

Annual Report 2024





The Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud
May God protect him



His Royal Highness Prince
Mohammad bin Salman Al Saud
Crown Prince And Prime Minister
May God Protect him

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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01

Overview



A Brief History of Abdullah Al Othaim Markets:



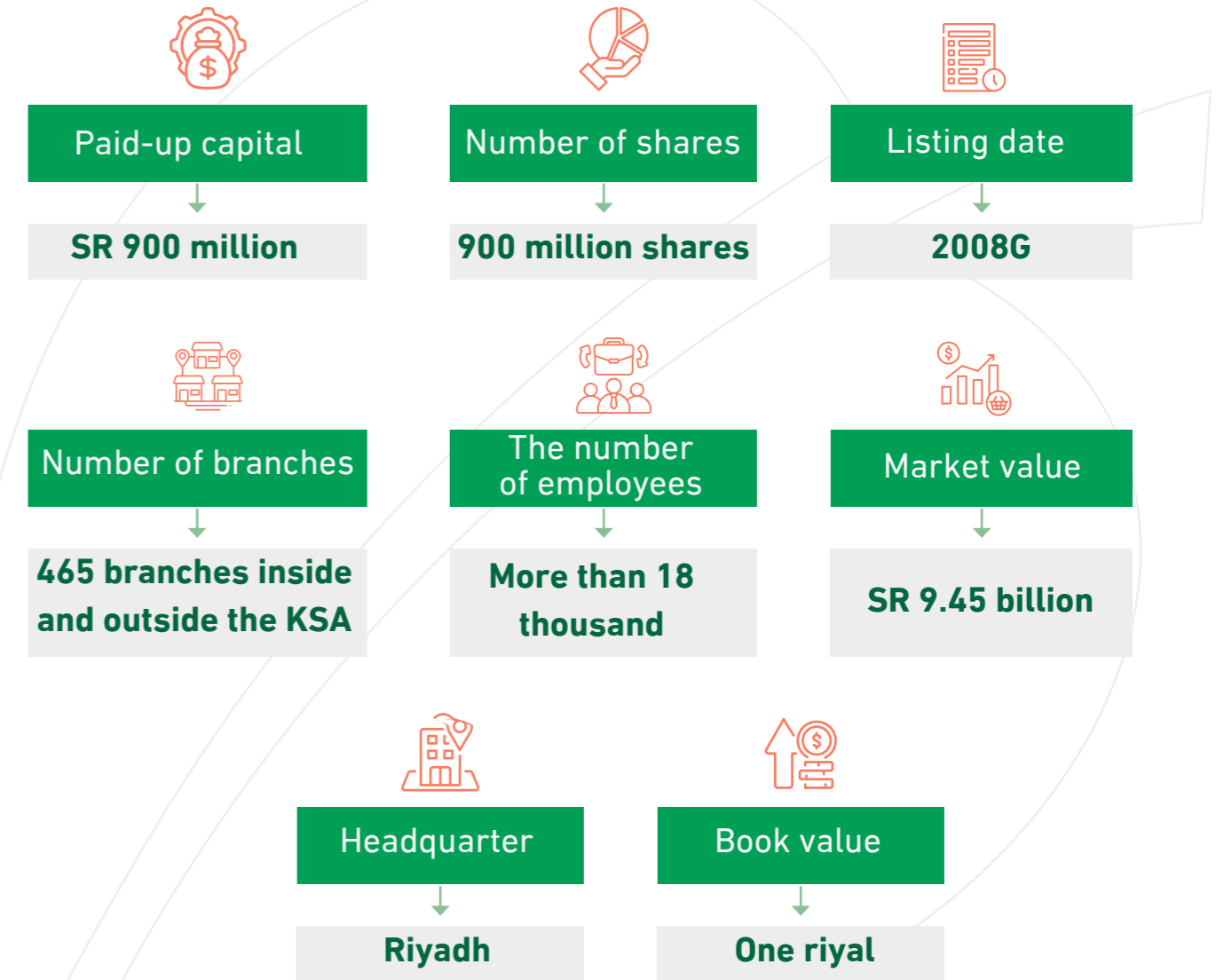
It is an extension of Saleh Al Othaim Trading Establishment, which was founded in the year 1376H (1956G) by the late Sheikh Saleh Al Othaim whereby the establishment opened its first location in the heart of the commercial business area at that time, in the village of Al Gusman at Al Batha, and began trading in foodstuffs. In 1401H/1980G Al Othaim Trading Company was founded to continue the line through widening the business and opening wholesale and retail stores in the same activity. A main turning point in the company's course was in year 1410H/1990G, when the number of stores reached fourteen (14), at that time the system of consumer's wholesale trade was applied in all company stores, making Abdullah Al Othaim Markets Company a leader in this field. In year 1412H/1992G, Central warehouses with international standards of warehousing were started to support growth and development of the company with its numerous centers. These warehouses were equipped with the most modern dry and cold storage equipment's, and distribution fleet was expanded to improve service level for clients and facilitate cooperation with suppliers. The company continues its expansion strategy and increase its stores base throughout the Kingdom, according to its integrated vision and renewed commitment to providing distinguished and comprehensive services to all clients.



Highlight Information of Abdullah Al Othaim Markets:

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

- 01** Currently the Company is Present in the Kingdom of Saudi Arabia and the Arab Republic of Egypt.
- 02** For the third consecutive year, the company leads the food retail sector and is ranked as the top brand in terms of market value in the Kingdom of Saudi Arabia according to the (KANTAR BRANDZ) 2024G study.
- 03** In 2024G, the company received three awards for its leadership in social responsibility and sustainable development programs, presented by the Minister of Human Resources and Social Development: the "Best Practices" award, the "Best in the Retail and Wholesale Sector" award, and the "Highest Contribution to the Housing Sector Platform" award.
- 04** The main activities of the company are retail and wholesale sales, ownership and operation of supermarkets, hypermarkets and convenience stores.
- 05** The company has several investments in various sectors, such as manufacturing and distribution of general foodstuffs and manpower services.
- 06** The company seeks, through ambitious plans, to strengthen its position in the customer's minds, and its brand, and improve the shopping experience, which enhances its leadership in the retail sector.



Our Products Quality:

Abdullah Al Othaim Markets Company aims to provide high-quality and safe consumer goods to its customers. This is achieved through the company's and its employees' commitment to meeting customer requirements and ensuring continuous satisfaction. To remain a leader in service quality, the company has adopted a scientific approach. This includes developing a quality management system and ensuring food safety by coordinating work, improving performance efficiency, providing necessary human resources, technology, and training, partnering with trusted suppliers, and collaborating with them for continuous product and service improvement.



Vision

«Better life at lower costs ».

Mission

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

- For our customers: providing the best and most appropriate quality and experience.
- For our employees: providing the best development and stimulating work environment.
- For our suppliers: Building business partnerships based on trust and mutual gains.
- For our investors: maximizing the investment return in the short and long term.
- For our society: Support sustainability, food and environmental security, and job generation

Values



Our Brands:

Within the framework of the company's strategic goals and commitment to enhancing national food security, especially in the context of continuously escalating local and international market prices and the monopolization of basic commodities, which limits consumer options and burdens their economic well-being, the company has expanded its range of essential items under its brand and through imports. Abdullah Al Othaim Markets Company owns a portfolio of local and international commercial brands and agencies, specializing in vital food and consumer products, to offer consumers alternatives at competitive prices and high quality, aligning with the state's national food security policy.

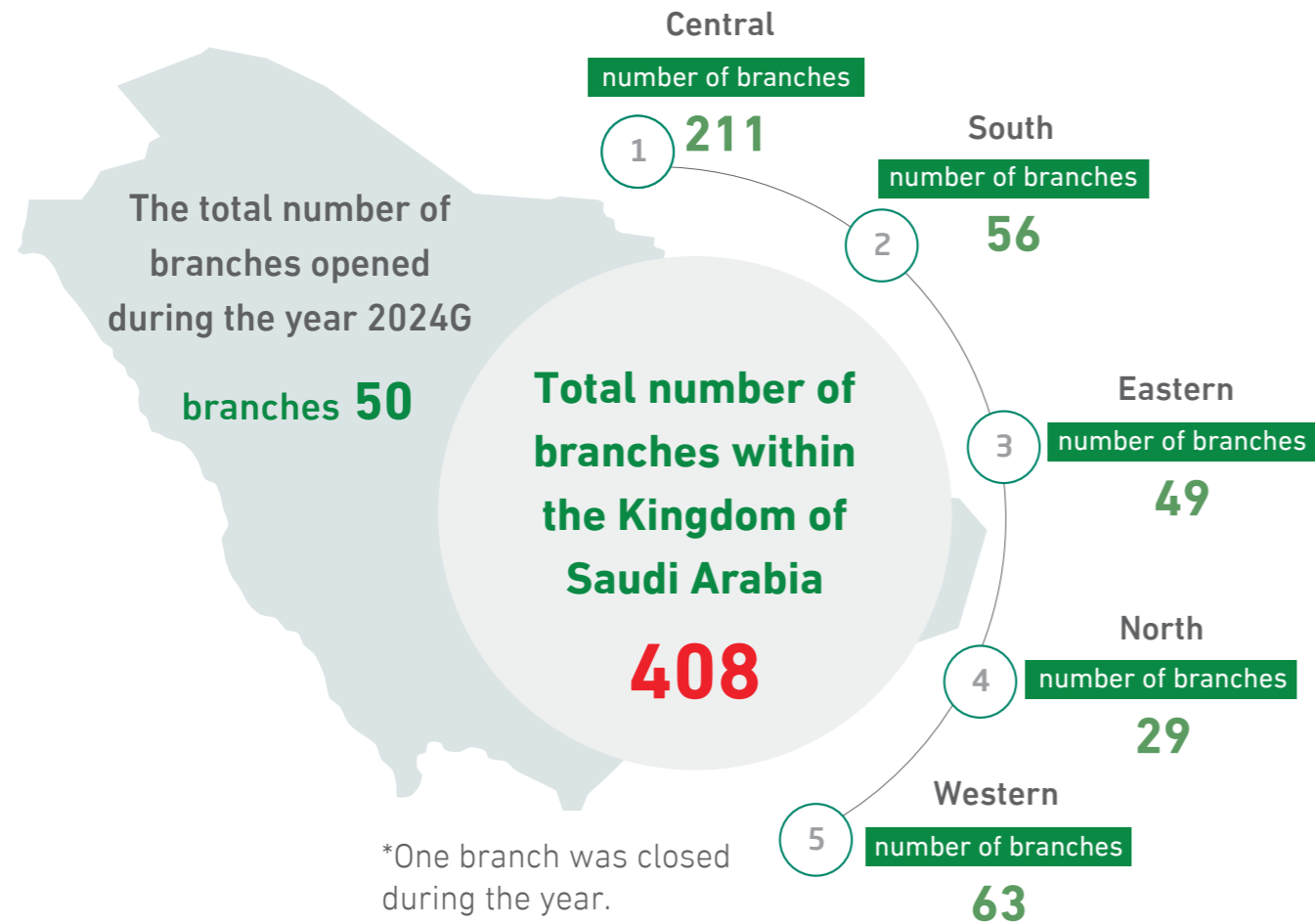
Abdullah Al Othaim Markets Company plays a crucial role in balancing food security by diversifying its sources of high-quality national and international products. These products are offered at competitive prices, considering the income levels of all societal segments. The company's registered commercial brands are manufactured and packaged in high-quality facilities, both locally and globally, encompassing essential food and non-food items. This ensures consumers have access to suitable options at competitive prices. Notable brands include:



Main Success Partners:



Our Geographical Presence:



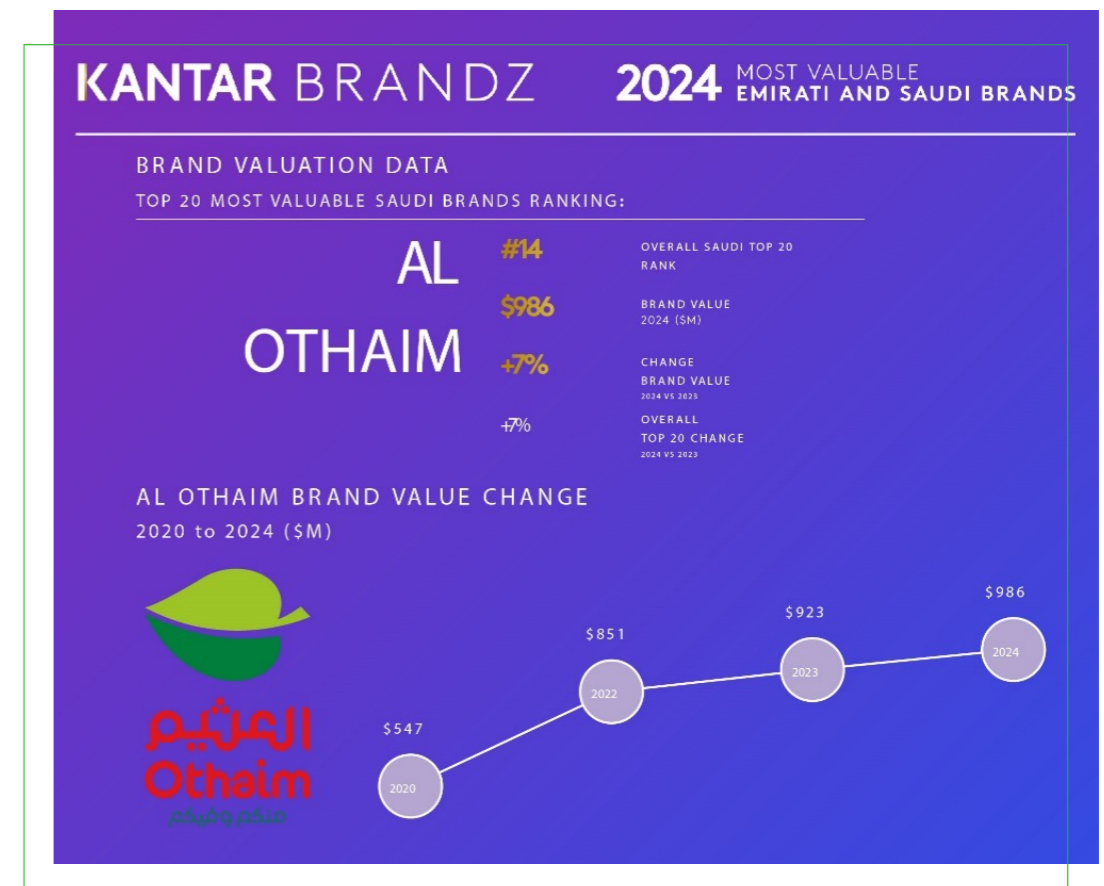
The Egyptian Arabic Republic



Awards:

As part of the company's continuous pursuit to enhance its performance and excellence, and to consolidate its position as one of the leading companies in the retail sector, it achieved remarkable accomplishments during 2024G, which contributed to supporting the community, the national economy, and environmental improvement, and providing a distinctive shopping experience for all customers with the highest standards of quality and service. As a result of these fruitful efforts, the company received several awards during 2023G and 2024G:

- 01** For the third consecutive year, the company leads the food retail sector and is ranked as the top brand in terms of market value in the Kingdom of Saudi Arabia according to the (KANTAR BRANDZ) 2024 study.



02 In 2024G, the company received three awards for its leadership in social responsibility and sustainable development programs, presented by the Minister of Human Resources and Social Development: the «Best Practices» award, the «Best in the Retail and Wholesale Sector» award, and the «Highest Contribution to the Housing Sector Platform» award.

01



Top Overall Ranking Award
Gold Category
Second Overall Ranking Across
All Sectors in the Kingdom

CSR AWARDS
2024
جائزة المسؤولية
الاجتماعية للشركات

02



Kingdom First Place Award in the
Wholesale and Retail Sector
Top Ranking in the Wholesale and
Retail Sector

CSR AWARDS
2024
جائزة المسؤولية
الاجتماعية للشركات

03



Award for Highest Contribution to the
Platform
Second Place in the National Overall
Ranking Across All Sectors

CSR AWARDS
2024
جائزة المسؤولية
الاجتماعية للشركات



03 For the second consecutive year, the company has achieved the top ranking in supply chain management in Saudi Arabia in the annual assessment by Advantage Group.



04 In 2024G, the company received the Fastest Growing Retail Chain in Saudi Arabia award from World Business Outlook magazine.

Fastest Growing Grocery Retail
Chain – Saudi Arabia 2024



05 In 2024G, the company received the Most Budget Brand in the Retail Sector in Saudi Arabia award from International Business Magazine.

Most Budget-friendly Retail
Brand – Saudi Arabia 2024



06 In 2024G, the company received the Best Sustainability Practices in Retail in Saudi Arabia award from Global Brands Magazine.

Best Sustainability Practices
in Retail -Saudi Arabia 2024



07 The company has been certified as a Great Place To Work according to the global organization Great Place To Work.



“Best Workplace” Certification for 2024 – 2025 awarded by the global organization for workplace culture Great Place to Work.

08 The company has been granted a patent for the industrial design of the «Mega» vehicle by the Saudi Authority for Intellectual Property (SAIP).



Members of the Board of Directors



Vice Chairman of the Board of Directors
Eng. Bader Hamed Abdulrazaq Alaujan



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



Board Member
Dr. Raed Abdullah Ibrahim Al-Hogail



Board Member
Mr. Bandar Suliman Mohammed Al Bohairy

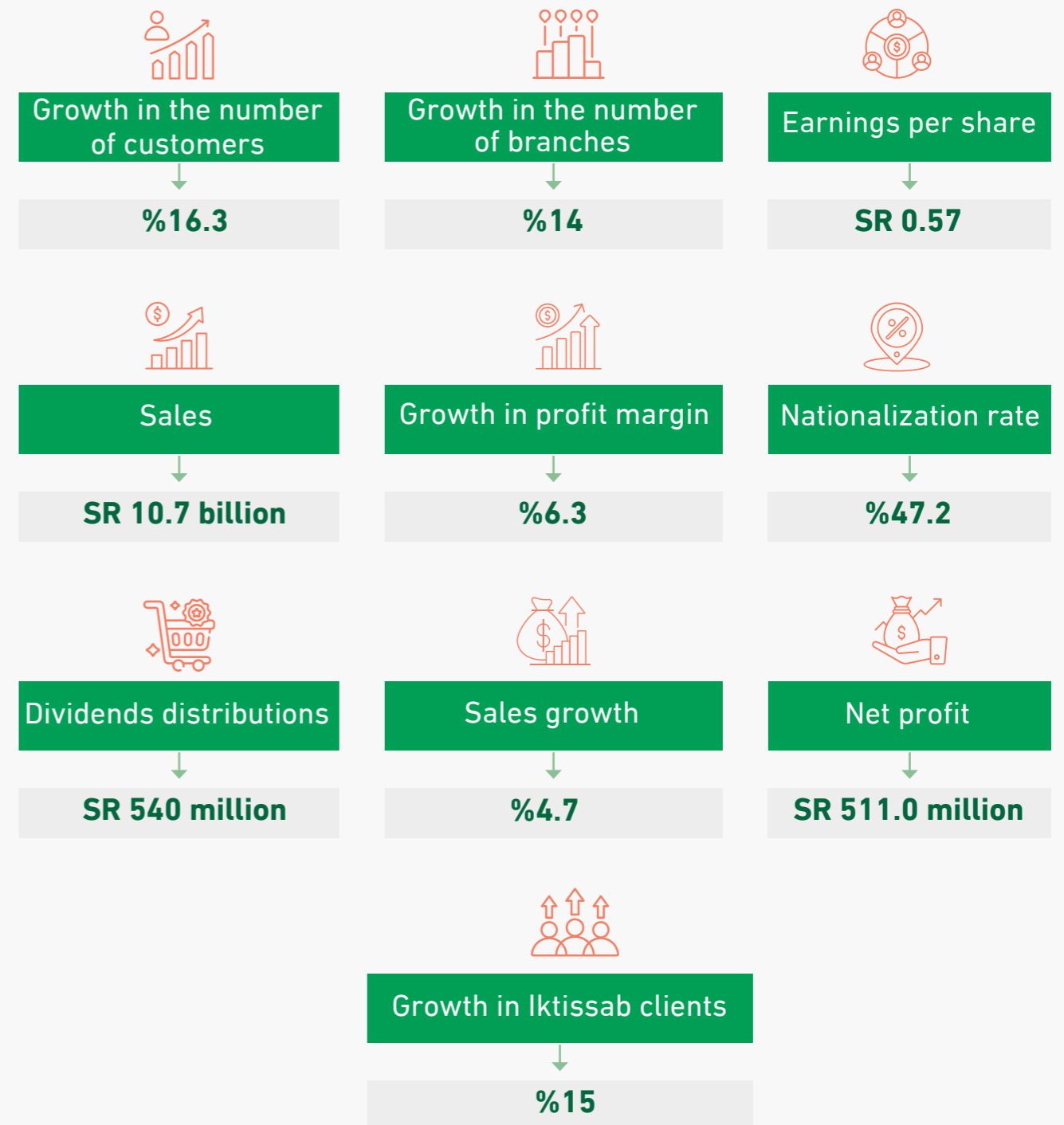


Board Member & CEO
Eng. Muaffaq Abdullah Mohammed Mubarah



Board Member
Mr. Saad Ibrahim Saad Al-Mushawah

The Most Performance Financial for the Year 2024G:





Chairman of Board of Directors

Mr. Abdullah Saleh Ali Al Othaim

Chairman of Board of Directors Speech:

Respected Shareholders of Abdullah Al Othaim Markets Company

Respected Shareholders of Abdullah Al Othaim Markets Company

On behalf of myself and Board members, we are pleased to present you with the Board of Directors' Annual Report for 2024G. This report highlights the company's significant achievements throughout the year across various areas of its operations. These accomplishments are the result of concerted efforts that have positively impacted the company's results and performance.

