019G, Bachelor of Mechanical Engineering-King Saud University in 1992G.
3	Mr. Bandar Nasser Hamad Al-Tamimi (Board Member, Remuneration and Compensations Committee Member.) Experiences More than (15) years' experience in human resources field and consultancies in developing and investing human capital, public relations and personnel.	General Manager of Human Capital at the General Organization of Social Insurance.	Member of the Audit Committee, He assumed a number of positions in the field of human capital management in General Organization of Social Insurance, including (Managing Director of Training and Development) (Managing Directorate of Planning and Developing Human Resources) In addition to membership in many committees in the filled of business.	Master in Human Resources Management-USA 2006, Bachelor of Business Administration-King Saud University in 2003G./ obtained many training certificates.

S	Name of Member	Current Positions	Previous Positions	Qualifications
4	Dr. Raed Abdullah Ibrahim Al-Hogail (Board Member, Chairman of Audit Committee.) Experiences Accumulated experience in investment management, financial and accounting matters, executive leadership, strategic planning, project management, risk management, internal control.	Board Member in " the National Gas and Industrialization Company, the National Tri-generation Company", Executive Committee Member of the National Gas and Industrialization Company, Director of Foresee Professional Consulting.	Chairman of the Board of Directors of International Sources Company, Cushman and Wakefield. Managing Director of the National Tri-generation Company, Vice President of Support Services at the National Tri-generation Energy Company,	Diploma in Corporate Governance-INSEAD University, France in 2020 G./Diploma in Board Membership- International Institute for Management Development (IMD) University, Switzerland in 2020 G./ Ph.D. Financial Management-George Washington University, USA in 1999 G, MBA in Major Finance-Denver University, USA in 1990 G, Bachelor of Science in Industrial Management (Finance and Accounting major)-King Fahad University of Petroleum and Minerals- KSA, in 1987G.
5	Mr.Saad Ibrahim Saad Al-Mushawah (Board Member, chairman of Remunerations and Nominations Committee.) Experiences Multiple experiences in project management, team building, executive leadership, and business development.	Board Member of "Qassim Cement Company, Creative Closets Company, AlJazira Bank" Chairman of "Audit Committee, Nominations and Remunerations Committee" of Qassim Cement Company", Audit Committee Member in "Fawaz Abdulaziz Al Hokair Company, Thob Al Aseel Company, Methanol Chemicals Company, Durrah Sugar Company",	Board Member and Chairman of the Audit Committee in Al-Jazira Takaful Taawuni Company, Audit Committee Member of Al Essa Industries Company, Chief Executive Officer of Gulf Union Foods Company, Credit team leader for Saudi Industrial Development Fund.	Specialized course in financial management and investment-Chase Manhattan Bank, USA in 1987G./Bachelor of Industrial Management-King Fahad University of Petroleum and Minerals in 1985 G.
6	Mr. Abdulaziz Abdullah Saleh Al-Othaim (Board Member) Experiences Experience in human resources, business administration, public relations, leadership and team building.	Member of the Nominations and Remunerations Committee in Raza Company, Member of Executive Committee of the National Agricultural Development Company, Board Member in Maan Aljasser & Company, Member in the Supervisory Board and Audit Committee for Productive Families Building Center (Jana) Foundation, an initiative by Sulaiman Al-Rajhi Foundation for Development..	Vice Chairman & Managing Director for Abdullah AL-Othaim Markets Company – Egypt, Chief Executive Officer, president of Retail sector, Financial controller of the Company and manager of the commercial sector, /Manager in "Marafiq Al Tashgheel, Shorofat Al Jazira, Seven Services", Vice Chairman of the Board of Directors of Riyadh Foods Industries Company, Chairman of Board of Directors of Mueen Human Resources Company, Member of Board Directors of Al Wousta for Foods Services Company.	Bachelor in Business Administration with honors-Suffolk Massachusetts University, USA in 2011 G.

S	Name of Member	Current Positions	Previous Positions	Qualifications
7	Dr. Abdulkarim Hamad Abdulkarim Al Nujaidi (Board Member) Experiences Experience in human resources, business administration, public relations, leadership and team building..	Member of the Board of Directors in "Investments Funds of YAQEEN Capital , Board member & chairman of Nomination committee in Arabian Group for Education and Training Holding Co".	Board Member in " Arabian Pipes, Maharah Human Resources Company, National Gas and Industrialization Company & Natural Gas Distribution Company", Chief Executive Officer of "Maharah Human Resources Company, National Gas and Industrialization Company", Member of the Executive Committee in "Maharah Human Resources Company, National Gas and Industrialization Company", General Director of the Human Resources Development Fund, Deputy General Director of the Human Resources Development Fund, Manager of the Training Academy of BAE Systems Saudi Development & Training Company, Chairman of the English Language Curriculum Committee and Language Center of the Technical and Vocational Training Corporation, Assistant Lecturer and manager of English language Center of the Technical College in Riyadh, / Examination and Training Officer at the Ministry of Interior-Border Guard.	Diploma in Corporate Governance-INSEAD University, France in 2019 G, master's in business administration -King Fahd University of Petroleum and Minerals 2011 G./ Ph.D. in Applied Linguistics-Oklahoma State University, USA in 2003G, master in Applied Linguistics-Colorado State University, USA 2000 G, Bachelor in Languages and translation -Imam Mohammed Bin Saud University in 1997 G.
8	Mr. Mohammed Hasan Ibrahim Al-Shuhail (Board Member) Experiences Experience in marketing, Sales development, investment, products and business management, leadership, human capital, merger and acquisition.	Member of the Board, Remuneration and Audit Committees of the Shatirah House Restaurant Company (Burgerizzr), Member of the Board of Directors of the Saudi Bangladeshi Industrial and Agricultural Investments Company, Executive Vice President of the Food Services Sector of Almarai Co.	Chief Executive Officer for "International pediatric Nutrition Company, Al Safi Dairy Company," Executive Vice President of Human Resources of Al Safi Danone Co.	Master of Business Administration-London Business School in 2016 G, Bachelor of Marketing-King Fahad University of Petroleum and Minerals in 2003 G.
9	Mr. Muwaffaq Mansour Mohammed Jamal (Board Member, Executive Committee Member, Chief Executive Office.) Experiences Experience in retail business, finance and accounting, strategic planning and business development.	Vice Chairman of Abdullah AL-Othaim Markets Company- Egypt, member of the managing Directors in " Sudasia Management Consultancy Company, ALEFTOYA Company, Alwihat Company for real estate Development, Middle East Company for Foods," board member of future Horizons capital Company-Quarapay, Non Arab Afriac Company"	Deputy Governor for the Development of Regions and Sectors of Small and Medium Enterprises General Authority, Board Member and CEO of Panda Retail Company, General Manager of Finance, Information Systems and Supply Management in Nashar Trading Company, Financial Manager of Home Care Products in the Arabian Gulf of Unilever Arabia, Director Treasury Operations and General Financial Manager of Saudi Cable Company, board member in Herfy Food Services Company.	Bachelor of Accounting-King Fahad University of Petroleum and Minerals in 1992 G.

S	Name of Member	Current Positions	Previous Positions	Qualifications
10	Mr. Mohammed Mansour Abdulmohsen Al Mousa (Audit Committee Member) Experiences Experience in financial management and control, accounting, risk management, strategic planning, and investment management.	Chief Financial Officer of the Saudi Agricultural and Livestock Investment Company, (SALIC), Board Member in "Minerva Foods Co.-Brazil, Daawat Foods Company- India, SALIC in Ukraine, Hummingbird Technology Company-United Kingdom", Member of the Nominations and Remuneration Committee of Minerva Foods Company-Brazil, Member of the Audit Committee of Daawat Foods Company-India.	Chief Financial Officer, Executive director for Financial Controlling, Finance Manager- and chief accountant head of Al Faisaliah Group Holding Company.	General Securities Qualification Certificate Level One-CMA in 2017 G, Passed CFA Level One, USA in 2013 G, Certified Public Accountant-Saudi Organization for Certified Public Accountants in 1998 G, Certified Public Accountant-American Institute of Certified Public Accountants, USA in 1997 G, Master of Accounting-Missouri State University, USA in 1997 G, Bachelor of Accounting-King Saud University.
11	Mr. Abdullah Jaber Ali Al Fifi (Audit Committee Member) Experiences Multilabel Experiences in auditing, governance, risk management, financial management and leadership.	Board Member, Chairman of the Audit Committee, Member of the Nominations and Remuneration committee in Rabigh Refining and Petrochemical Company, Nama Chemicals Company", member of Audit and Risk committee of the General Authority for Statistics, audit Committee member in "Abdullah AL-Othaim investment Company, Tanami Arabian Company, National Center for non Profit Sector", Member of the Nominations and Remuneration committee of the first health cluste, Independent consultant in audit, governance and risks of Takamol Business Solutions Co.	Chairman of the Audit Committee of the Saudi Association of Internal Auditors, Advisor to the Minister of Health in auditing and follow-up, held several management positions in the Saudi Arabian Oil Company) Aramco(including" special Audits, Audit Manager International Businesses, business services review, Financial and administrative affairs review, Projects review, Refining and marketing review, Career progression in the field of finance and internal auditing in " Saudi Refining and Marketing Company (SMARK), General Corporation for Petroleum and Minerals(Petrmin).	Fellowship in Risk Management -Internal Auditors Institute, USA in 2010 G, Fellowship in Fraud, Fraud Detector- USA in 2001 G, Fellowship of Internal Audit- Internal Auditors Institute, USA in 2000 G, Bachelor of Accounting-King Abdulaziz University in 1985 G.
12	Mr. Abdulaziz Muner Ahmad Al Qady (Remuneration and Nominations Committee Member.) Experiences Extensive experience in leadership, mentoring, training, and strategic planning and development.	Member of the Remuneration and Nominations Committee of Abdullah Al-Othaim Investment Company, Chief Human Resources Officer in Dur Hospitality Company.	Vice President of Shared Services at the National Unified Purchase of Pharmaceuticals, Devices and Medical Appliances (NUPCO), member of the Remuneration and Nominations Committee at Al-Faisaliah Group Company, director of human capital at Al-Faisaliah Group Company, graduate recruitment officer at (KPMG), and the Saudi British Bank.	Advanced Certificate in Strategic Human Resource Management- Cornell University, USA in 2013 G, Master in Human Resources Administration-Central Michigan University, USA in 2011 G, Bachelor of Marketing-King Fahad University of Petroleum and Minerals in 2007 G.

S	Name of Member	Current Positions	Previous Positions	Qualifications
13	Eng. Nabil Abdulaziz Mohammed Al-Fraih (Remuneration and Nominations Committee Member) Experiences Experience in corporate governance, policy development, human resource management, and leadership.	-	Member of the Development and Leadership Development Committee, Member of the Social Initiatives Committee, Member of the Administrative Committee in Saudi Arabian Mining Company, Board Member of in Ma'aden Phosphate Company, Chairman of the Board in "Saudi Mining Polytechnic, Ma'aden Company for Gold ,Managing Director, and Vice Chairman of the Board of Al-Rajhi Cement Company, held several positions in the Saudi Arabian Mining Company, including "Vice President of Gold Business Affairs, Vice President of Human Resources and Sustainability", General Manager of Marketing of the Al Watania for Industries Group Company, Director of External Marketing of the Saudi Industrial Export Company, Senior Projects Analyst of the Saudi Industrial Development Fund.	Diploma in Corporate Governance-INSEAD University, France, Engineering Services Training Program-Stone & Webster, USA, Two Courses in Board Membership and Chairmanship-GCC Board Members Institute, Received various technical and management courses in Britain and Japan.
14	Eng. Basil Mohammed Abdullah Al Essa (Executive Committee Member.) Experiences Experience in strategic planning, profitability improvement, project management, and leadership.	President of Shawarmer Food Company, Chairman of the board in Joa Capital Company.	Senior Director-Strategy and Business Development at of Emaar Properties-UAE, Vice President for Strategy and Transformation in Kuwait Food Company (Americana), Manager-Sales Strategy of PepsiCo International, Consultant of Bain & Company, Member of the Advisory Board of Innovative Foods Company, Member of the Board of Directors of the Fund in Derayah Healthcare Fund, Member of the Investment Committee of Emaar Properties-UAE, Electrical engineer at Arabian Oil Company (Aramco).	Master of Management -Carnegie Mellon University, USA in 2009 G, Bachelor of Science Electrical Engineering-Pennsylvania State University, USA in 2005 G.

