

Annual Report

2023 AD | 1444 AH

Determined To Make an Impact



عزم السعودية
SAUDI AZM



www.azm.sa

Notice

Referring to the approval of the Board of Directors of Saudi AZM for Communications and Information Technology Company regarding the transition from parallel market to the main market on 09/10/1445 AH corresponding to 18/04/2024 AD.

And, with reference to Paragraph (K) of Articles Four and Forty-Four of the Listing Rules, as amended by Resolution No. (1-108-2022) dated 23/03/1444 AH corresponding to 19/10/2022 AD, which states: ("Before submitting the request to transition to the main market, the issuer must disclose the Board of Directors' report to the public, provided it includes all the information required under the relevant executive regulations, in no less than 30 calendar days prior to the date of submitting the request to move to the main market.")

Accordingly, we would like to inform you that the annual report of the Board of Directors of Saudi AZM for Communications and Information Technology Company has been updated for the fiscal year ending on June 30, 2023 AD and republished in accordance with the regulatory requirements for moving to the main market and in accordance with the following details:

Adding the new organizational structure of the company according to the Board of Directors' decision dated 16/09/1445 AH corresponding to 26/03/2024 AD.

Adding the membership of the new member to the Board of Directors according to the decision of the General Assembly dated 15/06/1445 AH corresponding to 28/12/2023 AD, and including his CV and the names of the companies in which he is a current or past member of its Board of Directors or one of its directors, and the ownership of the company's shares and debt instruments by the member and his relatives.

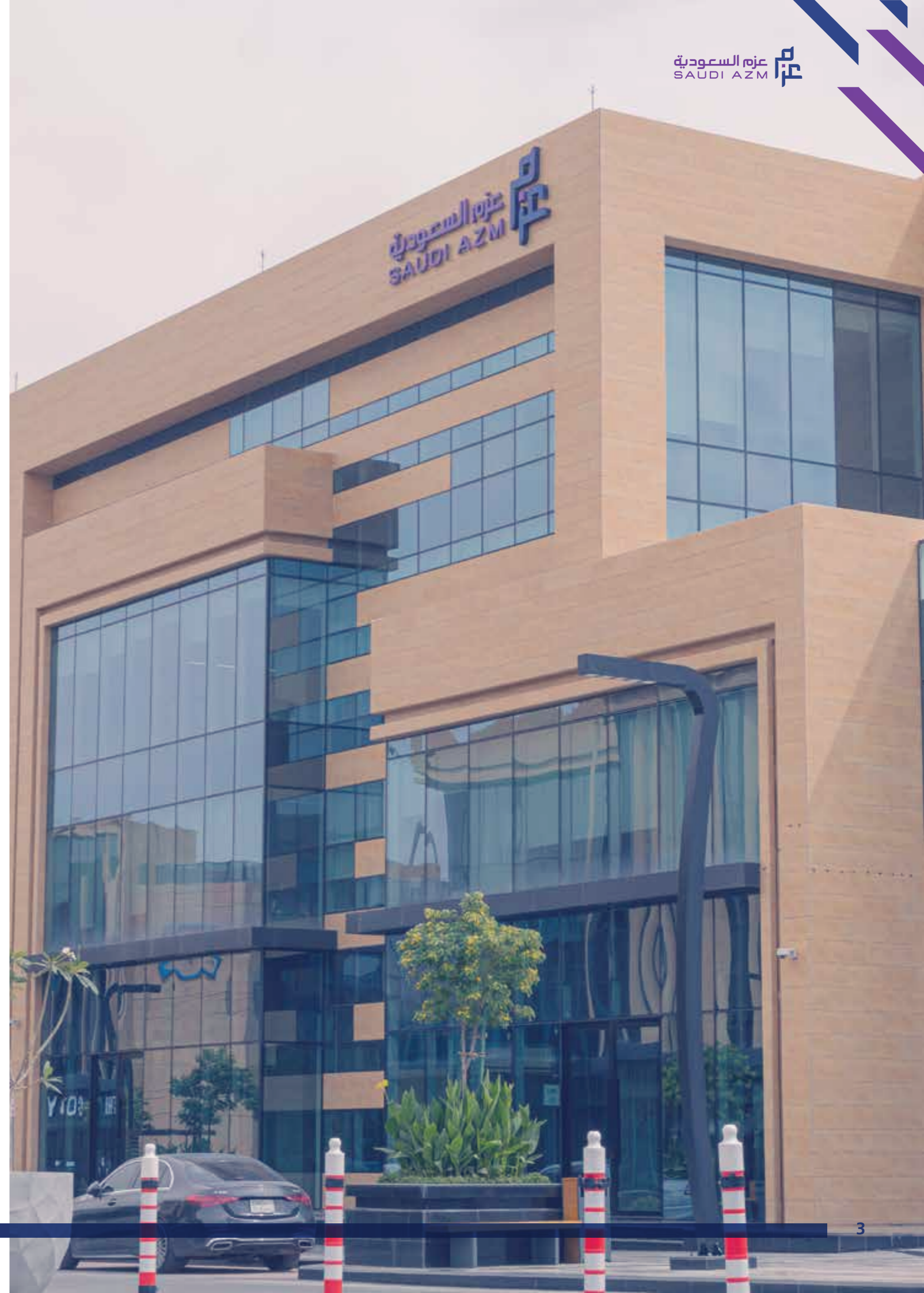
Adding members of the executive management to the new managements according to the Council's decision to update the organizational structure and adding their CVs and their shares and debts.