During the year, the company witnessed tangible progress in implementing its ambitious strategy and plans, enhancing its business governance and transparency, achieving a leading role in social responsibility, and applying environmental, social, and economic sustainability standards, thereby strengthening its position as a leader at both local and regional levels.

Thanks to God Almighty, and amidst these persistent efforts, the company continued its growth confidently during 2024G, stemming from its firm commitment to increasing financial and non-financial returns, enhancing the value of its shareholders' equity, and contributing to the realization of the Kingdom of Saudi Arabia's Vision 2030G objectives by adopting sustainable practices that play a role in creating a cohesive and vibrant society. As a result of these efforts, and as an extension of the company's continuous successes and its commitment to applying best professional practices and social responsibility

standards, the company received several prestigious certificates and awards during the year, including the «Best Workplace» certificate according to the global organization (Great Place To Work) ranking. It also won three awards for its leadership in social responsibility and sustainable development programs: «Best at the practices level ,» «Best at the retail and wholesale sector level,» and «Highest contributor to the housing sector platform.»

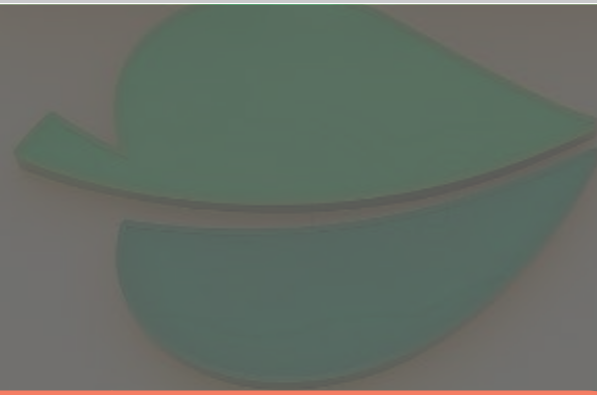
In conclusion, we extend our sincere thanks and appreciation to our wise leadership in the Kingdom of Saudi Arabia for their continuous support. We also express our deep gratitude and appreciation to the company's shareholders for their trust and support, to the Board of Directors for its wise guidance and strategic vision, to the committees for their effective contributions and to the executive management and all company employees for their efforts and dedication. We would also like to thank the company's customers and suppliers for their support. The company will continue to move forward with steady and confident steps towards achieving further progress and success.

May Allah grants us success,



CEO & Board Member

**Eng. Muaffaq Abdullah
Mohammed Mubarah**



alothaim

CEO Speech:

Respected Shareholders of Abdullah Al Othaim Markets Company

Throughout 2024G, Abdullah Al Othaim Markets Company continued its strong growth and prosperity in line with its strategic plans and objectives. Despite the challenges, the company managed to increase and strengthen its revenues and expand its branch network to meet the needs of its customers throughout the Kingdom of Saudi Arabia, maintaining its leading position and leveraging its competitive advantages and strong presence in local and regional markets.

The continued success achieved by the company during 2024G is evidence of its ability and strength to adapt to changing market dynamics and increasing competition. The company continued to achieve leading growth rates in the sector, utilize its resources with high efficiency, and enhance its brand strength to become the leading brand in the food retail sector, ranked as the highest brand in terms of market value in the Kingdom of Saudi Arabia for the third consecutive year according to the Kantar BrandZ study for 2024G.

The company launched new high-quality products under its own brand during the year to meet the aspirations of its customers. It also launched two new models: the opening of the first "Cash & Carry" store in Riyadh and the launch of the "Al Othaim Express" brand for a chain of retail stores. The company continues to enhance its services to reach a wider customer base through strategic partnerships with e-commerce and delivery service leaders such as HungerStation, Jahez, and Noon, continuing its efforts to increase its market share.

During 2024G, the company, according to its plan, opened (50) branches in the Kingdom of Saudi Arabia and (7) branches in the sisterly Arab Republic of Egypt, bringing the total number of branches to (465).

The company's efforts culminated in receiving several awards during 2024G at the level of the Kingdom of Saudi Arabia: «Best Retail Sustainability Practices Award,» «Most Affordable Retail Brand Award,» and «Fastest Growing Retail Markets Award.»

As a result of these efforts, the company achieved total sales SR 10.7 billion, with a growth rate of %4.7 compared to 2023G. It also achieved growth in its net profits for 2024G by %6.0 compared to the previous year. With persistence, confidence, and optimism, we will continue, relying on God, to work towards achieving our strategic objectives for growth and expansion in the branch network and e-commerce.

The company affirms its firm commitment to implementing its strategic directions and moving forward on the path of growth and success to achieve its goals, God willing. We extend our sincere thanks to the company's shareholders, the Board of Directors, all its employees, customers, and suppliers, whose support and contribution played a crucial role in achieving the company's accomplishments. The company affirms its determination to continue this approach, God willing, and looks forward to a promising future full of opportunities and developments.

May Allah grants us success,

02

Company Strategy and Future Projections



1. Strategy:

The company launched a well-defined strategic plan that includes the systematic expansion of sales outlets, entry into new sales channels such as Cash & Carry, transitioning from Al Othaim City to Al Othaim Express, and continued renovation of existing sales outlets. Additionally, the plan includes improving the product range, adding new high-quality products to the brand, targeting new customers for various sales outlets, and expanding the implementation of quality programs across all sectors to enhance the customer experience. The company also continued to develop its e-commerce sector, establish partnerships with local and global platforms, enhance its technical infrastructure and cybersecurity, improve the work environment through specialized training programs, distance learning programs, and develop Al-Othaim Academy for Training. These efforts led to the company receiving the Best Workplace certificate. The company completed its administrative staffing to achieve its operational targets and plans, while also strengthening the role of women in its various sectors and increasing the percentage of job localization.

a) Highlights of the Achieved Strategic Objectives In 2024G:

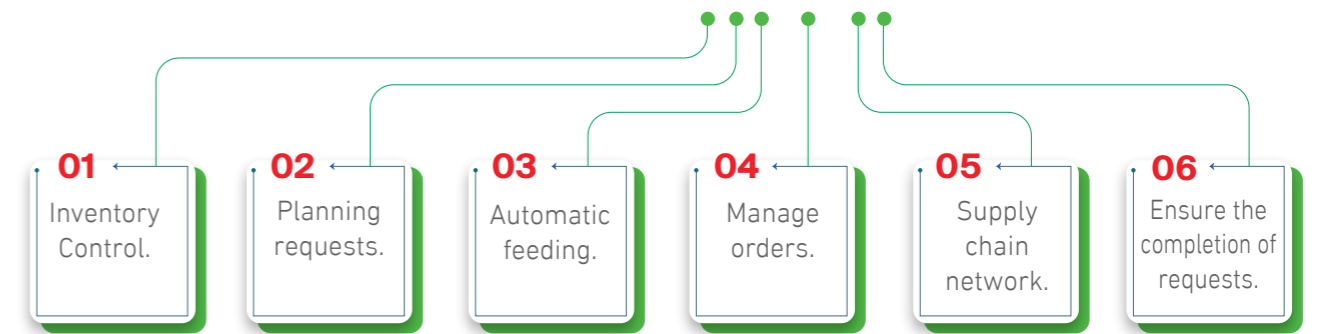
- 1 Company sales growth of %4.7 compared to the previous year, exceeding the market growth rate for organized retail, estimated at approximately %1.2 according to recent studies, which positively impacted market share.
- 2 Opening (50) new branches in 2024G, with a larger share in the Western Region, reaching a total of (408) branches across the Kingdom. Several sites and lands were also acquired in Jeddah to reinforce the expansion plan in the city.
- 3 As part of the ongoing development of the technical infrastructure, the Enterprise Resource Planning (ERP) system development project was launched.
- 4 A strategic partnership was established with major e-commerce delivery platforms (such as HungerStation, Jahez, and Noon), contributing to increased sales in this promising sector.
- 5 The design phase for the «Iktissab» loyalty program development project was completed.
- 6 The Cash & Carry model was launched in Riyadh, marking the beginning of a new channel targeting customer segments such as restaurants, cafes, small grocery stores, and large families.
- 7 Several existing sales outlets were renovated and upgraded with the new brand identity.
- 8 A multi-project program was implemented to improve the operational efficiency across the company's sectors.
- 9 Continued enhancement of supply chain efficiency, including the commencement of infrastructure development in Al Othaim Logistics City and the development of warehouses outside Riyadh.

b) The Most Strategic Objectives and Enablers for 2025G:

- 1 Implement the new expansion methodology to increase market share in the Kingdom, particularly in the Western Region.
- 2 Continue to improve product availability across all branches, supported by artificial intelligence programs, while completing the work on the private Al Othaim Logistics City, opening new regional warehouses, and preparing warehouses to serve chilled and frozen product categories.
- 3 Continue to expand e-commerce operations through partnerships with global platforms, while strengthening existing partnerships in delivery platforms and supply to dark stores, and continuously improving operational processes and product availability.
- 4 Launch the new loyalty program and attract new customers.
- 5 Continue to expand the Cash & Carry model and additional models, and develop the product range to serve various customer segments.

2. Supply Chains and Logistics Services:

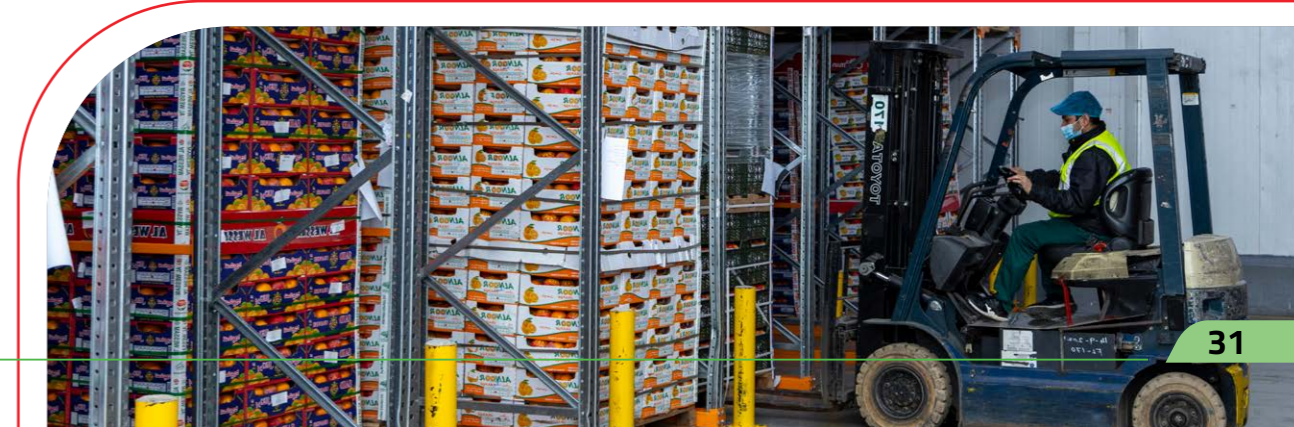
Abdullah Al Othaim Markets Company recognizes the vital role that the supply chain sector plays in the success of retail trade. Based on this understanding, the company is committed to continuously developing and improving its logistical performance. This is achieved by adopting the latest technologies and enhancing effective communication with all stakeholders, from suppliers to customers. This approach aims to ensure smooth operations, achieve customer satisfaction, and meet the company's objectives with the highest efficiency. Logistics services are implemented through the following stages:



The Strength of Supply Chains Extends Through the Following:

a) Control Center Management:

Control center management is a fundamental cornerstone in supply chains, as it assumes responsibility for ensuring a smooth and efficient flow of products. It manages and plans inventory to efficiently meet customer demands while minimizing storage costs. It also manages supply orders from suppliers, including selecting suitable suppliers, negotiating the best prices and delivery terms with them, tracking purchase orders, and ensuring their delivery on time and with the required quality. Furthermore, it establishes organized supply schedules that meet the company's needs, with the flexibility to adjust these schedules to adapt to changes in demand or market conditions.



b) Warehouse Management:

During 2024G, the Warehousing Department achieved a significant leap in performance by implementing a series of measures aimed at improving efficiency. These included effective planning to increase productivity and storage efficiency, such as analyzing current and future storage needs, determining the best storage and distribution methods, and optimizing space utilization to maximize its benefit. Additionally, inventory within the warehouses was reorganized to facilitate product access and accurate location identification. Automated product packaging was also implemented to increase the speed and efficiency of packing and packaging operations. These efforts resulted in reduced costs, fewer operational processes within the warehouse, the accommodation of the company's current expansions within the existing space, and smooth, high-quality receiving and shipping operations.

c) Fleet Management:

During 2024G, the transportation sector significantly contributed to enhancing the company's performance and achieving its objectives through the adoption of innovative and effective solutions. Among the most prominent of these solutions is the design of a larger capacity (Mega) vehicle carrying 56 pallets, a unique design implemented for the first time in the Kingdom of Saudi Arabia. This contributes to improving the efficiency of shipping operations, reducing the carbon footprint, and saving fuel. The vehicle began operating in freight transport during 2024G. Service levels were also noticeably improved through the development of the distribution network, along with a focus on driver awareness and training, which led to a significant decrease in violations and accidents compared to previous years.

d) Supply Chain Excellence Management:

This year witnessed a notable development in supply chain excellence management, which is a comprehensive methodology aimed at building resilient supply chains capable of adapting to market changes and achiev-

ing the highest levels of efficiency, effectiveness, and sustainability in all stages of supply and procurement. This includes:

- **Comprehensive Project Analysis:** This involves studying all aspects of supply and procurement-related projects, from planning and design, through implementation and follow-up, to delivery and post-delivery.
- **Key Performance Indicator (KPI) Measurement:** This includes measuring a wide range of indicators covering all stages of supply and procurement, such as quality and efficiency indicators.
- **Employee Capacity Development:** This aspect focuses on raising the level and efficiency of employees in the supply chain sector through continuous training and development.

e) Non-Commercial Procurement Management:

Non-commercial procurement management contributes to the company's success by providing the necessary materials and services to ensure the efficient and effective operation of internal processes. This is achieved by supporting various administrative sectors that serve the launch of new projects, the development of existing projects, and meeting the operational needs required to achieve targeted sales and the desired expansion. In 2024G, the efficiency of procurement operations was improved, with a focus on the quality of purchased materials and services, and the development of procurement staff skills to enhance the purchasing process and increase productivity. Cost savings were also achieved through negotiations to obtain the best prices and payment terms, working on concluding framework agreements and strategic contracts with partners, and enhancing partnerships to maximize benefits and ensure the provision of necessary materials and services on time, with the highest quality and at the lowest cost.

3. Quality Management:

The company believes that quality is a continuous journey, not a destination, and constantly strives to improve its products, services, and processes by applying the principles of total quality management, and is committed to meeting its customers' expectations and achieving the highest quality standards.

a) Quality in Branches and Warehouses:

- Upgrading the system and inspection checklists to fully comply with food safety and occupational safety requirements in branches and warehouses, in line with the requirements of regulatory and governmental bodies.
- Automating branch and warehouse visits and reports through a control panel with all data for all branches to analyze strengths and weaknesses and work to improve them.
- Quality and occupational safety inspection visits were conducted at a rate of (9) visits per branch and (4) visits per warehouse per year.
- On-the-job training on quality and food safety requirements: Training courses were held for (6,000) employees in the company in cooperation with the Chamber of Commerce and Industry in various regions of the Kingdom of Saudi Arabia.
- Developing a cleaning and sterilization system to improve the level of cleanliness in the branches.
- (1,000) employees in the company were trained in the field of cleaning and sterilization.

b) Quality In the Brand:

- Developing a new quality system to control the brand's products, which includes the adoption of technical specifications for all items, including the product recipe and ingredients.

- Approval of (245) products through sensory evaluation using (QR CODE).
- Approval of packaging materials and ensuring that they are safe for food contact.
- Product analysis and verification of its compliance with Saudi standard specifications.
- Review of all supplier documents (technical specifications, packaging material specifications, shelf life study, certificate of migration of hazardous materials from packaging materials, compliance of food additives with Saudi specifications, review of allergens, review of nutritional facts).
- Visiting (61) supplier factories for inspection and evaluation.
- Approval of data cards and their compliance with Saudi specifications.
- Developing a control system for all incoming shipments to the brand's warehouse and the extent of their compliance with the specifications.

c) Quality Assurance:

- Strengthening the partnership with government regulatory agencies (Saudi Standards, Metrology and Quality Organization, Saudi Food and Drug Authority) by holding training conferences on the World Day for Quality and Food Safety to spread the culture of quality.
- Successfully renewing the ISO certificates (HACCP, ISO22000, ISO9001) and obtaining a new ISO45001 occupational health and safety certificate for three years.
- Reviewing the ISO systems for all departments of the company.
- Visiting all branches before opening to evaluate the branch and solve all problems before opening.

4. The Most Important Decisions of the Board of Directors During the Year 2024G:

To enhance the role of the company's Board of Directors in fulfilling its responsibilities and tasks, and in pursuit of achieving the company's strategy and development, the Board of Directors made a number of decisions during 2024G, the most prominent of which are:

- a) Adopting a dividend distribution policy for the company's shareholders.
- b) Approval of the interim and annual financial statements based on the recommendations of the audit committee.
- c) Recommending to the General Assembly of Shareholders, based on the recommendation of the Audit Committee, the appointment of the company's external auditor.
- d) Recommending to the General Assembly of Shareholders the adoption of amendments to certain policies and regulations:
 - Remuneration policy for members of the Board of Directors, committees, and executive management.
 - Policies, criteria, and procedures for membership of the Board of Directors.
 - Certain articles of the company's Articles of Bylaws.
 - Competitive business standards.
- e) Approval for the renewal of two land lease contracts with the General Organization for Social Insurance in Dammam.
- f) Approval of the Internal Audit Department's report scope based on the Audit Committee's recommendation.
- g) Approval of the company's budget for the fiscal year 2025G based on the Audit Committee's recommendation.
- h) Approval of interim cash dividends distribution to shareholders for the first and second quarters of 2024G.

- i) Reformation of the Board of Directors' committees (Audit Committee, Executive Committee, Nomination and Remunerations Committee), and appointment of the company's representatives before official authorities.
- j) Monitoring the performance of the executive management and the extent of its achievement of the company's objectives.
- k) Periodic review of the company's organizational and functional structures and the extent to which they achieve the company's objectives and strategy.
- l) Establishing policies and procedures that ensure the company's compliance with regulations and its commitment to disclosing material information to shareholders and stakeholders, and verifying the executive management's adherence thereto.
- m) Reviewing the level of authority and responsibilities granted to the executive management, working on developing them, approving any amendments according to changes in the company's organizational structure, and ensuring their effectiveness.

5. The Company's Investments: The Company Has The Following Investments:

a) Investments In Companies According To Equity:

- 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 41,805,801, 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 profit for the year 2024G amounted to SR 4,147,256 compared to a loss of SR 1,108,843 for the year 2023G.
- The Company invests in Al Wousta Company for food industries (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 for the year 2024G amounted to SR 1,008,483 against SR 3,373,682 profit in the year 2023G.

- The Company invests in 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 2024G amounted to SR189,130,963 against SR 30,069,788 profit in the year 2023G, the share in profit includes SR 161.3 million, representing the company's share of the capital gains achieved by Gulf Flour Milling Industrial Company, resulted from the completion of the shares offered of Fourth Milling Industrial Company (Subsidiary of Joint arrangement).

b) Investments In Available for Sale Securities:

- 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 31/12/2024G reached SR 7,311,000.
- 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 provision was also reduced in 2022G by SR 278,335 and the recorded value of the investment as on 31/12/2023G is SR 989,964.

03

Risks





Risks:

In 2024G, Abdullah Al Othaim Markets Company continued to focus on risk management to ensure business continuity, achieve strategic objectives, and maintain business resilience in the face of challenges, including, for example, economic and technological challenges. This was achieved by providing a comprehensive analysis of the risks facing the company, assessing those risks, and developing measures to address them through close collaboration between the company's departments.

The following presentation illustrates the risks associated with the company's activities at two levels: external risks and internal risks.

External Risks:

- 01 Natural and environmental risks.
- 02 Changes in laws and regulations.
- 03 Changes in the market environment and conditions.
- 04 Failure to keep pace with changes in customer behavior.
- 05 Economic risks such as price fluctuations.

Internal Risks:

- 01 Supply chain disruptions.
- 02 Inventory devaluation.
- 03 Availability of qualified human resources and the attrition of skilled employees.
- 04 Risks related to technology, cyberattacks, and information security.
- 05 Risks related to property management and capital projects.

Risk Management:



The Board of Directors is keen to raise awareness of risk management through its oversight role of the executive management. The executive management also sought during the year to actively manage risks by enabling the Risk and Compliance Department to monitor the plans and activities of all sectors, and enabling effective internal communication to ensure real-time information sharing to address challenges as they occur. This enabled the company to improve its ability to respond to operational and technical risks during the year, in addition to achieving optimal utilization of opportunities, resulting in cost savings and maximizing returns.

04

Environmental, Social and Governance Practices



In line with its transformation plan and efforts to enhance customer experience, and in commitment to the Kingdom of Saudi Arabia's Vision 2030G and its sustainability goals, Abdullah Al Othaim Markets Company has been keen to implement best practices in Environmental, Social, and Governance (ESG). The company's efforts in this field have culminated in receiving three awards for its leadership in social responsibility and sustainable development programs, presented by the Minister of Human Resources and Social Development: the "Best Practices" award, the "Best in Retail and Wholesale Sector" award, and the "Highest Contributor to the Housing Sector Platform" award. Additionally, it received the "Best Sustainability Practices in Retail in Saudi Arabia" award from Global Brands Magazine for 2024G, in recognition of its tangible impact and efforts in serving the local community, which aligns with sustainability aspirations and goals.