2) Executive Management:

S	Name	Previous Positions	Current Positions	Qualifications
1	Mr. Muwaffaq Mansour Mohammed Jamal (Board Member, Executive Committee Member, Chief Executive Office.) Experiences Experience in retail business, finance and accounting, strategic planning and business development.	Vice Chairman of Abdullah AL-Othaim Markets Company-Egypt, member of the managing Directors in "Sudasia Management Consultancy Company, ALEFTOYA Company, Alwihat Company for real estate Development, Middle East Company for Foods," board member of future Horizons capital Company-Quarapay, Pilgrim From Africa -Non Arab Company"	Deputy Governor for the Development of Regions and Sectors of Small and Medium Enterprises General Authority, Board Member and CEO of Panda Retail Company, General Manager of Finance, Information Systems and Supply Management in Nashar Trading Company, Financial Manager of Home Care Products in the Arabian Gulf of Unilever Arabia, Director Treasury Operations and General Financial Manager of Saudi Cable Company, board member in Herfy Food Services Company.	Bachelor of Accounting-King Fahad University of Petroleum and Minerals in 1992 G.
2	Mr. Bandar Suliman Mohammed Al Bohairy (Board Secretary) Experiences Accumulated Experience in the Financial Field, Internal Audit, investment, Companies Governance and Business Development.	Board Member of "Riyadh Food Industries Company Mueen Human Resource Company, National Chemical Fertilizer Company" Member of Managing Directors in "AL-Othaim Holding Company, Ijmal Limited Company," Member of Executive Committee in Ejmal limited Company, Audit Committee member in "Riyadh Foods Industries Company, National Chemical Fertilizer Company, Riva Investment Company", member of Nomination and Remunerations Committee in "AL-Othaim Holding Company, National Chemical Fertilizer Company."	Member of the Remuneration and Nominations Committee of Abdullah AL-Othaim Marketing Company, Executive Committee Member in Mueen Human Resources Company, Manager of Internal Audit Department in AL-Othaim Commercial Company, Member of the Board and Audit Committee in Abdullah AL-Othaim for Investment Company.	Bachelor of Accounting -Administrative Sciences Faculty in King Saud University.
3	Eng. Bahauddin Barakat Al Sherbeeney (Vice president of Operation) Experiences An Accumulated Experience in the Field of Managing Operational Processes in the Retail and Wholesale Companies.		Board Member of "Abdullah AL-Othaim Markets Company-Egypt, Riyadh Foods Industries Company, Mueen Human Resources Company," Manager of the Retail Branch and Regional MANAGER in Abdullah AL-Othaim Marketing Company, Manager of International Center of Marketing.	Bachelor in Mechanical Engineering in 1987 G-in Zagazig university-Arab Republic of Egypt.
4	Mr. Marwan Ahmad Mohammed Ibrahim (Vice president of Financial Affairs.) Experiences Accumulated Experience in the Field of Finance and Accounting Affairs, External and Internal Audit.	Board Member in "Riyadh Foods Industries Company, Fourth Milling Company" Member of the Managing Directors Gulf Flour Milling Industrial Company.	Board Member in Mueen Human Resources Company, of Audit Committee Member in Riyadh Foods Industries Company, Internal Audit Director in Al Jomaih Holding Company-Saudi Arabia, Auditor in the Office of Ibrahim Al Abbasi & Co.-Jordan, Auditor in the Office of Abdul Aziz Khalifah Al-Melhem-Saudi Arabia "	Fellowship of SOCPA in 2007G, Fellowship of CMA in 2003 G, Fellowship of CFM in 2003 G, Fellowship of the CPA in 1994 G, Bachelor of Accountancy and Business Administration-Jordanian University in 1989 G.

Thirdly: Names of companies inside & outside the Kingdom in which the Company's Board of Directors member is a member of its current or previous Board of Directors or one of its Executives:

S	Name of Member	Names of companies in which the Company's Board of Directors member is a member of its current Board of Directors or one of its Executives	Inside/Outside the Kingdom	Legal Entity	Names of companies in which the Company's Board of Directors member is a member of its previous Board of Directors or one of its Executives	Inside/Outside the Kingdom	Legal Entity
1	Mr. Abdullah Saleh Ali Al-Othaim	Abdullah Al-Othaim Markets.	Inside the Kingdom	Listed Joint Stock			
		Abdullah Al-Othaim for Investment.	Inside the Kingdom	Closed Stock			
		AL-Othaim Holding	Inside the Kingdom	Limited Liability			
		Riva Investment	Inside the Kingdom	Limited Liability			
		Arab Union Company for Real Estate Development.	Outside the Kingdom	Closed Stock	Abdullah Al-Othaim Markets – Egypt	Outside the Kingdom	Joint Stock
		Marafiq Al Tashgheel.	Inside the Kingdom	Limited Liability			
		Shorofat Al Jazira.	Inside the Kingdom	Limited Liability			
2	Eng. Bader Hamed Abdualrazzaq Alujan	Abdullah Al-Othaim Markets.	Inside the Kingdom	Listed Joint Stock			
		Abdullah Al-Othaim Markets -Egypt	Outside the Kingdom	Joint Stock	Savola Foods.	Inside the Kingdom	Closed Stock
		Mueen Human Resources.	Inside the Kingdom	Closed Stock			
		Riyadh Foods Industries.	Inside the Kingdom	Closed Stock	Al Muhaidib Foods.	Inside the Kingdom	Limited Liability
		Fourth Milling .	Inside the Kingdom	Closed Stock	Alaujan Industrial Group.	Inside the Kingdom	Limited Liability
		Jarir Marketing.	Inside the Kingdom	Listed Joint Stock	Al Safi Danone.	Inside the Kingdom	Limited Liability
		AL-Jouf Agricultural Development.	Inside the Kingdom	Listed Joint Stock	National Biscuits Manufacturing.	Inside the Kingdom	Limited Liability
3	Mr. Bandar Nasser Hamad Al-Tamimi	Arab Agricultural Services.	Inside the Kingdom	Closed Stock			
		AL Wousta for Foods Services.	Inside the Kingdom	Limited Liability	National Foods Industries.	Inside the Kingdom	Limited Liability
		AL-Othaim Holding	Inside the Kingdom	Limited Liability			
		Abdullah Al-Othaim Markets.	Inside the Kingdom	Listed Joint Stock	-	-	-
		Abdullah Al-Othaim Markets.	Inside the Kingdom	Listed Joint Stock			
4	Dr. Raed Abdullah Ibrahim Al-Hogail	Foresee Professional Consulting.	Inside the Kingdom	Limited Liability	Universal Resources.	Inside the Kingdom	Limited Liability
		National Gas and Industrialization.	Inside the Kingdom	Listed Joint Stock	Cushman & Wakefield.	Inside the Kingdom	Limited Liability
		National Tri-generation.	Inside the Kingdom	Closed Stock			
5	Mr. Saad Ibrahim Saad Al-Mushawah	Abdullah Al-Othaim Markets.	Inside the Kingdom	Listed Joint Stock			
		Qassim Cement.	Inside the Kingdom	Listed Joint Stock			
		Creative Closets.	Inside the Kingdom	Limited Liability	Al-Jazira Takaful Taawuni Company	Inside the Kingdom	Listed Joint Stock
		Maan Aljasser & Company	Inside the Kingdom	Limited Liability			
		AL-Jazira Bank	Inside the Kingdom	Listed Joint Stock			

S	Name of Member	Names of companies in which the Company's Board of Directors member is a member of its current Board of Directors or one of its Executives	Inside/Outside the Kingdom	Legal Entity	Names of companies in which the Company's Board of Directors member is a member of its previous Board of Directors or one of its Executives	Inside/Outside the Kingdom	Legal Entity
6	Mr. Abdulaziz Abdullah Saleh Al-Othaim	Abdullah Al-Othaim Markets.	Inside the Kingdom	Listed Joint Stock	Riyadh Foods Industries.	Inside the Kingdom	Closed Stock
		South Europe for Investment	Outside the Kingdom	Joint Stock	Mueen Human Resources.	Inside the Kingdom	Closed Stock
		Thamarat Al-Qassim.	Inside the Kingdom	Limited Liability	Al Wousta for Foods Services.	Inside the Kingdom	Limited Liability
		AL-Othaim Holding	Inside the Kingdom	Limited Liability	Marafiq Al Tashgheel.	Inside the Kingdom	Limited Liability
					Shorofat Al Jazira.	Inside the Kingdom	Limited Liability
		Kafaa Investment.	Inside the Kingdom	Limited Liability	Seven Services.	Inside the Kingdom	Limited Liability
Abdullah Al-Othaim Markets-Egypt.	Outside the Kingdom				Joint Stock		
7	Dr. Abdulkarim Hamad Abdulkarim Al-Nujaidi	Abdullah Al-Othaim Markets-	Inside the Kingdom	Listed Joint Stock	Maharah Human Resources.	Inside the Kingdom	Listed Joint Stock
		YAQEEEN Capital.	Inside the Kingdom	Closed Stock	National Gas and Industrialization.	Inside the Kingdom	Listed Joint Stock
		Arabian Group for Education and Training Holding.	Inside the Kingdom	Closed Stock	Arabian Pipes	Inside the Kingdom	Listed Joint Stock
Natural Gaz Distribution	Inside the Kingdom				Closed Stock		
8	Mr. Mohammed Hasan Ibrahim Al-Shuhail	Abdullah Al-Othaim Markets.	Inside the Kingdom	Listed Joint Stock			
		The Saudi Bangladeshi Industrial and Agricultural Investments.	Outside the Kingdom	Limited Liability			
		Sandwich House Fast Food Restaurants (burgerizzr)	Inside the Kingdom	Listed Joint Stock			
9	Mr. Muwaffaq Mansour Mohammed Jamal	Abdullah Al-Othaim Markets.	Inside the Kingdom	Listed Joint Stock	Panda Retail.	Inside the Kingdom	Closed Stock
		Sudasia Management Consultancy.	Inside the Kingdom	Limited Liability			
		Abdullah Al-Othaim Markets- Egypt.	Outside the Kingdom	Joint Stock			
		ALFATOYA	Inside the Kingdom	Limited Liability			
		Al Wahat Real Estate Development.	Inside the Kingdom	Limited Liability			
		Middle East International Foods.	Inside the Kingdom	Limited Liability			
		Future Horizon Capital-Qaura Pay	Inside the Kingdom	Closed Stock	Herfy For Foods Services	Inside the Kingdom	Listed Joint Stock
		Pilgrim From Africa -Non Arab	Inside the Kingdom	Closed Stock			

Fourth: Board of Directors meetings during the year 2021G:

The Board of Directors held (6) meetings during the fiscal year 2021G, and the table below shows the attendance record of the Board of Directors meetings:

S	Member Name/Date of Meeting	Meeting number and date						Number of attendances
		(1) 21 Mar	(2) 31 May	(3) 21 Sep	(4) 03 Oct	(5) 15 Nov	(6) 15 Dec	
1	Mr. Abdullah Saleh Ali Al-Othaim	✓	✓	✓	✓	✓	✓	(6)
2	Eng. Bader Hamed Abdualrazzaq Alaujan(*)		N/A		✓	✓	✓	(3)
3	Mr. Bandar Nasser Hamad Al-Tamimi	✓	✓	✓	✓	✓	✓	(6)
4	Dr. Raed Abdullah Ibrahim Al-Hogail (*)		N/A		✓	✓	✓	(3)
5	Mr. Saad Ibrahim Saad Al-Mushawah (*)		N/A		✓	✓	✓	(3)
6	Mr. Abdulaziz Abdullah Saleh Al-Othaim	✓	✓	✓	✓	✓	✓	(6)
7	Dr. Abdulkarim Hamad Abdulkarim Al-Nujaidi (*)		N/A		✓	✓	✓	(3)
8	Mr. Mohammed Hasan Ibrahim Al-Shuhail (*)		N/A		✓	✓	✓	(3)
9	Mr. Muwaffaq Mansour Mohammed Jamal (*)		N/A		✓	✓	✓	(3)
-	Mr. Abdulsalam Saleh Abdulaziz Al-Rajhi (**)	✓	✓	✓				(3)
-	Mr. Abdulaziz Saleh Abdullah Al-Rebdi(**)	✓	✓	✓		N/A		(3)
-	Eng. Abdullah Ali Abdullah Al-Debeikhy(**)	✓	✓	✗		N/A		(2)
-	Mr. Saleh Mohammed Saleh Al-Othaim(**)	✓	✓	✓		N/A		(3)
-	Mr. Fahad Abdullah Saleh Al-Othaim(**)	✓	✓	✓		N/A		(3)

(*) Their membership started on 03/10/2021G.
(**) Their membership ended on 02/10/2021G.

Fifth: The General Assemblies held during the year 2021G. and the names of the members of the Board of Directors and the record of their attendance of these assemblies:

S	Member Name	Ordinary General Assembly Meeting On 28/04/2021G	Extraordinary Ordinary General Assembly Meeting On 22/09/2021G.
1	Mr. Abdullah Saleh Ali Al-Othaim	✓	✓
2	Mr. Bandar Nasser Hamad Al-Tamimi	✓	✓
3	Mr. Abdulaziz Abdullah Saleh Al-Othaim	✓	✓
-	Mr. Abdulsalam Saleh Abdulaziz Al-Rajhi*	✓	✓
-	Mr. Abdulaziz Saleh Abdullah Al-Rebdi*	✗	✓
-	Eng. Abdullah Ali Abdullah Al-Debeikhy*	✓	✗
-	Mr. Saleh Mohammed Saleh Al-Othaim*	✓	✓
-	Mr. Fahad Abdullah Saleh Al-Othaim*	✓	✓

*Their membership ended on 02/10/2021 G.