Updating the information of the Audit Committee in accordance with the Board of Directors' decision dated 09/10/1445 AH corresponding to 18/04/2024 AD.

Updating the information of the Nominations and Remuneration Committee in accordance with the Board of Directors' decision dated 09/10/1445 AH corresponding to 18/04/2024 AD.

Accordingly, the company affirms that the report has been republished including all the information required under the relevant laws and regulations.

And may Allah grant His success,



عزم
عزم السعودية
SAUDI AZM



Determined to make an impact...



At Saudi AZM for Communications and Information Technology Company we aim to contribute to bettering people's lives by providing qualitative solutions in business and technology. This, in turn creates a lasting impact that benefits our society and achieves the Kingdom's Vision 2030, delivering a vibrant society, a prosperous economy, and an ambitious nation as the basis of its cornerstone..

Our journey is just starting..
we proceed, determined.



Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

Allah Save Him



My first goal is for our country to be a successful and pioneering model in the world at all levels, and I will work with you to achieve that





His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud

The Crown Prince, Prime Minister
Allah Save Him



Our ambition is to build a more prosperous homeland, in which every citizen finds what he desires; For as we build the future of our country together, we will only allow it to be at the forefront of the world's nations



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General Overview

1.1 About this Report

The annual report of Saudi AZM for Communications and Information Technology Company showcases a clear image of the company's performance and its accomplishments within the scope of what can be disclosed publicly, during the financial year ending on June 30, 2023. Through this report, we aim to provide a brief and comprehensive summary that includes information about our performance, activities, and governance during the financial year 2023. It also includes our consolidated annual financial statements.

1.1.1 Scope of the Report

This report comprises the performance, achievements, governance "unless otherwise noted", and financial statements of Saudi AZM Company for Communication and Information Technology, which will be referred to within this report as "Saudi AZM" and the company

1.1.3 The Commitment

The annual report for the Board of Directors of Saudi AZM for Communications and Information Technology Company was prepared according to the rules and regulations applied in the Kingdom of Saudi Arabia. Additionally, the financial statements for the Financial year ending on 30 June 2023 comply with International Financial Report Standards (IFRS) utilized in the Kingdom of Saudi Arabia as well as the standards issued by the Saudi Organization for Certified Public Accountant (SOCPA) and the regulations governing the work of companies in the Kingdom of Saudi Arabia, in addition to the company's Bylaw.

1.1.2 Reporting Period

The annual report covers the 12-month period from July 1, 2022 to June 30, 2023, in accordance with the annual financial reporting cycle approved by the Saudi AZM Company for Communication and Information Technology.

1.1.4 Language

This report has been published in both, English and Arabic. In the event of any conflict between the Arabic and English versions, the Arabic version shall prevail.

1.1.5 Inquiries

We welcome your comments and inquiries about the annual report of Saudi AZM for Communications and Information Technology Company for the year 2023 via email: IR@AZM.sa



1.2 Our Year at a Glance

1.2.1 Highlights of the Year

The Company Purchased its Stocks

on

To allocate to the Saudi AZM Employee Stock Program, through which we seek to thank them for their efforts and competence, and to be an incentive to attract exceptional expertise.

01
08
2022

Certificate of Best Work Environment

on

Confirming that the Saudi AZM work environment is empowering, supportive and motivating for its employees.

01
02
2023



Intent to Fully Acquire AZM Financial Technology Company

on

In fulfillment of Saudi AZM vision of accelerated growth and expansion in the technology sector.

30
03
2023

Place 16th of the Best Work Environment in the Gulf Cooperation Council Countries

on

As an extension of Saudi AZM efforts to be the best work environment for its heroes.

25
05
2023

Great Place To Work. Middle East

Rank 16th



Best Direct Listing Award in -NOMU- Parallel Market

on

By the grace of Allah and then as a result of the transparency of Saudi AZM practices and innovative operations.

13
02
2023



Division of the Nominal Value of Stocks

on

To achieve Saudi AZM goal of making society a partner in creating change.

18
06
2023

ISO 45001:2018 Certificate (Occupational Health and Safety Management System)

on

In fulfillment of Saudi AZM keenness to apply the highest standards of occupational health and safety.

14
06
2023



1.2.2 Important Numbers

Success Partners

+300

local and international suppliers and partners.

increase in the company's projects this year

+%45

this year, compared to previous years.

increase in the number of new clients

+%70

this year, compared to previous years.

+%80

retention rate of success partners.

AZM Heroes

+200

employees working within the company's departments and projects.

+50

training programs.

30

average employee age.

1,500

training hours.

%45

Percentage of women working in Saudi AZM

20

interns, this year.



Financial Numbers

The company's total comprehensive income amounted to

24,384,911

comparison

an increase from the previous year by

% 26.53

The company's revenues amounted to

190,369,167

comparison

an increase from the previous year by

% 24.78

The company's net profit amounted to

23,967,369

comparison

an increase from the previous year by

% 25.52

EBITDA was

25,602,978

comparison

an increase from the previous year by

% 24.97

21.88 %

Earnings per share compared to the previous year.



1.2.3 Visits and Contributions

Saudi AZM organized a number of meetings and visits, and participated in a variety of conferences, aiming to transfer knowledge and share experiences, and these are summarized as follows:

AZM Meetups Series

Out of our keenness at Saudi AZM to create a distinctive knowledge environment, we launched the "AZM Meetups" series, which is a series of periodic meetings with leaders, experts, and specialists centered around a specific topic for each meeting, to exchange expertise and experiences, and disseminate knowledge for AZM heroes and society.