1. Environmental Practices:



Based on the pivotal role played by the Kingdom of Saudi Arabia in the international energy market, and its commitment to achieving net-zero emissions by 2060G, and with the support of the Kingdom's Vision 2030G in accelerating the energy transition towards achieving sustainability goals, the company continues its ambitious expansion strategy and plans to enhance its presence and scope of operations. In embodiment of this commitment, the company has adopted several effective environmental practices, most notably the following:

a) Reducing Packaging Waste:

01 Digital Gift Card:

The company is committed to providing a flexible shopping experience, so we offer shoppers the option of using digital gift cards through the "Iktissab" application. This option allows customers to enjoy many benefits, in addition to being an environmentally friendly option that contributes to reducing waste from traditional packaging and wrapping, and meets customer requirements.

02 Paperless Receipts:

The company allows shoppers to easily review their invoices through the "Iktissab" app. This option eliminates the need to print invoices on paper strips, which contributes to preserving the environment.

b) Emphasis On Organic Plant-Based Foods:

The company offers its customers a wide selection of high-quality organic foods. Organic products are distinguished by being free from harmful pesticides and chemical fertilizers, making them more beneficial to health. With the increasing awareness of the importance of organic food in Saudi Arabia, the company renews its commitment to enhancing the availability of these products and meeting the desires of its customers.

c) Supplying Local Products:

Sourcing products locally represents a strategic investment with numerous benefits for both the company and the economy of the Kingdom of Saudi Arabia. It is not limited to boosting the revenues of local suppliers and vendors, but extends to include highly important economic, social, and environmental aspects. From an economic standpoint, local purchasing contributes to creating new job opportunities, as it stimulates the growth of relevant sectors and drives the national economy forward. It also helps achieve competitive product prices, which enhances the company's competitiveness and enables it to offer high-quality products at reasonable prices for customers. On the social side, local purchasing contributes to supporting local communities and enhancing the sense of belonging and social responsibility. It also enables companies to build strong and sustainable relationships with local suppliers. On the environmental level, local purchasing is considered an environmentally friendly option, as it reduces the distance required for product transportation, which reduces carbon emissions and contributes to environmental preservation. Relying on local sources also reduces supply chain problems, such as shipping delays and high transportation costs, which contributes to ensuring continuous product availability.



d) Water Use Efficiency:

The company attaches paramount importance to rationalizing the consumption of desalinated water in its manufacturing operations, through the adoption of a comprehensive strategy based on several integrated pillars. The company uses advanced smart electronic meters to accurately monitor and measure water consumption at various stages of production, which ensures optimal control of the quantities of water used and minimizes waste. The company also reuses the water resulting from the desalination process for washing and cleaning purposes through a dedicated water distribution network. These integrated initiatives contribute to achieving significant savings in water consumption and reducing operating costs, as well as enhancing the company's commitment to environmental responsibility and contributing to the achievement of sustainable development goals.

e) Electricity Consumption Reduction:

The company aims to achieve a significant reduction in electricity consumption across its various sites, through:

- 01 Reducing Electricity Consumption in Warehouses: Reducing the average electricity consumption per square meter in warehouses by 8% compared to the previous year, by reducing consumption from 78 kilowatts per square meter annually to 72 kilowatts per square meter annually.
- 02 Reducing Electricity Consumption at Transportation Management Sites: Achieving a 43% reduction in electricity consumption per square meter compared to the previous year at transportation management sites.
- 03 Reducing Electricity Consumption for Office Devices: Achieving a 68% reduction in electricity consumption for devices by switching from desktop computers (PCs) to laptops, which reduces energy consumption from an average of 60 watts to 19 watts per device.

f) Reducing the Use of Consumables:

Within the framework of the company's commitment to sustainability and environmental protection, the company has taken several measures to reduce the use of consumables and raw materials. These measures include:

- 01 Reducing the Use of Printed Paper: A 72% reduction in the use of printed paper has been achieved by digitizing data in the supply chain office departments.
- 02 Reducing Plastic Packaging Waste: The company has taken multiple steps to reduce plastic packaging waste, including Improving the Selection of Raw Materials: The company's criteria and specifications for purchasing packaging materials are based on selecting environmentally friendly solutions and reducing waste and material consumption and Replacing Polypropylene (PP) with Polyethylene (PE) in the manufacture of plastic packaging: This change has improved the effectiveness of protection against leakage of saline solutions in the packaging of cheeses and pickles. It has also allowed for the elimination of cling film, leading to a significant reduction in packaging waste.
- 03 Using Automatic Pallet Wrapping Machines: The implementation of automatic pallet wrapping machines will save 130 tons of plastic annually.
- 04 Reducing the Use of Wood: The company has begun repairing and recycling damaged wooden pallets, which will contribute to saving 270 tons of wood annually.
- 05 Reducing the Percentage of Waste: Focusing on reducing the percentage of waste (compared to sales) by 15.2% during 2024.
- 06 Replacing Paper Receipt Rolls: The company has modified the specifications of the paper receipt rolls used in operations. Traditional rolls containing plastic cores have been replaced with coreless rolls. This shift reduces waste from packaging and reflects the company's commitment to reducing the environmental impact of using non-biodegradable materials.

g) Waste Recycling:

The company recognizes the importance of recycling waste and preserving the environment. Its activities do not involve hazardous waste that affects environmental safety. To this end, the company undertakes the following:

- 01 Use of environmentally friendly and biodegradable materials: The company is keen to use environmentally friendly and biodegradable materials in its various operations, which reduces the environmental impact of waste. This includes, but is not limited to: the use of biodegradable plastic shopping bags and biodegradable plastic wrap for packaging pallets and fresh dishes.
- 02 Reuse of damaged vegetables, fruits, and bakery products as animal feed: Damaged vegetables, fruits, and bakery products are sorted and reused as animal feed in cooperation with specialized entities. This procedure contributes to reducing the amount of organic waste going to landfills and utilizes it effectively.
- 03 Safe disposal of used oils: Oils resulting from operational processes are collected and disposed of in a safe and environmentally friendly manner through cooperation with specialized and accredited companies in this field.
- 04 Recycling of damaged packaging materials: Damaged packaging materials resulting from production processes are collected and recycled by selling them to approved recycling plants.

h) Preserving Blessings:

This embodies corporate social responsibility through the company's collaboration with the association of saving food in Riyadh. This collaboration supports charitable initiatives aimed at providing food assistance to underprivileged families. The company places significant emphasis on the optimal management of food resources. Food items unsuitable for human consumption, such as certain types of vegetables, fruits, baked goods, and pastries, are repurposed as animal feed. This practice contributes to reducing food waste and promoting the principles of environmental sustainability by efficiently and effectively reusing resources.

i) Reducing Fuel Consumption:

- To improve logistical efficiency and reduce environmental impact, a specialized regional distribution center was established on the west coast to supply fresh products (meats, frozen goods, vegetables) instead of transporting them from Riyadh to the company's branches on the west coast. This shift has significantly reduced the distance traveled, resulting in substantial fuel savings estimated at 1.8 million liters annually, in addition to reducing the carbon footprint by 5 million kilograms of CO2 emissions annually.
- Expanding the implementation of the direct supply system from suppliers to the company's branches on the west coast has achieved environmental and economic benefits by saving a transport distance of 1,380,000 kilometers annually, which has significantly contributed to reducing the carbon footprint.
- To improve the efficiency of transport operations and reduce the environmental impact, the company began manufacturing a fleet of mega-trucks (6 trucks). The use of these trucks has contributed to reducing the distance traveled, resulting in a significant reduction in fuel consumption estimated at 344,000 liters of diesel annually, in addition to reducing the carbon footprint by 900,000 kilograms of CO2 emissions annually.
- The implementation of the replacement plan, which increased the proportion of modern vehicles by 5% of the total fleet compared to the previous year, has contributed to reducing fuel consumption.
- The company launched a pilot initiative that included operating an electric truck to explore the possibility of reducing fuel consumption and minimizing environmental impact. This experiment is in line with our commitment to adopting technologies that promote sustainable operations. If the pilot project proves successful in achieving its objectives, we plan to expand the use of electric vehicles, which will further contribute to our long-term strategy to reduce carbon emissions and promote environmental responsibility.

j) Initiatives to Reduce Hazardous Industrial Ingredients in Products and Minimize Cross-Contamination:

Strict policies and procedures are implemented to minimize cross-contamination using the best antimicrobial materials and applying the best global practices, including:

- Reviewing environmental measurements, thermal and carbon emissions in factories with a specialized company to ensure compliance with specifications according to the instructions of the regulatory authorities.
- Conducting microbial swabs of surfaces and workers' hands to ensure surface safety and worker hygiene to reduce cross-contamination.
- Providing periodic on-the-job training for company employees on food safety and handling.

k) Supplier Relationship Management and the Basis for Their Selection and Evaluation:

Suppliers are selected based on their alignment with the company's strategies, with a focus on sustainability, environmental, social, and environmental responsibility criteria. They are expected to meet the requirements for raw materials, production tools, and operational needs while adhering to guidelines and regulations. This approach encourages the implementation of best sustainability practices and reflects the company's commitment and responsibility regarding sourcing.



l) Health and Safety in the Workplace:

- Employees are trained through training courses in collaboration with Al Othaim Academy, placing instructional signs and posters, and awareness screens displaying safety procedures from any potential hazards in the work environment.
- Establishing the principle of safety first in different work areas in the company and raising its readiness to respond to emergencies by conducting a virtual employee evacuation drill while providing the best personal protective equipment and occupational safety requirements.
- Analyzing all work injuries and providing the necessary recommendations to prevent their recurrence and achieve a safe working environment.

m) Zod Factory for Pastries and Bakeries:

- Zod Factory for Pastries and Bakeries is a branch of Abdullah Al-Othaim Markets Company, and one of the most modern and integrated factories for sweets, pastries and bakery products in the Kingdom of Saudi Arabia.
- The total area of the factory is 8352 square meters and has a production capacity of (97.8) tons of products per day, which are distributed into (407) groups. Measures are taken and quality is monitored to ensure that the final products meet the requirements of the Saudi Food and Drug Authority (SFDA).
- Zod Factory for Pastries and Bakeries is certified as a Saudi product.
- Zod Factory for Pastries and Bakeries uses natural gas to reduce energy costs.
- The factory's acquisition of the Food and Drug Authority's trust reflects its commitment to standards and requirements and its responsiveness to regulatory authorities.
- The external audit (ISO) confirms the efficiency of the production lines and full compliance with quality standards and specified requirements.

Environmental Practices and Sustainability of Zod Factory for Pastries and Bakeries:



Sustainability

Adopting Sustainability Criteria in Supplier Selection: Zod Factory ensures the adoption of strict sustainability criteria when selecting suppliers to guarantee adherence to environmental and social practices.

Establishing partnerships with small suppliers to support the community: Initiatives have been launched to support small suppliers through strategic partnerships. These partnerships contribute to boosting the local economy, creating new job opportunities, and supporting sustainable development.

Transitioning to working with %100 local suppliers to support the local community: A decision has been made to transition to %100 local sourcing, which contributes to supporting the local economy and fostering community engagement.

Reducing energy consumption by %4 compared to the previous year: Despite an increase in production volume, Zod Factory managed to reduce energy consumption by 4%. This achievement reflects the factory's commitment to continuous improvement and efficient resource utilization.

Reducing the use of sugar and sugar derivatives by %6 of production volume: To improve consumer health, Zod Factory has reduced the use of sugar and sugar derivatives by %6 of production volume.

Recycling used oil and converting it into green fuel: In collaboration with a local supplier, Zod Factory successfully recycled 89.4 tons of used oil and converted it into green fuel. This initiative contributes to reducing negative environmental impact and promoting sustainability.

Recycling cardboard and plastic and preventing environmental pollution: Zod Factory managed to recycle 56.5 tons of cardboard and plastic, which contributes to preserving the environment and reducing pollution.

Avoiding waste and repurposing unsold baked goods: In collaboration with local partners, Zod Factory repurposed 223.5 tons of unsold baked goods during 2024, contributing to waste reduction and supporting the local community.



Energy efficiency

Converting lighting to LED reduces consumption from 400 watts to 200 watts; And saving 200,000 kilowatt-hours of energy consumption annually.



Reducing food waste

The products are sorted during the packaging processes and recycled.



Sourcing products locally

Most of the raw products are sourced locally.



Environmental measures

The factory is working to implement all environmental measures that contribute to environmental preservation, coordinating this with periodic visits from the National Center for Environmental Preservation.

Zod Factory for Pastries and Bakeries has obtained several certifications, as follows:



ISO 9001:2015 Quality Management System:

The most widely used standard for applying quality criteria to all operations and activities to enhance an organization's ability to provide high-quality products and services, increase customer confidence, and is a fundamental requirement for large companies to accept suppliers and a basic requirement for a number of countries to accept exports to them.



ISO 22000:2018 Food Safety Management System:

A preventive system for applying food safety standards to protect consumers from illness. It aims to control all operations within the food chain, including infrastructure, raw materials, employees, and equipment.

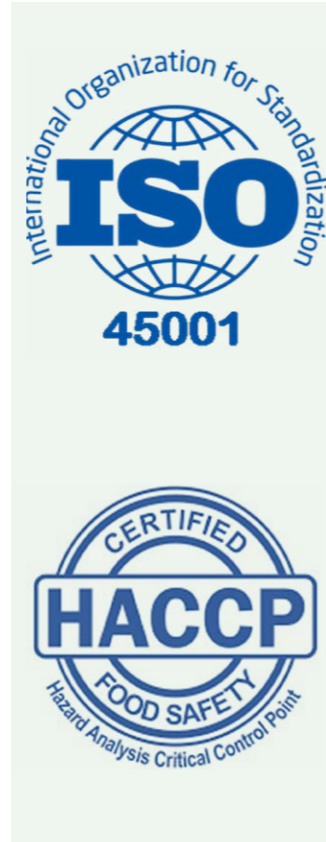


ISO 45001:2018 Occupational Health and Safety Management System:

A system for applying occupational health and safety requirements in an organization to prevent accidents that may threaten the safety of workers, buildings, and surrounding areas. This is achieved by establishing the necessary safety guidelines, providing a safe working environment, and responding effectively to emergencies in the event they occur.

HACCP (Hazard Analysis and Critical Control Points):

A system that identifies hazards that threaten the safety of food products, whether biological, chemical, or physical, or allergens and determines the critical points that need to be controlled to ensure product safety.



2. Social Responsibilities:

In line with the company's commitment to social responsibility and its pursuit of contributing to various community service activities, the company has adopted diverse and purposeful initiatives, including:

a) Othaim Training Academy:

Othaim Training Academy's Most Important Achievements in 2024G:

- More than (225) training courses were held, benefiting (8006) trainees.
- (104) new branch managers and custodians were qualified through (4) training courses.
- A total of (340) new branch supervisors have been qualified through (12) training courses.
- A total of (2,037) new accountants have been qualified through (59) training courses.

- A total of (704) new salespersons have been qualified through (45) training courses.
- A total of (1,470) trainees have been trained under a skills program in collaboration with King Abdulaziz University. This included (666) job seekers and (804) company employees through development courses.
- A total of (36) on-the-job training courses were conducted as part of quality and food safety programs, benefiting (1,200) employees.
- Training programs on "Taking Initiative", "Self-Development", and "Analysis and Problem-Solving Skills" were implemented for the staff of the Riyadh Chamber, benefiting (72) trainees.
- A total of (304) trainees were trained in a customer complaint handling program, which contributed to a %77 reduction in complaints.
- A total of (282) trainees were trained in a customer complaint handling program focusing on product quality, resulting in a %64 decrease in complaints.

b) Health Education Department:

In accordance with the standards and requirements set forth by the Ministry of Municipal and Rural Affairs and Housing, and in line with the technical equipment guide, the company launched its Health Education Department in October 2024G, marking the first of its kind in the retail sector in Saudi Arabia. Over (400) employees have been trained, and we will continue our efforts to strengthen this program, God willing.

c) International Agreements:

Accreditation of Othaim Academy from Highfield International:

A leading organization in quality accreditation, work-based learning, and accredited qualifications, regulated by major bodies in the UK such as Ofqual and the Security Industry Authority (SIA), as a government-approved assessment organization (EPAO). Highfield has received the "EPAO of the Year" award and is also the winner of the Queen's Award for Enterprise 2024G.

- **Accreditation of Othaim Academy in Experiential Learning:** An innovative experiential learning method to maximize the learning process and improve job performance through learning by doing and experience, with international accreditation from the British Experiential Learning Organization (Martin Thompson British Organization).

d) National Campaign to Stimulate the Private Sector on Training (Wa'ed 2):

The company pledged its participation in training (50,000) of the national workforce from 2024G to 2028G.

e) E-learning:

(500) educational licenses have been provided for company employees on the Udemy e-learning platform to benefit from the various courses in various fields.

f) The Workers' Committee:

In compliance with the provisions of Article Six of the Executive Regulations for the Formation of Workers' Committees, a workers' committee has been formed in the company. The company was crowned with the first place in the Labor Culture Award.



g) Specialized Training:

More than (500) employees have been trained in specialized programs, in co-operation with several training and academic institutions, including:

- **CX Academy:** Training branch supervisors on the Customer Experience Development and Improvement Program.
- **Saudi Logistics Academy:** The Executive Program for Leadership Development in the Logistics Sector and the joint diploma program for 12 beneficiaries.
- **QSI Company:** Senior Auditor Qualification Program for the Occupational Health and Safety Management System in accordance with ISO 45001 requirements.
- **Center for the Industry of Genius for Training:** Financial Skills Development Program for Non-Financial Professionals.
- **Merc Consulting and Training Limited Company:** Procurement Management.
- **Al-Tanaghum Al-Tiqni for Communications and Information Technology Company:** Practical Project Management (PMA) Program.
- **Principles of Skill Training Center:** Professional Project Management (PMP) Program.
- **Saudi Contractors Authority:** Professional Business Analysis Program.
- **Al-Walaa Academy in Dubai:** Certified Loyalty Marketing Professional.
- **Real Estate License Courses in the field of real estate work:** Real Estate Marketing, Electronic Real Estate Marketing, Real Estate Developer for Off-Plan Sales Projects, Real Estate Brokerage.
- **CISA:** Certified Internal Systems Auditor.
- **CLP.LIFE:** CEO Audit Course.
- **TOPNOTCH Company:** Demand Planning and Forecasting, Market Analysis and its Impact on Companies' Internal Operations.
- **Raw Business Services Foundation:** Attractive Presentation Skills, Data Analysis and Decision-Making Program.

- **Fatima Bint Salem Bin Mubarak Baftim Commercial Foundation:** Sales and Operations Sector Leadership Development Program.
- **Zamdcoach for Training:** Commercial Sector Leadership Development Program.
- English and Arabic Language Development Program for Executives.
- **Gulf Institute:** English Language Program with the Gulf Training Institute.

h) Cooperative Training:

During 2024G, (250) students were trained in partnership with several universities and applied colleges, such as Majmaah University, the Applied Technical College, Imam Abdulrahman bin Faisal University, and Shaqra University. This training aims to provide students with the necessary practical skills and experience to qualify them for the labor market.

i) Agreements and Community Partnerships in Education:

Based on the achievement of community partnership and the strengthening of the educational role, during 2024G, the company signed Memoranda of Understanding with (the Applied College at Majmaah University, the Applied College in Riyadh, and Imam Abdulrahman bin Faisal University) in the field of education and training through programs provided by Othaim Academy to the employees and beneficiaries of the colleges.



j) Agreements and Community Partnerships in Charitable Work and Sustainability:

As part of its social responsibility programs and support for charitable initiatives, the company signed a cooperation agreement with the Grace Preservation Foundation. This agreement aims to launch automated kiosks for receiving donations of damaged or old electronic devices at some of its branches across the Kingdom. Continuing its efforts to strengthen its community responsibility, the company signed a Memorandum of Understanding with the National Platform for Charitable Work "Ihsan". This partnership seeks to support charitable projects by engaging customers in these projects through specially designed and innovative donation tools, such as adding self-donation machines in branches and providing a quick donation service through the loyalty application "Iktissab".

k) Social Activities and Charitable Works:

The company has contributed to a number of social and charitable projects, national events and festivals, and has participated and sponsored some national events and festivals in most regions of the Kingdom of Saudi Arabia, including:

- Organizing a blood donation campaign for company employees in cooperation with the National Guard Hospital.
- Activating World Health Day in cooperation with Al-Azhar Hospital to conduct free medical examinations for company employees, in order to ensure a healthy work environment.
- Organizing a seasonal influenza vaccination campaign for company employees in cooperation with Diriyah Hospital.
- Organizing seasonal influenza vaccination campaigns for customers in some of the company's branches in the Kingdom.
- Cooperating with We Care Hospital to conduct a medical examination campaign for employees and customers of the company's branch in Dammam City.

- Providing support to the Ishraq Association for people with hyper-activity disorder by raising awareness of this disorder through the company's social media platforms.
- Providing support to a mosque in Riyadh to provide some food and consumer goods.
- Cooperating with the Dammam Medical Complex to organize a health shopping event for their employees.
- Cooperating with the Al-Ber Charity Association in Hafar Al-Batin to introduce the association's work in one of the company's branches.
- Organizing diabetes screening campaigns for customers in one of the company's branches, in cooperation with the Saudi Charitable Diabetes Association and Al-Mithnab General Hospital.
- Cooperating with the Saudi Cancer Control Society by placing publications that urge contributing to donations in some of the company's branches.
- Cooperating with the Commission for the Promotion of Virtue and Prevention of Vice by placing guiding signs in some of the company's branches.
- Cooperating with the Qassim Health Cluster by placing an awareness corner to activate World Food Safety Day in one of the company's branches.
- Sponsoring a blood donation campaign for the Eastern Fleet of the Ministry of Defense by providing food supplies for the campaign.
- Cooperating with the Care for Mosques Association in Abu Arish to introduce the association's work in one of the company's branches.
- Cooperating with the Al-Ber Charity Association in Al-Darb to introduce the association's work in one of the company's branches.
- Holding national events and occasions at the company's headquarters and branches, such as National Day, Founding Day, and Eids.
- Participating in many international occasions and days with interactive and awareness-raising publications and competitions

through the company's social media accounts (Father's Day-Blood Donation-Mother's Day-Health-Sports-National Day-Eid Al-Fitr-Teacher's Day-Science Day-Social Responsibility Day-Breast Cancer Awareness in October).