Six: Brief description of Committees, Specializations, and Tasks:

The company has three committees, details are as follows:

1. Audit Committee:

The Audit Committee is formed of (3) non-executive members, and In order to enhance its role in assisting the Board of Directors in performing its duties effectively and based on the committee's charter the committee held during the year 2021G (8) meetings, tasks of the Audit Committee include for example but not limited to "Supervising the management of internal company auditing, studying the system of internal control, internal audit reports, and recommending to the Board of Directors to appoint the accounts auditors, determine their fees and following-up their work, studying the auditing plans and notes of auditors, studying the interim and annual financial statements before being presented before the Board of Directors, studying the adopted accounting policies and meeting the requirements according to the conventional accounting standards and recommending the Board of Directors, reviewing the plan and performance of the auditor, results of the reports of supervisory authorities, and making sure that the company took the necessary procedures regarding them. As well, ensuring the company compliance with the relevant laws, regulations, policies, and instructions and providing points of views regarding them to the Board of Directors" The following table outlines the committee membership and its meetings conducted during 2021 G:

S	Member Name/Date of Meeting	Position	Meeting number and date								Number of attendances
			(1) 09 Feb	(2) 18 Mar	(3) 05 May	(4) 18 Aug	(5) 05 Oct	(6) 10 Oct	(7) 09 Nov	(8) 17 Dec	
1	Dr. Raed Abdullah Ibrahim Al-Hogail (*)	Chairman		N/A			✓	✓	✓	✓	(4)
2	Mr. Abdullah Jaber Ali Al Fifi (*)	Member		N/A			✓	✓	✓	✓	(4)
3	Mr. Mohammed Mansour Abdulmoheisen Al Mousa (*)	Member		N/A			✓	✓	✓	✓	(4)
-	Mr. Abdulaziz Saleh Abdullah Al-Rebdi (**)	Chairman	✓	✓	✓	✓				N/A	(4)
-	Mr. Bandar Nasser Hamad Al-Tamimi(**)	Member	✓	✓	✓	✓				N/A	(4)
-	Mr. Saleh Mohammed Saleh Al-Othaim(**)	Member	✓	✓	✓	x				N/A	(3)
-	Mr. Fahad Abdullah Saleh Al-Othaim(**)	Member	✓	✓	✓	✓				N/A	(4)
-	Mr. Abdullah Abdulrahman Mohammed Al-Rebdi**	Member	✓	✓	✓	✓				N/A	(4)

(*) Their membership started on 03/10/2021G.

(**) Their membership ended on 02/10/2021G.

Results of Annual Auditing of the Company's Internal Control Procedures Effectiveness:

In 2021 G. the committee "reviewed" the internal control systems in the company and ensured its effectiveness. As well studied, reviewed, and analyzed the main operational, financial, and administrative risks that the company may occur and assessing the required solutions and treatments to ensure the safety of the Company's operations, in addition to studying the points of weakness and strength in the internal control. Hence, the auditing process has been made continuously and periodically " By the committee's familiarity with the reports of managing internal audit and in the light of what has been studied, it has been evident that the examination generally included the main and significant operation and activities of the company and its diverse departments, and that the test results of the internal control systems at the level of company, its departments, and its processes showed that there is no substantial deficiency in the internal control systems that necessitates its disclosure, and Risk management are executed within the preset limits in transparency and timing that ensure the integrity of the operational financial, and commercial security.

2. Committee of Remunerations and Nominations:

The committee had been formed of (4) members, and in order to enhance its role in assisting the Board of Directors in performing its duties effectively and based on the Committee's charter, the Committee held during the year 2021 G. (8) meetings, and the assignments and specialties of the Remunerations and Nominations Committees include for example but not limited to "recommending the nomination to the Board of Directors, clear standards and policies for the membership in the Board and executive department, reviewing the structure of Board of Directors and executive department, providing recommendations with regard to the changes that may be made, specifying the points of weakness and strength in the Board of Directors, proposing curative solutions in a way consistent with the Company's interest, ensuring annually the independence of independent members, preparing and updating the necessary policies for the rewards of the members of Board of Directors and committees derived from the Board, executive department and its periodical auditing, and assessing the extent of its effectiveness in meeting the aspired goals, clarifying the relation between the granted reward and the applicable rewards policy, clarifying any substantial deviation from this policy, As well, studying the subjects with which it is concerned or referred to it by the Board of Directors and submitting its recommendations to take the appropriate resolution regarding it and auditing the allocations and rewards of workers, approving, adopting, and assessing the relevant plans and policies." Following is a table, which outlines the membership, and meetings of the committee made during 2021G:

S	Member Name/Date of Meeting	Position	Meeting number and date								Number of attendances
			(1) 12 Jun	(2) 10 Feb	(3) 16 Mar	(4) 07 Aug	(5) 01 Sep	(6) 20 Oct	(7) 18 Nov	(8) 25 Nov	
1	Mr. Saad Ibrahim Saad Al-Mushawah (*)	Chairman			N/A			✓	✓	✓	(3)
2	Mr. Bandar Nasser Hamad Al-Tamimi	Member	✓	✓	✓	✓	✓	✓	✓	✓	(8)
3	Mr. Abdulaziz Muner Ahmad Al Qady	Member	✓	✓	✓	✓	✓	✓	✓	✓	(8)
4	Eng. Nabil Abdulaziz Mohammed Al Fraih (**)	Member			N/A				✓	✓	(2)
-	Eng. Abdullah Ali Abdullah Al-Debeikhy (***)	Chairman	✓	✓	✓	✓	✓			N/A	(5)
-	Dr. Salah Mohammed Abdullah Al Zamil (****)	Vice President	✓	✓	✓					N/A	(3)
-	Mr. Yasser Abdullah Mohammed Al Gholaikah (***)	Member	✓	✓	✓	✓	✓			N/A	(5)

(*)His membership started on 03/10/2021G.

(**) His membership started on 09/11/2021G.

(***)Their membership ended on 02/10/2021G.

(****) His membership ended with his resignation on 01/07/2021G.

3. Executive Committee

The Executive Committee was formed on 10/03/2021G from (4) members to assist the Board of Directors in performing its supervisory duties, Among the tasks of the Committee, for example, but not limited to "working with the executive management and supervising them to set and develop strategic goals and plans, raise proposals from the executive management to The Board of Directors, following up on the implementation of the decisions of the Board of Directors with the executive management, developing the organizational structures of the company, reviewing the financial, operational and marketing policies and submitting to the Board of Directors as it deems fit." The following is a table showing the committee's membership and its meetings that took place during the year 2021 G:

S	Name of Member	Position	Meeting number and date		Number of attendances
			(1) 26 Oct.	(2) 05 Dec.	
1	Eng. Bader Hamed Abdualrazzaq Alaujan	Chairman	✓	✓	(2)
2	Mr. Mohammed Hasan Ibrahim Al-Shuhail	Member	✓	✓	(2)
3	Mr. Muwaffaq Mansour Mohammed Jamal	Member	✓	✓	(2)
4	Eng. Basil Mohammed Abdullah Al Essa	Member	✓	✓	(2)

Seven: A statement of the names, nationality, number of shares, ownership ratio of main shareholders who own (5%) and above and change thereof during 2021G:

S	Name of Shareholder	Nationality	Shares Number at the beginning of 2021G.	Ownership Ratio at the beginning of 2021G.	Shares Number at the end of 2021G.	Ownership Ratio at the End of 2021G.	Net change	Change Ratio at the end of 2021 G.
1	Al-Othaim Holding Company	Saudi	24,900,000	27.6%	24,900,000	27.6%	-	
2	General Organization for Social Insurance	Saudi	-	-	8,217,503	9.13%		100%
3	Mr. Abdullah Saleh Ali Al-Othaim	Saudi	5,400,000	6%	5,400,000	6%		-

Relied on recording in the shareholder register issued by Securities Depository Center Company "Edaa."

Eight: Actions taken by the Board of Directors to inform its members by the shareholders' suggestions and comments:

The Company's corporate governance regulation included the procedures of the Board of Directors, which gave special attention to hearing the suggestions and inquiries of its shareholders and responding to them, in addition to the company providing the members with the minutes of the meetings of the assemblies that include the shareholders' inquiries (if any). Members are also notified of any inquiries or questions received by the company from various means of communication. Risk management are executed within the preset limits in transparency and timing that ensure the integrity of the operational financial, and commercial security.

Ninthly: The Means Adopted by Board of Directors in Assessing its Performance and Performance of its Committees for 2021G.:

Evaluation being done to evaluate the performance of each of the members of the Board of Directors, its committees, and the executive managements on an annual basis, and consideration has been given to the evaluation of the members of the Board of Directors from an external party in the future.

Tenthly: Remunerations of Board of Directors, Committees, and Executive Managements:

The company applies the policy of paying the remunerations of Board of Directors, committees, and executive managements as follows:

• Remunerations (non-independent) Members of Board of Directors:

Remunerations are paid to executive and non-executive Board members based on the annual net profit the from Company's continuing operations as follows:

S	Net profit of the year made from the continuous processes (In Saudi Riyals)	Reward is due (In Saudi Riyals)
1	less than (300) million Riyals	(150) one hundred and fifty thousand Riyals
2	(300) million Riyals and more	(200) two hundred thousand Riyals

• Remunerations (Independent) Members of Board of Directors:

An annual lump sum of SR (200,000) two hundred thousand Saudi Riyals is paid as an annual remunerations for an independent board member

• Allowances for the Members of Board of Directors:

An amount of SR (3,000) three thousand Saudi Riyals is paid for an attendance allowance for each member per attended meeting.

• Remuneration of the Board of Directors Secretary:

An annual Remuneration of SR (30,000) thirty thousand Saudi Riyals is paid to the Board Secretary.

• Remuneration of the Members of Audit Committee:

An amount of SR (100,000) one hundred thousand Saudi Riyals is paid as an annual basic remuneration for a member of audit committee.

• Remuneration of the Members of Remuneration and Nominations Committee:

An amount of SR (100,000) one hundred thousand Saudi Riyals is paid as an annual basic Remuneration for a member of Remuneration and Nominations Committee.

• Remuneration of the Members of Executive Committee:

An amount of SR (200,000) two hundred thousand Saudi Riyals is paid as an annual basic remuneration for a member of the Executive Committee if he is a member of the Board of Directors, and an amount of SR (300,000) three hundred thousand Saudi Riyals is an annual remuneration if he is not a member of the Board of Directors.

• Allowances for the Committees Members:

An amount of SR (3,000) three thousand five hundred Saudi Riyals is paid for an attendance allowance for each committee member per attended meeting.

• Remuneration of committee secretaries:

a remuneration of SR (3,000) three thousand Saudi Riyals is paid to committee secretaries for each session.

• A board or committee member shall not receive a remuneration or attendance allowance if he is an employee who receives a monthly salary from the company.

• Remuneration of Executive Managements:

An annual remuneration will be paid to the executive Managements (Does not include Chief Executive Officer remuneration) based on standards relevant to achieving performance indicators and according to the results of annual assessment and results of achieving goals.

• Relationship between granted remuneration and applicable remuneration policy:

The granted remuneration is in conformity with the approved remuneration policy, taking into consideration the basis and standards relevant to calculating the rewards and its maturity.