Central Bank of Saudi Arabia

We at AZM Saudi Company for Communication and Information Technology, represented by His Excellency the Chairman of the Board of Directors, Mr. Majed Al-Osaimi, and the CEO, Mr. Ali Al-Balaa, were honored by the visit of a delegation from the Central Bank of Saudi Arabia, headed by the Deputy Governor for Development and Technology, Mr. Ziyad bin Bandar Al-Yousef, to the company's headquarter to learn about the company's products and work, and in appreciation of the company's efforts, its distinguished work, and its contribution to the financial sector in the Kingdom. During the visit, the bank delegation was briefed on the company's capabilities, projects, work and future plans in the field of financial technology.



Global investors and entrepreneurs

We were honored at Saudi AZM to host a group of entrepreneurs and investors from around the world on an integrated tour, where they visited the international technical conference LEAP23 and observed the largest technical conference and exhibition concerned with the future of technologies and their role in the prosperity of humanity. The tour was completed by visiting King Abdullah Financial City (KAFC) and explaining how the city works, its features, and the promising investment opportunities it holds.

An open dialogue session was held in cooperation with Fintech Saudi Arabia, during which the most prominent developments regarding investment, available opportunities, and the financial technology industry in the Kingdom of Saudi Arabia were discussed with a group of Saudi experts and investors: Ms. Dima Al-Yahya, Secretary of General the Organization for Digital Cooperation, Mr. Abdul Aziz Al-Omran, CEO and founder of Impact Financial Company, Ms. Sarah Al-Thari, General Director of the Biotechnology and Healthcare Sector at the Ministry of Investment, and Mr. Nizar Al-Haider, General Director of the Saudi Fintech Initiative.

In continuation of the tour, we were honored to host His Excellency the Minister of Investment, Engineer Khalid bin Abdulaziz Al-Falih, in a closed session to discuss investment developments in the Kingdom of Saudi Arabia and to listen to and answer investors' inquiries.



1.2.3 Visits and Contributions

Future Fest 2023

We were pleased at Saudi AZM for Communications and Information Technology Company were pleased to participate in the largest technical conference and exhibition organized in the Republic of Pakistan, for a period of three days entitled "Future Fest 2023", under the special patronage of His Excellency the President of the Republic of Pakistan, Dr. Arif Alvi.

His Excellency the President commenced the conference, and more than three hundred people from all over the world presented sessions that focused on new, emerging technologies. Under the special sponsorship of the Ministry of Communications and Information Technology, Saudi AZM Company for Communications and Information Technology met with more than two hundred tech and information technology companies from various countries of the world. This resulted in the signing of twelve memorandums of understanding between Saudi AZM Company and the previously mentioned companies in various fields, contributing to achieving the company's vision and enhancing its contribution to the financial and business sectors in the Kingdom.

future-
FEST 2023

Indian Young Entrepreneurs for G20 Countries

We at Saudi AZM were honored by the visit of the delegation of young Indian entrepreneurs of the G20 countries. The delegation was briefed on the technical solutions and digital innovations provided by the company, and the investment opportunities were reviewed. Additionally, the most prominent developments in the communication and information technology sector in the Kingdom were presented. This indicates the company's position as one of the leading companies locally and globally.



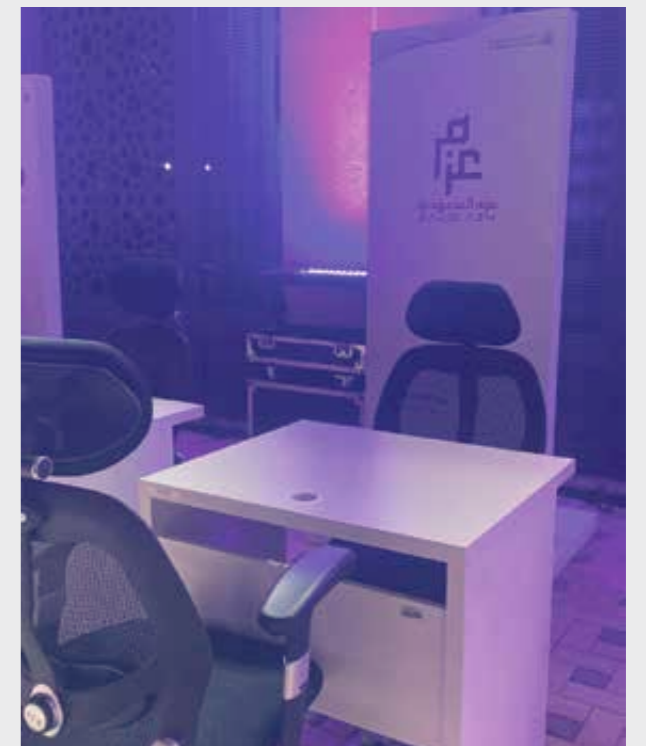
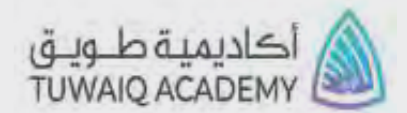
Hemma Exhibition

We took part in the Hemma Technical Employment Exhibition organized by the Saudi Digital Academy, through which distinguished talents from the academy's graduates were interviewed and attracted.



