

بحر العرب لأنظمة المعلومات
Arab Sea Information Systems



ANNUAL REPORT
OF THE BOARD OF DIRECTORS 2025



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



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

May Allah bless him



His Royal Highness
Mohammed bin Salman bin Abdulaziz Al Saud

The Crown Prince, Prime Minister

May Allah bless him

OUR VISION N

At Arab Sea Company, we work with enthusiasm and effort to achieve our clients' satisfaction and aspirations. We have a selection of computer programs that are continuously evolving as we continue to innovate and harness all our energies to provide the best software solutions for our clients, based on the principles of trust, integrity, simplicity, ease, perseverance, and encouraging a spirit of innovation and development.

OUR MISSION N

Providing modern, integrated, and high-quality software solutions that contribute to the success, growth, and development of businesses in both the public and private sectors. This is achieved through a highly qualified team of top programmers, specialized analysts, technicians, and trainers.

We are always committed to developing our business and keeping pace with the latest technologies to safeguard our strategic interests and those of our shareholders. Every year, we take pride in our achievements and successes, which result from the collective efforts of our entire team. We look forward to moving forward towards continuous and lasting success.



CHAIRMAN'S MESSAGE



Mr. Abdullah Mohammed Nasser Al-Hawas
Chairman of the Board



The company has focused on strengthening its operational capabilities by developing its human capital and adopting best practices in business management.



The company reaffirms its commitment to continuing to develop innovative technological solutions and expanding its digital services.

Dear Esteemed Shareholders,
Peace be upon you, and may Allah's mercy and blessings be upon you,

I am pleased to present to you the Annual Report of Arab Sea Information Systems Company for the year 2025, which highlights the company's performance during the year, its key achievements, and its strategic direction toward achieving sustainable growth and strengthening its position in the information technology sector.

During 2025, the company continued implementing its strategy focused on developing technological solutions and expanding the scope of its services. It also maintained its investments in upgrading its systems and products in alignment with customer requirements and market needs, contributing to improved operational efficiency and enhanced service quality.

The company also placed strong emphasis on strengthening its operational capabilities by developing human capital and adopting best practices in business management, supporting the achievement of its strategic objectives and

reinforcing its ability to adapt to the rapid changes in the technology sector.

As part of its commitment to governance, the Board of Directors continued to apply relevant regulations and policies, while enhancing transparency and risk management practices to ensure business sustainability and safeguard shareholders' interests.

The company reaffirms its commitment to developing innovative technological solutions and expanding its digital services, thereby enhancing its competitiveness and supporting its growth in the coming years.

In conclusion, I would like to extend my sincere thanks and appreciation to the members of the Board of Directors, the executive management, and all company employees for their efforts. I also express my gratitude to our valued shareholders for their trust and continued support
May Allah grant us success.

Mr. Abdullah Mohammed Nasser Al-Hawas
Chairman of the Board



Description of the Main Activity of The Company

Arab Sea Information Systems Company was registered in the Kingdom of Saudi Arabia as a limited liability company under commercial registration number 1010169116, issued in the city of Riyadh on 27/06/1422H (corresponding to 15/09/2001)..

Based on the decision of the Minister of Commerce and Industry (No. 128/M) dated 14/04/1429H (21/04/2009), the company's legal structure was transformed from a limited liability company to a closed joint-stock company, and subsequently to a joint-stock company. It was listed on the Saudi Stock Exchange (Nomu) on 26/02/2017. On 12/04/2020, the Saudi Financial Market (Tadawul) approved the company's transition to the main market.

The company's activities, as outlined in the articles of association, are as follows:



Wholesale of computer equipment and control.



Wholesale of computers and computer accessories, including printers and printer ink.



Retail sales of computers and computer accessories, including printers and printer ink.



Network extensions.



Installation and cabling of computer and communications networks.



Establishing the infrastructure for web hosting, data processing services, and related activities.



Registration to provide cloud computing services.



Public Services Activities.



Application Development.



Cybersecurity.



Sale of off-the-shelf software.



Consulting services in the field of communications and information technology.



Technology in Financial Services.



Operating systems.



Custom software design and development.



Front-end Design and User Experience.



Wholesale software sales, including imports.



Software retail.



Systems Analysis



Deploying pre-built applications.



Cloning of off-the-shelf computer software.



Management and leasing of owned or leased property.

Subsidiaries:

Company Name	Country of Incorporation	Core Business	Country of Operation	Ownership Percentage (direct and non directly)	Capital in relation to the par value of shares	Number of share
Arab Sea Financial Company Single-person company Closed joint-stock company	KSA	E - Payments	KSA	100% owned by Arab Sea Information Systems Company	15,000,000	1,500,000
Era Data Information Technology	KSA	Cloud computing services	KSA	100% owned by Arab Sea Information Systems Company	2,500,000	250,000



Arab Sea

Information Systems Services



Arab Sea is committed to leveraging all resources to serve its clients and build long-term relationships for mutual success. This is achieved through a specialized team focused on study, planning, and execution tailored to each client's business activities and management practices.

Our services include



Consulting and Planning:

The Arab Sea team assesses the client's technical needs and develops technical and strategic plans to meet these requirements based on the nature of the work and established procedures. The team also provides consulting services in software, systems, network infrastructure, and integration design and implementation. This includes preparing technical specifications for devices, equipment, operating systems, and all project-related technical requirements.



Installation:

Arab Sea Company provides its clients with a team of specialized technicians for the installation of devices, software, and networks at the client's location, ensuring the necessary settings are configured to create a technical work environment for the required systems.



Digital payment services:

The company provides its clients with a digital payment platform for their online stores, ensuring an automated, secure, and auditable process through digital channels.



Cloud computing services:

Arab Sea Company provides cloud computing services to its clients by hosting their data through interconnected web servers. Cloud hosting is known for its greater stability and flexibility.



Training:

Arab Sea Company has a group of specialized trainers who possess high competence in training clients' employees on various company systems using modern methods and according to a training plan aimed at mastering the employee's skills in dealing with the system, utilizing its capabilities and features to serve the institution in which they work.



Arab Sea Information Systems Products



- More than 760,215 users rely on Arab Sea systems daily to manage their commercial and governmental operations.

Our product lineup features a selection of continuously evolving software, including the SMACC program, which has seen six major releases over a quarter-century of development. This progress reflects our ongoing commitment to meeting our clients' needs and facilitating their operations through innovative, comprehensive software solutions that leverage the latest technologies and services.