Details Remuneration of Board of Directors for the Year 2021G.:

Members	Fixed Remuneration						Variable Remuneration						Total summation	Expenditure Allowance	
	A certain amount	Session Attendance Allowance for board meeting	Total Attendance allowance for committee meetings	In-kind benefits	Statement of what they earned Council as members of the council as employees or moderators or what they earned in return of technical, administrative, or consulting work	The Reward of the Chairman of the Board, the Managing Director, or the Board Secretary if he is a member	Total	percentage of profits	Periodic bonuses	Short - term incentive plans	Long - term incentive plans	Shares granted			Total
First: Independent Members:															
Dr. Raed Abdullah Ibrahim Al-Hogail (*)	73,973	9,000	12,000	-	-	-	94,973	-	-	-	-	-	-	94,973	-
Mr. Saad Ibrahim Saad Al-Mushawah(**)	73,973	9,000	9,000	-	-	-	91,973	-	-	-	-	-	-	91,973	-
Dr. Abdulkarim Hamad Abdulkarim Al-Nujaidi (*)	49,315	9,000	-	-	-	-	58,315	-	-	-	-	-	-	58,315	-
Mr. Abdulsalam Saleh Abdulaziz Al-Rajhi (**)	150,685	9,000	-	-	-	-	159,685	-	-	-	-	-	-	159,685	-
Mr. Abdulaziz Saleh Abdullah Al-Rebdi(**)	188,356	9,000	6,000	-	-	-	203,356	-	-	-	-	-	-	203,356	-
Eng. Abdullah Ali Abdullah Al-Debeikhy (**)	188,356	6,000	7,500	-	-	-	201,856	-	-	-	-	-	-	201,856	-
Total	724,658	51,000	34,500	-	-	-	810,158	-	-	-	-	-	-	810,158	-
Second: Non-Executive Members:															
Mr. Abdullah Saleh Ali Al-Othaim	200,000	18,000	-	-	-	-	218,000	-	-	-	-	-	-	218,000	-
Eng. Bader Hamed Abdualrazzaq Alaujan(*)	98,630	9,000	6,000	-	-	-	113,630	-	-	-	-	-	-	113,630	-
Mr. Bandar Nasser Hamad Al-Tamimi	300,000	18,000	22,500	-	-	-	340,500	-	-	-	-	-	-	340,500	-
Mr. Mohammed Hasan Ibrahim Al-Shuhail(*)	98,630	9,000	6,000	-	-	-	113,630	-	-	-	-	-	-	113,630	-
Mr. Abdulaziz Abdullah Saleh Al-Othaim (****)	200,000	18,000	-	-	865,076	-	1,083,076	980,405	5,320,211	-	-	6,300,616	728,049	8,111,741	-
Mr. Saleh Mohammed Saleh Al-Othaim (**)	188,356	9,000	4,500	-	-	-	201,856	-	-	-	-	-	-	201,856	-
Mr. Fahad Abdullah Saleh Al-Othaim(**)	188,356	9,000	6,000	-	-	-	203,356	-	-	-	-	-	-	203,356	-
Total	1,273,973	90,000	45,000	-	865,076	-	2,274,048	980,405	5,320,211	-	-	6,300,616	728,049	9,302,713	-
Third: Executive Members:															
MR. Muwaffaq Mansour Mohammed Jamal	53,699	6,000	3,000	-	577,250	-	639,949	-	-	-	-	-	-	639,949	-
Total	53,699	6,000	3,000	-	577,250	-	639,949	-	-	-	-	-	-	639,949	-
Total	2,052,329	147,000	82,500	-	1,442,326	-	3,724,155	980,405	5,320,211	-	-	6,300,616	728,049	10,752,820	-

(*) Theirs membership started on 03/10/2021G

(**) Theirs membership started on 03/10/2021G

(***) Appointed as CEO on 21/11/2021G

(****) He Occupied as CEO till 30/09/2021G

Details Remuneration of Senior Executives for the Year 2021G:

Members	Fixed Remuneration				Variable Remuneration						Total summation		
	Salaries	Allowances	In-kind benefits	Total	Periodic bonuses	Earnings	Short - term incentive plans	Long - term incentive plans	Shares granted	Total		End of service Benefits	Total reward of the executives
Chief Executive Officer- Mr. Muwaffaq Mansour Mohammed Jamal (*)	577,250	-	-	577,250	-	-	-	-	-	-	-	62,699	639,949
Chief Executive Officer- Mr. Abdulaziz Abdullah Saleh Al-Othaim (**)	865,076	-	-	865,076	980,405	-	5,320,211	-	-	6,300,616	728,049	218,000	8,111,741
Chief Executive Officer- Mr. Mohsen Husain Sagar (***)	1,068,088	-	-	1,068,088	-	-	-	-	-	-	-	-	1,068,088
Vice President of Finance affairs	1,171,633	-	-	1,171,633	1,000,000	-	-	-	-	1,000,000	-	-	2,171,633
Vice President of Operations	983,266	-	-	983,266	1,000,000	-	-	-	-	1,000,000	957,656	-	2,940,922
Vice President for Commercial Affairs	900,005	-	-	900,005	53,991	-	1,050,715	-	-	1,104,706	-	-	2,004,711
Vice President of Real Estate Investment	480,012	-	-	480,012	1,000,000	-	-	-	-	1,000,000	-	-	1,480,012
Total	6,045,330	-	-	6,045,330	4,034,396	-	6,370,926	-	-	10,405,322	1,685,705	280,699	18,417,056

(*) Appointed As CEO as of 21/11/2021G

(**) Resigned from the position as CEO ON 30/09/2021G

(***) Resigned from the Positions as CEO on 20/11/2021G

Details of the Remuneration of Members of the Audit Committee:

S	Name	Fixed remunerations (Except the allowance of attending sessions)	Allowance of attending sessions	Total
1	Dr. Raed Abdullah Ibrahim Al-Hogail (*)	24,658	12,000	36,658
2	Mr. Mohammed Mansour Abdulmohsen Al Mousa(*)	24,658	12,000	36,658
3	Mr. Abdullah Jaber Ali Al Fifi(*)	24,658	12,000	36,658
-	Mr. Abdulaziz Saleh Abdullah Al-Rebdi(**)	37,671	6,000	43,671
-	Mr. Bandar Nasser Hamad Al-Tamimi(**)	37,671	6,000	43,671
-	Mr. Saleh Mohammed Saleh Al-Othaim(**)	37,671	4,500	42,171
-	Mr. Fahad Abdullah Saleh Al-Othaim(**)	37,671	6,000	43,671
-	Mr. Abdullah Abdulrahman Mohammed Al-Rebdi(**)	37,671	6,000	43,671
	Total	262,329	64,500	326,829

(*) Theirs Membership started on 03/10/2021G.

(**) Theirs Membership ended on 02/10/2021G.

Details of the Remuneration of Members of the Remuneration and Nomination Committee:

S	Name	Fixed remunerations (Except the allowance of attending sessions)	Allowance of attending sessions	Total
1	Mr. Saad Ibrahim Saad Al-Mushawah(*)	24,658	9,000	33,658
2	Mr. Bandar Nasser Hamad Al-Tamimi	62,329	16,500	78,829
3	Mr. Abdulaziz Muner Ahmad Al Qady	62,329	16,500	78,829
4	Eng. Nabil Abdulaziz Mohammed Al Fraih(**)	14,521	6,000	20,521
-	Eng. Abdullah Ali Abdullah Al-Debeikhy (***)	37,671	7,500	45,171
-	Dr. Salah Mohammed Abdullah Al Zamil (***)	24,932	4,500	29,432
-	Mr. Yasser Abdullah Mohammed Al Gholaikah(***)	37,671	7,500	45,171
	Total	264,110	67,500	331,610

(*) His Membership started on 03/10/2021G.

(***) His Membership started on 09/11/2021G.

(**) Thiers Membership ended on 02/10/2021G.

(****) His Membership ended by his resignation on 01/07/2021G.

Details of the Remuneration of the Members of the Executive Committee:

S	Name	Fixed remunerations (Except the allowance of attending sessions)	Allowance of attending sessions	Total
1	Eng. Bader Hamed Abdualrazzaq Alaujan	49,315	6,000	55,315
2	Mr. Mohammed Hasan Ibrahim Al-Shuhail	49,315	6,000	55,315
3	Mr. Muwaffaq Mansour Mohammed Jamal	26,849	3,000	29,849
4	Mr. Basil Mohammed Abdullah Al Essa	73,973	6,000	79,973
	Total	199,452	21,000	220,452

The Committee formed on 03/10/2021G

Eleven: Interest in shares and Debt instruments of the Board Members and Senior executives:

A. Description of any interest in the shares and instruments of the Company's debt attributable to the members of the Board of Directors and their relatives in the shares or instruments of the debt of the company or any of its subsidiaries and the change that occurred during the year 2021G:

S	The name of who have interest	Beginning of the year 2021		End of the year 2021		Net change	Percentage of change
		Stock	Debt instruments	Stock	Debt instruments		
1	Mr. Abdullah Saleh Ali Al-Othaim	5,400,000	-	5,400,000	-	-	-
2	Eng. Bader Hamed Abdualrazzaq Alaujan(*)	-	-	-	-	-	-
3	Mr. Bandar Nasser Hamad Al-Tamimi(**)	-	-	-	-	-	-
4	Dr. Raed Abdullah Ibrahim Al-Hogail (*)	-	-	-	-	-	-
5	Mr. Saad Ibrahim Saad Al-Mushawah(*)	1,362	-	1,362	-	-	-
6	Mr. Abdulaziz Abdullah Saleh Al-Othaim	2,000	-	2,000	-	-	-
7	Dr. Abdulkarim Hamad Abdulkarim Al-Nujaidi(*)	1,451	-	1,451	-	-	-
8	Mr. Mohammed Hasan Ibrahim Al-Shuhail(*)	-	-	-	-	-	-
9	Mr. Muwaffaq Mansour Mohammed Jamal(*)	-	-	-	-	-	-
-	Mr. Abdulsalam Saleh Abdulaziz Al-Rajhi(**)	4,000	-	4,000	-	-	-
-	Mr. Abdulaziz Saleh Abdullah Al-Rebdi(**)	4,000	-	-	-	-4,000	-100%
-	Eng. Abdullah Ali Abdullah Al-Debeikhy(**)	-	-	-	-	-	-
-	Mr. Saleh Mohammed Saleh Al-Othaim(**)	-	-	-	-	-	-
-	Mr. Fahad Abdullah Saleh Al-Othaim(**)	4,000	-	4,000	-	-	-

(*) Their membership started on 03/10/2021G.

(**) Their membership ended on 02/10/2021G.

B. A description of the interest of senior executives and their relatives in the shares and instruments of the debt of the company or any of its subsidiaries and the change that occurred during the year 2021G:

S	The name of who have interest	Beginning of the year 2021		End of the year 2021		Net change	Percentage of change
		Stock	Debt instruments	Stock	Debt instruments		
1	Mr. Bahauddin Barakat Sherbeeny	24,864	-	0	-	-24,864	-100%

Twelve: Description of any Transaction Between the Company and any Related Party:

Related Party	Type Of Relation	Transaction & Description	Transaction Perion/ year	Contract Value SR per year 2021G
Mueen Human Resources Company	Subsidiary	Rent labor services	2	37,858,408
Riyadh Foods Industries Company	A subsidiary, which the Company's owns (55%) of its capital shares	Rent labor services	2	865,757
Mueen Human Resources Company	Subsidiary	Rent showroom in Alnafal District	1	60,000
Mueen Human Resources Company	Subsidiary	Rent Administrative Offices (AL-Khobar& Buraydah)	2	117,713
Riyadh Foods Industries Company	A subsidiary, which the Company's owns (55%) of its capital shares	Import Foods Items	1	102,092,140

Thirteen: Information of Businesses and contracts in the Company is a party, or there is an interest to one of the Board Member and Senior Executives or any of its relative party:

A. Businesses and contracts with Al-Othaim Holding Company in which there is an indirect interest for each of (Chairman of the Board of Directors, Mr. Abdullah Saleh Ali Al-Othaim, Vice Chairman of the Board of Directors, Mr. Bader Hamed Abdulrazaq Alaujan and Board Member Mr. Abdulaziz Abdullah Saleh Al-Othaim and Mr. Fahad Abdullah Saleh " till 02/10/2021G" as follows:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/ year	Contract Conditions	Notes
Rent	Trademark	10,000	1	No preferential Terms	-
Rent	Administrative Offices	710,050	1		-
Purchases	Sanabel Alkhair cards	17,258,300	1		Amount is variable, and will be calculated at year end
Services	Common services	2,479	1		The value represents the remaining 2021 G.
Rent	Common Accommodation for Employees	7,861	1		Amount is variable, and will be calculated at year end
Services	Rent labor services from Mueen Human Resources Co.	432,267	2		Amount is variable, calculated at year end
Services	Rent labor services from Mueen Human Resources Co.	373,755			Amount is variable, calculated at year end