A step towards the future - Tuwaiq Academy

We participated in the Step To the Future exhibition organized by Tuwaiq Academy, through which distinguished talents from graduates of the academy's camps were interviewed and attracted.



Leaders Vision



Majid Al-Osaimi

Chairman of the
Board of Directors

The word of the Chairman of the Board of Directors

It is with great pleasure that I, on behalf of myself and my fellow Board members, present you with the annual report for Saudi AZM Company for Communication and Information Technology for the Financial year 2023 AD. This exceptional year has marked our conclusion of half a decade of success, accomplishment, and impactfulness. Through this report, we will showcase Saudi AZM performance and its most prominent achievements on the financial and technical levels.

We began our journey in 2017 AD as a specialized Company is Communication and information technology, that contributes to the betterment of people's lives by providing qualitative solutions in business and technology. And at the start of 2022 AD, we accomplished a pivotal achievement by getting Saudi AZM listed on the parallel market -NOMU-, as the youngest company to be listed on the Saudi stock market. This has steered us towards a greater role from conception to the creation of change.

Within these five years, we have been able to realize a number of historical achievements that can be further tallied on our journey, in light of the great development that the technology sector is experiencing due to the support of

our wise The year 2023 AD was a continuation of our success and accomplishment journey, and the advancement of Saudi AZM to new and exceptional frontiers in the technology sector. Our results confirm our continued commitment to the contribution to bettering our society by providing qualitative solutions in business and technology that exceed expectations and create impact.

At Saudi AZM, we are always sure to follow the best governance practices that help sustain our efforts and achieve the principle of transparency with our partners. In implementation of the rules, regulations and regulatory decisions issued by the relevant authorities, we have worked to Alline the company's Bylaw to comply with the new corporate regulations issued based on Royal Decree No. M/132. On 01/12/1443 AH. As a result of this Alling, we amended the internal policies and regulations governing the company's business.

In conclusion, dear partners, with every step we take in our journey, we assure you of our continued pursuit of excellence and the creation of change despite any and all challenges and difficulties, and we promise you exceptional achievements that exceed your expectations and remain in step with the ambitions and vision of our beloved country.

I am honored to take this opportunity to extend my sincere thanks to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, may Allah protect him, and his faithful Crown Prince, Prince Mohammed bin Salman bin Abdulaziz Al Saud - may Allah protect them - and our wise government for the efforts made and continued support to advance the Kingdom to be at the forefront of the countries of the world.

I would also like to express my sincere thanks to my fellow members of the Board of Directors, the Executive Management, all those working in the company's departments, and all the shareholders and partners for their trust, support, and keeness to see Saudi AZM continue to achieve its endeavors.





Ali Al-Ballaa

Managing Director and
Chief Executive Officer

The word of the Managing Director and the Cheif Exucitive Officer

Today, and after a year of adventure under a successful sky, I am pleased to present to our dear shareholders and partners our annual report for the year 2023 AD, in which we were able, with the continuous support of members of the Board of Directors and the Heroes of Saudi AZM, To continue our journey towards making an impact and creating excellence and achievement in various technical activities.

The year 2023 witnessed AZM success stories as told by facts and numbers that promise growth and prosperity in business services and digital solutions, and the pursuit of the company's strategic goals. Despite its youth – or perhaps because of it, Saudi AZM has been able to build a distinguishing reputa in a competitive market that relies on customer trust, the quality and innovation of projects, and the ability to create a sustainable impact with the help of our heroes.

We always choose to lead. This is best showcased when, after listing the company's shares at the beginning of 2022 AD, we obtained - by the grace of Allah - the award for the best direct listing in the parallel market -NOMU- within the Saudi Stock Exchange Awards for the year 2022 AD as a result of the transparency of our innovative practices and operations.

At Saudi AZM, we persevere in our goal of keeping pace with the Kingdom of Saudi Arabia's Vision 2030 and being part of the creation of an impact for our society through our extended partnerships with governmental, semi-governmental, private and non-profit Sector, in which we rely on technology and creating qualitative innovations to elevate the quality of life, and to be of assistance to our beloved country in its desired development and national race towards the future.

One of our most prominent goals is building a unique and encouraging work environment for our AZM Heroes that also works to attract the greatest competences and accomplish our tireless endeavors in the technology sector. And because our employees are our cornerstone, we always ensure that they are our partners in making an impact. This was achieved when the company's shares were purchased to be allocated, through a program prepared in accordance with the best standards and practices, consistent with the company's objectives, to employees as an incentive for the great achievements that they provide.

And because we believe in sustainability and creating leaders, and from a strategic perspective at Saudi AZM, we worked throughout 2023 AD to qualify and train our second line of heroes to become the leaders of the future by enabling them to create an impact.

In conclusion, I thank Allah for his everlasting blessing and ask for his continued consecration and benediction in our work. I would also like to take this opportunity to thank our dear shareholders and partners for their trust in every part of our journey, and to the Board of Directors for their continuous support and encouragement. I would also like to thank each and every hero at AZM in every department for their loyalty and their keenness to achieve astounding accomplishments that always exceed expectations.





Strategic Report

1.3 This is AZM

Saudi AZM for Communication and information Technology company was founded in 2017 in the city of Riyadh in the Kingdom of Saudi Arabia, Saudi AZM Company for Communication and Information Technology listed in the commercial register under the number 1010918075. Established to deliver creative solutions to initiatives with a qualitative impact on the fields of specialized information technology and executive consulting, the company aims to be its clients' partner of choice and to being an essential pillar that contributes to achieving a prosperous economy in the Kingdom and playing a fundamental role in building a vibrant community and an ambitious nation. This, by focusing on qualitative, high impact projects that are executed with competence and flexibility.