Our Products



More than
760,215
Users



Featured product
SMACC
Smacc software



of which
6
major versions
were issued

SMACC

Saudi Management and
Accounting System



The development
began in

1986



More than

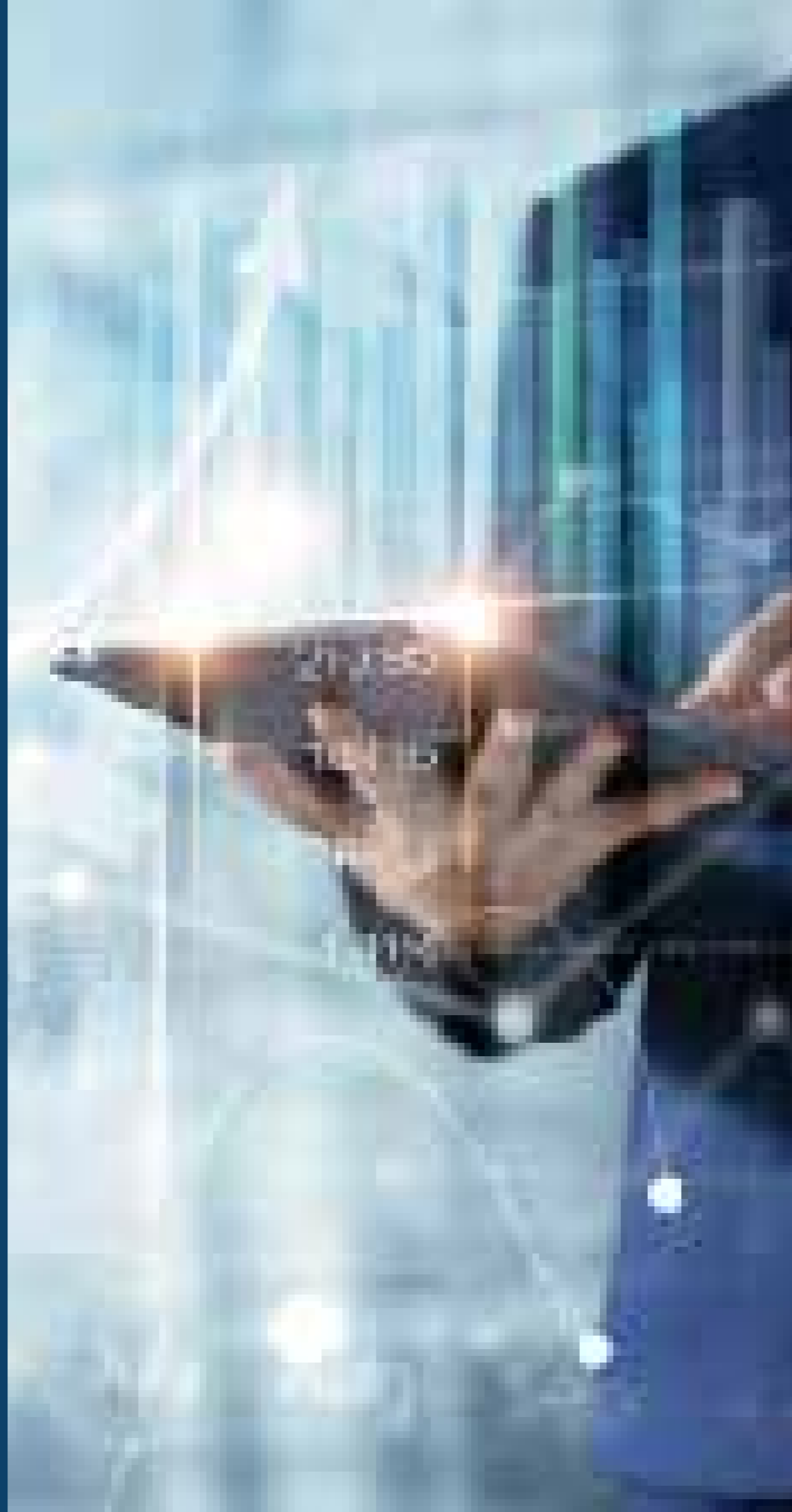
760,215

users



The first version
was issued

1988



SMACC

It is a Saudi accounting business management software fully developed by Arab Sea Information Systems Company. Development began in 1986, and the first version was released in 1988. As such, the program possesses a deep understanding of the business environment in the Kingdom of Saudi Arabia, supported by its long history in the market and its continuous ability to meet customers' technical requirements.

The program caters to the needs and aspirations of various organizations, which has led to its widespread adoption within the Kingdom of Saudi Arabia and beyond.

The SMACC system has also gained the trust of academic institutions in the Kingdom of Saudi Arabia, having been selected for teaching in accounting departments across numerous local and Arab academic institutions for more than 20 years—and continues to be so. A dedicated academic curriculum has been developed for it, providing comprehensive instruction on how to use the system.

Students study this curriculum and receive hands-on practical training as a fundamental requirement for completing a Computerized Accounting certification.

VAT Compliance

SMACC offers a complete system for creating and preparing Value Added Tax (VAT) in accordance with the requirements of the Zakat, Tax, and Customs Authority (Fatoora platform). Its straightforward implementation process ensures that all invoices comply with official standards accurately and efficiently.

Additionally, SMACC allows for real-time management and customization of all invoices, both tax and simplified, with immediate integration with the Fatoora platform to ensure quick and precise compliance with tax requirements without delays.

The SMACC accounting program consists of several integrated subsystems within a unified framework, enabling comprehensive management of all organizational operations in areas such as accounting, sales, purchasing, inventory, point of sale, and human resources. It also features an attendance and departure system linked to payroll, utilizing fingerprint or magnetic card technology.

SMACC has a significant presence in Arab countries, with agents in Egypt, Yemen, Sudan, Jordan, and Morocco. The program is also used by clients in the United States, Singapore, China, and India.

SMACC Website : www.smacc.com

SCRIBES

ERP SYSTEM



Planning
companies' resource



Flexibility
and ease of use



Maximum Protection
of data



SCRIBES

Scribes is an enterprise resource planning (ERP) system, comprising an integrated suite of applications developed by Arab sea , designed for managing and planning resources in medium to large companies, as well as production lines and manufacturing. It utilizes global Microsoft technologies and operates in both cloud and local network environments.

Scribes incorporates many features of leading global systems, such as flexibility and user-friendliness, while also offering the capabilities of large databases and maximum data protection through a robust security and monitoring system. It enables remote management, allowing users to access their reports from anywhere in the world.

Department managers can obtain data, reports, inquiries, future plans, estimated budgets, and performance deviation metrics to address issues and enhance operational efficiency.

The system is designed to accommodate various activities and specialties, as evidenced by Scribes' diverse clientele, which includes:

- Commercial companies
- Factories and production lines
- Contracting firms
- Real estate marketing
- Optical management and insurance companies
- Government agencies
- Charitable organizations
- And other activities.

3S

Point of Sale 3S System



Best Solution

For Retailers



Integrated

With Inventory Management



Ease of Use

And High Performance



3S Point of Sale

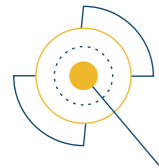
3S System

- 3S Point of Sale System is designed to support retail sales growth with inventory management tools, including real-time reports and analytics.
- The 3S system enhances store sales by utilizing both cloud-based and desktop systems.
- The 3S system allows you to access and manage all your branches seamlessly from a single location.
- The reporting system in 3S generates comprehensive reports based on data to facilitate informed decision-making.
- The 3S point of sale system is designed to work securely with multiple payment methods.

www.3spos.com

GIC

E-Government Solutions



Strong
Firewall



Monitor
All Operations



Possible
To handle any new development

GIC

GIC is a Government Information Management System, providing a comprehensive suite of applications aimed at integrating all services offered by government entities within a unified system. This allows users to access all government services, information, and transactions electronically through a single entry point.

Arab Sea Information Systems aims to enhance and expand its services to include government sectors. The company conducted a study on governmental systems and the operations of various agencies, revealing disparities in electronic work environments and computer systems. The study highlighted a lack of integration and challenges in information sharing among different units due to varying applications and databases, as well as weak systems for collaboration and interoperability. Additionally, many current computer systems lag behind modern technologies in databases, interoperability, data encryption, and information security.

In light of this study, Arab Sea anticipates the future of government operations under e-government systems and recognizes the need for interconnected systems that ensure integration while safeguarding information security without compromising government performance and procedures, in compliance with regulations issued by the Ministry of Finance.

The primary objectives of integrated e-government systems can be summarized as follows:

The program aimed to integrate e-government services, yielding positive results that enhance the availability, productivity, and effectiveness of electronic services provided to users. It also aimed to increase the efficiency of government institutions through optimal use of information and communication technology and simplifying government system procedures, aiming to strengthen collaboration between various government entities and increase user participation in service delivery. The main objectives of integrated e-government systems can be summarized as follows:

- Improving government services for users by providing more efficient, effective, and accessible services for everyone.
- Increasing the internal efficiency of government institutions by streamlining procedures and enhancing coordination among agencies.
- Promoting governance and transparency by clarifying various processes and involving users in decision-making.

This phase took three years. In 2008, the implementation of the systems began under the supervision of a specialized team, utilizing the latest software technologies. The system was designed to fully comply with the requirements and specifications of the e-Government Transactions Program, "Yusser."