B. Businesses and contracts with Abdullah Al-Othaim Investment Company and its Subsidiaries in which there is an indirect interest -for each of (Chairman of the Board of Directors, Mr. Abdullah Saleh Ali Al-Othaim, and Member of the Board of Directors Mr. Abdulaziz Abdullah Saleh Al-Othaim and the Board Member Mr. Fahad Abdullah Saleh Al-Othaim" till 02/10/2021G"), as follows:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/ year	Contract Conditions	Notes
Leasing	Buraydah Branch	1,277,100	20	No preferential Terms	-
Leasing	Buraydah Branch Accommodation	219,600	18		-
Leasing	Al-Ahsa Mall Hypermarket	2,159,850	20		-
Leasing	Khurais Mall Hypermarket	1,673,760	20		-
Leasing	Al Rabwa Mall Supermarket	770,880	10		-
Leasing	Archive Warehouse	21,300	10		-
Leasing	Dammam Mall Hypermarket	1,922,400	18		-
Leasing	Buraydah-Akirisha Supermarket	1,086,000	10		-
Leasing	Akirisha Branch-Accommodation	35,000	10		-
Leasing	Onaiza Mall Supermarket	729,000	10		-
Leasing	Arar Mall Supermarket	2,022,680	10		-
Leasing	Hail Mall Hypermarket	1,676,840	20		-
Rent	Administrative Offices	742,500	1		-
Rent	Administrative offices-Abdullah Al-othaim Fashion Co.	82,450	5		-
Rent	Administrative Offices-Abdullah Al-othaim Fashion Co.	93,075	4		-
Rent	Dammam Mall	34,932,000	18		-
Rent	Entertainment Center Shifa	76,613	5 and 10 Months		-
Rent	Entertainment Center Oqba	417,225	4 and 3 Months		-
Rental	Entertainment Center Swaidi	1,000,000	10		-
Services	Common services	304,190	1		The value represents the remaining 2021 G.
Labor Services	Rent Labor Service for Imtiaz AL Riyadh Company from Mueen Human Resources Company.	294,812	1	Amount is variable, and will be calculated at year end	
Labor Services	Rent Labor Services for Abdullah Al-Othaim Entertainment Company from Mueen Human Resources Company.	347,308	1	Amount is variable, and will be calculated at year end	
Services	Common services for Abdullah Al-Othaim Entertainment Company.	109,237	1	-	
Rental	Shared housing for employees of sister companies	260,265	1	Amount is variable, and will be calculated at year end	
Labor Services	Rent Labor Services	291,315	1	Amount is variable, and will be calculated at year end	
Labor Services	Rent Labors for Abdullah Al-Othaim Entertainment Company.	145,771	1	Amount is variable, and will be calculated at year end	
Rental	Shared housing for labors Abdullah Al-Othaim Entertainment Company	74,780	1	Amount is variable, and will be calculated at year end	
Labor Services	Rent Labors for Abdullah Al-Othaim fashion Company from Mueen Human Resources Company.	465,021	2	Amount is variable, and will be calculated at year end	
Services	Electricity and General Utilities at Rented Branches	3,197,850	1	Amount is variable, and will be calculated at year end	
Services	electrical energy to advertising Signs in commercial malls	36,000	1	-	

C. Businesses and Contracts with Mueen Human Resources Company, in which there is an indirect interest for each of (Chairman of the Board of Directors, Mr. Abdullah Saleh Ali Al-Othaim, Vice Chairman of the Board of Directors Mr. Bader Hamed Abdulrazaq Alaujan , and Member of the Board of Directors Mr. Abdulaziz Abdullah Saleh Al-Othaim and Mr. Fahad Abdullah Saleh Al-Othaim” till 02/10/2021G”), as follow: .

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/year	Contract Conditions	Notes
Services	Rent Labor Services for Abdullah AL-Othaim Fashion Company.	465,021	2	No preferential Terms	Amount is variable, will be calculated at year end
Services	Rent Labors services for the company	607,948	1		Amount is variable, will be calculated at year end
Services	Rent Labor Service for Imtiaz AL Riyadh Company.	294,812	1		Amount is variable, and will be calculated at year end
Services	Rent Labor Services for Abdullah Al-Othaim Entertainment Company	347,308	1		Amount is variable, and will be calculated at year end
Services	Rent Labor Services to Seven Services Co.	123,032	2		Amount is variable, calculated at year end

D. Businesses and Contracts with Dani Trading Company in which there is an indirect interest to the board member Mr. Saleh Mohammed Saleh Al-Othaim “till 02/10/2021G” as follow:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/ year	Contract Conditions	Notes
Rent	Commercial Showroom - Rawdha Branch	300,000	3	No preferential Terms	-
Rent	Commercial Showroom - Dammam, Cornice	373,000	3		-

E. Contract with GOSI in which there is an indirect interest to the board member Mr. Bandar Bin Nasser Hamad Al-Tamimi as follows:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/year	Contract Conditions	Notes
Leasing	Investment Lands	5,735,346	26	No preferential Terms	-

F. Businesses and Contracts with Wousta Food Services Company. in which there is an indirect interest for each of (Chairman of the Board of Directors, Mr. Abdullah Saleh Ali Al-Othaim, Vice Chairman of the Board of Directors Mr. Bader Hamed Abdulrazaq Alaujan , and Board’s Member Mr. Abdulaziz Abdullah Saleh Al-Othaim and “Mr. Fahad Abdullah Saleh Al-Othaim” till 02/10/2021G”), as follow:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/ year	Contract Conditions	Notes
Rent	Showroom - Ring Road in Onaiza	350,000	13	No preferential Terms	-
Rent	Showroom in Alrass City	250,000	13 & 6 Months		-

G. Businesses and Contracts with Seven Services Company in which there is an indirect interest for each of (Chairman of the Board of Directors, Mr. Abdullah Saleh Ali Al-Othaim, and Board’s Member Mr. Abdulaziz Abdullah Saleh Al-Othaim and “Mr. Fahad Abdullah Saleh Al-Othaim “till 02/10/2021G”), as follow:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/ year	Contract Conditions	Notes
Services	Sales Commissions	1,320,170	1	No preferential Terms	Amount is variable, and will be calculated at year end
Services	Rent Labor Services from Mueen Human Resources Company	123,032	2		Amount is variable, and will be calculated at year end
Rent	Administrative Offices	40,000	1		-

H. Businesses and Contracts with Shorofat Al Jazira Company in which there is an indirect for each of (Chairman of the Board of Directors, Mr. Abdullah Saleh Ali Al-Othaim, and Board’s Member Mr. Abdulaziz Abdullah Saleh Al-Othaim and “Mr. Fahad Abdullah Saleh Al-Othaim “till 02/10/2021G”), as follow:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/year	Contract Conditions	Notes
Services	Rent labor services	3,106,141	1	No preferential Terms	Amount is variable, and will be calculated at year end

I. Businesses and Contracts with Marafiq Al Tashgheel Company in which there is an indirect interest for each of (Chairman of the Board of Directors, Mr. Abdullah Saleh Ali Al-Othaim, and Board’s Member Mr. Abdulaziz Abdullah Saleh Al-Othaim and “Mr. Fahad Abdullah Saleh Al-Othaim “till 02/10/2021G”), as follow:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/ year	Contract Conditions	Notes
Services	Rent labor services	6,670,007	1	No preferential Terms	Amount is variable, calculated at year end

J. Business and contract made with Pillar Saudi Company for contracting in which there is an indirect interest for each of (the Chairman of the Board of Directors Mr. Abdullah Saleh Ali Al-Othaim, and the Member of the Board of Directors Mr. Abdulaziz Abdullah Saleh Al-Othaim and “Mr. Fahad Abdullah Saleh Al-Othaim “till 02/10/2021G”), as follow:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/ year	Contract Conditions	Notes
Contracting	Establishing a project in Riyadh City	7,401,894.35	10 Months	No preferential Terms	
Contracting	Establishing a project in Tabuk City.	14,016,475	10 Months		

K. Business and contracts made with (Al Jouf Agricultural Development Company, Arabian Agricultural Services Company, Jarir Marketing Company, Four Milling Company) in which there are an indirect interest for the Vice Chairman of the Board of Directors Mr. Bader Hamed Abdulrazaq Alaujan, as follows:

. Al Jouf Agricultural Development Company:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/year	Contract Conditions	Notes
Purchase	Food Products	17,511,586	1	No preferential Terms	Amount is variable, calculated at year end

• Arabian Agricultural Services Company:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/year	Contract Conditions	Notes
Purchase	Food Products	18,074,323	1	No preferential Terms	Amount is variable, calculated at year end

• Jarir Marketing Company:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/year	Contract Conditions	Notes
Purchase	Stationary	210,921	1	No preferential Terms	Amount is variable, calculated at year end

• Four Milling Company:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/year	Contract Conditions	Notes
Purchase	Food Products	129,152	1	No preferential Terms	Amount is variable, calculated at year end

L. Business and contracts made with Almarai Food Company, in which there are an indirect interest for the Member of the Board of Directors Mr. Mohamed Hassan Alshuhail, as follows:

Type of Contract	Contract description	Contract Value SR per year 2021G	Contract period/year	Contract Conditions	Notes
Supply	Food Products	489,178,786.57	1	No preferential Terms	Amount is variable, calculated at year end

Fourteenth: The applied provisions of the Companies Governance Regulation, the unapplied provisions and the underlying reasons:

The provisions of the Corporate Governance Regulations issued by the Capital Market Authority have been applied except:

Article/ Clause No.	Clause Status	Article/Clause Provision	Reasons of Non-compliance
Article (39) Clause (2)	Guiding	Qualifying and training directors of the board and executive management and set up the necessary programs.	The company has not yet defined programs.
Article (41) Clause (E)	Guiding	The Board of Directors shall take the necessary arrangements to get the assessment of the Board's performance from external competent authority each three years.	The performance assessment was not obtained from external authority and it is under progress, the Remuneration and Nomination also Committee evaluates the performance of the Board of Directors for each fiscal year end.
Article (70)	Guiding	Formation by a decision of the Board of Directors of the company a committee called the Risk Management Committee.	The board has issued resolution that risk management will be affiliate to internal audit department as independent department, and it is finally affiliate to audit committee until risk management Committee is composed.
Article (85)	Guiding	The company sets programs to develop and motivate the partnership and performance of workers in the company.	The company has not yet defined programs.
Article (87)	Guiding	The ordinary General Assembly, based on the proposal of the Board of Directors, put a policy which integrates balance between its goals and the goals aspired by community to meet with the purpose of developing social and economic positions of community.	The company contributes to the area of social responsibility, including charitable and cooperative works, and is in the process of working.
Article (88) Clause (1)	Guiding	Set measurement indicators to link the Company's performance with the initiatives in social work it provides and comparing this to the other companies of similar activity.	Is under study.
Article (88) Clause (4)	Guiding	Set community awareness programs to highlight social responsibility of the company.	Is under study.
Article (95)	Guiding	Forming a committee concerned with companies' governance.	No independent governance committee has been formed yet and is still under study and consideration, the company is also monitoring its implementation and development of governance.

Fifteenth: Board Declarations:

1. There is no interest in the class of shares entitled to vote belong to persons who have notified the Company of those rights under Article (68) of the Listing Rules and Continuing Obligations.
2. There are no categories or numbers of any convertible debt instruments, any contractual securities, warrants, rights, or similar rights issued or granted by the Company during the financial year.
3. There are no rights to transfer or subscribe under convertible debt instruments, contractual securities, subscription rights notes or similar rights issued or granted by the Company
4. There is no refund, purchase, or cancellation by the Company for any redeemable debt instruments
5. There is no arrangement or agreement whereby a board member or a senior executive waives any remuneration
6. There is no arrangement or agreement whereby any of the Company's shareholders waives any rights in profits.
7. There are no investments or reserves created for the benefit of source employees.
8. The Board of Directors also acknowledges the following:
 - A. That the accounting records had been prepared correctly.
 - B. That the internal control system has been properly prepared and implemented effectively.
 - C. That there is no doubt of the Company's ability to continue activity.

Financial Performance

First: Describing the main company activity:

Abdullah Al-Othaim Markets Company is a major player in the retail food industry in the Kingdom of Saudi Arabia, the company introduced a good marketing experience through competitive pricing, exceptional service, and quality the company's main activity is concentrated in the area of wholesale and retail food and consumables, as well as engaged in real estate investments which are explained in details in the segmental information item "Fourth" of this division.

1. Description of the main company activities and its effects in the size of the company's business and its contribution to the results as following (in thousands):

Description of the activity	Net profit activity	Percentage
Wholesale and retail activity for Consumption and foods Items	193,613	64.51%
Real estate investment activity	77,448	25.81%
Investments sister companies & financial assets through the income statement	31,801	10.60%
Human Resources Activity	8,042	2.68%
None continuous operations	(2,406)	-0.80%
Other	(8,377)	-2.80%
Total	300,121	100%

2. Description of the main activities of the affiliates and the size of the business as follows:

A. Haley Holding Company: Limited Liability company, operating under Commercial Registration no. 1010314228 issued from Al Riyadh city on 09 Ramadan 1432H (corresponding to August 09, 2011G), its major activities are represented in participating in the companies by percentage that enables prevailing it, and for wholesale and retail trade of food products, flour, rice, meats, fishes, dishes, computer services (applicable systems and information databases), imports and exports services, marketing to third parties, maintenance of training and entertainment, cooked/uncooked ration services.

B. Global Marketing Center Company: Limited Liability company, operating under Commercial Registration no. 1010314201 issued from Al Riyadh city on 09 Ramadan 1432H (corresponding to August 09, 2011G), its major activities are represented in participating in the companies by percentage that enables prevailing it, and for wholesale and retail trade of food products, flour, rice, meats, fishes, dishes, spare parts of cars, computer services (applicable systems and information databases), imports and exports services, marketing to third parties, maintenance of training and entertainment, cooked/uncooked ration services.

C. Seven Services Company: Limited Liability company, operating under Commercial Registration no. 1010320848 issued from Al Riyadh city on 02 Muharram 1433H (corresponding to November 27, 2011G), its major activities are represented in imports and exports, wholesale and retail trade of clothes and sportswear, traditional jewels, sewing kit, bags, leather products, decoration materials, false ceilings, cars' spare parts, agricultural crops, services of imports and exports, marketing to third parties, establishing agricultural projects, establishing, managing and operating bakeries and cafes.