Here, we mention the main waypoints of Saudi AZM journey:



- ✓ **The company is created with a capital not exceeding 50,000 Saudi Riyals**

To improve quality of life by providing qualitative solutions in business and technology.



2017

- ✓ **Increasing capital to 500,000 Saudi Riyals**

To expand the company and increase its plans and projects.



2018

- ✓ **Adding new activities for the company**

To be a main fixture and contributor towards the realization of the Kingdom's Vision 2030.



2019

- ✓ **Company grows by increasing business**

To be a pioneer in the field of technical solutions.



2020

- ✓ **Increasing capital to 30,000,000 Saudi Riyals**

To expand the company, flourish its business, and increase its projects



2021

- ✓ **Listing on - NOMU - Saudi Parallel Market**

To bring to life the company's vision of growing and expanding.



2022

- ✓ **Divide the par value of the stock**

To provide the community with the chance to become a direct partner in the creation of an impact.



2023

3.1.1 Our Strategy and the fixtures of its implementation

Saudi AZM company developed its internal company strategy to include a more precise delineation of the vision, mission, strategic priorities, and all associated objectives.

Additionally, the company's capabilities and expertise were utilized to develop a collection of substantive initiatives that could contribute to enabling the company to achieve its aspirations and goals.

Our Mission

Leading the change in people's lives through business and technology.



Our Vision

To be the chosen partner, creating technical solutions and impactful products, and to be the best workplace in the Kingdom of Saudi Arabia.



Our Capabilities and Strengths

- We have a broad, stable and diverse base of success partners.
- We have the best talents and exceptional leaders in various sectors working with us.
- We have had distinguished financial and executive performance since the company was established.
- We are able to build technical and methodological capabilities that help speed up the implementation of systems and projects.

Our Values



Integrity

That unites us and raises the bar for our moral standards.

Exceptional Team

That cultivates the spirit of challenge with the aim of achieving the extraordinary.

Entrepreneurial Spirit

That kindles flexibility, innovation, and the pursuit of an impact.

Unity

That embraces our differences, inspire us, and unlock our potentials.

Grit for Achievement

That awakens passion within and the determination to deliver results.



3.1.2 Our Services and Business Specialties

To consolidate a structured approach towards achieving our strategic priorities, our revenue streams have been reclassified into business lines that represent the company's activities, as follows:



Business Services

Institutional Services:

Services include operational support for large government and private institutions, system integration services, procurement and human resources.

Management Consulting:

This includes the provision of strategic and operating model consulting services.

Digital Solutions

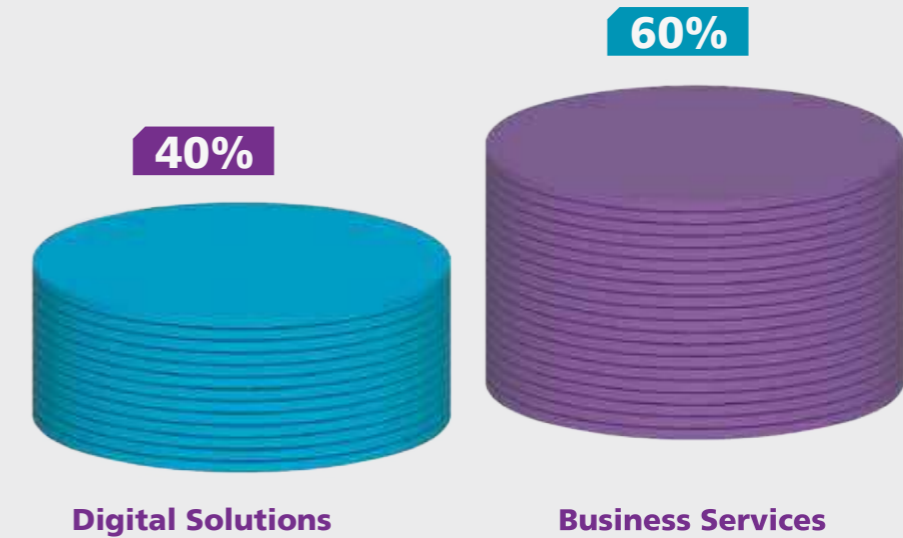
Developing Technology propriteas for Saudi AZM:

This includes the development and innovation of products, solutions, and platforms in the service of qualitative sectors, such as financial technology and other.

Platform Development:

This comprises the design, building, development, and operation of platforms for the company' clients, including Public Partnership Projects (PPP).

3.1.2.1 Volume of Services



3.1.2.2 Diversity in our Project Sectors:

01

Consulting and operational services in the Communication and information technology sector.

02

Consulting services in the investment field.

03

Development and operation of financial systems.

04

Maintenance and operation of governmental resource systems.

05

Consulting services to support institutional growth.

06

Development and operation of technical service portals and online gateways.