www.saudigrp.com

3S Cart

Smart E-Store Solution



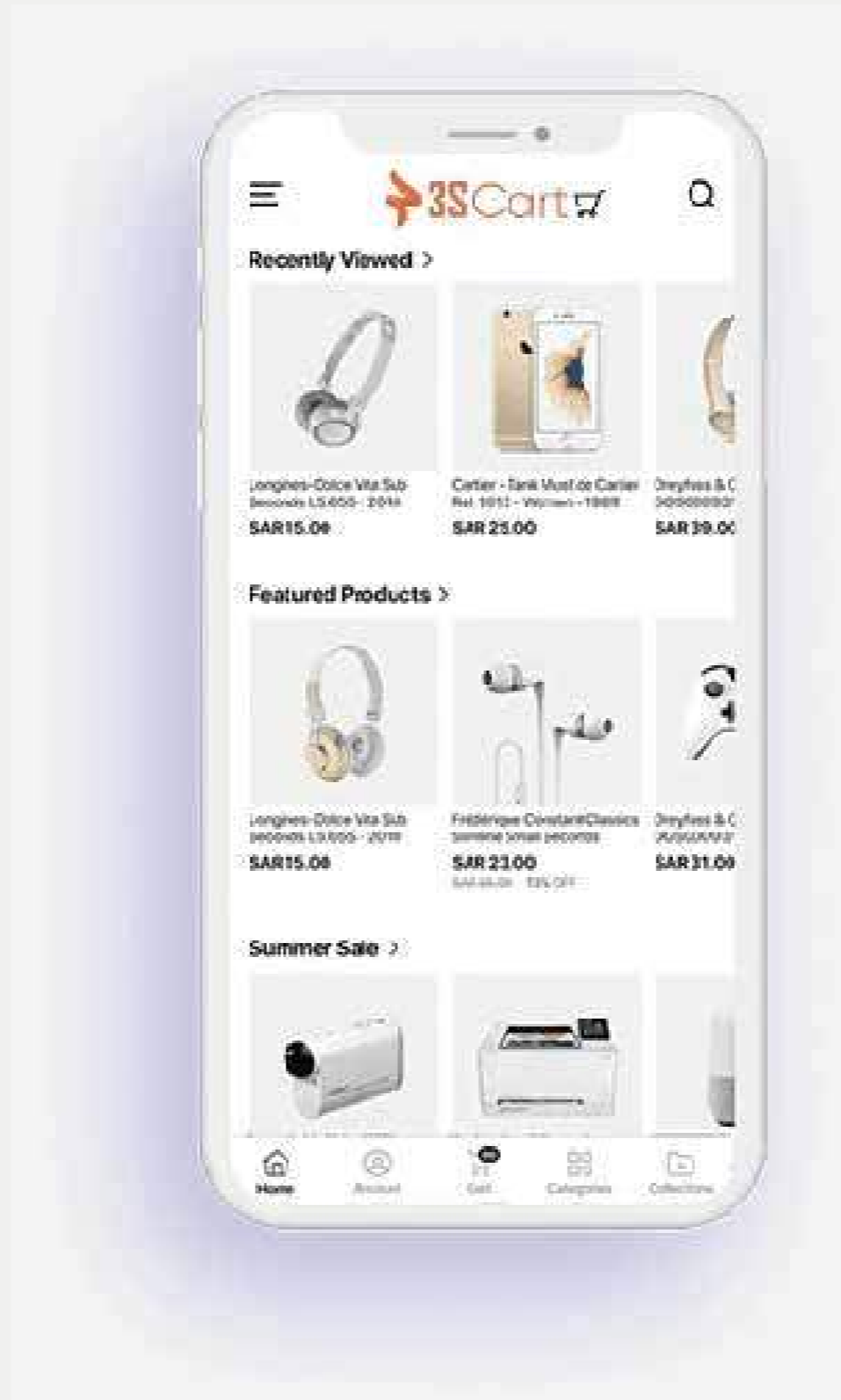
Comprehensive
e-commerce platform



Providing
essential marketing tools



Simplify
product management



3S Cart

3S Cart is a comprehensive e-commerce platform designed to launch and enhance your online brand with its extensive features.

It simplifies every aspect of product management, including online store orders, customer interactions, payments, inventory, shipping, taxes, discounts, and coupons.

Users can create unlimited product pages, categories, and groups, as well as manage deals and offers for customers.

3S Cart opens up new opportunities in the e-commerce sector.

Additionally, you can create an online store accessible from any smart device.

www.3scart.com

Employees Statistics

315

Employee




Human Capital:

Human Resources Management is responsible for the company's most valuable asset: its people. It serves as both the entry and exit point for employees. HR focuses on managing human capital and maximizing its potential through training, time management, and creating an ideal work environment. This includes providing employees with the necessary resources to perform their tasks effectively and achieve high productivity.

Additionally, HR plans strategically to address external challenges by adhering to relevant laws and policies. It aims to leverage these regulations while ensuring the company avoids any violations that could arise from non-compliance with legislative requirements..

Achievements of the Human Resources Department at Arab Sea Information Systems for the year 2025:

- The Human Resources (HR) department focuses on daily aspects of employee management, providing precise details on routine activities that ensure efficient workflow.
- The department monitors employee participation in training programs, including completion rates, and evaluates the impact of training on skill development and job performance.
- It analyzes the reasons behind employee turnover and proposes improvements aimed at enhancing the work environment and increasing retention rates.
- Recruitment indicators are used to assess the efficiency and effectiveness of the hiring process, with the goal of optimizing it to attract the right talent at lower costs and within shorter timeframes.
- The HR department places significant importance on human capital as the primary driver of growth and development, positioning the company among the leading firms in the Kingdom.
- It implements initiatives from the Ministry of Human Resources and Social Development to attract and enhance workforce skills through employment support programs and on-the-job training.
- Additionally, the department has diversified communication channels, leveraging modern technological advancements to reach a broader talent pool. This includes partnerships with leading online recruitment platforms to attract fresh Saudi graduates and provide them with job opportunities.
- The company has activated the Women's Empowerment Program, which is a fundamental goal aligned with the national vision, ensuring equal opportunities for both genders to utilize their skills and contribute to development.
- The HR department dedicates significant efforts to retaining and developing in-house talent through various initiatives aimed at improving employee capabilities and performance.
- In its pursuit of measuring service quality for employees, the department has introduced a survey to assess employee job satisfaction within the company.



The provisions of the
Corporate Governance
Regulations that have been
applied.

1- The provisions of the Corporate Governance Regulations that have been applied.

The company adheres to all mandatory provisions in the Corporate Governance Regulations issued by the Capital Market Authority, except for certain advisory provisions outlined below:

Article No.	Paragraph No.	Article / Paragraph	Reason for not implementing
37	1,2	<p>The company must prioritize the training and qualification of board members, committee members, and executive management, implementing the necessary programs while considering the following:</p> <ol style="list-style-type: none"> Develop programs for newly appointed board members, committee members, and executive management to familiarize them with the company's operations and activities, particularly focusing on the following: <ol style="list-style-type: none"> Company strategy and objectives. Financial and operational aspects of the company's activities. Responsibilities, duties, and rights of board members. Roles and responsibilities of the company's committees. Establish mechanisms to ensure that board members, committee members, and executive management continuously receive training programs and courses to enhance their skills and knowledge relevant to the company's activities. 	<p>This provision has not yet been implemented, as it is a guideline; however, efforts are underway to implement it this year, and a contract has been signed with a company specializing in board of directors training.</p>
39	A,B,C,D,E,F	<ol style="list-style-type: none"> The Board of Directors, based on the recommendation of the Nominations Committee, establishes mechanisms to annually evaluate the performance of the board, its members, committees, and executive management. This evaluation utilizes appropriate performance indicators related to the achievement of the company's strategic goals, the quality of risk management, the adequacy of internal control systems, and other relevant factors. It aims to identify strengths and weaknesses and propose solutions that align with the company's interests. The performance evaluation procedures must be documented and clearly communicated to board members and relevant stakeholders. The evaluation should encompass the skills and experiences of the board, pinpointing strengths and weaknesses, and addressing weaknesses through the nomination of qualified professionals to enhance board performance. Additionally, it should assess the overall functioning of the board. In the individual evaluation of board members, attention is given to each member's active participation and commitment to their duties and responsibilities, including attendance at board and committee meetings and the allocation of necessary time for these activities. The Board of Directors will arrange for an external assessment of its performance every three years. Non-executive board members will conduct a periodic evaluation of the Chair's performance, considering the views of executive members, without the Chair being present during this discussion. This evaluation will also identify strengths and weaknesses and propose solutions that serve the best interests of the company. 	<p>This article has not been implemented as it is guiding in nature and will be applied in the future.</p>
67,68,69		Formation of the Risk Committee	<p>The internal auditor has been assigned the tasks of risk assessment and mitigation under the supervision of the Audit Committee</p>

82	1,2,3	<p>The company implements development and incentive programs to enhance employee participation and performance, specifically including the following:</p> <ol style="list-style-type: none"> Form committees or hold specialized workshops to gather employee opinions and discuss important decision-making topics. Programs that grant employees shares in the company or a share of its profits, along with retirement plans, and the establishment of an independent fund to finance these programs. Establish social institutions for company employees. 	<p>This provision has not been implemented as it is advisory, but it will be applied in the future.</p>
84		<p>Social Responsibility: The General Assembly, based on a proposal from the Board of Directors, establishes a policy that ensures a balance between its objectives and the goals the community aims to achieve, with the aim of improving the social and economic conditions of the community.</p>	<p>This provision has not been implemented as it is advisory, but it will be applied in the future.</p>
85	1,2,3,4	<p>Social Initiatives: The Board of Directors establishes programs and identifies the necessary means to present the company's initiatives in social work, which include the following:</p> <ol style="list-style-type: none"> Developing performance indicators that link the company's initiatives in social work to its overall performance, and comparing these with similar companies. Communicating the company's social responsibility goals to its employees and providing education and awareness on the subject. Disclosing plans for achieving social responsibility in relevant periodic reports related to the company's activities. Creating community awareness programs to promote the company's commitment to social responsibility. 	<p>This provision has not been implemented as it is advisory, but it will be applied in the future.</p>
92		<p>Formation of a Corporate Governance Committee If the board of directors establishes a specialized committee for corporate governance, it must delegate to this committee the responsibilities outlined in Article 91 of these regulations. This committee is tasked with monitoring governance applications and providing the board with reports and recommendations at least annually.</p>	<p>This provision has not been implemented as it is advisory, but it will be applied in the future.</p>