D. Bayt Al Watan Company: a limited liability company operating under Commercial Registration No. 1010320847 issued by Riyadh City on 02 Muharram 1433H (corresponding to November 27, 2011G) Its main activities are importing, exporting and wholesale and retail vegetables, Fruits, fish, milk, cheese, dairy products, animal fats, olives, halva, pasta and soft drinks. In addition to: Import and export services, marketing for third parties, maintenance of training and recreational centers, sports centers and general contracting for Public buildings (establish, Repair, demolition and restore) and electrical and electronic works.

E. Marafiq Al Tashgheel Company: A limited liability company that operates under commercial registration number 1010321917 issued in Riyadh on 15 Muharram 1433H (corresponding to 10 December 2011).The main activities of the Company include general constructions and renovation of residential and non-residential buildings such as schools, hospitals and on-site ready-made houses.

F. Abdullah Al-Othaim Markets Company - Egypt: An Egyptian joint stock company operating under Commercial Registration No. 55010 issued by the Arab Republic of Egypt, Dated 20 Dhu al-Hijjah 1432H Corresponding to November 16, 2011G Its main activities are wholesale, retail and general trade.

G. Thamarat Al-Qassim Company: A limited liability company operating under Commercial Registration No. 1010378315 issued by the city of Riyadh on 30 Rajab 1434H (Corresponding to June 09, 2013G) Its main activities are the cultivation of vegetables, fodder, livestock and poultry. Import, export and marketing to third parties, purchase of land for the construction of premises and investment in selling or renting and exploiting real estate and land for the interest of the company.

H. Shorofat Al Jazira Company: a limited liability company operating under Commercial Registration No. 1010228732 issued by Riyadh City on 02 Safar 1428H (corresponding to November 19, 2007G) its main activities are general contracting and operating malls.

I. Mueen Human Resources Company: It's a Saudi closed shareholding company operating under Commercial Registration No. 1010435202 issued by the city of Riyadh on Registered on 06 Ramadan 1436H (corresponding to June 23, 2015G) in the city of Riyadh, its main activities are providing recruitment services with regards to domestic workers, public and private sectors' workers, under the license of The Ministry of Labor no.24 SAE dated on 23 Dhu Al-Hijjah 1436H corresponding to October 16, 2015G.

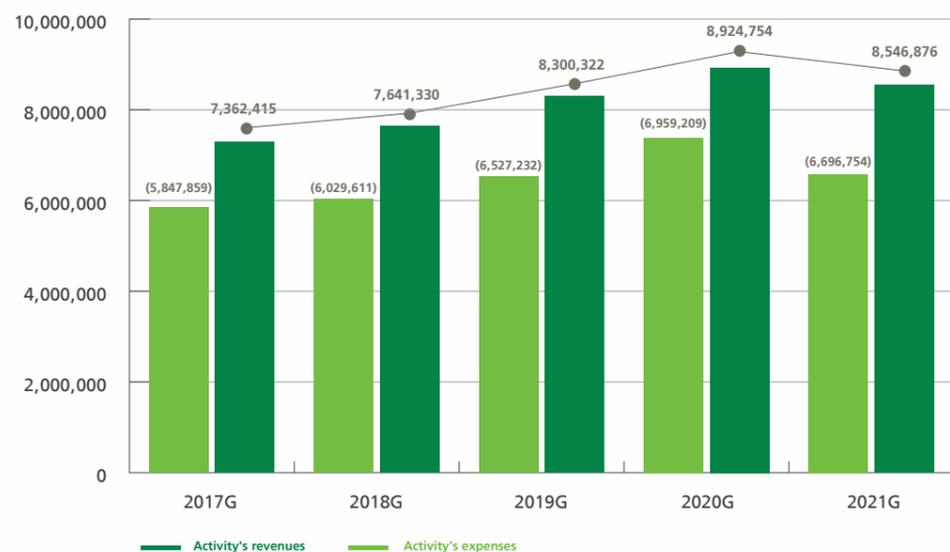
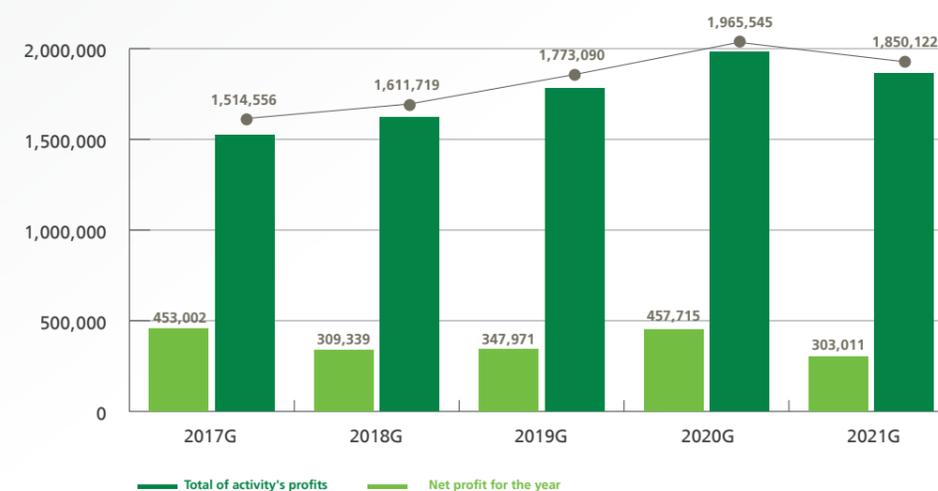
Describing the activity	Revenues of the activity* (In Thousands SR)	Percentage
Abdullah Al - Othaim Markets Company	8,122,503	95%
Haley Holding Company	-	0%
Global Marketing Center Company	-	0%
Seven Services Company	-	0%
Bayt Al Watan Company	-	0%
Marafiq Al Tashgheel Company	-	0%
Abdullah Al-Othaim Markets Company-Egypt	215,026	3%
Thamarat Al Qassim Company	-	0%
Shorofat Al Jazira Company	-	0%
Mueen Human Resources Company	209,347	2%
Total	8,546,876	100%

*Net revenues after excluding the reciprocal operations among the company

Secondly: Summary of the financial results of the company for the period 2017 till 2021G:

A. Description of revenues and profits of the company (in thousands SR):

Statement	2017	2018	2019	2020	2021
Activity's revenues	7,362,415	7,641,330	8,300,322	8,924,754	8,546,876
Activity's expenses	(5,847,859)	(6,029,611)	(6,527,232)	(6,959,209)	(6,696,754)
Total of activity's profits	1,514,556	1,611,719	1,773,090	1,965,545	1,850,122
Administrative, general, marketing and funding expenses	(1,208,484)	(1,287,805)	(1,380,482)	(1,446,795)	(1,504,559)
Revenues and other expenses-net	45,836	32,031	(26,324)	(47,094)	(27,776)
Zakat	(10,846)	(9,162)	(10,843)	(16,221)	(11,327)
Net profit of the continuous operations after Zakat	341,061	346,783	355,440	455,434	306,460
Net profit of the non-continuous operations after Zakat	111,941	(37,444)	(7,469)	2,281	(3,449)
Net profit for the year	453,002	309,339	347,971	457,715	303,011
Return profit to the contributors of the parent company	449,497	302,601	344,673	450,973	300,121
Profit (loss) attributed to non-controlling interest	3,505	6,738	3,299	6,743	2,890



Statement of revenues and other expense-net (in thousands riyals):

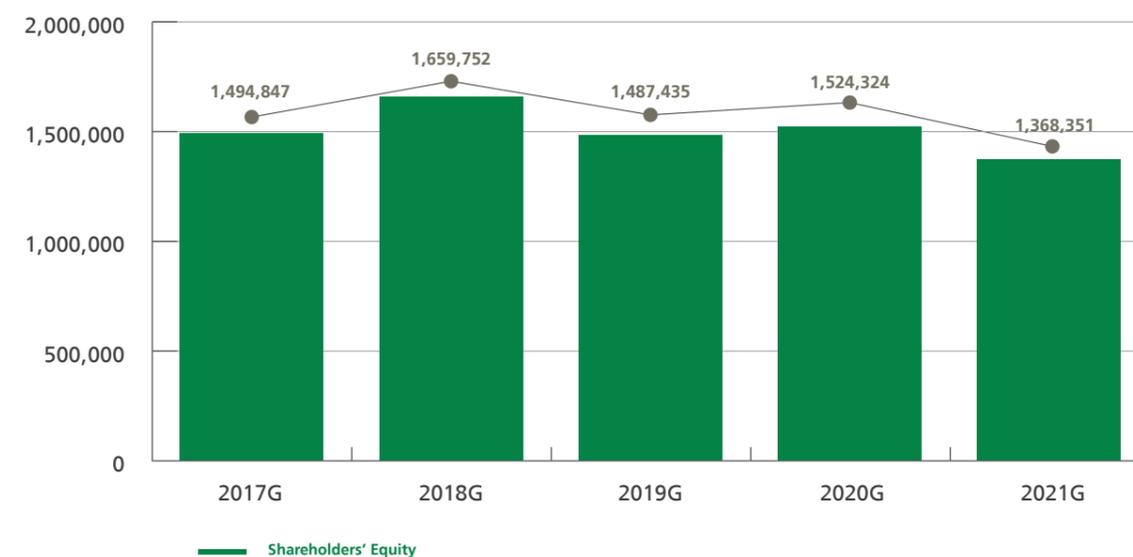
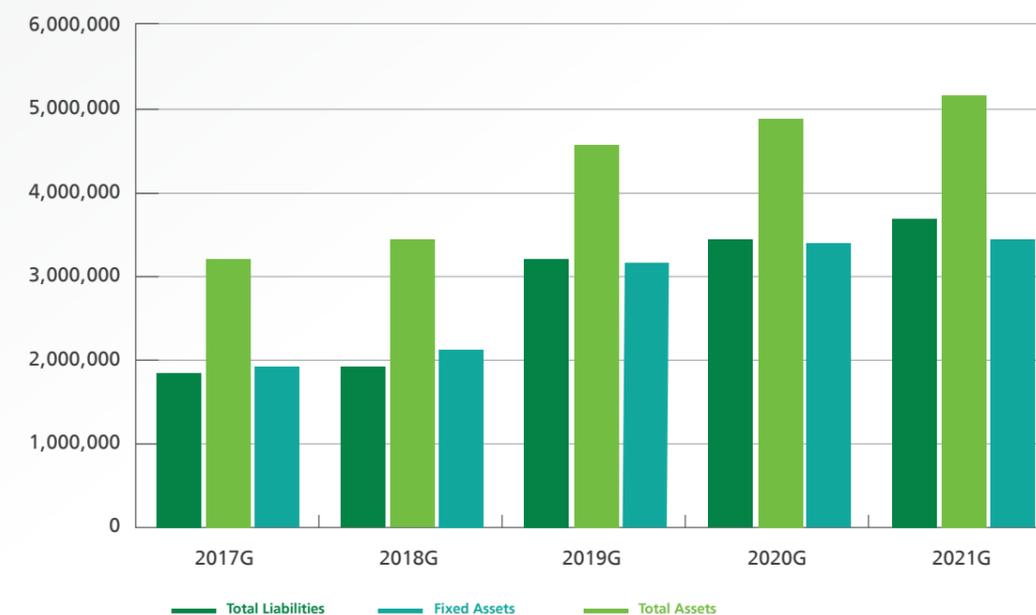
Statement	The fiscal year ended in 31 December	
	2021	2020
Vouchers sales commissions	1,980	1,933
Share of the company in the net profits of associated companies and joint ventures	31,801	19,562
Profits of financial assets at fair value through income statement	631	2,418
Financing costs of lease contracts liabilities	(70,574)	(66,717)
Others, Net	8,386	(4,290)
Total	(27,776)	(47,094)

The Most Important Financial Parameters:

Statement	2017	2018	2019	2020	2021
Return on Revenues	6.11%	3.96%	4.15%	5.05%	3.51%
Return on Shareholders 'equity	32.97%	19.18%	21.90%	29.95%	20.75%
Return on assets	13.42%	8.65%	8.19%	9.27%	5.97%
Rate of sales growth	3.09%	3.78%	8.81%	7.87%	- 4.59%
Rate of net profit growth	97.08%	- 32.68%	13.90%	30.84%	- 33.45%
Earnings per Share from net income-riyal	4.99	3.36	3.83	5.01	3.33
Earnings per Share for parent company shareholders from the continuous operations-riyals	3.75	3.78	3.91	4.97	3.36