3.1.3 2024 AD Annual Flexibility and Targets

Saudi AZM strategy aims to showcase what is compatible with the future visions, potential, and opportunities available in the market. This, by having strategic priorities that we will work on bringing to life throughout the year:

- ✓ **Expansion and growth in business and technical services.**
- ✓ **Adopting concepts and mechanisms for planning and delivering our services with a higher focus on the client.**
- ✓ **Providing our services with greater flexibility, efficiency, and efficacy.**
- ✓ **Enriching the company's work environment to be one of the best workplaces in the Kingdom.**

Whereby main targets and key performance indicators were linked to these strategic priorities, and a clear executive plan was developed, with detailed implementation roadmaps and initiatives. Furthermore, the necessary governance was established to guarantee the highest quality in implementation as well as the monitoring of timelines, thereby ensuring that the company's objectives are achieved according to plan.



3.1.4 Strategic Initiatives

Several basic initiatives have been put in place to help achieve the strategic priorities set out in the company's strategy, and to appoint those responsible for working on them in the company's various departments. They include:

1. Initiatives relating to the priority of "Expansion and Growth in Business and Technology Services"

- 1.1 Initiative to expand technical development capabilities
- 1.2 Initiative to develop new products
- 1.3 Initiative to develop the management consulting arm
- 1.4 Initiative to develop partnership products with the public sector

2. Initiatives relating to the priority of "Adopting Concepts and Mechanisms for Planning and Delivering Services that Place the Primary Focus on the Customer"

- 2.1 Initiative to increase customer continuity rate

3. Initiatives relating to the priority of "Providing Services More Flexibly, Efficiently and Effectively"

- 3.1 Initiative to review the organizational structural design
- 3.2 Initiative to review and develop policies and procedures

4. Initiatives relating to the priority of "Enhancing the Company's Work Environment to be One of the Best Workplaces in the Kingdom of Saudi Arabia."

- 4.1 Initiative for a Human Capital Plan
- 4.2 Initiative to increase employee satisfaction

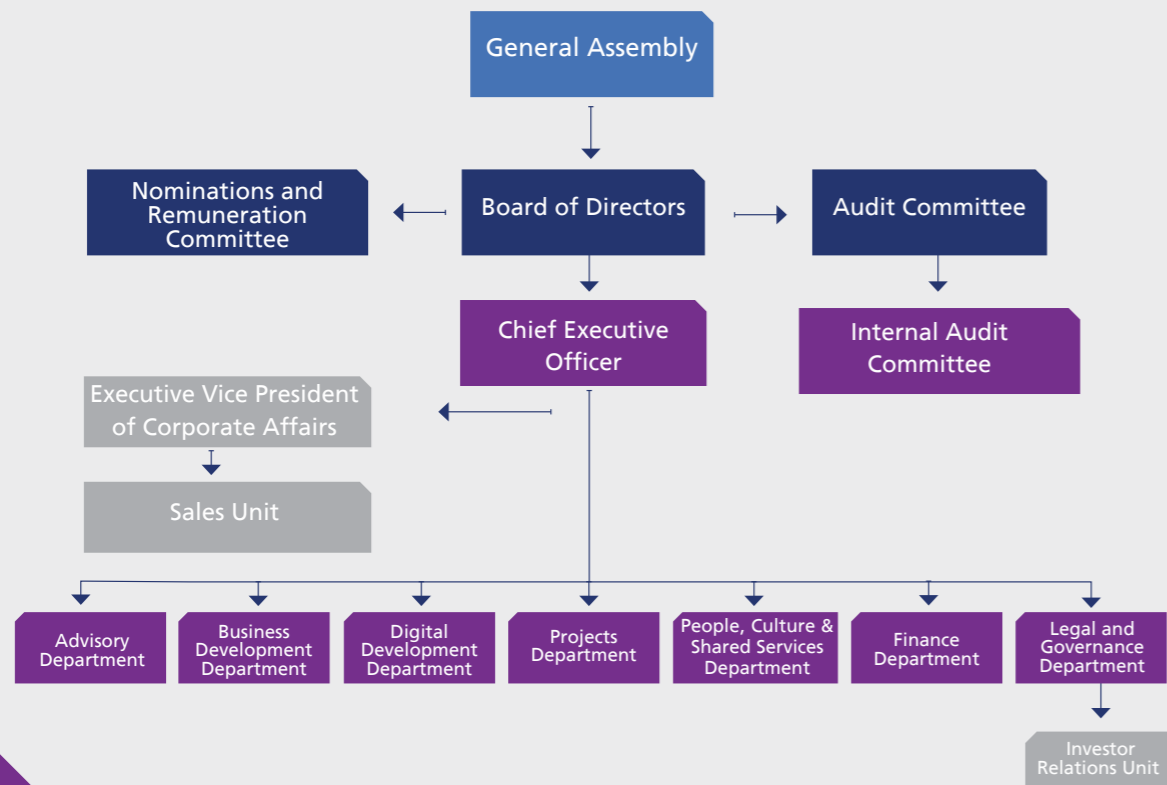
3.1.5 Organizational Structure

AZM Saudi Arabia has an organizational structure that determines the division of departments and the distribution of powers and tasks among its departments. It consists of the Board of Directors, the committees emanating from it, and a team of executive officials (executive management).

The administrative organizational structure is chaired by the Board of Directors and its affiliated committees, and they are assisted by the Executive Management, which is responsible for supervising the company's daily activities. The Board also assumes ultimate authority for the direction, general supervision, and control of the company. Furthermore, the Board delegates the responsibility for implementing the strategic plans and managing the company's daily activities to the Executive Management, which is headed by the Managing Director and CEO, who directly supervises the development of the

necessary policies and procedures to ensure the efficiency and effectiveness of the company's management and internal control system, and the controlling of future risks and prevention of their occurrence to the maximum extent possible.