- Holding an annual ceremony to honor charitable associations and institutions at the level of the Kingdom of Saudi Arabia.

l) Charitable Magnetic Shopping Vouchers Initiative:

The company continued to issue charitable magnetic cards for beneficiaries registered with approved charitable associations. These cards are an important tool for charitable associations to provide support to those in need and direct the spending of donations to basic needs. The company has developed the service provided to associations and beneficiaries through the use of modern technology, where it added a new option that allows adding the beneficiary's mobile number directly when desired to purchase, whether he has a card or not. This procedure facilitates the purchase process and improves the experience of beneficiaries through the developed programs used by the company with contracting parties. The company seeks to continuously develop its systems to meet the needs of all stakeholders. The company has recently added many new financial wallets for charitable associations to include: (Watering Wallet, Expiation of Oaths Wallet, Aqeeqah and Vows Wallet, Sacrifices Wallet, Home Appliances and Electronics Wallet, School Bag Wallet) Currently, (115) charitable associations across the Kingdom of Saudi Arabia benefit from this automated technical system, serving more than 150 thousand families.

m) The initiative to activate self-service in branches (KIOSK):

The company has launched an initiative to facilitate customers' access to various electronic services directly and quickly, by providing self-service devices in a number of its branches, enabling customers to complete their transactions by themselves. The services provided by the devices include: (passing products and calculating them directly, inquiring about card balances, Iktissab services, Salam, Sanabel Al Kheir, evaluating the

branch visit experience, and recording suggestions or complaints). This initiative aims to provide an easy and fast experience for customers, and reduce waiting time in the branches.

n) Actual Food Basket Initiative:

During the holy month of Ramadan, the company provided (30) thousand pre-prepared food baskets to customers, containing essential consumer food items, for only 100 riyals at all its branches.

o) Zakat al-Fitr vouchers initiative:

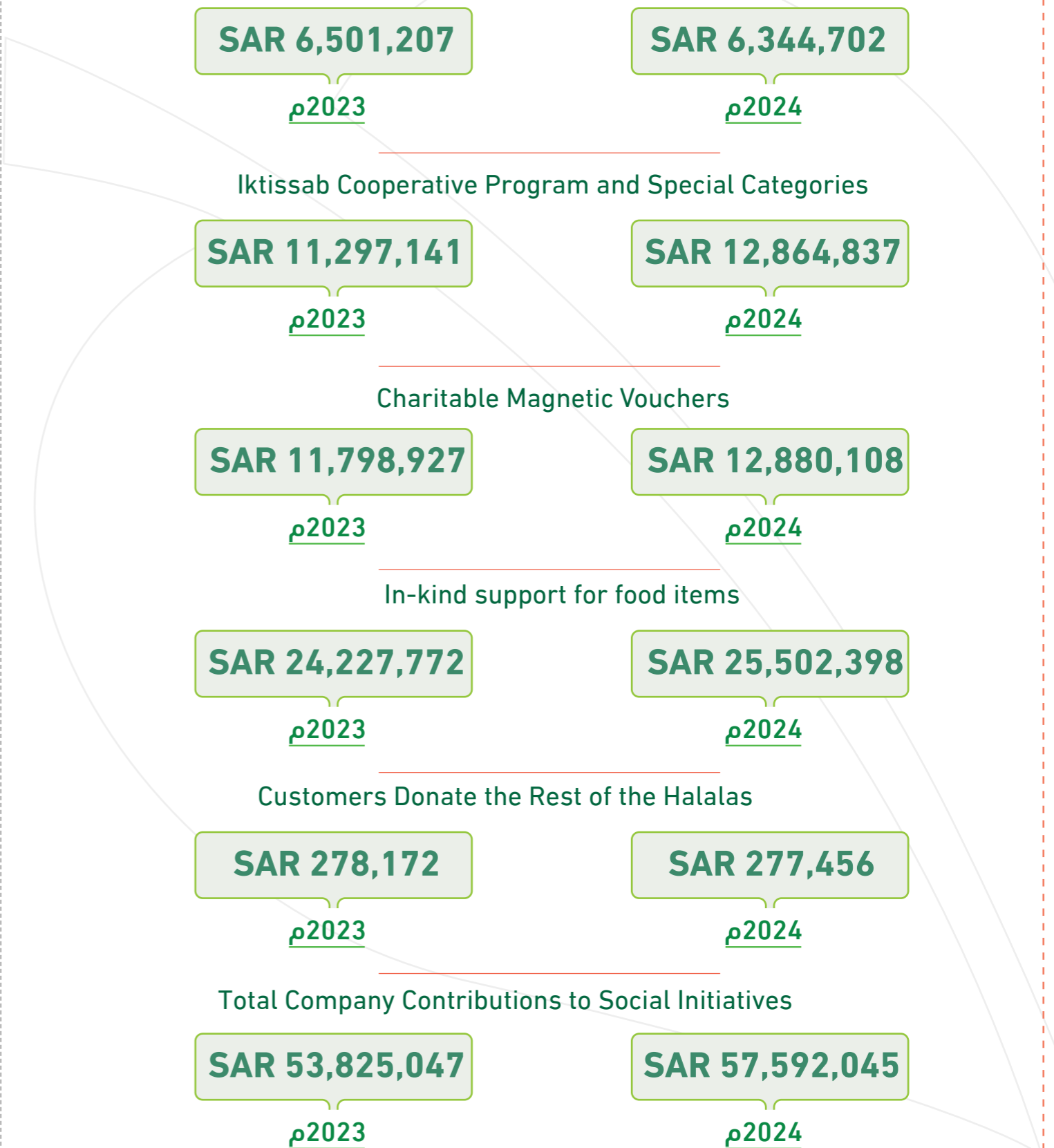
These are vouchers sold for the purpose of paying Zakat on behalf of the actual Zakat payer. They are available in denominations of (SAR 20 –SAR 100-SAR 200). During the year 2024G, the company issued Zakat Al-Fitr vouchers and sold them to Zakat payers through all of the company's sales channels. The Zakat payer can present this voucher to the beneficiary or to charitable organizations.

p) The sacrifice vouchers initiative:

They are electronic vouchers that are sold through all of the company's sales channels. They serve as a reservation for a sacrifice and are received ready according to the delivery schedule from the branch specified in the order. The company also offers the option to donate the sacrifice directly after booking it and specifying the receiving branch by sending the voucher to an accredited charity within the system. The charity, in turn, delivers the voucher to those who are eligible.

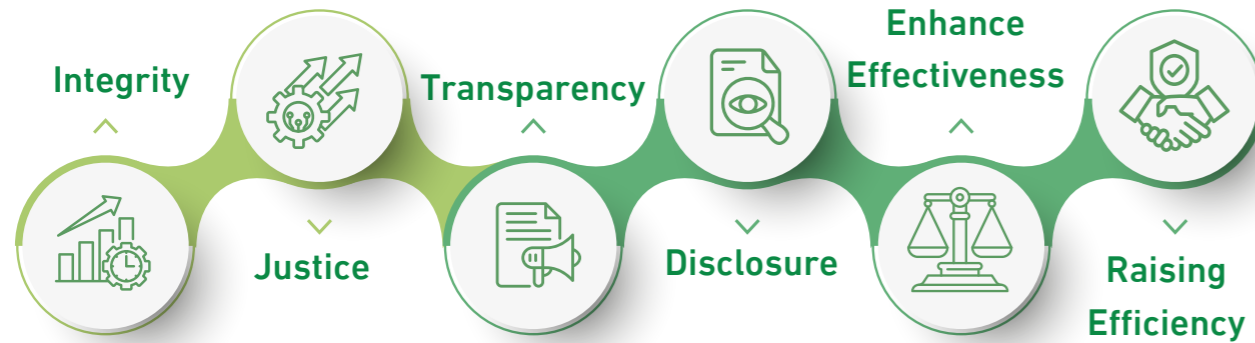
The total amounts for the social activities and programs carried out by the company for the year 2024G compared to the year 2023G are as follows:

(Sanabel Al Khair) donating the rest of the crescent Prepaid Shopping Vouchers



3. Governance Practices:

Key Governance Principles:



Abdullah Al-Othaim Markets Company continues its commitment to achieving the best value for stakeholders, and its awareness of the importance of having an effective governance system, which has positive effects that benefit all stakeholders by achieving the company's goals efficiently and organizing the relationship between the executive management, the board of directors, and the shareholders, and maintaining the trust of stakeholders, by managing its business and full compliance with the policies and regulations related to the governance of its business. The company is keen to contribute to achieving the vision of the Kingdom of Saudi Arabia 2030G, by considering the economic, environmental, social and governance aspects to contribute to sustainable development in all its activities and products. In order to enhance this, the Board of Directors has adopted an ambitious initiative plan for corporate governance in accordance with the best local and international practices and the following is a summary of some of the policies and practices applied by the company as follows:



a) Corporate Governance Regulations:

Within the company's commitment to applying the best governance practices and based on the regulations and instructions issued by the regulatory authorities, and the company's governance code, which is continuously developed, it includes, for example, the following:

- 01 Duties and Tasks of the members of the Board of Directors.
- 02 Delegation of powers and decision-making within the company.
- 03 A system of internal control.
- 04 Organizing the company's relationship with its shareholders.
- 05 Provisions for trading based on inside information.
- 06 Organizing cases of conflict of interest.
- 07 Transparency and disclosure.

b) Dealing with cases of Conflict of Interest:

In accordance with the company's policy of applying the regulations and instructions issued by the regulatory authorities, and the policy for dealing with conflict of interest, and the criteria for competing businesses of the board members, to ensure compliance with regulatory procedures in cases of conflict of interest, that policy and criteria include, for example, the following:

- 01 Disclosure of any cases that result in a conflict of interest, whether from members of the board of directors, senior executives, or employees of the company.
- 02 Transactions with related parties shall be conducted on a purely commercial, fair and reasonable basis and in a way that serves the interests of the company's shareholders.
- 03 The members of the Board of Directors of the company, members of the committees and the executive management should be aware of the necessary procedures for approving transactions with related parties.

- 04 Studying competing transactions and businesses, their compatibility with regulations and standards, their compatibility with regulations, and the extent of their benefit to the company and its shareholders.
- 05 Review by the concerned committees of any dealings or contracts that the company may conduct with related parties, and any competing actions carried out by Board members and stakeholders.

c) Whistleblowing Policy and Procedures:

The company believes in the importance of spreading and encouraging a culture of compliance and accountability, in accordance with high standards of conduct and professional ethics that comply with the company's code of conduct and ethical values, and reporting any violations. This is to ensure that employees and all stakeholders have the confidence and security to raise any issues of real importance and that they are investigated appropriately and confidentially.

Therefore, the company promotes efforts to exercise due diligence, honesty, transparency and integrity in carrying out responsibilities, and to comply with all applicable laws and regulations. Therefore, the company has given strength and effectiveness through the Whistleblowing Policy regarding reporting any unethical or illegal conduct related to the company's business.

d) Independent Members:

The company is committed to forming a board of directors that has a mix of diverse and accumulated experiences in several fields, in line with the size and nature of its business. The company maintains its commitment to the number of independent members on the board of directors, and the independence of committee chairs as required by the regulations. The company also conducts an annual review of the independence of board members.

e) Disclosure to Stakeholders:

In response to global changes, initiatives, and sustainable development goals, and within the framework of the company's ambitious corporate governance initiative plan, the company is committed to disclosing, in accordance with the relevant regulations, any events, whether material or immaterial, that the company is required to disclose, in addition to its initiatives that enhance the process of disclosure and transparency, which are disclosed through the Saudi Stock Exchange website, the company's website, and social media.

f) Code of Conduct and Ethical Values:

Based on the company's values and their importance in supporting the work environment and striving for the best results, the company applies a code of professional conduct and values and ethics that complies with the best practices in terms of responsibility, accountability, and potential conflicts of interest at the level of the company's management or the entities it deals with, such as suppliers and customers, to stay away from any matters that may affect their performance, starting from accepting gifts and employing relatives and preserving private rights such as intellectual property. In order to ensure the company's commitment to this aspect, the Committee for Behavioral Violations in the Workplace was formed to monitor and implement the policy of professional conduct and ethical values.

g) Information Technology & Cybersecurity:

The company attaches great importance to digital transformation and provides all the means that contribute to protecting its information and the information of its customers through security systems in the company, such as cloud email protection scanning, network access control system, and firewall system that contributes to confronting all attempts to attack the company's technical servers. The information technology and support systems policy provides the necessary cover to face technical risks and is disseminated to the company's employees. The company has also held a number of training courses related to information technology and cybersecurity.

h) Data Privacy and Customer Protection:

The protection of customer interests is of utmost importance to the company, which is committed to the highest level of professionalism towards its customers and the privacy of their data. The company also aims to continuously improve the level of service provided and the overall customer experience. This includes the customer service evaluation system implemented in the company's branches, which aims to serve customers in the simplest way possible and enables our employees to help customers make the appropriate decisions. The company also has a team specialized in evaluating the quality of service and product, which is responsible for developing the quality of services provided. The work environment in the company and its subsidiaries encourages all employees to promote the values related to customer centricity and customer experience.

i) Loyalty Program:

It is the beginning of a new shopping phase. The loyalty program gives the opportunity to obtain earned cash amounts that are added to the customer's card balance and discounts every time you shop from the company or from the participating stores, which offers customers special offers, programs and promotional activities with the aim of attracting customers and gaining and maintaining their trust. Gaining the privacy and confidentiality of customers' personal information in accordance with the highest standards and in accordance with the limit permitted by relevant laws and legislations. The card can be obtained for free and easily through sales accountants when you visit one of the company's branches, or through the application on smart devices.

j) Work Environment and Human Resources:

Believing in the importance of preserving human capital, the company continues to develop and improve its work environment and attract talents. To this end, the company has developed a set of policies in this regard, including policies on job incentives, promotions, annual bonuses,

and various types of increases, in addition to the Assessment and Succession Center in 2024G, the company launched a number of initiatives, including:

- Obtaining the "Best Place to Work" certification according to the classification of the global organization Great Place To Work, which specializes in evaluating work environments.
- Establishing a dedicated nursery for children to help female employees in the company balance work and family.
- Improving the work environment by providing designated areas in the company for dining.
- Organizing recreational events for the company's employees.





k) Risk Management:

Early identification of major risks is important to ensure business continuity and the absence of any disturbance, so various controls and measures are put in place to ensure the minimum impact, if any. However, the company seeks to raise awareness of risk management, follow-up and verify them before they occur through many stages including analyzing the risks that the company may face, evaluating them, and identifying ways to address and mitigate them before they occur.







I) Internal Audit Management:



The company believes in the importance of internal audit management as a vital tool for evaluating and improving performance, and promoting transparency and accountability. The Internal Audit Department accomplished numerous tasks during the year, including:

-  Completion of (17) assurance review assignments across all sectors. These assignments were scheduled within the approved audit plan for 2024G and contributed to enhancing control, compliance with regulations, improving the quality of operations, reducing risks, and improving procurement, recruitment, purchasing, and project procedures, while continuing to monitor the implementation of recommendations according to the approved timelines.
-  Completion of (6) special assurance and investigative review assignments, which contributed to the recovery of amounts owed to the company totaling (1.76) million riyals, achieving financial savings and strengthening compliance and control, improving operational efficiency and product quality, through updating controls and procedures, and raising the levels of storage, transportation, and display, while continuing to monitor the implementation of recommendations to ensure continuous improvement.
-  Providing a number of consulting services to support the decisions of the company and its subsidiaries, which contributed to improving governance processes, and enhancing the efficiency of procedures by providing recommendations for external transactions, upgrading audit procedures at subsidiaries, supporting the implementation of financial control regulations, reviewing information technology controls, developing recruitment and selection criteria, launching data automation and archiving projects, and establishing an internal audit function in a subsidiary. This integrated approach has strengthened the organizational structure, compliance, and strategic readiness of the company.
-  Visiting more than (120) branches as part of the approved audit plan for 2024G, which resulted in identifying opportunities for improvement and development in operations, safety and security, inventory management,

and real estate attached to the branches, and specific recommendations were issued to the relevant departments.

-  Monitoring the implementation of internal audit recommendations, where a large percentage of them were fully or partially implemented during 2024G, with continuous periodic follow-up and inclusion of verification procedures in future tasks, which enhances compliance and improves the quality of operations and control.
-  The Internal Audit Department prepared a three-year internal audit plan of tasks and it was approved by the Audit Committee.
-  During 2024G, the Internal Audit Department launched secure channels for reporting violations, with the development of clear regulatory frameworks and a specialized review committee, and expanding the scope of reports to include suppliers and customers, in addition to awareness programs to promote transparency and a culture of responsible reporting.
-  Within the company's strategic plan for digital transformation, the Internal Audit Department began negotiations with service providers to automate internal audit processes through a specialized program in managing internal audit operations.

In addition, the Internal Audit Department completed work that contributed to improving work efficiency during the year, including:

-  The Internal Audit Department, in cooperation with Al-Othaim Academy, provided a program to develop internal auditors and obtain the Certified Internal Auditor (CIA) certification. The program covers training and testing fees, as well as the issuance of the certificate. This support contributes to empowering team members and enhancing their professional capabilities and skills, which positively reflects on the quality and effectiveness of internal audit operations in the institution.
-  Updating the Internal Audit Charter, based on the International Standards for Internal Auditing issued in January 2024, and the Internal Audit Charter Model issued on March 26, 2024, by the Institute of Internal Auditors.

- Updating the Code of Ethics, based on the Internal Audit Charter Model issued on March 26, 2024, by the Institute of Internal Auditors.
- Reviewing the Internal Audit Work Regulations and completing the necessary updates.
- Training and transfer of expertise to employees of the Internal Audit Department through a contract with an external consultant, as training and knowledge transfer to members of the internal audit team are among the terms of the contract.
- Appointing employees in the Internal Audit Department to raise the efficiency of operations and implement tasks on time.
- Urging members of the Internal Audit team to obtain professional certifications specializing in internal audit and governance, in addition to some members obtaining a diploma in internal audit. These qualifications contribute to enhancing the team's efficiency and ability to apply best practices and professional standards, which positively reflects on the quality and effectiveness of internal audit operations in the company.
- The Internal Audit Department team participated in providing many specialized activities and training courses, which included (presenting a course entitled "Introduction to Internal Audit" periodically during the year, for branch managers and supervisors, organizing an awareness event on the work and concepts of internal audit coinciding with the International Internal Audit Month, and presenting two interactive awareness seminars entitled "What is Internal Audit" remotely to all employees of the company in Arabic and English).
- The department invested in developing internal competencies through specialized training programs, and guiding employees towards obtaining specialized and general training courses for members of the Internal Audit team in various fields such as: Fundamentals of Internal Auditing, Practical Project Management, Awareness of the Personal Data Protection System, Awareness of Risk Management, What is Internal Audit, World Quality Day, courses in Microsoft programs.

- Urging members of the Internal Audit team to attend local and international conferences and seminars that contribute to the development of members' efficiency, such as: the Tenth Annual Internal Audit Conference, and the Global Digital Transformation Conference for Audit and Fraud Analysis.

m) Communication with stakeholders:

The company is keen to communicate with all stakeholders, including:

-
- Customers:**
 - Customer service deployed in all branches of the company throughout the Kingdom of Saudi Arabia.
 - Provide a hotline to receive any customer inquiries.
 - Social media is available on electronic applications.
-
- Investors:**
 - General Assembly.
 - Investors' conference call after the end of each quarterly and annual period.
 - Investor Relations page on the company's website and e-mail to ir@othaim-markets.com.
 - Unclaimed Dividends Inquiry Service.
 - Investor Presentation.
-
- Society:**

The company is keen to strengthen its relationship with the community through the initiatives and contributions it offers in the field of social responsibility.
-
- Suppliers:**
 - Communication with suppliers is done through a platform belonging to the company.
 - Hold periodic meetings.
-
- Our Employees:**
 - We communicate with our employees through the Al-Othaim portal for each employee to see all the data and requests for the conduct of work procedures.
 - Launching Your Voice Heard initiative to improve internal communication.
 - Launching the monthly summit meeting.
-

05

Company's Governance



Abdullah Al-Othaim Markets Company is keen to implement the principles and provisions of governance contained in the laws and regulations related to best practices, and to apply the highest levels of transparency and disclosure, in order to create a sound work environment, achieve the best performance, and raise the confidence of shareholders in the company, and to reach a balance between social and economic goals and the objectives of The company, reduce the risks faced by the company, and conduct business properly.