Mr. Mohammed Saleh Mohammed Al-Suhaibani
(May Allah have mercy on him)
Chairman of the Board of Directors



Mr. Abdullah Mohammed Nasser Al-Hawas
Board of Directors Member



Mr. Ahmed Suleiman Mohammed Al-Jasser
Deputy Chairman of the Board of Directors



Mr. Haitham Mohammed Saleh Al-Suhaibani
CEO & Board of Directors Member



Mr. Saleh Mohammed Giridi Al-Ajyan
Board of Directors Member



Dr. Ahmed Siraj Abdulrahman Khogir
Board of Directors Member



Eng. Abdul Aziz Mohammed Ali Al Khalifa
Board of Directors Member

Names of the board members, committee members,
and executive management

2- Names of the board members, committee members, and executive management

2-1 Members of the Board of Directors

Name	Current Job	Previous Job	Qualifications	Experiences
Mohammed Saleh Mohammed Al-Suhaibani (May Allah have mercy on him) *		Chairman of the Board of Directors of Arab Sea Information Systems Company.	Diploma in Languages, King Saud University	49 years in management, information systems, finance, and investment.
Abdullah Mohammed Nasser Al-Hawas	Journalist at Al-Riyadh Newspaper	Founder and Director of Tala Advertising Agency	Diploma in Commerce	37 years of experience in trade, investment, and media.
Ahmed Sulaiman Mohammed Al Jasser	Consultant	-National Development Fund -Investment Events Fund -Capital Market Authority -Samba Financial Group	- Bachelor's degree in Industrial Management - Executive Management Certificate from INSEAD, France	33 years of experience in finance, banking, investment, and capital markets.
Haitham Mohammed Saleh Al-Suhaibani	CEO of Arab Sea Information Systems	Director of Administrative and Technical Affairs at Arab sea Information Systems Company.	Higher Diploma in Information Technology, King Saud University.	28 years in the field of Information Systems and Management.
Abdul Aziz Mohammed Ali Al Khalifa	Owner and Founder of Dun Trading Company	IT Department at STC	Master of Science in Computer Science, Portland State University, United States.	44 years in technology and management.
Ahmed Siraj Abdulrahman Khogir	Part-time consultant, board member of several companies, and chair of the Council of Colleagues at the American Institute of Chemical Engineers.	Saudi Aramco is a founding member and the Chief Project Officer of King Abdullah University of Science and Technology (KAUST).	- Ph.D. and Master's degrees in Chemical Engineering with First Class Honors - Master of Business Administration with Honors - Postgraduate Diploma in International Finance with First Class Honors - Fellowship of the Texas State Board of Engineers - The first Arab to be awarded a Fellowship in Chemical Engineering from the American Institute of Chemical Engineers - Certified Project Manager - Certified International Arbitrator	With 33 years at Saudi Aramco, I have held various roles in refinery management, facility planning, research and development, and large-scale project management. I served as a senior management consultant and was a founding member of King Abdullah University of Science and Technology. Additionally, I held several leadership positions at the American Institute of Chemical Engineers, being the first person from outside the U.S. to do so, and I have been a member of the boards and committees of numerous listed companies.
Saleh Mohammed Giridi Al-Ajyan	Director of the Special Residency Application Processing Department	-Chief Operating Officer at Al-Maqas Global -Chief Executive Officer at Nabras Advertising Agency	Bachelor's Degree in Political Science	19 years in the banking, advertising, and technology sectors.

* The membership of Mr. Muhammad Salih Al-Suhaibani (may God have mercy on him) on the Board of Directors ended on the date of his death, January 19, 2025.

2-2 Committee members

Name	Current Job	Previous Job	Qualifications	Experiences
Nomination and Remuneration Committee				
Salih Mohammed Jreidi Al-Ajyan	Director of the Special Residency Application Processing Department	-Chief Operating Officer at Al-Maqas Global -Chief Executive Officer of Nebras Advertising Agency	Bachelor's Degree in Political Science	19 years in the banking, advertising, and technology sectors.
Abdullah Mohammed Nasser Al-Hawas	Member of the Saudi Journalists Association	Founder and Director of Tala Advertising Agency	Diploma in Commerce	37 years of experience in commerce, investment, and media.
Abdulaziz Mohammed Ali Al-Khalifa	The owner and founder of Dan Trading Company.	Executive Director of Business Technology at the National Center for Measuring the Performance of Public Entities	Master's in Computer Science, Portland State University, United States.	44 years in technology and management.
Audit Committee				
Ahmed Siraj Abdulrahman Khogir	Part-time consultant, board member, and committees member of several companies, also serving as Vice President of the Fellow Council at the American Institute of Chemical Engineers	Saudi Aramco Founding member and Chief Project Officer of King Abdullah University of Science and Technology (KAUST)	Ph.D. and Master's degrees in Chemical Engineering with First Class Honors Master of Business Administration with Honors Postgraduate Diploma in International Finance with First Class Honors Fellowship of the Texas State Board of Engineers The first Arab to be awarded a Fellowship in Chemical Engineering from the American Institute of Chemical Engineers Certified Project Manager Certified International Arbitrator.	33 years at Saudi Aramco, across refinery operations, facilities planning, research and development, and mega project management. He also served as an advisor to senior management, a founding member of King Abdullah University of Science and Technology (KAUST), and held several leadership positions at the American Institute of Chemical Engineers (AIChE)—becoming the first person in history from outside the United States to do so. Additionally, he has served as a board member of several listed joint-stock companies and their committees.
Ahmed Sulaiman Mohammed Al Jasser	Consultant	National Development Fund Investment Events Fund Capital Market Authority Samba Financial Group	- Bachelor of industrial management - Certificate of executive managers from INSEAD University, France	33 years in the financial, banking, investment, and capital markets sectors.
Nasser Abdullah Saleh Al-Awfi	Retired	Director of Financial Affairs, Administration, and Investment Department at the Saudi Pharmaceutical Industries Company (SPIMACO)	- Master of Accountancy from the University of Southern New Hampshire, USA - MBA from the University of Southern New Hampshire, USA	34 years in the field of finance, administration, auditing for companies, and strategic studies.
Khaled Abdulaziz Suleiman Al-Hoshan	Internal Audit Manager for the National Health Laboratory	Internal Auditor at Safari Holdings Company	- Master of Applied Finance, University of Newcastle, Australia - Master of Business Administration, University of Newcastle, Australia - Postgraduate Diploma in International Business, University of Newcastle, Australia	24 years in the field of finance, auditing, and compliance for companies.

2-3 Executive Management

Name	Current Job	Previous Job	Qualifications	Experiences
Haitham Mohammed Saleh Al-Suhaibani	CEO of Arab Sea Information Systems	Director of Administrative and Technical Affairs at Arab sea Information Systems Company.	Higher Diploma in Information Technology, King Saud University.	28 years in the field of Information Systems and Management.
Ahmed Taha El-Sayed Fayyad	Financial Director	Financial Manager of Building & Construction Factory	Faculty of Commerce, Department of Accounting	31 years in the field of financial accounting
Adel Musa Abdul Qader Idris	Product Manager Secretary of the Board of Directors	Director of Network Solutions Company	Bachelor of Business Administration	25 years in the field of administrative systems and management.