B. Assets, Liabilities and Shareholders' Equity (in thousand riyals)

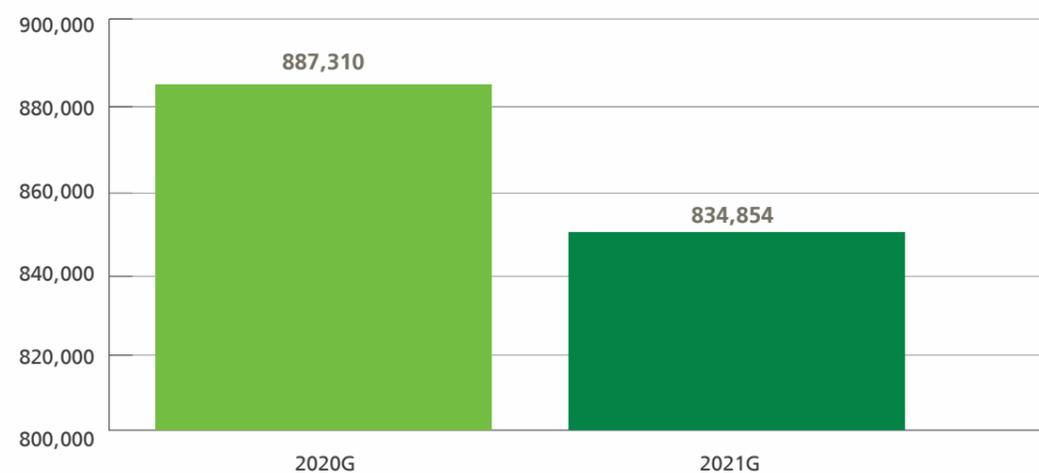
Particulars	2017	2018	2019	2020	2021
Current Assets	1,165,111	1,316,079	1,287,872	1,363,078	1,307,307
Current liabilities	1,642,831	1,827,415	1,968,183	1,945,471	2,109,948
Current Capital	(477,720)	(511,336)	(680,311)	(582,394)	(802,641)
Investments in associates and others	239,850	260,295	266,416	270,537	351,593
Fixed Assets	1,941,874	2,071,366	3,211,838	3,331,614	3,437,642
Total Assets	3,346,834	3,647,741	4,766,126	4,965,229	5,096,542
Current liabilities	1,642,831	1,827,415	1,968,183	1,945,471	2,109,948
Long term loans	73,000	0	0	0	0
Other liabilities	103,270	120,876	1,272,763	1,450,997	1,580,997
Total Liabilities	1,819,101	1,948,292	3,240,945	3,396,468	3,690,944
Paid Capital	450,000	900,000	900,000	900,000	900,000
Share in other total income of sister companies	1,301	976	1,056	(59)	(149)
Reserves and retained earnings, and unrealized profits	1,043,546	758,776	586,380	624,383	468,500
Total equity of shareholders	1,494,847	1,659,752	1,487,435	1,524,324	1,368,351
Owner's equity of non-controlling interests	32,887	39,697	37,745	44,436	37,246
Total liabilities and owner's equity	3,346,834	3,647,741	4,766,126	4,965,229	5,096,542
Average equity of the parent company's shareholders	1,363,442	1,577,300	1,573,594	1,505,880	1,446,338



C. Cash flows (in thousand riyals):

Cash flow	Fiscal years ended in 31 December	
	2021	2020
Cash flow from operation activities	834,854	887,310
Cash flow used in investment activities	(273,557)	(113,642)
Cash flow used in funding activities	(656,318)	(758,333)
Increase (Decrease) in cash	(95,021)	15,334
Opening balance	277,765	262,430
Closing balance	182,743	277,765

Cash flow from operation activities



Thirdly Geographical distribution for the revenues of the company and its affiliates:

A. Revenues of the company:

Region	2021		2020	
	Revenues	Percentage	Revenues	Percentage
Central region	5,418,968	63%	5,775,637	65%
Southern region	1,049,795	12%	1,070,588	12%
Eastern region	901,608	11%	905,941	10%
Northern region	529,600	6%	605,963	7%
Western region	431,879	5%	362,732	4%
Arab Republic of Egypt	215,026	3%	203,893	2%
Total	8,546,876	100%	8,924,754	100%



B. Revenues of the subsidiary within KSA:

Geospatial Analysis of the total of revenues of the subsidiary

Year	Region	Central region	Eastern region	Southern region	Northern region	Western region	Total
2021	Revenue	209,346,908	-	-	-	-	209,346,908
	Percentage	100%	-	-	-	-	100%
2020	Revenue	255,107,060	-	-	-	-	255,107,060
	Percentage	%100	-	-	-	-	%100

Fourthly: Segmental information:

The main activities of the company are focused in the wholesale and retail trade of foodstuffs and the company operates in Saudi Arabia, in addition to the real estate investment sector. Some of the selected information for the two financial years 2021G and 2020G for each sector of business were summarized (in thousand riyals):

Statement	Retail and Wholesale		Real Estate and Leasing		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Property, plant and equipment, net	1,387,575	1,402,144	-	-	5,201	5,954	1,392,776	1,408,098
Original right of use	1,407,760	1,285,114	32,303	40,309	2,657	4,158	1,442,720	1,329,581
Investment properties, net	-	-	599,540	590,462	-	-	599,540	590,462
Intangible assets, net	1,874	2,657	-	-	732	816	2,606	3,473
Non-current assets for sale	-	-	-	-	1,340	19,084	1,340	19,084
Total assets	3,885,454	3,813,388	638,538	635,934	572,549	515,907	5,096,542	4,965,229
Total liabilities	3,508,875	3,217,271	90,296	94,766	91,773	84,432	3,690,944	3,396,468
Sales	8,194,346	8,553,063	-	-	257,715	311,731	8,452,060	8,864,794
Sales outside the group	8,194,346	8,553,063	-	-	209,347	255,107	8,403,693	8,808,170
Rental sales and income inside the company	-	-	178	1,844	48,368	56,624	48,545	58,469
Rental revenue outside the group	-	-	143,183	116,584	-	-	143,183	116,584
Total income, sale commissions and rental revenue, net	1,728,971	1,852,467	86,163	57,454	36,968	57,558	1,852,102	1,967,478
Income from main works	264,431	446,154	86,163	57,454	(2,231)	18,385	348,363	521,993

Fifthly: Explanation of any significant differences in the operating results from the results of the previous year or any expectations announced by the company:

Statement	2021	2020	Net change	Change Ratio
Sales/Revenues	8,403,693	8,808,170	(404,477)	- 4.59%
Revenues /Sales Cost	(6,639,733)	(6,900,079)	260,346	- 3.77%
Gross profit	1,763,960	1,908,091	(144,131)	- 7.55%
Rental revenue	143,183	116,584	26,599	22.82%
Rental Expenses	(57,021)	(59,130)	2,109	- 2.35%
Net Rental revenue	86,162	57,454	28,708	48.72%
Vouchers sales commissions	1,980	1,933	47	2.43%
Operating expenses, others	(1,503,739)	(1,445,485)	(58,254)	4.06%
Income from main works	348,363	521,993	(173,630)	- 33.50%

Sixthly: a statement of the subsidiaries and state of incorporation, the activity of the company and the percentage of ownership and capital:

s	The Company's name	Country of Incorporation	The legal form of the company	Type of activity	Country of Incorporation	Proportion of ownership (direct and indirect)	Number Shares/Quotas	Par Value of shares	Capital according to the Par value of shares (SAR)
1	Haley Holding	Saudi	Limited Liability	Wholesale and retail trade	Saudi	100%	10,000	100	1,000,000
2	Global Marketing Center Holding	Saudi	Limited Liability	Wholesale and retail trade	Saudi	100%	10,000	100	1,000,000
3	Seven services	Saudi	Limited Liability	import and export	Saudi	100%	50,000	100	5,000,000
4	Bayt Al Watan	Saudi	Limited Liability	import and export	Saudi	100%	500,000	100	50,000,000
5	Marafiq Al Tashgheel	Saudi	Limited Liability	General Contracting & Maintenance	Saudi	100%	500	1,000	500,000
6	Abdullah Al-Othaim Markets Egypt	Egypt	joint Stock	Wholesale and retail trade	Egypt	100%	1,200,000	30.35	36,416,998
7	Shorofat Al Jazira	Saudi	Limited Liability	General contracting, maintenance and operation	Saudi	100%	500	1,000	500,000
8	Thamarat Al-Qassim	Saudi	Limited Liability	Agricultural and animal activity	Saudi	100%	200,000	100	20,000,000
9	Mueen Human Resources	Saudi	Closed joint Stock	Provision of labor services	Saudi	68%	10,000,000	10	100,000,000

Seventh: Loans and Murabaha:

A. short term Murabaha:

The company has facilities with group of local banks in the form of short-term Murabaha (all of which are Sharia-compliant) to finance the working capital, with an unutilized balance of these Murabaha as on 31 December 2021G the amount of SR 924.5 million, and the details are as follows: (Value in thousands of riyals):

Statement	Riyadh Bank	Arab National Bank	SABB Bank	SABB Bank	National Bank (Samba Financial Group Previously)	National Commercial Bank	French Bank
Short-term facility limit	100,000	50,000	50,000	250,000	94,500	100,000	280,000
Facilities as of 31/12/2021	0	0	0	0	0	0	0
Facilities as of 31/12/2020	0	0	0	0	0	0	0
Type of facilities	Short-term/ Medium-term	Short-term	Short-term	Short-term/ Medium-term	Short-term	Short-term	Short-term/ Medium-term
Loan Term	Up to 360 days	Up to 90 days	Up to 90 days	Up to 180 days	Up to 180 days	Up to 180 days	Up to 180 days
Date of First instalment	0	0	0	0	0	0	0
Date of last instalment	0	0	0	0	0	0	0
Purpose of the loan	Working capital financing						
Guarantees	Promissory Note						

B. Medium-term loans and murabaha:

The Company have no medium-term loans and murabaha an unutilized balance of these Murabaha as on 31 December 2021G was SR 350 million according to the following details: (Value in thousands of riyals):

Statement	SABB Bank	Arab National Bank
Short-term facility limit	200,000	150,000
Facilities as of 31/12/2021	0	0
Facilities as of 31/12/2020	0	0
type of facilities	Medium-term	Medium-term
Loan term	5 Years	5 Years
Date of First instalment	0	0
Date of last installment	0	0
Loan purpose	Buying land financing – capital expenditures – opening new branches – potential expansions	Financing new branches
Guarantees	Promissory note	

Eighth: Legal Payments to Government Authorities (Inside KSA) (SR):

Statement	In 2021
Zakat	20,395,560
Various taxes	295,496,260
Withholding tax and real estate disposal tax	5,565,144
General Organization for Social Insurance –Subscriptions	77,284,662
The visas and passports	50,555,155
Labor office fees	95,488,141
Total	544,784,922

Investors Relation

FIRST: Policy of Distributing Dividends, Distributed Dividends and to be distributed:

1. Company Profit distribution Policy:

The Company follows a policy in the distribution of annual net profit in accordance with Article (46) of its Articles of Association, after deducting all general expenses and other costs as follows:

- A. Maintain (10%) Of the net profit to form the statutory reserve, and the Ordinary General Assembly, may stop this when the said reserve reaches (30%) of the paid-up capital.
 - B. Ordinary General Assembly may, upon the proposal of the Board of Directors to maintain no more than (20%) Of the profits to create an agreed upon reserve to be assigned for specific purposes(s) customize it for the purpose or particular purposes.
 - C. The General Assembly may decide to make other reserves, to the extent that it serves the interests of the Company or ensures the distribution of fixed profits as much as possible to the shareholders, and the said Assembly may deduct from the net profits amounts for the establishment of social institutions for the company's employees or to help the existing ones.
 - D. From the remaining balance, at least equivalent to 5% of the paid-up capital to be distributed for shareholders as first payment.
 - E. After allocating the remuneration of the members of the Board of Directors and the approval of the General Assembly and the decisions issued by the competent authorities, the remainder shall be distributed to the shareholders as an additional share of profits or to be carried forward to the coming years as approved by the General Assembly.
- The Company may distribute interim dividends to its shareholders quarterly or semi-annually in accordance with the regulatory controls and procedures issued in this regard by the competent authority.

2. Profits distributed to shareholders during the various periods of the fiscal year in addition to the proposed profit percentage to be distributed at end of the fiscal year and total profits (in SAR):

Capital	The percentage of profits distributed during the year			Profit percentage proposed for distribution at year end	Total profit for distribution and proposed for distribution
	Distribution date	01/04/2021	22/09/2021		
900,000,000	Percentage	30%	20%	20%	630,000,000
	Total	270,000,000	180,000,000	180,000,000	

Second: Shareholders' Right and Method of Contacting:

Proceeding from the company's keenness, interest, and care of the rights of its shareholders and stakeholders, the company had included these rights in the Governance Guide. Besides, it is keen on informing its shareholders and investors of all significant developments, where the company publishes the financial reports, announcements, and substantial information via the capital market site "Tadawul" and company website, and General Assemblies of shareholders. Besides, importance is given to communication with its shareholders and answering their enquiries by providing direct contact channels, whereby the shareholders can easily contact the company.