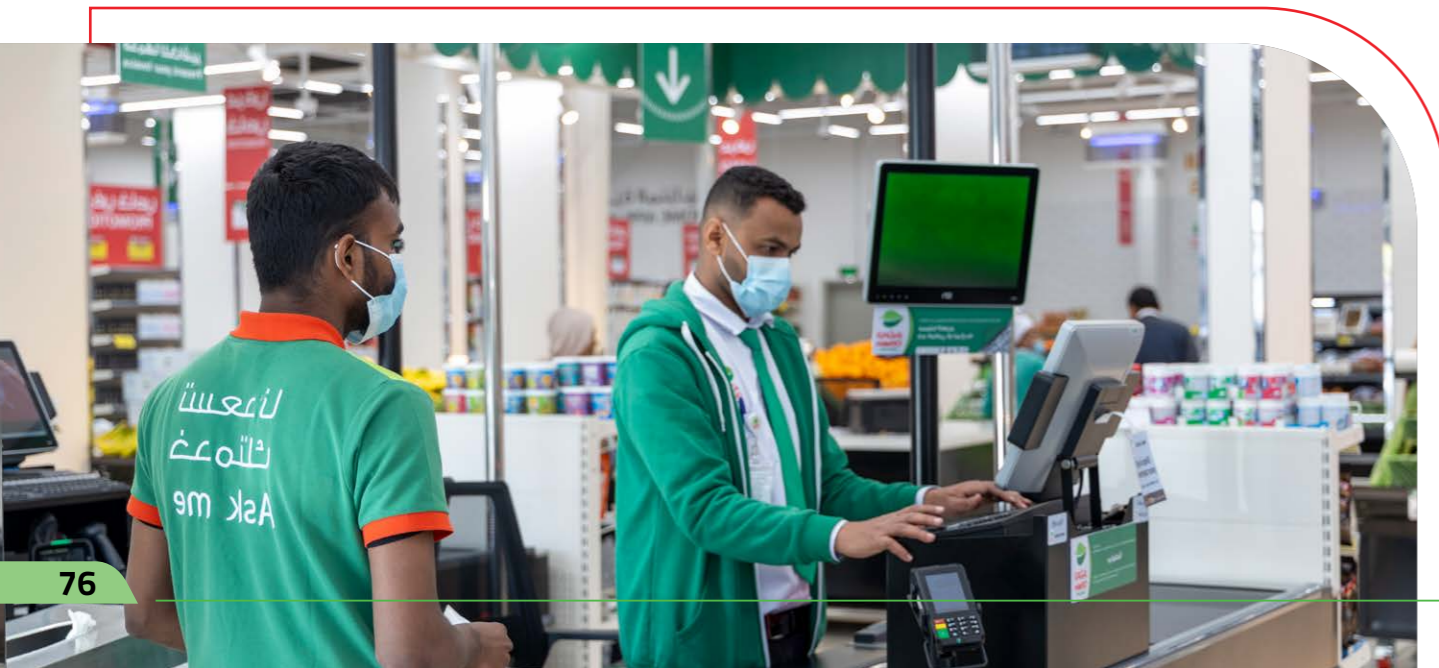
First: Formation of Board of Directors and the Classification of its Members:

In order to maintain the desired level of independence of the Board of Directors in decision-making, the majority of the Board members are non-executive members, which serves the interests of the company and its shareholders.

The Board of Directors of the Company consists of (6) members, and the following is a statement of the names and classification of the members of the Board:

S	Name of Member	Capacity	Membership Classification
.1	Mr. Abdullah Saleh Ali Al Othaim	Board Chairman	Non-executive
.2	Eng. Bader Hamed Abdulrazaq Alaujan	Vice Chairman	Non-executive
.3	Mr. Bandar Suliman Mohammed Al Bohairy	Member	Non-executive
.4	Dr. Raed Abdullah Ibrahim Al Hogail	Member	Independent
.5	Mr. Saad Ibrahim Saad Al Mushawah	Member	Independent
.6	Eng. Muaffaq Abdullah Mohammed Mubarah	Member	Executive

The company's board of directors' three-year term commenced on 03/10/2024G, with (6) members, based on the approval of the Extraordinary General Assembly held on 01/10/2024G, to amend the company's articles of bylaws.



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

1) Members of Board & Committees:

Mr. Abdullah Saleh Ali Al Othaim

(Board Chairman and Executive Committee Chairman)

Current Positions

Chairman of the Board of Directors Al Othaim Holding Company, Chairman of the Board of Directors and Chairman of the Executive Committee of Abdullah Al Othaim Investment Company, Member of the Board of Directors of Arab Union for Real Estate Development Company, Member of the Board of Directors of "Al Othaim Holding Group Company, Abdullah Al Othaim Entertainment Company, Abdullah Al Othaim Fashion Company, Abdullah Al Othaim Foods Company", Chairman of Board Trustees of Abdullah bin Saleh Al-Othaim and Sons Charitable Foundation, Director of "Marafiq Al Tashgheel Company, Shorofat Al Jazira for operation and maintenance Company, and Seven Services Company, Global Marketing Center Holding, Bayt Al Watan, Haley Holding, Thamarat Al-Qassim, Abdullah Saleh Al Othaim Holding Company and Riva Investment Company".

Previous Positions

Member of the Company's Remuneration and Nominations committee, Chairman of "Abdullah Al Othaim Markets Company-Egypt, Board of Directors of Chamber of Commerce in Qassim", 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.

Qualifications

Intermediate Stage.

Experiences

Accumulated experience in wholesale and retail trade, activity of contracting, real estate investment activity, recreational activity, experience in management, planning and business.

Eng. Bader Hamed Abdulrazaq Alaujan

(Vice Chairman and Executive Committee Member)

Current Positions

Chairman of the Board of Directors of "Abdullah Al Othaim Markets Company-Egypt, Al-Jouf Agricultural company, Fourth Milling Company, Arabian Agricultural and Industrial Investment Company "ENTAJ", and Al Mutlaq Group Company", Vice Chairman of the Board of Directors of National Aquaculture Group Company "NAQUA", Member of the Board of Directors of Saudi Agricultural and Livestock Investment Company "SALIC", Member of the Board of Directors of "Al Wousta for Foods Services Company, National Biscuits Confectionery Company "Al-Batal and Abu wallad", National Food Industries Company "Luna" and channels by stc Company", Chairman of the executive committee of Al-Jouf Agricultural Development Company, Member of the investment committee of Saudi Agricultural and Livestock Investment Company "SALIC", Member of the preparatory committee of National Aquaculture Group Company "NAQUA".

Previous Positions

Chairman of the Board of Directors of Member Mueen Human Resources Company, Vice Chairman of the Board of Directors of "Riyadh Foods Industries Company and Arabian Agricultural Services Company"ARASCO", Member of the Board of Directors and the Governance Committee of Jarir Marketing Company, Member of the Board of Directors of "Al Safi Danone Company, National Biscuits Manufacturing Company, National Foods Industries Company and Al Othaim Holding Company", Board Member and CEO of Savola Foods Company, Managing Director of "Al Muhaidib Foods Company and Alaujan Industrial Group Company", Member of the executive committee of Arab Agricultural Services Company, Member of the Human Resources Committee of the National Biscuits Manufacturing Company and National Foods Industries Company".

Qualifications

Member Program of the International Board of Directors-INSEAD, France in 2019G, Bachelor of Mechanical Engineering-King Saud University in 1992G.

Experiences

Multiple experiences in management, retail business, strategy and business planning, project management, leadership and team building, public relations and business development.

Mr. Bandar Suliman Mohammed Al Bohairy

(Board Chairman and Executive Committee Chairman)

Current Positions

Board Member and CEO of Al Othaim Holding Company, Chairman of the Board of Directors of Mueen Human Resource Company, Vice Chairman of the Board of Directors of Abdullah Al Othaim Investment Company, Member of the Board of Directors of «Abdullah Al Othaim Markets-Egypt and Riyadh Food Industries Company» Member of the Board of Directors of «Ijmal Limited Company and Abdullah Saleh Al Othaim Development Company», Member of Board Trustees of Abdullah bin Saleh Al-Othaim and Sons Charitable Foundation, Chairman of the Audit Committee of «Riyadh Foods Industries Company and MOBI Industry Company», Member of the Audit Committee of «Abdullah Al Othaim Investment Company and National for Learning and Education Company», Member of the Nominations and Remuneration Committee of «Abdullah Al Othaim Investment Company and MOBI Industry Company», Member of the Executive Committee of «Abdullah Al Othaim Investment Company and Ijmal Limited Company».

Previous Positions

Chairman of the Audit Committee and Member of the Executive Committee of Mueen Human Resource Company, Manager of Internal Audit Department in Al Othaim Commercial Company.

Qualifications

Bachelor of Accounting-Administrative Sciences Faculty in King Saud University in 2001G.

Experiences

More than (24) years of accumulated experience in various fields of management, finance, internal audit, strategic planning, investment, corporate governance, and business development.

Dr. Raed Abdullah Ibrahim Al Hogail

(Board Member and Audit Committee Chairman).

Current Positions

Member of the Board of Directors of "the National Trigenation Energy Company, Thob Al Aseel Company and Naseej for Technology Company", Vice Chairman of the Board of Directors of "Value Capital Company and King Abdullah Humanitarian Foundation", Chairman of the Board of Directors of the International Sources Company, Chairman of the Audit Committee of Naseej for Technology Company, Member of the Nominations and Remuneration Committee of Saudi Data and Artificial Intelligence Authority "SDAIA", Chairman of the Executive Committee of "National Trigenation Energy Company, King Abdullah Humanitarian Foundation and Value Capital Company".

Previous Positions

Member of the Board of Directors of "National Gas and Industrialization Company, University Education Fund, Ministry of Education, Arab Flat Glass Company, Gulf One Investment Bank", Vice Chairman of the Board of Directors of the Natural Gas Distribution Company, Director of the Foresee Professional Consulting Company, Chairman of the Board of Directors of Cushman & Wakefield, Managing Director of the National Triple Energy Production Company, Member of the Executive Committee, Member of the Remuneration and Nominations Committee, and Member of the Investment Committee of National Gas and Industrialization Company, Member of the Audit Committee of United Cooperative Insurance Company "Walaa" and National Gas and Industrialization Company, Executive Vice President of Support Services in the National Triple Energy Production Company, Member of the Faculty of the College of Business Administration at King Saud University in Riyadh.

Qualifications

He possesses extensive experience in financial management, corporate governance, and risk management. He holds a Bachelor of Science degree in Industrial Management (Finance and Accounting) from King Fahd University of Petroleum and Minerals, obtained in 1987G. He earned a Master of Business Administration degree with a specialization in Finance from the University of Denver in 1990G. He received a Doctorate in Business Administration degree with a specialization in Finance from George Washington University in 1999G, with his dissertation focusing on multiple risk factors priced in common stocks traded on the New York Stock Exchange. He also obtained a Diploma in Corporate Governance from INSEAD, Fontainebleau in 2020G, and a Diploma in Enhancing Board Effectiveness from IMD in 2020G.

Experiences

Accumulated experience in investment management, financial and accounting, executive leadership, strategic planning, project management, risk management, and internal control.

Mr. Saad Ibrahim Saad Al Mushawah

(Board Member and Remunerations and Nominations Committee Chairman).

Current Positions

Member of the Board of Directors of "Qassim Cement Company and AlJazira Bank", Member of the Board of Directors of Soybean Crushing and Derivatives Company", Chairman of the Audit Committee and Executive Committee of Qassim Cement Company, Member of the Audit Committee of "Thob Al Aseel Company, Methanol Chemicals Company, Durrah Advanced Development Company, Al-Watania Agricultural Holding Company (Sulaiman Al Rajhi Endowment) and AlJazira Bank", Member of the Nominations Committee of the King Abdullah Humanitarian Foundation.

Previous Positions

Board Member and Chairman of the Audit Committee of Al-Jazira Takaful Taawuni Company, Member of the Board of Directors of Al Essa Industries Company, Member of the Board of Directors of "Maan Aljasser & Partners Company, National Foods Industries Company, Creative Closets Company, Al-Watania Agricultural Holding Company (Sulaiman Al Rajhi Endowment) and National Food Industries Company "Luna"" Member in the Supervisory Board for Productive Families Building Center "Jana"(One of the branches of the Sulaiman Al-Rajhi Development and Financing Foundation), Member of the Audit Committee of "Al Essa Industries Company, Fawaz Abdulaziz Al Hokair Company and Productive Families Building Center "Jana"(One of the branches of the Sulaiman Al-Rajhi Development and Financing Foundation)", Chairman of the Nominations and Remuneration Committee of "Qassim Cement Company and Raza Company", Member of Executive Committee of the National Agricultural Development Company, Chief Executive Officer of Gulf Union Foods Company, Credit team leader for Saudi Industrial Development Fund.

Qualifications

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 1985G.

Experiences

Multiple experiences in project management, team building, executive leadership, and business development.

Eng. Muaffaq Abdullah Mohammed Mubarah

(Board Member, Executive Committee Member and CEO)

Current Positions

Member of the Board of Directors of "Riyadh Food Industries Company and Abdullah Al Othaim Markets-Egypt".

Previous Positions

CEO and Member of the Board of Directors of "Berain Company, Global Beverage Holding Company, and Al Rajhi Steel Industries Company", Member of the Board of Directors of Jazeera Appliances Company, Member of the Audit Committee of Al Rajhi Steel Industries Company, Member of the Nominations and Remuneration Committee of Jazeera Appliances Company, Member of the Executive Committee of "Berain Company, Al Rajhi Steel Industries Company", Deputy CEO of Naqel Company, Deputy General Manager of Arab Company for Medical Products Manufacturing, and held a number of positions in sales, marketing and business development.

Qualifications

MBA-King Saud University in1999G, Bachelor of Chemical Engineering-King Fahad University of Petroleum and Minerals in1995G.

Experiences

More than (29) years of experience in strategic planning, logistics, business development, sales, marketing, and manufacturing.

Mr. Mohammed Mansour Abdulmohsen Al Mousa

(Audit Committee Member)

Current Positions

Consultant for the CEO of the Saudi Agricultural and Livestock Investment Company "SALIC", Member of the Board of Directors of "Almarai Company, Minerva Foods Company and G3 International Holdings", He also chairs the boards of «SALIC Ukraine and Australia», Member of the Audit Committee of "Shatirah House Restaurant Company "BURGERIZZR", King Abdullah Humanitarian Foundation".

Previous Positions

Board and committee memberships in several companies, Chief Financial Officer of the Saudi Agricultural and Livestock Investment Company "SALIC", Chief Financial Officer of Al Faisaliah Group Holding Company, and several previous positions in different sectors.

Qualifications

Master of Accounting-Missouri State University, Bachelor of Accounting-King Saud University, CME-1 Securities Dealing Certificate-Capital Market Authority, Certified Public Accountant-Saudi Organization for Certified Public Accountants, Passing the Certified Public Accountant of the American Institute of Certified Public Accountants, USA.

Experiences

Experience in strategy, financial management and accounting, financial control, performance management, investments and mergers and acquisitions, governance and risk management, and shared and corporate services management.

Mr. Abdullah Jaber Ali Al Fifi

(Audit Committee Member)

Current Positions

Chairman of the Board of Directors of "Data Fusion Information Technology Company "FUSION", Saudi Anti-Fraud Association", Member of the Board of Directors, Chairman of the Audit Committee and Member of the Remuneration and Nominations Committee of Expertise Contracting Company, Member of the Audit Committee of "Saudi Awwal Bank "SAB", Medad Offices, Ektimal Sports Company "PUREGYM", Watad Energy and Communications Company", Member of the Governance, Risk, and Compliance Committee of King Abdullah Humanitarian Foundation, Independent consultant in audit, governance, risk and compliance.

Previous Positions

Member of the Board of Directors, Chairman of the Audit Committee, and Member of the Nominations and Remuneration Committee of "Rabigh Refining and Petrochemical Company, Nama Chemical Company" Chairman of the Audit Committee of the Saudi Association of Internal Auditors, Member of the Audit and Risk Committee of "the General Authority for Statistics, Tanami Arabia Company, Abdullah Al Othaim Investment Company", Member of the Nominations and Remuneration Committee of the Eastern Health Cluster, Member of the Audit Committee of "Saudi British Bank, National Center for Non-Profit Sector", Advisor to the Minister of Health in auditing and follow-up, held several management positions at the Saudi Arabian Oil Company "Aramco" including "special Audits, business services review, Financial and administrative affairs review, Projects review, Refining and marketing review, Career progression in the field of finance and internal auditing of "Saudi Refining and Marketing Company "SMARK", General Corporation for Petroleum and Minerals "Petromin".

Qualifications

Fellowship in Risk Management-Internal Auditors Institute, USA in 2010G, Fellowship in Fraud, Fraud Detector- USA in 2001G, Fellowship of Internal Audit-Internal Auditors Institute, USA in 2000G, Bachelor of Accounting- King Abdulaziz University in 1985G.

Experiences

Multilabel Experiences in auditing, governance, risk management, financial management and leadership.

Mr. Nabil Abdulaziz Mohammed Al Fraih

(Remuneration and Nominations Committee Member).

Current Positions

Member of the Board of Directors and Chairman of the Nominations and Remuneration Committee at Abdullah Al Othaim Investment Company.

Previous Positions

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.

Qualifications

Corporate Governance Course -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 Bachelor of Civil Engineering-King Saud University.

Experiences

Experience in corporate governance, policy development, human resource management, and leadership.

2) Members of Executive Department:

Eng. Muaffaq Abdullah Mohammed Mubarah

(Board Member, Executive Committee Member and CEO)

Current Positions

Member of the Board of Directors of "Riyadh Food Industries Company and Abdullah Al Othaim Markets-Egypt".

Previous Positions

CEO and Member of the Board of Directors of "Berain Company, Global Beverage Holding Company, and Al Rajhi Steel Industries Company", Member of the Board of Directors of Jazeera Appliances Company, Member of the Audit Committee of Al Rajhi Steel Industries Company, Member of the Nominations and Remuneration Committee of Jazeera Appliances Company, Member of the Executive Committee of "Berain Company, Al Rajhi Steel Industries Company", Deputy CEO of Naqel Company, Deputy General Manager of Arab Company for Medical Products Manufacturing, and held a number of positions in sales, marketing and business development.

Qualifications

MBA-King Saud University in1999G, Bachelor of Chemical Engineering-King Fahad University of Petroleum and Minerals in1995G.

Experiences

More than (29) years of experience in strategic planning, logistics, business development, sales, marketing, and manufacturing.

Mr. Marwan Ahmad Mohammed Ibrahim

(CFO)

Current Positions

Member of the Board of Directors of Fourth Milling Company, Member of the Board of Directors of Gulf Flour Milling Industrial Company.

Previous Positions

Member of the Board of Directors of "Mueen Human Resources, Riyadh Foods Industries Company", Member of the Audit Committee of Riyadh Foods Industries Company, Internal Audit Director of Al Jomaih Holding Company–Saudi Arabia 1996G-2005G, Auditor in the Office of "Ibrahim Al Abbasi & Co.–Jordan 1993G-1996G and Abdulaziz Khalifah Al-Melhem–Saudi Arabia 1989G-1992G".

Qualifications

Fellowship of SOCPA in 2007G, Fellowship of CMA in 2003G, Fellowship of CFM in 2003G, Fellowship of the CPA in 1994G, Fellowship of the Jordanian Association of Certified Public Accountants in 1994G Bachelor of Accountancy and Business Administration–Jordanian University in 1989G.

Experiences

Accumulated Experience in the Field of Finance and Accounting Affairs, External and Internal Audit.