3- Names of companies inside or outside the Kingdom

Where a Board Member of the Company Serves on Its Current or Previous Boards of Directors or as One of Its Executives

Member Name	Names of companies where the board member is currently or has previously served on the board or as a manager	Inside Kingdom/ Outside Kingdom	Legal Entity
Mohammed Saleh Mohammed Al-Suhaibani (May God have mercy on him)*	Arab Sea Information Systems Company	Inside Kingdom	Listed Contribution
	Arab Sea Financial Company	Inside Kingdom	Closed Contribution
Abdullah Mohammed Nasser Al-Hawas	Arab Sea Information Systems Company	Inside Kingdom	Listed Contribution
	Arab Sea Information Systems Company	Inside Kingdom	Listed Contribution
Ahmed Sulaiman Mohammed Al Jasser	SEDCO Capital Company	Inside Kingdom	Private Contribution
	Saudi Post and Logistics Company (SPL)	Inside Kingdom	Government Institution
Haitham Mohammed Saleh Al-Suhaibani	Arab Sea Information Systems Company	Inside Kingdom	Listed Contribution
	Arab Sea Financial Company	Inside Kingdom	Closed Contribution
Abdul Aziz Mohammed Ali Al Khalifa	Arab Sea Information Systems Company	Inside Kingdom	Listed Contribution
Dr.Ahmed Siraj Abdulrahman Khogir	Arab Sea Information Systems Company	Inside Kingdom	Listed Contribution
	Saudi Kayan Petrochemical Company (a SABIC affiliate)	Inside Kingdom	Listed Contribution
	Najran Cement Company (Formerly)	Inside Kingdom	Listed Contribution
	Tabuk Agricultural Development Company (Formerly)	Inside Kingdom	Listed Contribution
	Gulf General Cooperative Insurance Company (Formerly)	Inside Kingdom	Listed Contribution
	Naseej International Trading Company (Formerly)	Inside Kingdom	Listed Contribution
	East Asia Agricultural Investment Company	Inside Kingdom	Listed Contribution
	Al Hokair Trading Company	Inside Kingdom	Closed Contribution
	American Institute of Chemical Engineers (AIChE)	Inside Kingdom	Sole Proprietorship
Saleh Mohammed Girdi Al-Ajyan	Arab Sea Information Systems Company	Outside Kingdom	Global Organization
		Inside Kingdom	Listed Contribution

* The membership of Mr. Muhammad Salih Al-Suhaibani (may Allah have mercy on him) on the Board of Directors ended on the date of his death, January 19, 2025..

4- Composition and Classification of the Board of Directors

Name	Nationality	Position	Member Classification
Mohammed Saleh Mohammed Al-Suhaibani(May God have mercy on him)*	Saudi	Founder and Former Chairman of the Board	Non-Executive
Abdullah Mohammed Nasser Al-Hawas	Saudi	Chairman of the Board	Independent
Ahmed Sulaiman Mohammed Al Jasser	Saudi	Vice Chairman of the Board	Independent
Haitham Mohammed Saleh Al-Suhaibani	Saudi	Board Member and CEO	Executive
Abdul Aziz Mohammed Ali Al Khalifa	Saudi	Board Member	Independent
Ahmed Siraj Abdulrahman Khogir	Saudi	Board Member	Independent
Saleh Mohammed Girdi Al-Ajyan	Saudi	Board Member	Independent

* The membership of Mr. Muhammad Salih Al-Suhaibani (may God have mercy on him) on the Board of Directors ended on the date of his death, January 19, 2025.

5- The measures taken by the Board of Directors to inform its members , especially non-executives, about the shareholders' proposals and comments regarding the company and its performance.

The Board of Directors has not received any comments from the shareholders. The Board is keen on ensuring the attendance of the majority of its members, especially the non-executive members, at the company's general assemblies' meetings to listen to, respond to, and document the inquiries and suggestions of the shareholders in the minutes of the meetings.

6- Brief Description of the committees' specialties, their tasks, and the number of their meetings.

6-1 The Audit Committee

The audit committee was formed in accordance with the Corporate Governance Regulations issued by the Capital Market Authority. Its tasks and responsibilities can be summarized as follows:

- Oversee the internal audit management at Arab sea to assess its effectiveness in executing the tasks assigned by the Board of Directors.
- Examine the internal control system at Arab sea and provide a written report with opinions and recommendations.
- Review internal audit reports and monitor the implementation of corrective actions for identified issues.
- Recommend to the Board of Directors the appointment of independent auditors, ensuring their independence, as well as defining their fees.
- Supervise the work of auditors and approve any tasks outside the scope of their assigned audit responsibilities.
- Review the audit plan with the external auditor and provide the committee's feedback.
- Examine the external auditor's comments on the financial statements and follow up on any actions taken.
- Review the preliminary and annual financial statements before presenting them to the board, offering opinions and recommendations.
- Evaluate the accounting policies in use and provide opinions and recommendations to the board.
- The committee meets four times a year.

Name	Position	Notes
Dr. Ahmed Siraj Abdulrahman Khouqir	Committee Chairman	
Ahmed Suleiman Mohammed Al-Jasser	Member	
Nasser Abdullah Saleh Al-Oufi	Member	
Khalid Abdulaziz Suleiman Al-Houshan	Member	

Audit Committee Meeting Dates

Name	Position	Meeting Date							Total attendance	Notes
		26-03-2025	27-03-2025	12-05-2025	06-08-2025	25-08-2025	08-10-2025	05-11-2025		
Dr. Ahmed Siraj Abdulrahman Khogir	Chairman	√	√	√	√	√	√	√	7	
Ahmed Suleiman Mohammed Al-Jasser	Member	√	√	√	√	√	√	√	7	
Nasser Abdullah Saleh Al-Oufi	Member	√	√	√	√	√	√	√	7	
Khalid Abdulaziz Suleiman Al-Houshan	Member	√	√	√	√	√	√	√	7	

6-2 Nomination and Remuneration Committee

The Nominations and Remuneration Committee was established in accordance with the Corporate Governance Regulations issued by the Capital Market Authority. This committee assists the Board of Directors in nominating members and evaluating their qualifications for board membership.

Additionally, it is responsible for developing policies and programs for the remuneration and salaries of the Board members, the CEO of Arab sea, and senior management. The committee also oversees the performance evaluation of both the Board of Directors and the executive management of Arab sea, holding two meetings each year.

Name	Position	Notes
Abdullah Mohammed Nasser Al-Hawas	Committee Chairman	
Saleh Mohammed Jreidi Al-Ajayan	Member	
Abdulaziz Mohammed Ali Al-Khalifa*	Member	

Nomination & Remuneration Committee Meetings Dates

Name	Position	Meeting Date		Total Attendance	Notes
		13-02-2025	27-04-2025		
Saleh Mohammed Jreidi Al-Ajayan	Chairman	√	√	2	
Abdullah Mohammed Nasser Al-Hawas	Member	√	√	2	
Abdulaziz Mohammed Ali Al-Khalifa	Member	√	√	2	

7- Remuneration Policies

Arab Sea Information Systems Company has prepared (the policy of rewards for members of its board of directors, its committees and the executive management) in implementation of the provisions of Paragraph (1) of Article (58) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority. The company has ensured that the rewards granted to the board members and senior executives are in line with the approved policy, emphasizing that there is no notable deviation from this policy. The following outlines the reward policy for the Board of Directors members, its committees, and its executive management of Arab Sea Information Systems Company in accordance with the policy.

Board Members Remuneration

- The remuneration of the Board of Directors' members at the Arab Sea Information Systems Group (Arab Sea Information Systems Company or the Company) may consist of a specific amount, attendance fees, expenses allowances, in-kind benefits, or a percentage of profits. It is permissible to combine two or more of these benefits within the limits set by the company's regulations and bylaws, as outlined in the schedule included in this policy, subject to any subsequent amendments to this schedule being approved in accordance with the regulations.
- Such remuneration may vary in amount and is determined in accordance with a policy issued by the Rewards and Nominations Committee and approved by the General Assembly. The annual report of the Board of Directors to the General Shareholders' Meeting must include a comprehensive statement detailing all remuneration, expense allowances, and other benefits received by the Board members during the financial year. It should also disclose the remuneration received by the Board members in their capacity as employees, executives, technical or administrative workers, or consultants (if applicable), as well as the number of board meetings and each member's attendance record.
- It is essential that the remuneration of independent Board members is not tied to the company's profits directly or indirectly, nor structured as a percentage of the company's profitability.

Remuneration of committee members

- The Board of Directors determines and approves membership bonuses for its subcommittees - excluding the Audit Committee - as well as attendance allowances and other entitlements based on a recommendation from the Compensation and Nomination Committee.
- Membership bonuses for the subcommittees of the Board consist of an annual bonus (**a fixed amount**) and meeting attendance allowances and other entitlements as outlined in this policy, in accordance with the attached schedule.
- As for the Audit Committee membership bonus, it is approved by the General Assembly of Shareholders based on a recommendation from the Board of Directors and in accordance with the regulations.

Executive Management Remuneration

- The Rewards and Nominations Committee continuously reviews and approves the salary scale for all employees and executives, along with incentive programs and plans, based on recommendations from executive management. Executive compensation includes the following:
 - A base salary paid monthly at the end of each calendar month.
 - Allowances, which may include, but are not limited to, housing, transportation, children's education, and phone allowances.
 - Medical insurance benefits for the executive and their family.
 - Life insurance policy covering work-related injuries, partial and total disability, and death while on duty.
 - An annual bonus linked to performance indicators based on the annual evaluation.
 - Short-term incentive plans related to exceptional performance, and long-term incentive plans such as stock option programs (when available).
 - Additional benefits including annual leave, annual travel

- tickets, and executive airport services, along with end-of-service benefits in accordance with labor laws and the company's HR policies.
- The committee approves the plans, programs, and general guidelines for executive compensation. The CEO implements the compensation policy for employees and executives based on the plans and guidelines established by the committee.