Additionally, two committees emerge from the company's Board of Directors to assist them in their tasks and work, namely the Audit Committee and the Nominations and Remuneration Committee. The responsibility for managing the company's day-to-day operations falls on the CEO and other senior members of the executive management to whom the Board of Directors has granted specific executive powers. The powers of the Chairman of the Board and that of his deputy, secretary, managing director and CEO of the company have been specified in Article (20) of the by-laws. Below is an illustration showing the organizational structure of Saudi AZM.



Department of Business Development

It is the catalyst for the company's strategic expansion through continuously scanning the market for new opportunities. It guarantees the company's continued entry into new markets and the diversification of its offerings. The principle of business development acts as a driving force that empowers Saudi Azm to seek new business opportunities, strategic partnerships, and sustainable revenue streams by identifying, nurturing, and capitalizing on emerging trends, customer needs, and market gaps.



Department's Most Notable Achievements

70% increase in new clients, compared to the previous year

In the implementation of the company's strategy and the keenness of its members to achieve the set targets, 70% more new clients and markets were attracted this year than last year.

Technical solution to streamline team and task management

Aiming to expediate the process of team management, modern technical solutions were implemented and directly contributed to speeding up the completion of tasks and duties.

Automation of work procedures

In an effort to continue to meet business requirements and to ensure the continuity of adopting ideal standards in the company, all management work procedures have been automated.

Training program for the business development management team

Aiming to contribute to knowledge transfer and task management, and develop the team's skillset in preparing offers, keeping abreast of new advancements, and attracting new business.

Project Management Department

It is a vital factor in achieving success and excellence during the implementation of Saudi AZM projects in a professional manner, which is guaranteed through the team planning and implementing projects with the highest quality standards, working hard to exceed customer expectations, communicating and interacting with them, striving to meet their needs and vision, providing the necessary logistical support, ensuring the use of resources with high accuracy, efficiency and care, and following up on the progress of projects and ensuring that they are implemented on time and with the highest levels of performance.

Department's Most Notable Achievements

Complete automation of business processes in the department

The automation of all internal procedures of the Project Management Department has been successfully implemented, which has contributed positively to improving the accuracy of information and reports.

Developing procedures for working and projects

Project work systems and procedures were developed and redesigned entirely, whereby the concept of agility was strengthened, leading to an increase in the efficiency and effectiveness of project implementation. This transformative step had a direct influence on the improvement of work organization and the achievement of more distinguished, effective, and impactful results.

Project management team development program

A specialized program for the development of the project management team's skills, based on an analysis of their strengths, career prospects, and department goals. This program aims to achieve comprehensive development at the personal and institutional levels, and has been carefully designed to improve the technical and leadership capabilities of the team members, enabling them to deal efficiently with the various challenges and requirements of future projects. Attention was also paid to developing communication and cooperation skills, enabling them to achieve greater harmony among team members and enhance their collective performance.

The training programs include interactive sessions, workshops and simulations, where the latest educational and training methods are employed to motivate participants to achieve effective learning and apply concepts and skills in a real work context.

Personnel, Institutional Culture and Shared Services Department

It is the enabler and support factor for other departments that seek to achieve their needs in line with the strategic objectives of Saudi AZM. It also works to attract and develop exceptional talents and competencies, create distinctive job experiences to work on tasks and projects that make an impact, provide learning and development opportunities for the competence of employees in the company's departments, and build a unique institutional culture.

Department's Most Notable Achievements

Launching the self-learning management platform for AZM employees

The self-learning management platform was launched to be permanently available for employees to develop their skills in various fields.

100% automation of employee self-services

With the aim of simplifying repetitive processes and tasks in a way that contributes to increasing efficiency and improving the quality of service provided.

Developing a sustainable strategy for candidate search and talent creation

A sustainable strategy has been developed to attract exceptional skills, minds and talents that contribute to Saudi AZM aspirations.

Developing a program for recent graduates

The recent graduates program was developed with the aim of providing the opportunity to qualify recent graduates, introduce them to the existing labor market, and help them learn new skills.

Raising the performance standard of human resources operations by periodically measuring the extent of beneficiary satisfaction.

Which contributes to raising the level of performance of human resources management operations and meeting the requirements of its beneficiaries.



Financial Department

It is the primary factor in ensuring the continuity of Saudi AZM by tracking its liquidity and cash flow, fulfilling its obligations, collecting its funds, and preparing its financial results in accordance with financial policies, regulations and procedures.

The Department works to implement works to implement Saudi AZM strategy for all financial activities and ensure their soundness.

Department's Most Notable Achievements

Preparing and developing an integrated financial system

A program was prepared and developed to facilitate the process of requesting invoices and following up on those pending with customers, which contributed to completing work faster, taking appropriate measures for each procedure, and focusing on procuring the invoices.

Preparing and developing a system specialized in issuing accurate reports

1. Providing the important and fundamental documents in record time to help report seekers make appropriate decisions.
2. Clarifying financial problems in projects.

Internal Auditing Department

It is the supervisory department that works to implement policies and procedures, and study the expected risks of Saudi AZM through an internal audit plan prepared by the audit committee, emanating from the Board of Directors, to conduct audits and test the adequacy of the internal control system in all departments in accordance with the highest standards followed. It contributes to improving the efficiency of the regulatory system in Saudi AZM and strengthening its procedures in order to reduce potential risks.