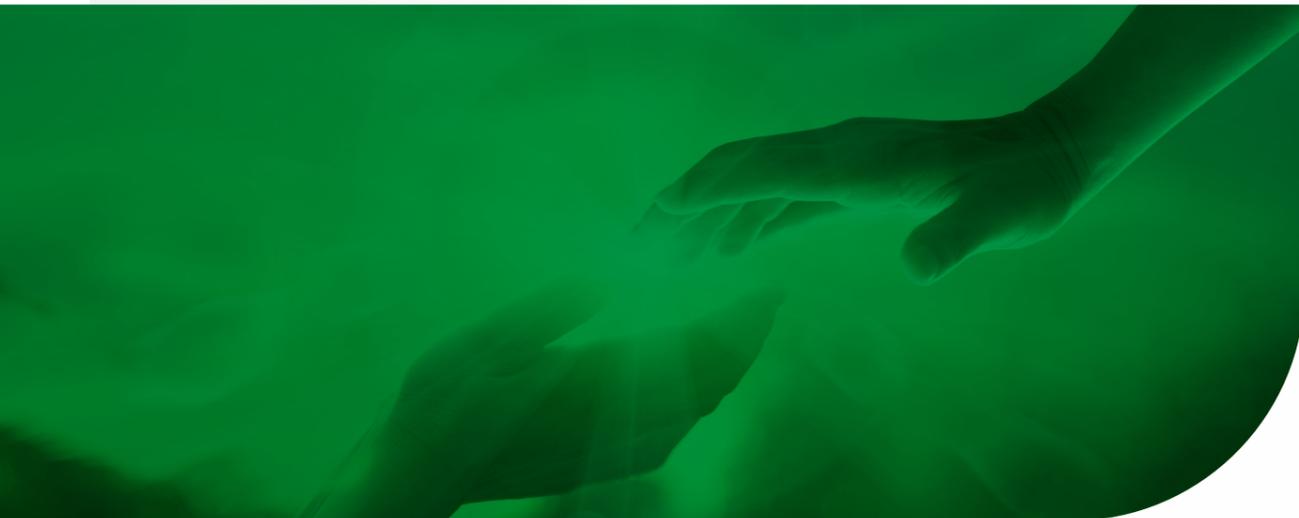
Third: Number of the company requests for the register of shareholders:

Number of record requests	The date of request	Reasons for the request
1	22/09/2021G	General Assembly
1	27/07/2021G	Corporate Formalities
1	28/04/2021G	General Assembly
1	17/03/2021G	Corporate Formalities
1	04/01/2021G	Corporate Formalities

Social Responsibilities

The Role of the company and its social contribution:

Arising of the company's role in the social responsibility, the Company pays full attention to the distinct and broad role in various community service activities, and offers many sustainable programs in various fields, where the Company contributed and supported a number of programs, including the following:



A. Al Othaim Academy for Free Training and Development:

Al Othaim Academy for Free Training and Development was established under the supervision of the Technical and Vocational Training Corporation in 1420 A.H., Since its establishment, it has been able to train and qualify (85,451) young men and women, from whom the company and a number of private sector companies have benefited, In 2021 G., the Academy implemented (73) qualifying programs, (18) of which are in-person, and (55) of them remotely (online), and the total number of graduates from the qualifying programs is (5,525), It also implemented (42) development programs, (17) of which are in-person, and (25) of them remotely (online), and the total number of graduates from development programs is (1,649), The total number of graduates in 2021 G. is (7,174), The amount of the company's spending to support the academy during the year 2021 G. amounted to SR (1,657,133), compared to SR (1,371,554) for the year 2020 G.

B. Social activities and charity works:

The company has contributed to a number of social and charitable projects, national events and festivals, and the company has also participated and sponsored some national events and festivals in most regions of the Kingdom, including: blood donation campaigns for employees in cooperation with the Central Blood Bank, vaccination campaign for Abdullah Al-Othaim market employees against Covid-19 which took place at Al-Othaim Academy in cooperation with the first health cluster, a breast cancer awareness campaign, which was held to deliver a lecture to the female employees in cooperation with the Zahra Association at the head office of the Othaim Academy, the establishment of a seasonal vaccination campaign-know your numbers with the Rahma Health Association in cooperation with the first health cluster in Riyadh at the headquarters of the Othaim Academy, an event The National Day at the headquarters of the General Administration with posting on social media, concluding an agreement with the Consumer Protection Association to join the membership of the Consumer Friend Certificate, whose goal is to gain the trust of customers, holding an awareness event in the branches in partnership with the Kefaya Association to combat smoking, setting up a campaign in cooperation with the National Center for Dates To support the Saudi brand for date products in our branches, and cooperate with the National Tobacco Platform Sponsors activating a secret and public campaign that was held in branches across the Kingdom, cooperating with the Kiswa Foundation in the Eastern Province to make an initiative to donate clothes to the poor in the branches, holding the International Coffee Day event in cooperation with Dunkin at the administration headquarters, co-

operating with the Qassim Health Cluster-Oyoun Al-Jawa in setting up an initiative Awareness in the branch about breast cancer, cooperation with the Abrar Association in placing informative and educational banners on honoring parents in the branches, the campaign of the Jude Housing Corporation in the branches across the Kingdom, cooperation with the Al-Birr Charitable Association in Unaizah to run a campaign in Qassim branches, breast cancer awareness campaign in Al-Qurayyat area in cooperation with Al-Hayat Association, Harees Society campaign in partnership with Athr Association entitled (Take the Step, Take the Vaccine), Seniors Over Waiting campaign in partnership with Haniya Association in the branches, Installing self-service devices (Absher) in a number of branches in cooperation with the Passports Directorate, Campaign (Volunteer with us) in cooperation with the Saudi Red Crescent Authority, the campaign of the Sharek Association for Health Research in cooperation with the Food and Drug Authority, awareness campaigns, educational and training programs and visits for students in cooperation with the Ministry of Education-Center Human development (crossing)-Al-Nabaa Schools-Al-Ayoun Charitable Society, a vaccination campaign against influenza in a number of the company's branches in cooperation with health centers in cities and governorates under the supervision of the Ministry of Health, an awareness campaign to publicize the disease of hyperactivity and attention deficit in children in a number of branches in cooperation with the Saudi Society For Attention Deficit Hyperactivity Disorder (Eshraq), awareness and guidance campaigns against the Corona virus, in cooperation with the Ministry of Health - the secretariats and municipalities of the regions and governorates-the Saudi German Hospital, the support of a number of charitable organizations with Sanabel Al-Khair cards, Unaizah Municipality-Saudi Mills Company-National Development Works Association-Foundation Talents and Ideas-Comprehensive Rehabilitation Center for Females in Al-Quds District in Riyadh-The (Positive) initiative, an idea for my country-Qassim University-Bunyan Charitable Society, Participation in the campaign We are all the people of ready-made food baskets, in cooperation with the Emirate of Al-Jouf Region-the Chamber of Commerce in Al-Jouf, Awareness events on the occasion of the World Breast Cancer Month In a number of branches, in cooperation with the Qassim Health Cluster-Health Affairs Directorate in Al-Qunfudhah, the "Prayer is Light" campaign was launched in a number of branches in cooperation with the Commission for the Promotion of Virtue and the Prevention of Vice, Indicative awareness raising for the people of Al-Qurayyat governorate, including farmers and livestock breeders in cooperation with the branch of the Ministry of Environment and Agriculture in Al-Qurayyat Governorate, supporting the initiative of the (Producing Family of Seedlings) project in the Sudair Kindergarten branch in cooperation with the Sudair Association for Productive Families, awareness campaigns on traffic regulations in a number of branches in cooperation with the Department of Traffic, activities to encourage the preservation of grace and not to waste food in cooperation with the Association for Preserving Grace, awareness campaigns on the occasion of World Diabetes Day in a number of branches in cooperation with the Ministry of Health, support for a life skills program to rehabilitate divorced women in cooperation with the Family Development Association in Al-Qurayyat, an awareness event in Sakaka branch Under the title (Your life is happier), in cooperation with the Tawad Association for Family Development, participating in many international days with publications and competitions through the company's accounts on the communication sites (International Arabic Language Day-Disability-Diabetes-Drug Control-Father-Blood Donation-Anti-Smoking-Mother-Civil Defense-Child Cancer-Cancer-National Day-Anniversary of Allegiance-Holidays-Teacher-Alzheimer-Milk).

C. Prepaid vouchers initiative (Sanabel Al Khair):

The company has contributed to a number of social and charitable projects, and continued to issue charitable cards (Sanabel Al-Khair Card) (physical and digital) in new categories (SR100 -SR250-SR500) as it is a suitable product for donations and charitable works to ensure that donations reach their beneficiaries in the proper manner, and it is an important option for charities, and donators to provide support to the needy to fulfil their basic needs. The company also contributed to the support of many charitable societies by providing support to the beneficiaries of these societies, where the amount of support provided by the company to the beneficiaries of the associations during the year 2021 G. amounted to SR (4,986,461) compared to SR (3,749,600) for the year 2020 G.

85,451

young man and woman

They were trained at Al-Othaim Academy for Free Training and Development under the supervision of the General Organization for Technical and Vocational Training.

D. Charitable magnetic vouchers initiative (monthly feeding card, penance for an oath, and zakat al-Fitr for charitable organizations):

The company has contributed to a number of social and charitable projects, and has continued to issue charitable magnetic cards (charity cards) (plastic and soon electronic), which are intended for the use of beneficiaries registered in the approved associations with the company with an official agreement and the use is limited to foodstuffs and the disbursement of items of penance for the Kaffarah and the disbursement of Zakat al-Fitr This card is suitable for charities in the technical transformation to ensure that the beneficiary disburses the amounts in the proper manner, and it is an important option for charities to provide support to the needy and disburse the amounts of support for basic needs. Where the number of (59) charitable societies in the Kingdom benefiting from the technical system and the number of families registered in the system (88,320 families). The amount of support provided by the company to the association's beneficiaries during the year 2021 G. amounted to SR (9,811,353), compared to SR (9,572,782) for the year 2020 G.



E. Donation of the Remaining Halala Initiative (riyal fractions):

The company continued as the first retailer in 2021AD its initiative «Donate the remaining Halala» that was launched in an automated technique through the point of Sale since 2008 AD, and it believes in the promotion and assurance of the culture of social responsibility and its commitment to serve the society, for this reason, a special system for the project has been developed and considered as one of the leading project which was appreciated by Company customers, Had benefited from the project during the year 2021 AD many of the charities in the Kingdom, Also a new charities had been added to expand the scope of benefits, and the total customers donation through this project in 2021 G. amounted to SR (323,390) compared to SR (388,976) for the year 2020 G.

F. Iktissab Cooperative program and special categories Initiative:

A largest charitable initiative adopted by the company through Iktissab under the name (Iktissab Cooperative program) has been launched to serve many categories, including employees of the Social charities and fund charitable and retirees, the disabled and divorcees and widows, orphans and the children and families of martyrs and released, people with limited income and others with a total amount of SR (607,932) for the year 2021 G, Compared to SR (949,763) for the year 2020 G., As part of this initiative, an official agreement was signed with the Ministry of Human Resources for social security beneficiaries to provide special discount of up to (10%) on items that are not included in the offers in the for social security beneficiaries registered in the Iktissab loyalty program with a maximum of SR (200) for the total value of the monthly discount for the beneficiary. It includes all non-discounted food items, starting from 01/01/2022 G.

G. The initiative to activate the self-service devices in the branches (KIOSK):

The Company introduced the initiative in order to facilitate all customers in providing them with the opportunity to benefit from all electronic services directly and with self-services within a limited number of branches. The device provides services (purchasing electronic recharge cards, calling and data cards, inquiring about the balance of cards, evaluating the visit to the branch and registering Suggestions or complaints), which makes it easier for customers to implement operations directly and quickly. The service was provided in 2021 G. for (49) branches compared to the year 2020 G. for (23) branches, and customers benefited from this project with a number of operations in 2021 G. SR (448,996), A comparison for the year 2020 G. SR (16,722) operations.

H. Zakat Al-Fitr Vouchers Initiative:

During the year, the company introduced the initiative in order to facilitate the Muslims and take into account the circumstances that people are going through and remove their embarrassment in the way to pay Zakat Al-Fitr by selling one or more zakat al-Fitr card to the Zakat payer, and the buyer can donate it to the beneficiary or charitable organizations, and it is prepaid purchasing vouchers that are circulated for the purpose of paying zakat for the actual Zakat payer, and are classified as (SR 20-SR100-SR 200) vouchers.

I. The sacrifice voucher initiative:

During the year, the company presented the initiative in order to facilitate for Muslims and to take into account the circumstances that people are going through and to relieve them of embarrassment in the way of paying the sacrifice, by issuing a sacrifice voucher in many categories for those who wanted a specific price or type of sacrifice. Voucher can be given to actual sacrifice or charity organizations, and it is of different categories according to the type and value of the sacrifice.

At the end of this report, members of the Board of Directors of Abdullah Al Othaim Markets Company

express their thanks and appreciation to the employees of the company, shareholders, suppliers, banks and government agencies for their support and cooperation, and your company will continue its success, growth and future expansion in line with the plans and objectives set and achieve the continuous rate of growth in profits.

The Board of Directors

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



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