Additional criteria for bonuses and disbursement method

- Members of the Board of Directors are not allowed to vote on the agenda item related to the remuneration of Board members at the General Assembly meeting of shareholders.
- The company discloses the remuneration of Board members, committees, and senior executives in the annual report of the Board of Directors in accordance with the regulations and directives issued under the Companies Law, Capital Market Authority systems, and their executive regulations.
- A member is entitled to remuneration from the date of joining the Board or committee and based on the duration of their membership.
- The procedures for disbursing remuneration to Board members and committees are prepared by the Board Secretary, subject to approval for disbursement by the CEO.
- Attendance allowances for Board meetings, committee remuneration, and committee meeting attendance allowances may be disbursed in installments at the end of each calendar quarter, while the annual Board remuneration is paid in full after approval at the Annual General Meeting.

Details of the Board of Directors and its Committees' Members Remuneration

Board Members' attendance Remuneration for board meetings	5000 S.R
Board Members' attendance Remuneration for committee meetings	3000 S.R
Secretary of the board's attendance Remuneration for board meetings	1500 S.R
Committee secretary's attendance Remuneration for committee meetings	1000 S.R

All attendance bonuses are paid immediately after meetings

Calculating a comprehensive amount for accommodation and transportation for each day in the case of external assignment.	1500 S.R
Calculating a comprehensive amount for accommodation and transportation for each day in the case of internal assignment.	1000 S.R

A business class ticket is issued to any member in case of internal or external assignment

A bonus is granted for each day of participation in an external mission for the company's members.	1000 S.R
An annual bonus is awarded to the members of the audit committee in the amount of	80,000 S.R

8- Board of Directors Members and Executive Management Remuneration

8-1 Board of Directors Members Remunerations

	Fixed Remunerations							Variable Remunerations					End of Service Reward	Aggregate amount	Expenses allowance
	Specific Amount	Allowance for attending Board meetings	Allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial, and consultative work	Remunerations of the Chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted Shares (Value)			
Independant Members															
Abdullah Muhammad Nasser Al-Hawas	0	20,000	6,000	-	-	125,000	151,000	-	-	-	-	151,000	-	151,000	-
Ahmad Suleiman Muhammad Al-Jasser	0	20,000	21,000	-	-	125,000	166,000	-	80,000	-	-	246,000	-	246,000	-
Abdul Aziz Mohammed Ali Al Khalifa	0	20,000	6,000	-	-	125,000	151,000	-	-	-	-	151,000	-	151,000	-
Ahmad Siraj Abdulrahman Khogir	0	20,000	21,000	-	-	125,000	166,000	-	80,000	-	-	246,000	-	246,000	-
Saleh Muhammad Jreidi Al-Ajayan	0	20,000	6,000	-	-	125,000	151,000	-	-	-	-	151,000	-	151,000	-
Total	0	100,000	60,000	-	-	625,000	785,000	-	160,000	-	-	945,000	-	945,000	-
Non-Executive Members															
Mohammed Saleh Mohammed Al-Suhaibani*	0	-	-	-	-	125,000	125,000	-	-	-	-	125,000	-	125,000	-
Total	0	-	-	-	-	125,000	125,000	-	-	-	-	125,000	-	125,000	-
Executive Members															
Haitham Mohammed Saleh Al-Suhaibani	0	20,000	-	-	600,000	125,000	745,000	-	-	-	-	745,000	-	745,000	-
Total	0	20,000	-	-	600,000	125,000	745,000	-	-	-	-	745,000	-	745,000	-

* The membership of Mr. Muhammad Salih Al-Suhaibani (may God have mercy on him) on the Board of Directors ended on the date of his death, January 19, 2025..

8-2 Executives Remuneration

Senior Executive Positions	Fixed Remunerations				Variable Remunerations					End of Service Reward	Total remunerations for Board executives, if any	Aggregate amount	
	Salaries	Allowances	In-kind benefits	Total	Periodic Remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted Shares (Value)				Total
CEO	600,000	-	-	600,000	75,000	-	-	-	-	675,000	-	-	675,000
Finanacial Director	420,000	-	-	420,000	52,500	-	-	-	-	472,500	-	-	472,500
Product Manager and Secretary of the Board of Directors	360,000	-	-	360,000	60,000	-	-	-	-	420,000	-	-	420,000
Director of Programming	336,000	-	-	336,000	-	-	-	-	-	336,000	-	-	336,000
Administrative Affairs Director	209,634	-	-	209,634	-	-	-	-	-	209,634	-	-	209,634

Ahmed Sulaiman Mohammed Al Jasser
 Ahmed Siraj Abdulrahman Khogir
 Nasser Abdullah Saleh Al-Awfi
 Khalid Abdulaziz Suleiman Al-Hoshan

Abdullah Mohammed Nasser Al-Hawas
 Salih Muhammad Jreidi Al-Ajayan
 Turki Nasser Suleiman Al-Dahmash *
 Abdulaziz Mohammed Ali Al-Khalifa *

8-3 Committee Members Remunerations:

Name	Fixed Remunerations (Except Meeting Allowance)	Meeting Allowance	Total
Audit Committee Members			
Dr.Ahmed Siraj Abdulrahman Khogir	80,000	21,000	101,000
Ahmed Sulaiman Mohammed Al Jasser	80,000	21,000	101,000
Nasser Abdullah Saleh Al-Awfi	80,000	21,000	101,000
Khalid Abdulaziz Suleiman Al-Hoshan	80,000	21,000	101,000
Total	320,000	84,000	404,000
Nomination and Remuneration Committee Members			
Salih Muhammad Jreidi Al-Ajayan	-	6,000	6,000
Abdullah Mohammed Nasser Al-Hawas	-	6,000	6,000
Abdulaziz Mohammed Ali Al-Khalifa	-	6,000	6,000
Total	-	18,000	18,000

9- Any penalty, fine, precautionary measure, or provisional restriction imposed on the company

There are no penalties, precautionary measures, or provisional restrictions imposed on the company.

10- The results of the annual review of the effectiveness of the company's internal control procedures, in addition to the audit committee's opinion on the adequacy of the company's internal control system

Arab Sea Company continuously works on developing and effectively implementing its internal control system. The internal audit department ensures the application of appropriate control measures and provides independent and objective advice to add value, improve processes, and achieve the company's strategic goals. The Board of Directors, through its annual review of the effectiveness of internal control procedures, confirms that there are no significant findings that require disclosure regarding the integrity of financial, accounting, and internal control systems.

Audit Committee Opinion: The internal control procedures implemented by the company during the 2025 fiscal year are highly effective and efficient. Based on the committee's activities, there are no substantial observations regarding the internal control procedures that require attention or disclosure.

11- Audit Committee Recommendation regarding the need to appoint an internal auditor in the company in case of absence

There is an internal auditor within the company, in addition to contracting with the office of Saad Saleh Al-Sabti, accountants and legal auditors, to carry out internal audit work in the company.

12- Audit Committee Recommendations that conflict with the decisions of the Board of Directors

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

13- Details of the company's social contributions, if any

The company made no social contributions in 2024.

14- Dates of the general shareholders' assemblies held during the last fiscal year and the names of the board of directors members present at these assemblies

Name	Position	Ordinary General Assembly	Extraordinary General Assembly	Notes
		27-05-2025	17-12-2025	
Mohammed Saleh Mohammed Al-Suhibani (may Allah have mercy on him)*	Founder and Former Chairman of the Board	-	-	His death was announced on January 19, 2025
Abdullah Mohammed Nasser Al-Hawas	Chairman of the Board	✓	✓	
Ahmad Suleiman Mohammed Al-Jasser	Vice Chairman of the Board	✓	✓	
Mohammed Saleh Mohammed Al-Suhibani	Member and CEO	✓	✓	
Abdulaziz Mohammed Ali Al-Khalifah	Member	✓	✓	
Dr. Ahmad Siraj Abdulrahman Khogir	Member	✓	✓	
Saleh Mohammed Jreidi Al-Ajayan	Member	✓	✓	

* The membership of Mr. Muhammad Salih Al-Suhaibani (may Allah have mercy on him) on the Board of Directors ended on the date of his death, January 19, 2025.

15- Description of the main activities of the company and their impact on the company's business volume and contribution to the results

Name	Activity revenues	The percentage
Systems	52,684,776.00	99.4%
Devices	291,681.00	0.6%
Total	52,976,457.00	100%

16 - A description of the company's key plans and decisions for 2025, along with future business forecasts

Signing a contract with the Education & Training Evaluation Commission to implement the operation and maintenance of technical infrastructure component under the project for operating and maintaining technical infrastructure, data, and artificial intelligence applications.