Third:

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	Legal Entity	Inside/ Outside the Kingdom	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	Legal Entity	Inside/ Outside the Kingdom
		Abdullah Al Othaim Markets.	Listed Joint Stock				
		Abdullah Al Othaim Investment.	Closed Stock				
		Al Othaim Holding.	Closed Stock				
		Abdullah Saleh Al Othaim Holding.	Limited Liability				
		Riva Investment.	Limited Liability				
		Marafiq Al Tashgheel	Limited Liability	Inside the Kingdom			
		Shorofat Al Jazira For operation and Maintenance.	Limited Liability				
		Seven Services.	Limited Liability				
.1	Mr. Abdullah Saleh Ali Al Othaim	Al Othaim Holding Group.	Limited Liability		Abdullah Al Othaim Markets-Egypt	Joint Stock	Outside the Kingdom
		Abdullah Al Othaim .Entertainment	Limited Liability				
		Abdullah Al Othaim Fashion.	Limited Liability				
		Abdullah Al Othaim Foods.	Limited Liability				
		Global Marketing Center Holding.	Limited Liability				
		Bayt Al Watan.	Limited Liability				
		Haley Holding.	Limited Liability				
		Thamarat Al-Qas-sim.	Limited Liability				
		Arab Union Company for Real Estate Development.	Joint Stock	Outside the Kingdom			

2.	Eng. Bader Hamed Abdulrazaq Alujan	Abdullah Al Othaim Markets-Egypt.	Joint Stock	Outside the Kingdom	Jarir Marketing.	Listed Joint Stock	Inside the Kingdom
		Abdullah Al Othaim Markets.	Listed Joint Stock		Mueen Human Resources.	Closed Stock	
		Al-Jouf Agricultural.	Listed Joint Stock		Riyadh Foods Industries.	Closed Stock	
		Fourth Milling.	Listed Joint Stock		Savola Foods.	Closed Stock	
		Saudi Agricultural and Livestock Investment "SALIC".	Closed Stock		Arabian Agricultural .	Closed Stock	
		Arabian Agricultural and Industrial Investment "ENTAJ".	Closed Stock	Inside the Kingdom	Al Othaim Holding.	Closed Stock	
		National Aquaculture Group "NAQUA".	Closed Stock		Al Muhaidib Foods.	Limited Liability	
		Al Mutlaq Group.	Closed Stock		Alaujan Industrial Group.	Limited Liability	
		Al Wousta for Foods Services.	Limited Liability		Al Safi Danone.	Limited Liability	
		National Biscuits Confectionery "Al-Batal and Abu wallad".	Limited Liability		National Biscuits Manufacturing.	Limited Liability	
National Food Industries "Luna".	Limited Liability	National Foods Industries.	Limited Liability				
channels by stc.	Limited Liability						
3.	Mr. Bandar Suliman Mohammed Al Bohairy	Abdullah Al Othaim Markets-Egypt.	Joint Stock	Outside the Kingdom			
		Abdullah Al Othaim Markets.	Listed Joint Stock				
		Abdullah Al Othaim Investment.	Closed Stock				
		Mueen Human Resources.	Closed Stock	Inside the Kingdom			
		Riyadh Foods Industries.	Closed Stock				
		Al Othaim Holding.	Closed Stock				
		Ijmal Limited.	Limited Liability				
Abdullah Saleh Al Othaim Development.	Limited Liability						

4.	Dr. Raed Abdullah Ibrahim Al Hogail	Abdullah Al Othaim Markets.	Listed Joint Stock	Inside the Kingdom	Cushman & Wakefield.	Limited Liability	Inside the Kingdom
		Thob Al Aseel.	Listed Joint Stock		Foresee Professional Consulting.	Limited Liability	
		Naseej for Technology.	Listed Joint Stock		National Gas and Industrialization.	Listed Joint Stock	
		Value Capital.	Closed Stock		Arab Flat Glass.	Closed Stock	
		National Trigeneration Energy.	Closed Stock		Natural Gaz Distribution.	Closed Stock	
		International Sources.	Limited Liability		Gulf One Investment Bank.	Closed Stock	
5.	Mr. Saad Ibrahim Saad Al Mushawah	Abdullah Al Othaim Markets.	Listed Joint Stock	Inside the Kingdom	Al-Jazira Takaful Taawuni.	Listed Joint Stock	Inside the Kingdom
		Qassim Cement.	Listed Joint Stock		Al Essa Industries.	Closed Stock	
		AlJazira Bank.	Listed Joint Stock		Maan Aljasser & Partners.	Limited Liability	
					Creative Closets.	Limited Liability	
					Al-Watania Agricultural Holding (Sulaiman Al Rajhi Endowment).	Limited Liability	
					National Food Industries "Luna".	Limited Liability	
					National Foods Industries.	Limited Liability	
		Soybean Crushing and Derivatives.	Limited Liability				
6.	Eng. Muafaq Abdullah Mohammed Mubarah	Abdullah Al Othaim Markets.	Listed Joint Stock	Inside the Kingdom	Berain.	Closed Stock	Inside the Kingdom
		Riyadh Foods Industries.	Closed Stock		Global Beverage Holding.	Closed Stock	
		Abdullah Al Othaim Markets-Egypt.	Joint Stock		Al Rajhi Steel Industries.	Closed Stock	
					Jazeera Appliances.	Closed Stock	

Fourth: Board of Directors Meetings During the Year 2024G:

The Board of Directors held (7) meetings during the fiscal year 2024G, 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) 06 Feb	(2) 16 May	(3) 11 Jun	(4) 05 Aug	(5) 03 Oct	(6) 04 Nov	(7) 15 Dec	
1.	Mr. Abdullah Saleh Ali Al Othaim	✓	✓	✓	✓	✓	✓	✓	(7)
2.	Eng. Bader Hamed Abdualrazzaq Alaujan	✓	✓	✓	✓	✓	✓	✓	(7)
3.	Mr. Bandar Suliman Mohammed Al Bohairy	✓	✓	✓	✓	✓	✓	✓	(7)
4.	Dr. Raed Abdullah Ibrahim Al Hogail	✓	✓	✓	✓	✓	✓	✓	(7)
5.	Mr. Saad Ibrahim Saad Al Mushawah	✓	✓	✓	✓	✓	✓	✓	(7)
6.	Eng. Muaffaq Abdullah Mohammed Mubarah	✓	✓	✓	✓	✓	✓	✓	(7)
-	Mr. Bandar Nasser Hamad Al Tamimi*	✓	✓	✓	✓			N/A	(4)
-	Dr. Abdulkarim Hamad Abdulkarim Al Nujaidi*	✓	✓	✓	✓			N/A	(4)
-	Mr. Mohammed Hasan Ibrahim Al Shuhail*	✓	✓	✓	✓			N/A	(4)

*Their membership expired at the end of the Board of Directors' term on 02/10/2024G.

Fifth: The General Assemblies Held During the Year 2024G and the Names of the Members of the Board of Directors and the Record of Their Attendance of these Associations:

s	Member name	Ordinary General Assembly On 03/06/2024G	Extraordinary General Meeting On 01/10/2024G
1.	Mr. Abdullah Saleh Ali Al Othaim	✓	✓
2.	Eng. Bader Hamed Abdualrazzaq Alaujan	✓	✓
3.	Mr. Bandar Suliman Mohammed Al Bohairy	✓	✓
4.	Dr. Raed Abdullah Ibrahim Al Hogail	✓	✓
5.	Mr. Saad Ibrahim Saad Al Mushawah	✓	✓
6.	Eng. Muaffaq Abdullah Mohammed Mubarah	✓	✓
-	Mr. Bandar Nasser Hamad Al Tamimi*	✓	✓
-	Dr. Abdulkarim Hamad Abdulkarim Al Nujaidi*	✓	✓
-	Mr. Mohammed Hasan Ibrahim Al Shuhail*	✓	✓

*Their membership expired at the end of the Board of Directors' term on 02/10/2024G.

Sixth: Brief Description of Committees, Specializations, and Tasks:

The company has three committees, details are as follows:

01 Audit Committee:

The Audit Committee is formed of (3) 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, which stipulate that it should hold meetings whenever necessary to follow up on its work on an ongoing basis, the committee held during the year 2024G (11) meetings, This is due to the Committee's keenness to ensure the accuracy and integrity of financial reports and the adequacy of the internal control system, 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 2024G:

S	Name of Member/Meeting Date	Position	Number and Date of Meeting											Number of attendances
			(1) 15 Jan	(2) 05 Feb	(3) 26/30 Mar	(4) 12 May	(5) 30 May	(6) 12 Jun	(7) 04 Aug	(8) 01 Sep	(9) 03 Nov	(10) 05 Dec	(11) 26 Dec	
1.	Dr. Raed Abdullah Ibrahim Al Hogail	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	(11)
2.	Mr. Abdullah Jaber Ali Al Fifi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	(11)
3.	Mr. Mohammed Mansour Abdulmohsen Al Mousa	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	(11)

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

The Audit Committee, based on information provided to it by the company's management, internal auditor, external auditors, and other control departments within the company, does not identify any material observations on the internal and financial control system or risk management that require disclosure. However, it emphasizes the continuous review and development of the company's current procedures, identifying and addressing any deficiencies or shortcomings in line with business variables and changes in relevant regulations and laws.

02 Committee of Remunerations and Nominations:

The committee had been formed of (3) 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 2024G. (4) 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 2024G:

S	Name of Member	Position	Number and Date of Meeting				Number of attendances
			(1) Apr 22	(2) Apr 30	(3) Aug 08	(4) Nov 14	
1.	Mr. Saad Ibrahim Saad Al Mushawah	Chairman	✓	✓	✓	✓	(4)
2.	Mr. Bandar Suliman Mohammed Al Bohairy*	Member		N/A		✓	(1)
3.	Eng. Nabil Abdulaziz Mohammed Al Fraih	Member	✓	✓	✓	✓	(4)
-	Mr. Bandar Nasser Hamad Al Tamimi **	-	✓	✓	✓	N/A	(3)
-	Mr. Abdulaziz Muner Ahmad Al Qady**	-	✓	✓	✓	N/A	(3)

*He was appointed as a member on 03/10/2024G.

**Their membership ended on 02/10/2024G.

03 Executive Committee:

The Executive Committee was from (4) members to assist the Board of Directors in performing its supervisory duties, the Committee held during the year 2024G (6) meetings, 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 2024G:

S	Name of Member	Position	Number and Date of Meeting						Number of attendances
			(1) 22 Jan	(2) 18 Mar	(3) 25 Apr	(4) 18 Jul	(5) 18 Sep	(6) 08 Dec	
1.	Mr. Abdullah Saleh Ali Al Othaim	Chairman	✓	✓	✓	✓	✓	✓	(6)
2.	Eng. Bader Hamed Abdual-razzaq Alaujan	Member	✓	✓	✓	✓	✓	✓	(6)
3.	Mr. Bandar Suliman Mohammed Al Bohairy	Member	✓	✓	✓	✓	✓	✓	(6)
4.	Eng. Muaffaq Abdullah Mohammed Mubarah	Member	✓	✓	✓	✓	✓	✓	(6)
-	Mr. Mohammed Hasan Ibrahim Al Shuhail*	-	✓	✓	✓	✓	✓	N/A	(5)

*His membership ended on 02/10/2024G.

Seventh: A Statement of the Names, Nationality, Number of Shares, Ownership Ratio of Main Shareholders Who Own (%5) and above and Change thereof During 2024G:

S	Name of Shareholder	Nationality	Shares Number at the beginning of 2024G	Ownership Ratio at the beginning of 2024G	Shares Number at the end of 2024G	Ownership Ratio at the End of 2024G	Net change	Change Ratio at the end of 2024G
1.	Al Othaim Holding Company	Saudi	303,000,000	%33.67	309,799,085	34.42%	6,799,085	%2.24

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

Eighth: 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 through various means of communication.

Ninth: The Means Adopted by Board of Directors in Assessing its Performance and Performance of Its Committees for 2024G:

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.

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

Board of Directors Membership Remuneration:

- An annual remuneration of SR (300,000) three hundred thousand riyals shall be paid to a member of the Board of Directors.
- A member of the Board of Directors may be granted a remuneration for any additional executive, technical, administrative or advisory businesses or positions - under a professional license - that he is assigned to in the company, in addition to the remuneration he receives in his capacity as a member of the Board of Directors and any of the committees formed by the Board.
- An independent member of the Board of Directors may not receive financial amounts from the company in addition to the remuneration

for membership of the Board of Directors or any of its committees that exceed SR (200,000) or (50%) of his remunerations in the previous year that he received for membership of the Board of Directors or any of its committees, whichever is less.

Committee Membership remuneration:

An annual remuneration of SR (150,000) one hundred and fifty thousand riyals is paid to each member of the “Audit Committee, Remuneration and Nominations Committee, and Executive Committee”, and an amount of SR (175,000) one hundred and seventy-five thousand riyals is to be paid to each committee chairman.

Attendance Allowances:

- a) An attendance allowance of SR (5,000) five thousand riyals is paid to each member of the Board and Committees meetings for each session.
- b) An attendance allowance of SR (5,000) five thousand riyals is paid to a member of the Board of Directors for attending each General Assembly meeting.
- c) A member of the Board or Committee shall not receive a remuneration or attendance allowance if he is an employee receiving a monthly salary from the company.

Remuneration for the Secretary of the Board of Directors and Committee Secretaries:

- a) An annual remuneration of SR (30,000) thirty thousand riyals is paid to the Secretary of the Board of Directors.
- b) A remuneration of SR (3,000) three thousand riyals shall be paid to the secretary of each committee for each meeting he attends.

Executive Management Remuneration:

An annual remuneration shall be paid to the executive management based on criteria related to achieving performance indicators and according to the results of the evaluation conducted annually.

Timing of disbursement of remunerations:

Disbursing remunerations and allowances to members of the Board of Directors and committees will be on an annual or periodic basis for any part of the year.

Stopping the disbursement of remuneration and recovering them:

In the event that it is decided to terminate the membership of a member due to his absence from the company's board of directors meetings, due to his absence from three consecutive meetings or five separate meetings during his membership period without a legitimate excuse or in accordance with what is stipulated by the relevant regulations, he is not entitled to any remuneration for the period following the last meeting he attended, and he must return all remuneration that were paid to him for that period.

Relationship between the Granted Remuneration and the Adopted Remuneration Policy:

The granted remuneration is consistent with the approved remuneration policy, the bases and criteria related to the calculation and entitlement of remuneration have been taken into account.



Details Remuneration of Board of Directors for the Year 2024G:

Name	A certain amount	Attendance Allowance for Board Meetings	Total Attendance Allowance for Committee Meetings	Remuneration of the Chairman of the Board, the Managing Director, or the Secretary if they are Members	Attendance Allowance for General Assembly Meetings of Shareholders	Total	Grand Total
First: Independent Members:							
Dr. Raed Abdullah Ibrahim Al Hogail	475,000	35,000	55,000	-	10,000	575,000	575,000
Mr. Saad Ibrahim Saad Al Mushawah	475,000	35,000	20,000	-	10,000	540,000	540,000
Dr. Abdulkarim Hamad Abdulkarim Al Nujaidi*	226,230	20,000	-	-	10,000	256,230	256,230
Total	1,176,230	90,000	75,000	-	30,000	1,371,230	1,371,230
Second: Non-Executive Members:							
Mr. Abdullah Saleh Ali Al Othaim	475,000	35,000	30,000	-	10,000	550,000	550,000
Eng. Bader Hamed Abdualrazzaq Alaujan	450,000	35,000	30,000	-	10,000	525,000	525,000
Mr. Bandar Suliman Mohammed Al Bohairy	486,885	35,000	35,000	30,000	10,000	596,885	596,885
Mr. Bandar Nasser Hamad Al Tamimi*	339,344	20,000	15,000	-	10,000	384,344	384,344
Mr. Mohammed Hasan Ibrahim Al Shuhail*	339,344	20,000	25,000	-	10,000	394,344	394,344
Total	2,090,574	145,000	135,000	30,000	50,000	2,450,574	2,450,574
Third: Executive Members:							
Eng. Muaffaq Abdullah Mohammed Mubarah**	-	-	-	-	-	-	-
Total	0	0	0	-	-	0	0
Total	3,266,803	235,000	210,000	30,000	80,000	3,821,803	3,821,803

*Their membership expired at the end of the Board of Directors' term on 02/10/2024G.

**He does not receive a Board of Directors' membership remunerations he is an employee of the company according to the approved remuneration policy.

Details Remuneration of Senior Executives for the Year 2024G:

	Fixed Remuneration			Variable Remuneration					End of service Benefits	Total reward of the executives	total summation
	Salaries	Allowances In-kind benefits	Total	Periodic bonuses	earnings	Short - term incentive plans	Long - term incentive plans	Shares granted			
Rewards and remunerations paid to the top five senior executives, including the CEO and CFO.	8,492,207	0	8,492,207	3,298,895	0	4,550,000	0	0	7,848,895	0	16,341,102
Total	8,492,207	0	8,492,207	3,298,895	0	4,550,000	0	0	7,848,895	0	16,341,102

The company has committed to disclosing the total compensation of senior executives in accordance with subparagraph (4/b) of paragraph (a) of Article (90) of the Corporate Governance Regulations, without disclosing its details, in order to mitigate any potential negative impacts, achieve the company's strategic interests, maintain its competitive edge, and ensure the stability of the work environment, which will enhance the company's performance effectiveness.

Details of the Remuneration of Members of the Audit Committee:

s	Name	Fixed remunerations Except the allowance of at-) (tending sessions	Allowance of attending sessions	Total
1.	Dr. Raed Abdullah Ibrahim Al Hogail	175,000	55,000	230,000
2.	Mr. Mohammed Mansour Abdulmohsen Al Mousa	150,000	55,000	205,000
3.	Mr. Abdullah Jaber Ali Al Fifi	150,000	55,000	205,000
Total		475,000	165,000	640,000



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

s	Name	Fixed remunerations (except the allowance of attending sessions)	Allowance of at- tending sessions	Total
1.	Mr. Saad Ibrahim Saad Al Mushawah	175,000	20,000	195,000
2.	Mr. Bandar Suliman Mohammed Al Bohairy*	36,885	5,000	41,885
3.	Eng. Nabil Abdulaziz Mohammed Al Fraih	150,000	20,000	170,000
	Mr. Bandar Nasser Hamad Al Tamimi**	113,115	15,000	128,115
-	Mr. Abdulaziz Muner Ahmad Al Qady**	113,115	15,000	128,115
Total		588,115	75,000	663,115

*He was appointed as a member on 03/10/2024G.

**Their membership ended on 02/10/2024G.

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

s	Name	Fixed remunerations except the allowance of at- (tending sessions)	Allowance of attending sessions	Total
1.	Mr. Abdullah Saleh Ali Al Othaim	175,000	30,000	205,000
2.	Eng. Bader Hamed Abdualrazzaq Alaujan	150,000	30,000	180,000
3.	Mr. Bandar Suliman Mohammed Al Bohairy	150,000	30,000	180,000
4.	Eng. Muaffaq Abdullah Mohammed Mubarah*	-	-	-
-	Mr. Mohammed Hasan Ibrahim Al Shuhail**	113,115	25,000	138,115
Total		588,115	115,000	703,115

*He does not receive an Executive Committee membership remunerations he is an employee of the company according to the approved remuneration policy.

**His membership ended on 02/10/2024G.

Eleventh: 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 2024G:

s	The name of who have interest	Beginning of the year 2024		End of the year 2024		Net change	Percentage of change%
		Stock	Debt instru- ments	Stock	Debt instru- ments		
1.	Mr. Abdullah Saleh Ali Al Othaim	-	-	-	-	-	-
2.	Eng. Bader Hamed Abdualrazzaq Alaujan	-	-	-	-	-	-
3.	Mr. Bandar Suliman Mohammed Al Bohairy	40,000	-	70,000	-	30,000	%75
4.	Dr. Raed Abdullah Ibrahim Al Hogail	-	-	-	-	-	-
5.	Mr. Saad Ibrahim Saad Al Mushawah	3,620	-	3,620	-	0	%0
6.	Eng. Muaffaq Abdullah Mohammed Mubarah	80,843	-	120,043	-	39,200	%48.49

- 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 2024G:

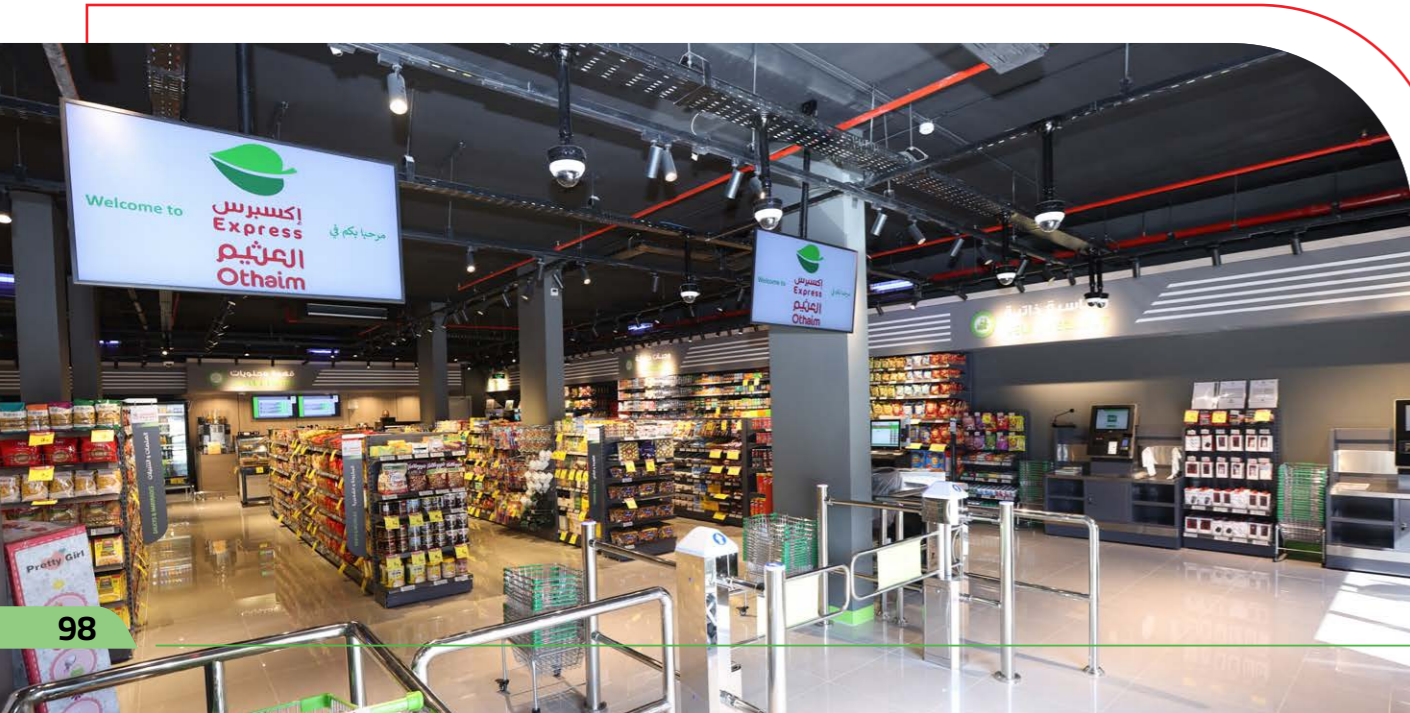
s	The name of who have interest	Beginning of the year 2024		End of the year 2024		Net change	Percentage of change
		Stock	Debt instru- ments	Stock	Debt instru- ments		
.1	Mr. Marwan Ahmad Mohammed Ibrahim	10,000	-	15,000	-	5,000	%50

Twelfth: Description of Any Transaction between the Company and Any Related Party:

Related Party	Type Of Relation	Transaction & Description	Transaction Perion/year	Transaction Value/ SR For year 2024
Mueen Human Resources Company	Subsidiary which the Company's owns (%68) of its capital shares	Rent labor services	2	92,567,116
		Rent showroom in Alnafal District	1	63,000
Riyadh Foods Industries Company	A subsidiary, which the Company's owns (%55) of its capital shares	Purchasing Foods Items	1	63,238,074

Thirteenth: 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 Abdullah Al Othaim Investment Company 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. Bandar Suliman Mohammed Al Bohairy) as follows:



Type of Contract	Contract Description	Transaction Value/SR For year 2024	Contract term/Year	Contracts Conditions	Notes
Leasing	Buraydah Branch (24)	339,259	20		The site was vacated on 02/09/2024G, and the contract was settled.
Leasing	Buraydah Branch Accommodation	147,000	18		The site was vacated on 02/09/2024G, and the contract was settled.
Leasing	Al-Ahsa Mall Hypermarket (81)	2,258,025	20		-
Leasing	Khurais Mall Hypermarket (83)	1,749,840	20		-
Leasing	Al Rabwa Mall Supermarket (154)	796,920	10		-
Leasing	Archive Warehouse	21,300	10		-
Leasing	Dammam Mall Hypermarket (159)	1,922,400	18	No preferential Terms	-
Leasing	Buraydah-Akirisha Supermarket	1,086,000	10		-
Leasing	Akirsha Branch-Accommodation	35,000	10		-
Leasing	Onaiza Mall Supermarket	729,000	10		-
Leasing	Arar Mall Supermarket (85)	2,022,680	10		-
Leasing	Hail Mall Hypermarket	1,676,840	20		-
Leasing	Showroom in Al Othaim Mall Khafji	819,000	15		-
Rent	Dammam Mall	34,932,000	17 and 5 Months		-
Services	Electricity and General Utilities at Rented Branches	4,112,395	1		Amount is variable, and will be calculated at the end of each year
Services	Power for Advertising Signs at commercial Malls	33,029	1		The contract was settled.

b) Businesses and contracts with Al Othaim Entertainment Company, Shorofat Al Jazira for Operation and Maintenance Company, and Marafiq Al Tashgheel Company which there is an indirect interest-for Chairman of the Board of Directors, Mr. Abdullah Saleh Ali Al-Othaim as follows:

Al Othaim Entertainment Company:

Type of Contract	Contract description	Transaction Value/SR For year 2024	Contract term/Year	Contracts Conditions	Note
	Entertainment Center Shifa (16)	76,613	1		-
Rent	Entertainment Center Oqba (37)	417,225	1		The site was vacated in 12/2024G.
	Entertainment Center Swaidi (39)	774,304	1	No preferential Terms	The contract value includes escalator maintenance expenses.
Services	Abdullah Al Othaim Entertainment offers a (%20) discount to the company's clients	-	1		-

Shorofat Al Jazira for operation and maintenance Company:

Type of Contract	Contract description	Transaction Value/SR For year 2024	Contract term /Year	Contracts Conditions	Notes
Services	Rent labor services	1,078,497	1	No preferential Terms	Contract terminated 30/04/2024G.