Approval of the annual consolidated financial statements for the period ending 31/12/2024.

Approval of the Board of Directors' annual report for the fiscal year ending 31/12/2024.

Approval of the interim consolidated financial statements for the first quarter ending 31/03/2025.

Approval of the interim consolidated financial statements for the second quarter ending 30/06/2025.

Approval of the interim consolidated financial statements for the third quarter ending 30/09/2025.

Awarding of a project with the Saudi Press Agency for the maintenance and operation of IT systems.

Signing a contract with King Abdulaziz University Hospital for a managed services project for IT operations.

Obtaining Sharia-compliant credit facilities.

Signing a contract for a managed services project to operate e-learning systems and develop electronic courses with the Deanship of E-Learning and Distance Education at King Abdulaziz University.

The Company mourned the passing of its Chairman, Mr. Mohammed Saleh Al-Suhaibani (may he rest in peace).

The Board approved the appointment of Mr. Abdullah Mohammed Al-Hawas as Chairman of the Board.

The Board approved the Corporate Social Responsibility (CSR) Policy.

The Extraordinary General Assembly approved the amendment of Article (3) of the Company's Articles of Association, based on the Board's recommendation, to include real estate activities—management and leasing of owned or leased properties.

The Extraordinary General Assembly approved the amendment of Article (16) of the Company's Articles of Association, based on the Board's recommendation, to reduce the number of Board members from 8 to 6.

The Extraordinary General Assembly approved the amendment of the membership criteria policies and procedures, based on the Board's recommendation, to reduce the number of Board members from 8 to 6.

In 2026

The goal of Arab sea Information Systems is to enhance its operational performance and achieve sustainable growth by focusing on several key strategic areas:

- Continuing to update systems and software in line with customer requirements and to serve all market sectors, with the aim of improving operational efficiency and the quality of products and services provided.
- Implementing best practices in technology program management and developing innovative solutions that meet the needs of both public and private sector clients.
- Launching the sales and deployment of SMACC Version 7.
- Developing advanced technological solutions to meet market needs, thereby strengthening the company's competitive position.
- Continuing to enhance the company's systems to comply with regulatory requirements, such as those of the Zakat, Tax and Customs Authority, and ensuring full compliance with applicable regulations.
- Strengthening the company's technical capabilities to keep pace with the latest technological developments, including artificial intelligence and cloud-based solutions.
- Pursuing the award of additional government projects to support revenue growth.
- Providing comprehensive technical support services that meet customer expectations and ensure the continuity and efficiency of their operations, thereby achieving the highest levels of customer satisfaction.
- Monitoring the performance of subsidiaries to ensure the achievement of planned financial and operational objectives.

Risk Management Procedures



Risk Identification:

The first step in identifying the risks faced by the company in its operations involves recognizing various types of risks, including legal, environmental, market, and regulatory risks, among others. It is essential to document as many of these risk factors as possible in a manual or automated risk register. Stakeholders, including the board of directors, the audit committee, and executive management, should be kept informed about risk developments.

Risk Analysis:

Once risks are identified, they must be analyzed to determine their scope and understand the relationships between the risks and various factors within the company. To assess the severity of the risks, it is crucial to know how many business functions are affected. Some risks could halt business operations entirely if realized, while others may have minimal impact.

Risk Evaluation:

Risks are classified, assessed, and prioritized based on their severity.

Risk Treatment:

After identifying and evaluating risks, they can be addressed through the following methods:

Avoidance: This involves ceasing activities that lead to specific risks, such as discontinuing a product or high-risk activity.

Transfer: In this case, the impact of the risk is shifted to another party, such as through insurance or outsourcing the task to a third party. This approach is used when the potential impact of the risk is high, but the likelihood is very low.

Mitigation: This entails managing the risk by implementing control measures to reduce both the likelihood of occurrence and the impact if it does occur.

Acceptance: This means accepting the risks as they are without implementing any measures, typically when the potential impact and likelihood are both low.

Risk Monitoring and Review:

Not all risks can be eliminated; some are always present. Market and environmental risks are examples of risks that require continuous monitoring. Executive management closely monitors all risk factors.

17- Risks faced by the company, the management policy of these risks, and their monitoring.

Risk management and monitoring in the Arab Sea are conducted by the Audit Committee, the Internal Audit Management, and senior management, in accordance with policies approved by the Board of Directors. Management identifies and assesses risks, working closely with various departments to mitigate them. This includes evaluating the likelihood of risks occurring and estimating their potential impacts. Necessary measures are then taken to minimize, avoid, and contain these risks as much as possible to prevent any potential damage.

There are several risks associated with activities in the Arabian Sea, including:

1- Economic Risks:

These are the risks that affect the economy both within the Kingdom and externally, influencing spending by individuals and institutions, as well as impacting suppliers and manufacturers.

2- Strategic Risks:

These arise from a lack of awareness of economic changes, leading to incorrect strategic decisions or poor implementation of strategies. Arab Sea mitigates strategic risks by studying the market and economic conditions and leveraging expert insights.

3- Operational Risks:

These encompass errors and deficiencies in operational processes, as well as the ability to compete effectively in the market:

A- Currency Risks:

These involve fluctuations in the value of financial instruments due to changes in exchange rates. Most transactions at Arab Sea are conducted in ﷲ, US Dollars, and Euros, exposing subsidiary companies to currency conversion risks.

B- Credit Risks:

This refers to the inability of a party to fulfill financial obligations, resulting in potential losses for the other party. To mitigate credit risk, cash is deposited in banks with high credit ratings, and accounts receivable are managed after accounting for doubtful debts.

C- Liquidity Risks:

These risks arise from the difficulty in securing the necessary liquidity to meet obligations. Liquidity risks are managed by regularly ensuring sufficient liquidity is available to cover future commitments.

D- Human Resource Risks:

This involves the ability to attract and retain qualified and exceptional talent. The company continuously hires and trains national staff and develops incentive compensation to support employee retention and performance.

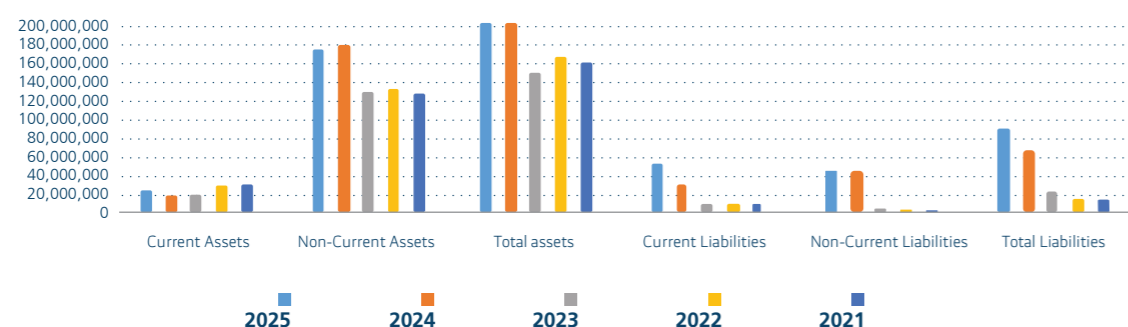
E- Legal Risks:

These risks relate to changes in legislation and regulations in the Kingdom or in countries where Arab Sea operates, including taxes, labor laws, and other legal considerations.

18- Company assets, liabilities, and financial performance over the past five fiscal years

Statement	2025	2024	2023	2022	2021
Current Assets	22,988,848	16,266,339	19,864,345	20,882,197	27,082,196
Non-Current Assets	178,154,465	184,005,296	129,250,258	131,641,877	137,423,348
Total Assets	201,143,313	200,271,635	149,114,603	152,524,074	164,505,544
Current Liabilities	49,932,063	34,309,089	16,451,171	11,091,548	12,709,034
Non-Current Liabilities	45,963,045	40,985,215	5,619,039	5,149,732	4,580,671
Total Liabilities	95,895,108	75,294,304	22,070,210	16,241,280	17,289,705

Assets and liabilities of the company



19 - Comparison of Business Results

Statement	2025	2024	2023	2022	2021
Revenue	52,976,457	41,302,316	41,170,429	40,847,398	57,450,145
Revenue costs	25,416,197	25,772,583	20,486,686	21,378,361	19,945,402
Gross Profit	27,560,261	15,529,733	20,683,743	19,469,037	37,504,743
Net profit	(18,680,410)	(23,763,042)	(9,770,344)	(10,439,023)	21,549,524

20 - Geographic analysis of the company's total revenue.