Marafiq Al Tashgheel Company:

Type of Contract	Contract description	Transaction Value/SR For year 2024	Contract term /Year	Contracts Conditions	Notes
Services	Rent labor services	3,079,649	1	No preferential Terms	Contract terminated 30/09/2024G.

c) Contract with GOSI in which there is an indirect interest to the board member Mr. Bandar Nasser Hamad Al Tamimi, until 02/10/2024G, as follows:

Type of Contract	Contract description	Transaction Value/SR For year 2024	Contract Year/ term	Contracts Conditions	Notes
Leasing	Investment Lands	4,687,500	25	No preferential Terms	-

d) Businesses and contracts with Al Jouf Agricultural Company, Fourth Milling Company, National Food Industries Company "Luna", National Biscuits Confectionery Company "Al-Batal and Abu wallad", Arabian Agricultural and Industrial Investment Company "ENTAJ", channels by stc Company and Al Wousta for Foods Services Company, in which there are an indirect interest for the Vice Chairman of the Board of Directors Mr. Bader Hamed Abdul-rzaq Alaujan, as follows:

Al Jouf Agricultural Company:

Type of Contract	Contract description	Transaction Value/SR For year 2024	Contract Year/ term	Contracts Conditions	Notes
Purchase	Food Products	32,944,119	1	No preferential Terms	Amount is variable, and will be calculated at the end of each year

Fourth Milling Company:

Type of Contract	Contract description	Transaction Value/SR For year 2024	Contract Year/ term	Contracts Conditions	Notes
Supply	Supply of Food Products	7,595,495	1	No preferential Terms	Amount is variable, and will be calculated at the end of each year

National Food Industries Company "Luna":

Type of Contract	Contract description	Transaction Value/SR For year 2024	Contract Year/ term	Contracts Conditions	Notes
Supply	Supply of Food Products	36,640,845	1	No preferential Terms	Amount is variable, and will be calculated at the end of each year

National Biscuits Confectionery Company "Al-Batal and Abu wallad":

Type of Contract	Contract description	Transaction Value/SR For year 2024	Contract Year/ term	Contracts Conditions	Notes
Supply	Supply of Food Products	11,946,610	1	No preferential Terms	Amount is variable, and will be calculated at the end of each year

Arabian Agricultural and Industrial Investment Company "ENTAJ":

Type of Contract	Contract description	Transaction Value/ SR For year 2024	Contract Year/ term	Contracts Conditions	Notes
Supply	Supply of Food Products	25,691,433	1	No preferential Terms	Amount is variable, and will be calculated at the end of each year

channels by stc Company:

Type of Contract	Contract description	Transaction Value/ SR For year 2024	Contract Year/ term	Contracts Conditions	Notes
Supply	Supply of tele-communications service vouchers	27,095,951	1	No preferential Terms	Amount is variable, and will be calculated at the end of each year

Al Wousta for Foods Services Company:

Type of Contract	Contract description	Transaction Value/ SR For year 2024	/ Contract term Year	Contracts Conditions	Notes
Rent	Showroom in Onaiza	378,000	13	No preferential Terms	-
Rent	Showroom in Alrass City	259,875	13 and 6 Months		-

e) Businesses and contracts with Almarai Company and Shatirah House Restaurant (Burgerizzr), in which there are an indirect interest for the Member of the Board of Directors Mr. Mohamed Hasan Ibrahim Alshuhail, until 02/10/2024G, as follows:

Almarai Company:

Type of Contract	Contract description	Transaction Value/ SR For year 2024	Contract Year/ term	Contracts Conditions	Notes
Supply	Supply of Food Products	373,282,957	1	No preferential Terms	Amount is variable, and will be calculated at the end of each year

Shatirah House Restaurant (Burgerizzr):

Type of Contract	Contract description	Transaction Value/ SR For year 2024	Contract Year/ term	Contracts Conditions	Notes
Rent	Rent showroom in Riyadh	266,928	1	No preferential Terms	-

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 (37) Clause (2)		Qualifying and training directors of the board and executive management and set up the necessary programs.	The company has not yet defined programs.
Article (39) Clause (E)		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 (67)	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) Clause (1)		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 (92)		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 of Directors' Declarations:

- 01 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 (85) of the Listing Rules and Continuing Obligations.
- 02 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.
- 03 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.
- 04 There is no refund, purchase, or cancellation by the Company for any redeemable debt instruments.
- 05 There is no arrangement or agreement whereby a board member or a senior executive waives any remuneration.
- 06 There is no arrangement or agreement whereby any of the Company's shareholders waives any rights in profits.
- 07 There are no investments or reserves created for the benefit of source employees.
- 08 No member of the Board of Directors engaged in any business competing with the company during the year.

The Board of Directors also acknowledges the following:

- 01 That the accounting records had been prepared correctly.
- 02 That the internal control system has been properly prepared and implemented effectively.
- 03 That there is no doubt of the company's ability to continue activity.

06

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.

01 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 riyals):

Description of the activity	Net profit activity	percentage
Wholesale and retail activity for Consumption and foods Items	227,271	%44.47
Rent Activity	59,850	%11.71
Investments sister companies & financial assets through the income statement	198,386	%38.82
Human Resources Activity	10,413	%2.04
Other	15,102	%2.96
Total	511,022	%100

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

a) Haley Holding Company:

A 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:

A 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:

A limited liability company, holding the commercial registration No. 1010877599, issued in Riyadh city on 11 Shawwal 1444H (corresponding to 1 May 2023G), and the Board of Directors issued a resolution on February 16, 2025G, to liquidate and voluntarily dissolve the company due to its lack of need, as it does not engage in any actual activity. The regulatory procedures related to the liquidation of the company are under progress.

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 holding the commercial registration No. 1009098729 issued in Riyadh city on 12 Rabi' al-Awwal, 1446H (corresponding to September 15, 2024G), and the Board of Directors issued a resolution on February 16, 2025G, to liquidate and voluntarily dissolve this company due to its lack of need, as it does not engage in any actual activity. The regulatory procedures related to the liquidation of the company are under progress.

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 holding the commercial registration No. 1010841207 issued in Riyadh city on 21 Rabi' al-Thani 1444H (corresponding to 15 November 2022G), and the Board of Directors issued a resolution on February 16, 2025G, to liquidate and voluntarily dissolve this company due to its lack of need, as it does not engage in any actual activity. The regulatory procedures related to the liquidation of the company are under progress.

h) Shorofat Al Jazira for operation and maintenance Company:

A limited liability company holding the commercial registration No. 1010878137 issued in Riyadh city on 12 Shawwal, 1444H (corresponding to May 2, 2023G), and the Board of Directors issued a resolution on February 16, 2025G, to liquidate and voluntarily dissolve this company due to its lack of need, as it does not engage in any actual activity. The regulatory procedures related to the liquidation of the company are under progress.

i) Mueen Human Resources Company:

A closed joint stock 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 Human Resources and Social Development 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	10,298,155	%95
Haley Holding Company	0	%0
Global Marketing Center Company	0	%0
Seven Services Company	0	%0
Bayt Al Watan Company	0	%0
Marafiq Al Tashgheel Company	0	%0
Abdullah Al Othaim Markets Company-Egypt	217,837	%2
Thamarat Al Qassim Company	0	%0
Shorofat Al Jazira for operation and maintenance Company	0	%0
Mueen Human Resources Company	319,497	%3
Total	10,835,489	%100

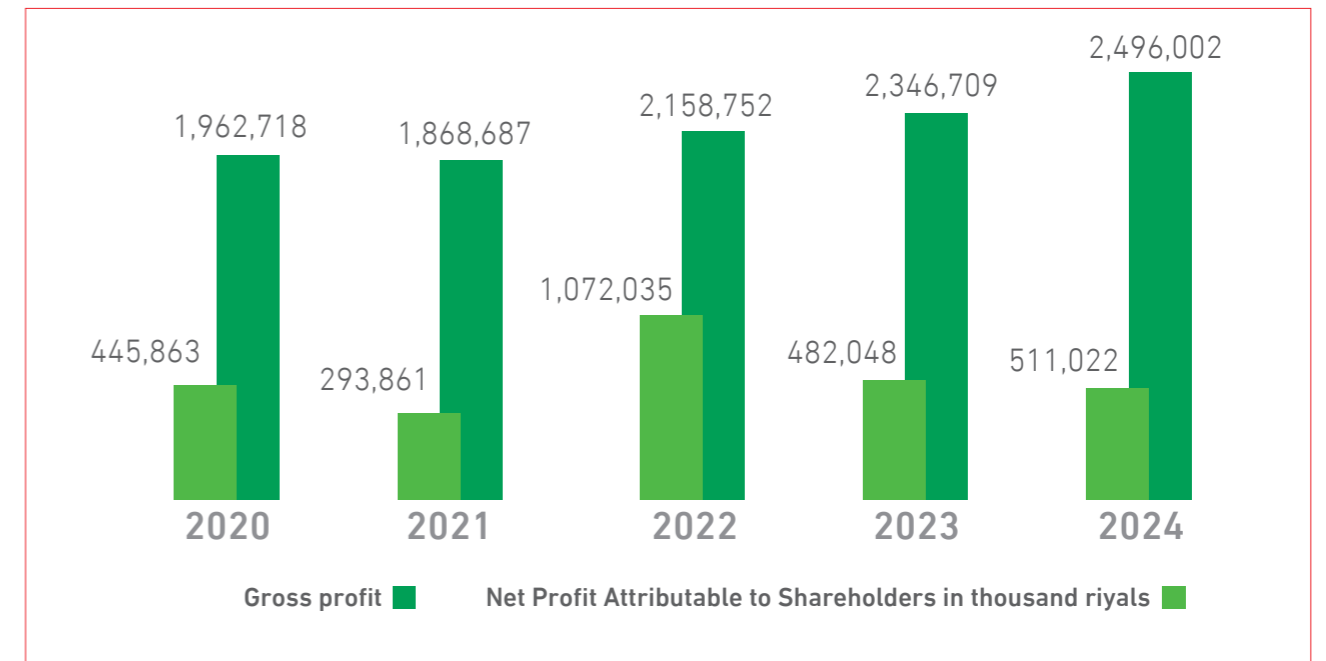
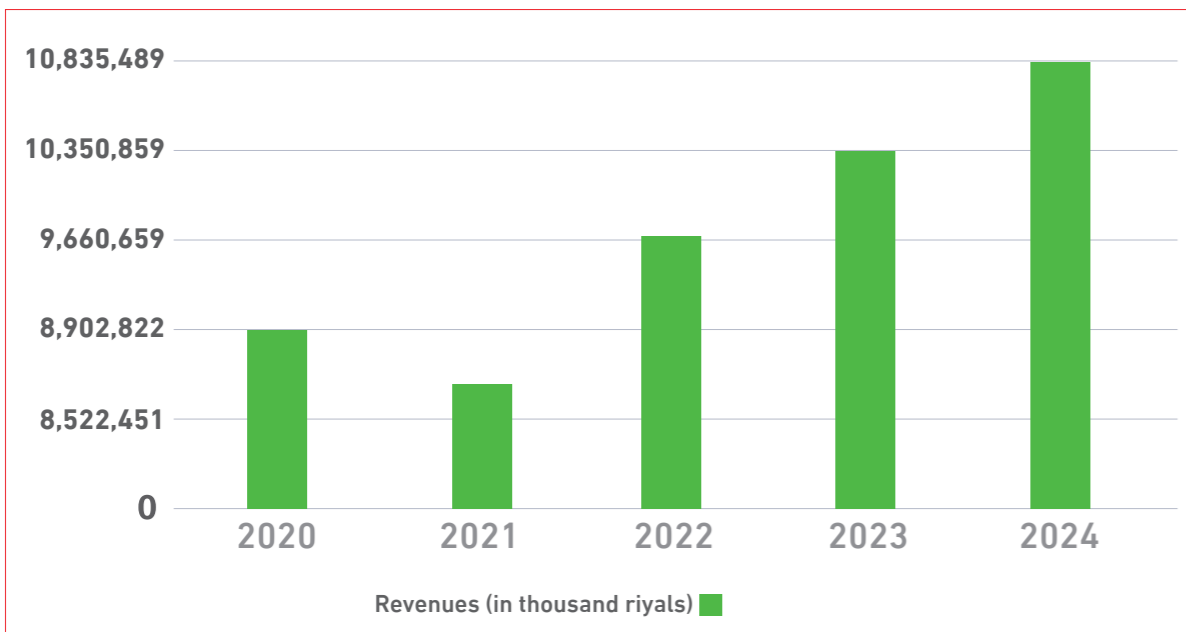
(*)Net revenue after excluding inter-group transactions.

Second: Summary of the Financial Results of the Company for the Period 2020G till 2024G:

a) Description of revenues and profits of the company (in thousands riyals):

Statement	2024	2023	2022	2021	2020
Activity's revenues	10,835,489	10,350,859	9,660,659	8,522,451	8,902,822
Activity's expenses	(8,339,487)	(8,004,150)	(7,501,907)	(6,653,764)	(6,940,104)
Total of activity's profits	2,496,002	2,346,709	2,158,752	1,868,687	1,962,718
Administrative, general, marketing and funding expenses	(2,073,683)	(1,910,403)	(1,764,063)	(1,528,472)	(1,446,795)
Revenues and other expenses-net	93,378	69,052	711,258	(29,042)	(49,511)
Zakat	(17,057)	(17,575)	(30,684)	(11,162)	(16,086)
Zakat reversal for prior years	17,693	800	-	-	-
Net profit of the continuous operations after Zakat	516,333	488,583	1,075,262	300,011	450,325
Net profit of the non-continuous operations after Zakat	0	0	(224)	(3,260)	2,281
Net profit for the year	516,333	488,583	1,075,038	296,751	452,606
Return profit to the contributors of the parent company	511,022	482,048	1,072,035	293,861	445,863
Profit (loss) attributed to non-controlling interest	5,311	6,535	3,004	2,890	6,743

*The financial figures of the prior years have been restated to reflect the change in the accounting treatment of a significant sub-lease contract from an operating lease to financing lease. For further details please refer to note (37) accompanied with the financial statements.



Statement of activity's revenues (in thousand riyals):

Statement	The fiscal year ended in 31 December	
	2024	2023
Retail and Wholesale	10,396,220	9,985,353
Labor Revenues	319,497	248,367
Real Estate Operating Lease Revenues	113,576	110,239
Financing Lease Revenues	6,196	6,900
Total	10,835,489	10,350,859

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

Statement	The fiscal year ended in 31 December	
	2024	2023
Vouchers sales commissions	1,944	2,500
Share of the company in the net profits of associated companies and joint ventures	198,386	32,335
Financing revenues, deposits and others	5,364	16,808
Financing costs of lease contracts liabilities	(129,363)	(100,714)
Gain on sale of investment property	0	99,476
Others, Net	17,047	18,647
Total	93,378	69,052

The Most Important Financial Parameters:

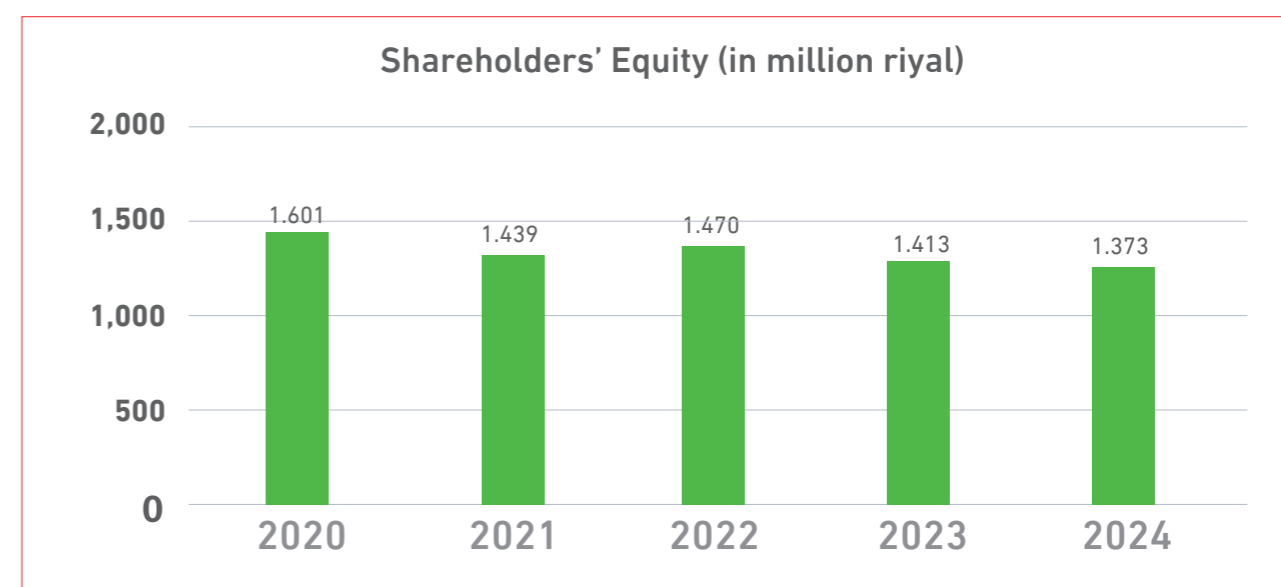
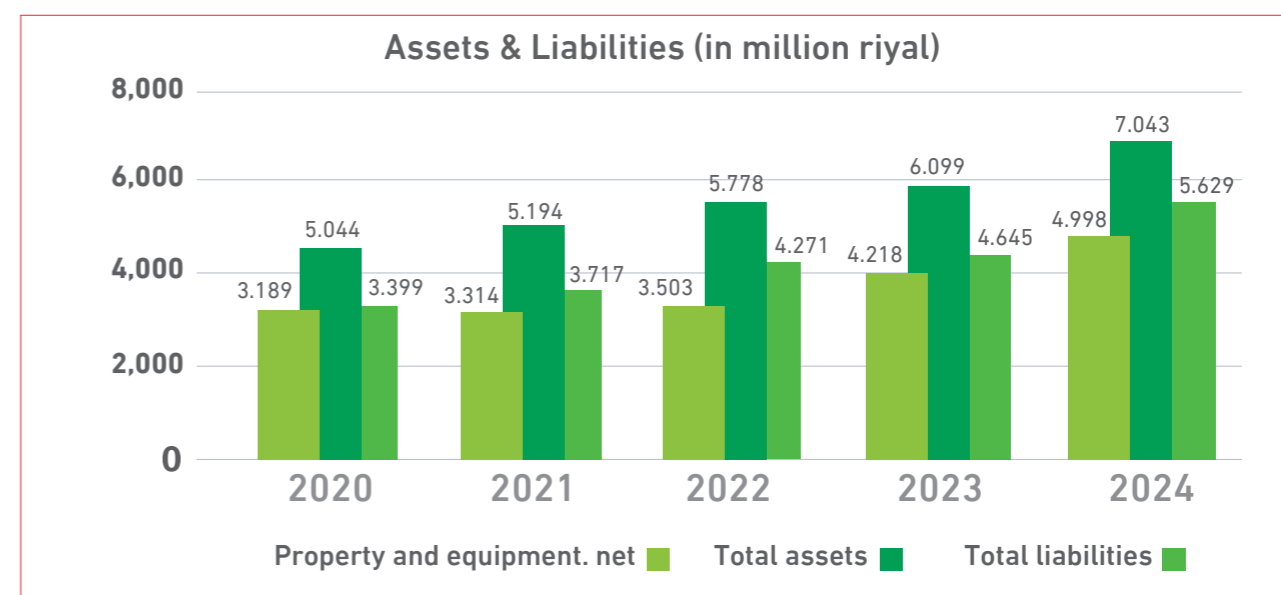
Statement	2024	2023	2022	2021	2020
Return on Revenues	%4.72	%4.66	%11.10	%3.45	%5.01
Return on Shareholders' equity	%36.69	%33.44	%73.70	%19.33	%28.13
Return on assets	%7.78	%8.12	%19.54	%5.74	%9.01
Rate of sales growth	%4.71	%7.16	%13.64	-%4.59	%7.87
Rate of net profit growth	%6.01	-%55.03	%264.81	-%34.09	%30.90
Earnings per Share from net income-riyal	0.57	0.54	1.19	0.33	0.49
Earnings per Share for parent company shareholders from the continuous operations-riyals	0.57	0.54	1.19	0.33	0.49
Earnings per share Attributable to Shareholders of the Company from ccontinuing and discontinued operations-riyals	0.57	0.54	1.19	0.33	0.49

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

Particulars	2024	2023	2022	2021	2020
Current Assets	1,616,037	1,546,503	1,939,184	1,328,367	1,388,598
Current liabilities	2,966,282	2,446,671	2,446,965	2,136,400	1,947,504
Current Capital	(1,350,245)	(900,168)	(507,781)	(808,033)	(558,906)
Investments in associates and others	311,365	197,800	165,271	351,593	270,537
Financial assets at amortized cost and others	118,138	137,010	170,258	199,455	196,399
Fixed Assets	4,997,943	4,217,987	3,503,330	3,314,126	3,188,536
Total Assets	7,043,483	6,099,300	5,778,043	5,193,542	5,044,069
Current liabilities	2,966,282	2,446,671	2,446,965	2,136,400	1,947,504
Long term loans	0	0	0	0	0
Other liabilities	2,662,665	2,198,135	1,823,855	1,580,997	1,450,997
Total Liabilities	5,628,947	4,644,806	4,270,820	3,717,397	3,398,501

Paid Capital	900,000	900,000	900,000	900,000	900,000
Share in other total income of sister companies	(17)	0	0	(149)	(59)
Reserves and retained earnings, and unrealized profits	472,699	512,748	570,275	539,048	701,191
Total equity of shareholders	1,372,682	1,412,748	1,470,275	1,438,899	1,601,132
Owner's equity of non-controlling interests	41,854	41,746	36,948	37,246	44,436
Total liabilities and owner's equity	7,043,483	6,099,300	5,778,043	5,193,542	5,044,069
Average of parent shareholders' equity	1,392,715	1,441,511	1,454,587	1,520,016	1,544,284

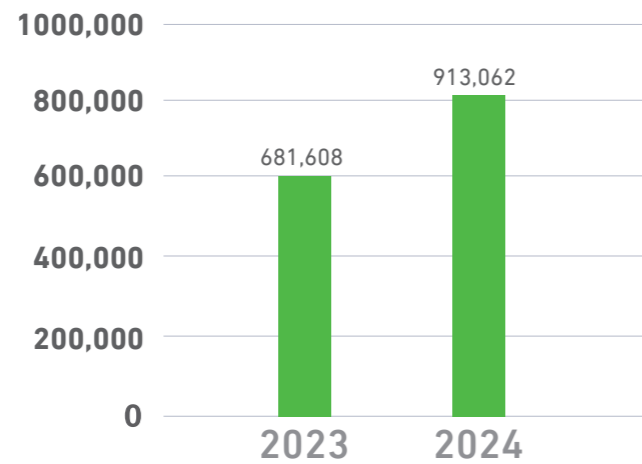
*The financial figures of the prior years have been restated to reflect the change in the accounting treatment of a significant sub-lease contract from an operating lease to financing lease. For further details please refer to note (37) accompanied with the financial statements.



c) Cash flows (in thousand riyals):

Cash flow	Fiscal years ended in 31 December	
	2024	2023
Cash flow from operation activities	913,062	681,608
Cash flow used in investment activities	(489,413)	(28,811)
Cash flow used in funding activities	(517,885)	(784,095)
Increase (Decrease) in cash	(94,237)	(131,298)
Opening balance	181,776	313,074
Closing balance	87,539	181,776

Cash flows from operating activities (in thousand riyals)

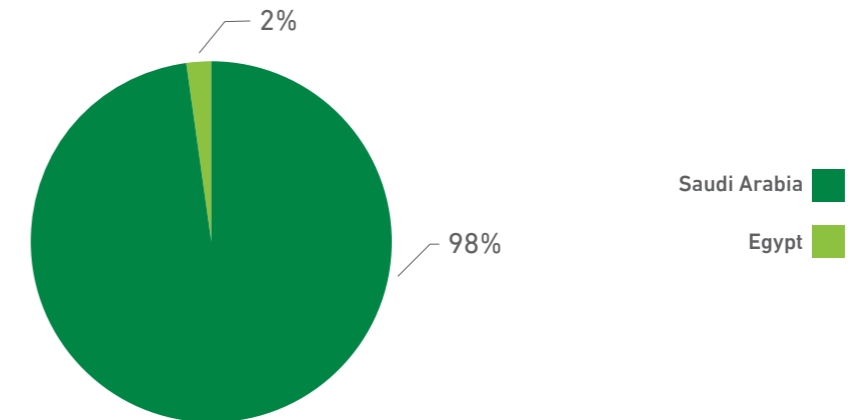


Third: Geographical Distribution for the Revenues of the Company and Its Affiliates:

a) Revenues of the company (in thousand riyals):

Region	2024		2023	
	Revenues	Percentage	Revenues	Percentage
Saudi Arabia	10,617,383	%98	10,130,435	%98
Arab Republic of Egypt	218,105	%2	220,424	%2
Total	10,835,489	%100	10,350,859	%100

Geographical Distribution of the Company's Revenues 2024



b) Revenues of the subsidiary within KSA (in thousand riyals):

Geospatial Analysis of the total of revenues of the subsidiary

Year	Region	Central region	Eastern region	Southern region	North-ern region	Western region	Total
2024	Revenue	241,758	55,190	1,523	21	21,004	319,497
	Percentage	%76	%17	%0.5	%0	%7	%100
2023	Revenue	188,279	45,953	2,253	524	11,359	248,367
	Percentage	%76	%19	%1	%0.1	%5	%100

Fourth: 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 rent activity. Some of the selected information for the two financial years 2023G and 2024G for each sector of business were summarized (in thousand riyals):

Statement	Retail and Whole-sale		Operational and financial leasing		Investments		Other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Property, plant and equipment	2,052,805	1,708,986	0	0	0	0	38,903	7,058	2,091,708	1,716,044
Right-of-Use Assets	1,892,410	1,706,374	359,700	189,189	0	0	4,606	5,734	2,256,716	1,901,297
Financial assets at amortized cost and others	0	0	87,568	112,240	0	0	30,570	24,770	118,138	137,010
Investment properties	0	0	644,321	598,427	0	0	0	0	644,321	598,427
Intangible assets	3,725	2,219	0	935,070	0	0	1,472	0	5,198	937,289
assets held for sale	0	0	0	0	0	0	0	1,011	0	1,011
Total assets	5,378,085	4,551,748	1,128,858	935,070	311,365	197,800	536,540	414,682	7,354,848	6,099,300
Total liabilities	5,108,715	4,335,267	425,733	227,214	0	0	94,499	82,326	5,628,947	4,644,806
Sales	10,399,300	9,995,171	0	0	0	0	425,523	314,546	10,824,823	10,309,717
Sales outside the group	10,399,300	9,995,171	0	0	0	0	316,417	238,548	10,715,717	10,233,719
Rental sales and income inside the company	0	0	62	60	0	0	109,106	75,998	109,168	76,058
Outside group rental income - net	0	0	113,576	110,239	0	0	0	0	113,576	110,239
Total income, sale commissions and rental revenue, net	2,354,878	2,216,138	79,076	71,015	0	0	57,796	55,156	2,491,750	2,342,309
Operating Income	352,242	353,481	79,076	71,015	0	0	17,720	19,956	449,037	444,452
Share in profit or loss of associates and joint venture, net	0	0	0	0	198,386	32,335	0	0	198,386	32,335
Financing Lease Revenues	0	0	6,196	6,900	0	0	0	0	6,196	6,900

Fifth: Explanation of Any Material Differences in the Operating Results from the Results of the Previous Year or Any Expectations Announced by the Company (in thousand riyals):

Statement	2024	2023	Net change	Change Ratio
Revenues/Sales	10,715,717	10,233,719	481,998	%4.71
Sales Cost/Revenues	(8,304,986)	(7,964,926)	(340,060)	%4.27
Gross profit	2,410,731	2,268,793	141,938	%6.26
Rental revenue - Operating	113,576	110,239	3,337	%3.03
Rental Expenses	(34,500)	(39,225)	4,725	-%12.05
Net operating Rental revenue	79,076	71,014	8,062	%11.35
Vouchers sales commissions	1,944	2,500	(556)	-%22.24
Operating expenses, others	(2,042,714)	(1,897,855)	(144,859)	%7.63
Income from main works	449,037	444,452	4,585	%1.03



Sixth: 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	1,800,000	28.19	50,739,085
7.	Shorofat Al Jazira for operation and maintenance	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	10,010,000	10	100,100,000

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 2024G the amount of SR 230 million, and the details are as follows: (in thousands of riyals):

Statement	Riyadh Bank	Arab National Bank	SABB Bank	National Bank
Short-term facility limit	50,000	50,000	250,000	195,000
Facilities used as of 31/12/2024	50,000	50,000	155,000	60,000
Facilities used as of 31/12/2023	0	0	0	0
Type of facilities	Short-term/Medium-term	Short-term	Short-term	Short-term
Loan Term	Up to 360 days	Up to 90 days	Up to 360 days	Up to 180 days
Date of First instalment	0	0	0	0
Date of last instalment	0	0	0	0
Purpose of the loan	Working capital financing			
Guarantees	Promissory Note			

b) Medium-term loans and Murabaha:

The Company have medium-term loans and murabaha an unutilized balance of these Murabaha as on 31 December 2024G was SR 85 million according to the following details: (in thousands of riyals):

Statement	SABB Bank
Medium-term facility limit	85,000
Facilities as of 31/12/2024	0
Facilities as of 31/12/2023	0
type of facilities	Medium-term
Loan term	5 Years
Date of First instalment	0
Date of last installment	0
Loan purpose	Buying land financing - capital expenditures - opening new branches - potential expansions
Guarantees	promissory note

Eighth: Legal Payments to Government Authorities (Inside KSA) (in thousands of riyals):

Statement	In 2024
Zakat	16,352
Value added tax	294,282
Withholding tax and real estate disposal tax	12,686
General Organization for Social Insurance – Subscriptions	77,811
The visas and passports	63,005
Labor office fees	169,524
Total	633,660

07 Investors Relations



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

a) Method of distributing Dividends:

The method and timing of dividend distribution are as follows:

- Dividends are distributed to shareholders on a quarterly/semi-annually/annually basis from distributable dividends in accordance with the audited or examined financial statements of the company, and in accordance with the relevant laws and regulations.
- The Board of Directors issues its resolution to distribution of interim dividends according to the delegation obtained from the general assembly or recommendation to the general assembly to distribute dividends.
- The company distributes from the distributable dividends at the end of each financial period in which a dividend distribution is decided and the distribution is subject to what the Board of Directors deems appropriate based on the company's financial position, available liquidity, capital expenditures, and financial obligations.

b) Timing of dividend payment:

Dividends are distributed to registered shareholders within (15) business days from the due date, and the due date is set within (15) business days from the date of announcing the dividend's distribution.

c) Regulatory requirements for distributing dividends:

- Ensure that any regulatory controls issued by the competent authorities regarding the distribution of dividends are met.
- The Board of Directors must obtain delegation from the General Assembly to distribute interim dividends annually.
- Any tax imposed by the regulations must be deducted from the dividends distributed to the non-resident shareholder, and the monthly tax return must be submitted to the Zakat, Tax and Customs Authority, and the due amount according to the return must be paid within the regulatory period.

d) Unreceived dividends:

Any shareholder who has not received dividends from the company can inquire about the unreceived dividends through the company's website or any inquiry method specified by the company, and claim the dividends not received by the shareholder.

e) Factors affecting the distribution of dividend:

The implement of this policy is subject to several factors that affect the profit distribution mechanism, which are as follows:

- Any material changes in the company's strategy and business (including the business environment in which the company operates).
- Any material changes in the laws, regulations, legislation, and controls related to their implementation.
- Any obligations or pledges that create restrictions on dividend distributions.

f) 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			Total profit for distribution and proposed for distribution	
	Distribution date	07/03/2024	12/06/2024		11/09/2024
900,000,000	Percentage	30.00%	%15.00	%15.00	540,000,000
	Total	270,000,000	135,000,000	135,000,000	

Second: Shareholders' Right and Method of Contacting:

Based on the company's keenness, concern, and care for the rights of its shareholders and stakeholders, the company has included these rights within the governance guide, and informs its shareholders and investors of all important developments, by publishing financial reports, announcements, and material information through the financial market website "Tadawul", the company's website, and the general assemblies of shareholders. It also gives utmost importance to communicating with its shareholders and answering their inquiries through the following e-mail: ir@othaimmarkets.com.

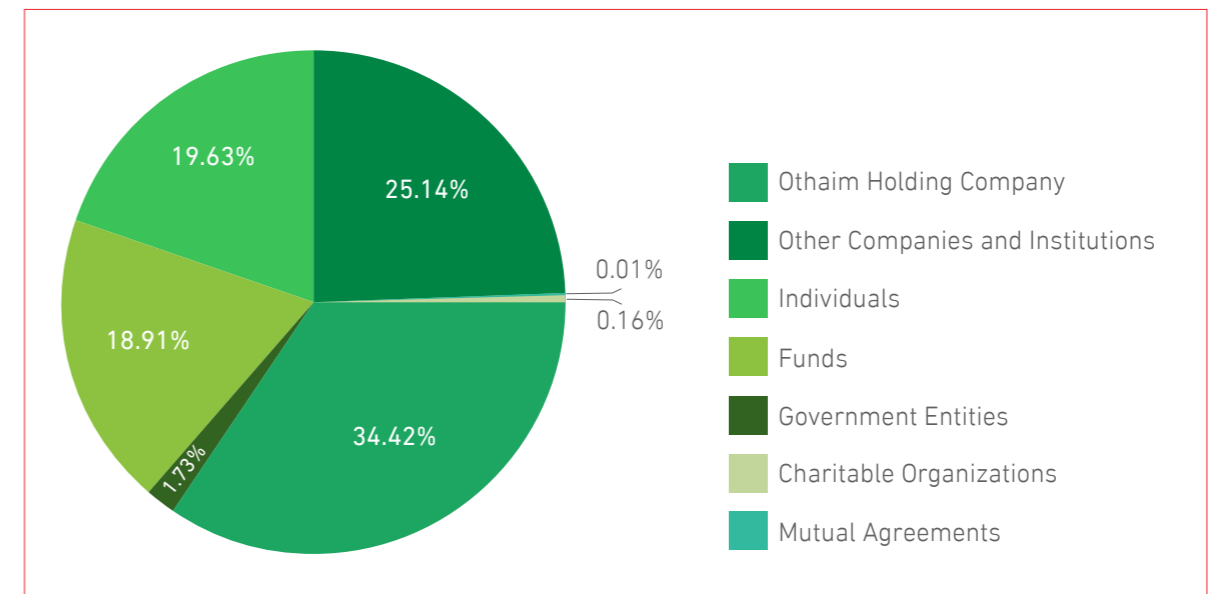
Third: Number of the Company Requests for the Register of Shareholders:

Number of record requests	The date of request	Reasons for the request
1	31/12/2024G	Company Formalities
1	01/10/2024G	General Assembly
1	24/09/2024G	Company Formalities
1	12/08/2024G	Company Formalities
1	07/08/2024G	Company Formalities
1	03/06/2024G	General Assembly
1	29/04/2024G	Company Formalities
2	28/04/2024G	Company Formalities
1	20/03/2024G	Company Formalities
1	31/01/2024G	Company Formalities
1	02/01/2024G	Company Formalities

Fourth: Shareholder Record Analysis:

Investor Category by Ownership for the Year 2024

Investor Category	Ownership Percentage
Othaim Holding Company	%34.42
Other Companies and Institutions	%25.14
Individuals	%19.63
Funds	%18.91
Government Entities	%1.73
Charitable Organizations	%0.16
Mutual Agreements	%0.01
Total	%100



Fifth: Share Performance During the Year 2024G:



Sixth: the Company's Announcements on the Saudi Stock Exchange "Tadawul" Website During the Year 2024G:

No	Announcement date	The Announcement
1)	04/01/2024G	Appointment of a Financial Advisor by The Fourth Milling Company "an associate company" for the process of partial offering of its shares to the public in the Main Market.
2)	10/01/2024G	Launching the service for inquiring about unreceived profits through its website
3)	17/01/2024G	The Board of Directors' approval of the dividend distribution policy to the company's shareholders.
4)	07/02/2024G	Interim Financial results for the period ending on 12/31/2023G (Twelve Months).
5)	07/02/2024G	Distribution of Cash Dividends to Shareholders for the Second Half of the year 2023G.
6)	12/02/2024G	Organizing a Conference Call to Discuss the Results of the Fourth Quarter of the Financial Year 2023G.

7)	31/03/2024G	Annual Financial results for the period ending on 31-12-2023G.
8)	06/05/2024G	Inviting Shareholders to Attend the Ordinary General Assembly Meeting (First Meeting) through Modern Technology.
9)	13/05/2024G	Interim financial results for the period ending 31-03-2024G (Three Months).
10)	13/05/2024G	Distribution of Cash Dividends to Shareholders for the First quarter of the year 2024G.
11)	20/05/2024G	Organizing a Conference Call to Discuss the Results of the First Quarter of the Financial Year 2024G.
12)	04/06/2024G	Results of the Ordinary General Assembly Meeting (First Meeting).
13)	24/06/2024G	Opening nominations for membership for the next Board of Directors session.
14)	09/07/2024G	Signing of a contract with the General Organization for Social Insurance to lease a land in the city of Dammam-KSA.
15)	06/08/2024G	Interim financial results for the period ending on 30-06-2024G (Six Months).
16)	06/08/2024G	Distribution of Cash Dividends to Shareholders for the Second Quarter of the year 2024G.
17)	14/08/2024G	Organizing a Conference Call to Discuss the Results of the Second Quarter of the Financial Year 2024G.
18)	04/09/2024G	Inviting Shareholders to Attend the Extraordinary General Assembly Meeting (First Meeting) through Modern Technology.
19)	29/09/2024G	Update on Appointment of a Financial Advisor by The Fourth Milling Company "an associate company" for the process of partial offering of its shares to the public in the Main Market.
20)	02/10/2024G	Results of the Extraordinary General Assembly Meeting (First Meeting).
21)	03/10/2024G	Appointment of the Chairman of the Board Directors, Vice Chairman, members of the Board's committees, and representatives of the company's.
22)	03/10/2024G	Appointment of Members of the Audit Committee.
23)	04/11/2024G	Update on Resolution of the Board of Directors Approving Dividends Distribution Policy to the Company's shareholders.
24)	05/11/2024G	Interim financial results for the period ending on 30-09-2024G (Nine Months).
25)	12/11/2024G	Organizing a Conference Call to Discuss the Results of the third Quarter of the Financial Year 2024G.
26)	26/12/2024G	Inviting Shareholders to Attend the Extraordinary General Assembly Meeting (First Meeting) through Modern Technology.

Seventh: Upcoming Announcements of Interest to Shareholders:

In line with the best practices in the field of disclosure and transparency, the company would like to share with its shareholders the most prominent announcements to be made in 2025G that are of interest to the public of its shareholders and investors, but the dates of these announcements are subject to change for legal reasons or An emergency whose assessment is subject to the Board of Directors, and accordingly, the company does not have any obligation towards the proposed dates in the event that they are not achieved on the expected dates for any reason.

No.	The Announcement	Date
1)	Announcement of the Distribution of Interim Cash Dividends to Shareholders for the Fourth Quarter of 2024G.	25/03/2025G
2)	Announcement of Interim Financial Results for the Period Ended March 31, 2025G.	13/05/2025G
3)	Announcement of the Distribution of Interim Cash Dividends to Shareholders for the First Quarter of 2025G.	13/05/2025G
4)	Holding the Annual General Assembly Meeting of the Company's Shareholders.	20/05/2025G
5)	Organizing a Conference Call to Discuss the Results of the First Quarter of Fiscal Year 2025G.	22/05/2025G
6)	Announcement of Interim Financial Results for the Period Ended June 30, 2025G.	05/08/2025G
7)	Announcement of the Distribution of Interim Cash Dividends to Shareholders for the Second Quarter of 2025G.	05/08/2025G
8)	Organizing a Conference Call to Discuss the Results of the Second Quarter of Fiscal Year 2025G.	13/08/2025G
9)	Announcement of Interim Financial Results for the Period Ended September 30, 2025G.	04/11/2025G
10)	Announcement of the Distribution of Interim Cash Dividends to Shareholders for the Third Quarter of 2025G.	04/11/2025G
11)	Organizing a Conference Call to Discuss the Results of the Third Quarter of Fiscal Year 2025G.	17/11/2025G
12)	Announcement of Interim Financial Results for the Period Ended December 31, 2025G.	10/02/2026G
13)	Organizing a Conference Call to Discuss the Results of the Fourth Quarter of Fiscal Year 2025G.	19/02/2026G
14)	Announcement of the Annual Financial Results for the Year Ended December 31, 2025G.	15/03/2026G
15)	Announcement of the Distribution of Interim Cash Dividends to Shareholders for the Fourth Quarter of 2025G.	15/03/2026G



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.



العشيم
Othaim