City	Riyadh	Khobar	Jeddah	Khamis Mushait	Qassim
Total Revenue	44,167,251.63	2,375,274.39	2,807,922.00	1,086,312.26	1,427,018.32
City	Tabuk	Dubai	Egypt	Total	
Total Revenue	845,991.72	1,592,684.00	101,021.00	52,976,457.00	

21 - The significant differences in operational results compared to the previous year's results or any forecasts announced by the company.

Statement	2025	2024	The changes (+) / (-)	Change Percentage
Sales / Revenue	52,976,457	41,302,316	11,674,141	%28.27
Cost of Sales / Revenue	25,416,197	25,772,583	(356,386)	%1.38-
Net Profit	27,560,261	15,529,733	12,030,528	%77.47
Other Operating Revenues	666,222	500,032	166,190	%33.24
Other Operating Expenses	1,605,787	194,641	1,411,146	%725
Operating profit (loss)	(18,680,410)	(23,763,042)	(5,082,632)	%21.39

22 - Clarification of any deviations from the accounting standards approved by the Saudi Organization for Certified Public Accountants.

There is no difference from the accounting standards adopted by the Saudi Organization for Certified Public Accountants.

23 - Description of the company's dividend distribution policy.

The General Assembly determines the percentage of net profits to be distributed to shareholders after deducting reserves, if any, based on a recommendation from the Board of Directors, in accordance with applicable regulations and considering the provisions of this system.

23-1 Dividends Distribution Ratio

No dividends were distributed in 2025.

24- A description of any voting rights associated with shares held by individuals other than members of the company's board of directors, senior executives, and their relatives, which were reported to the company during the last fiscal year in accordance with Article 85 of the Securities Offering and Continuous Obligations Rules, along with any changes to those rights during the same period.

There are no voting rights in the company's shares held by anyone other than the board members, senior executives, and their relatives, as reported to the company during the last financial year.

25- Description of any interests, contractual securities, and subscription rights belonging to the members of the company's Board of Directors, senior executives, and their relatives in shares or debt instruments during the year 2025.

The name of the person to whom the interest, contractual documents, or subscription rights belong	Beginning of the year		End of the Year		Net Change	Percentage of change
	Number of shares	Tools of Religion	Number of shares	Tools of Religion		
Mohammed Saleh Mohammed Al-Suhaibani (May God have mercy on him)*	10,022,509	-	10,023,000	-	491	0,005%
Ahmed Suleiman Mohammed Al-Jasser	10	-	10	-	0	0%
Haitham Mohammed Saleh Al-Suhaibani	2,150,000	-	2,100,000	-	-50,000	-2.32%
Abdullah Mohammed Nasser Al-Hawas	114.253	-	134.253	-	20,000	17,5%
Abdulaziz Mohammed Ali Al-Khalifah	1,240,730	-	977.469	-	-263,261	21,21%
Saleh Mohammed Jreidi Al-Ajayan	3,910	-	0	-	-3,910	-100%
Ahmed Siraj Abdulrahman Khogir	0	-	0	-	0	0%

* The membership of Mr. Muhammad Salih Al-Suhaibani (may Allah have mercy on him) on the Board of Directors ended on the date of his death, January 19, 2025.

26- Information related to any loans on the company

1- The Company signed an agreement with Riyadh Bank to obtain credit facilities amounting to 26,000,000 ٢ (twenty-six million ٢), structured as follows:

- 10.9٢ million in various types of bank guarantees, for a period not exceeding seven years.
- 15.1٢ million in Murabaha/Tawarruq financing for project equipment and commercial purposes.

2- An amount of 6 ٢ million represents a Hasan loan (interest-free loan) from the shareholder and Board member, Mr. Haitham Mohammed Al-Suhaibani, without any interest or additional benefits, aimed at supporting the Company's financial position and financing its operating activities

27- Description of categories and amounts of any convertible debt instruments, contractual financial instruments, subscription rights warrants, or similar rights issued or granted by the company during the fiscal year

There are no convertible debt instruments, contractual financial instruments, subscription rights warrants, or similar rights issued or granted by the company during the last fiscal year.

28- Description of any conversion or subscription rights under convertible debt instruments, contractual financial instruments, warrants, or similar rights issued or granted by the Company

There are no conversion or subscription rights under convertible debt instruments, contractual financial instruments, warrants, or similar rights issued or granted by the Company.

29- Description of any redemption, repurchase, or cancellation by the Company of any redeemable debt instruments

There are no redemptions, repurchases, or cancellations by the Company of any redeemable debt instruments.

30- Number of Board of Directors meetings for the year 2024

Name	Position	Meeting Dates				Total Attendance	Note
		30-04-2025	20-05-2025	03-09-2025	23-12-2025		
Mohammed Saleh Mohammed Al-Suhaibani (May Allah have mercy on him)*	Founder and Former Chairman	X	X	X	X	0	His death was announced on January 19, 2025
Abdullah Mohammed Nasser Al-Hawas	Chairman of the Board	√	√	√	√	4	
Ahmed Suleiman Mohammed Al-Jasser	vice Chairman of the Board	√	√	√	√	4	
Mohammed Saleh Mohammed Al-Suhaibani	CEO & Member	√	√	√	√	4	
Abdulaziz Mohammed Ali Al-Khalifa	Board Member	√	√	√	√	4	
Ahmed Siraj Abdulrahman Khogir	Board Member	√	√	√	√	4	
Saleh Mohammed Jreidi Al-Ajyan	Board Member	√	√	√	√	4	

* The membership of Mr. Muhammad Salih Al-Suhaibani (may Allah have mercy on him) on the Board of Directors ended on the date of his death, January 19, 2025.

31- The number of company requests for the shareholders' registry, the dates of those requests, and the reasons behind them

Number of shareholder register requests	Request Date	Request Reasons
1	27-05-2025	General Assembly
2	09-11-2025	General Assembly
3	17-12-2025	General Assembly
4	30-12-2025	Company Objectives

32- Description of any transaction between the company and a related party

There were no transactions between the company and any related party in 2025.

33- Information related to any businesses or contracts in which the company is a party or in which any members of the company's board of directors or senior executives have an interest

There were no transactions or contracts in 2025 in which the Company was a party or in which any member of the Company's Board of Directors or any of its senior executives had an interest.

34- Statement of any arrangements or agreements under which a member of the company's Board of Directors or a senior executive has waived any rewards

There are no arrangements or agreements under which any member of the company's board of directors or any senior executives would waive any bonuses.

35-Statement of any arrangements or agreements under which any of the company's shareholders waive any rights to profits

There are no arrangements or agreements under which any shareholder of the company waives any rights to profits

36- Statement of the value of regular payments made and due for the settlement of any zakat, taxes, fees, or other obligations that have not been settled by the end of the fiscal year

Statement	2025		Brief Description	Statement of Reasons
	Paid	Due at the end of the annual financial period and not paid		
Zakat	418,457.42	-	As per 2025 statements	None
Tax	4,011,872.21	8,402,453.55	As per 2025 statements	Installment Plans
General Organization for Social Insurance (GOSI)	1,831,354.55	270,773.96	As per 2025 statements	None
Visa and Passport Costs	141,422.82	1,800.00	As per 2025 statements	None
Labor Office Fees	623,248.50	338,364.50	As per 2025 statements	None

37- Statement of the value of any investments or provisions established for the benefit of company employees

There are no investments or reserves established for the benefit of the company's employees.

38- Company Declarations

The company acknowledges the following:

- The accounting records have been accurately prepared.
- The internal control system has been established on solid foundations and implemented effectively.
- There is no doubt regarding the company's ability to continue its operations.
- There are no competing businesses for any of the Board of Directors' members in the company or its subsidiaries.

39- If the auditor's report includes reservations regarding the annual financial statements

The auditor's report included no reservations on the annual financial statements.

40- The board of directors recommends changing the auditor before the end of the specified period

There is no recommendation from the Board of Directors to change the auditor before the end of the designated period

41- Disclosure of details of treasury shares held by the company

There are no treasury shares retained by the company.

42- Method of Communication with Our Shareholders

Out of the company's commitment to caring for the rights of esteemed shareholders and opening communication channels with them, the company has established a department to follow up on shareholder affairs and respond to their inquiries. Shareholders can contact the Shareholder Affairs Department through:

- Phone: 920000559 Ext (111)
- Email: IR@arabsea.com

In conclusion

The Board of Directors extends its gratitude to the esteemed shareholders for their support and valuable trust, as well as to the company's employees for their outstanding and fruitful efforts. With God's will, the company will continue to achieve its goals and future plans, striving to meet the expectations of its shareholders

Board of Directors

On their behalf/ Chairman of the Board of Directors



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Arab Sea Information Systems



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