Department's Most Notable Achievements

Establishing the internal audit department

A consulting company was contracted to support the audit work and establish the necessary foundations, policies and procedures for management in accordance with best practices.

Internal audit of departments

Saudi AZM departments were studied and evaluated, and audit reports were issued for each department.

Improving the company's internal monitoring

Studying and evaluating the company's risks, the risk assessment processes, and control testing within the company.



3.1.6 Subsidiaries

✓ AZM Information Technology Experience Company – AZM

It is a limited liability company, registered in the Kingdom of Saudi Arabia. It provides technical activities to improve the customer experience. Under Commercial Registration No. 1010600261, dated 22 Safar 1441 AH corresponding to October 21, 2019 AD, with a capital of 100,000 Saudi Riyals, with 75% of the total company shares belonging to AZM.



✓ Program Development Office – AZM SITECH

It is a limited liability company registered in the Republic of Krakow – Poland. It provides software development activities, design and development of electronics, and a data center. Under court registration No. 0001015470 dated 01 Rajab 1444 AH corresponding to January 23 2023 AD, with a capital of 5,000 Polish zlotys, and AZM share amounts to 50% of the total company.

✓ National Platform Company – Aqarak


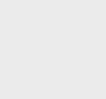

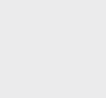
It is a limited liability company registered in the Kingdom of Saudi Arabia. It provides activities to develop the user “buyer and seller” experience in buying and selling land and real estate, dividing and marketing it, and off-plan sales activities. Under Commercial Registration No. 1010740516 dated Safar 2, 1443 AH, corresponding to October 8, 2021 AD, with a capital of 100,000 riyals. Saudi AZM share amounts to 32.68% of the total.



✓ AZM Software Development Company

It is a one-person limited liability company registered in the Arab Republic of Egypt. It provides software development activities and the design and development of electronics and data center. Under Commercial Registration No. 209298 dated 02 Dhu al-Hijjah 1444 AH, corresponding to June 20, 2023 AD, with a capital of 25,000 US dollars. AZM share is 100% of the total company.

3.1.7 Details of shares and debt instruments issued for each subsidiary

Subsidiary company	Percentage of stock ownership
✓ AZM Information Technology Experience Company 	75%
✓ Program Development Office 	50%
✓ National Platform Company (Aqarak) 	32.68%
✓ AZM Software Development Company 	100%

No conversion or subscription rights under convertible debt instruments, cash securities, subscription rights memorandums, or similar rights were issued or granted by the company during the fiscal year 2023 AD to its subsidiaries.

Human Capital

3.2 Human Capital

At Saudi AZM, we seek to attract those with exceptional talents, abilities, and minds. We also aim to attract highly qualified people, provide a work environment that supports development and learning, and encourage innovation and creative thinking.

3.2.1 Exceptional Talents and Competencies

3.2.1.1. Attracting exceptional talents and competencies

Attracting exceptional talents and competencies and supporting the development of their skills and capabilities in a competitive market is one of the crucial challenges faced by companies. At Saudi AZM, this goal is achieved by following specific strategies, which are:

Attractive work environment:

One of our most important strategies is providing an attractive and stimulating work environment that encourages employees to be creative and unique. This is done by providing training and development opportunities, and by encouraging a culture of cooperation and empowerment.

Competitive advantages:

Providing a distinctive salary and benefits package as appreciation to employees for their efforts, and as an incentive to attract exceptional talent, such as employee incentive stock programs (owning company shares).

Career advancement opportunities:

Providing opportunities for career advancement and professional development depends on competencies and effort expended at work.

Work-life balance:

Flexible work hours and work from home opportunities can contribute to an increase in employee satisfaction and their retention in the company.

Learning and development:

Providing continuous learning opportunities, trainings, and career development contributes to achieving sustainable growth for employees and increasing their belonging and loyalty to the company.

3.2.1.2 Managing exceptional talents and competencies

The management of talents and competencies at Saudi AZM includes a variety of activities and strategies that contribute to attracting, developing, and retaining employees with talents and competencies. There are a variety of important factors that must be addressed:

- **Determining needs:** determining the current and future needs of the company in terms of skills and competencies, and defining the roles and functions that need to be covered.
- **Attracting talents:** developing effective strategies to attract potential talent, such as using social media, participating in job fairs, and providing training and developmental programs.
- **Employee evaluation:** utilizing evaluation and cyclical review tools to determine employees' strengths and weaknesses, and identify the need for training and development.
- **Employee development:** providing ongoing training and development opportunities for employees to improve their skills and competencies, and providing leadership development and career training programs.
- **Employee retention:** implementing employee retention strategies, such as offering attractive benefits packages, offering career advancement opportunities, and offering a comfortable and stimulating work environment.
- **Performance management:** applying performance management systems to evaluate and improve employee performance, set specific targets and requirements for each job, and providing periodic feedback.
- **Improving communication:** Improving internal communication within the company and between the different departments, and providing effective channels for the communications between employees and management.

Talent and competency management at Saudi AZM is considered a pivotal factor in achieving the company's success and increasing its competitiveness in the market, and through applying various strategies that serve the progress and development of human capital.



3.2.2. Training and empowerment

The concepts of empowerment and training programs are considered to be vital for the employee development strategy at Saudi AZM, whereby these efforts include a set of activities and strategies aimed at enhancing the competencies and skills of employees and increasing their ability to contribute effectively to achieving the company's goals.

Training and development programs

providing ongoing training programs that focus on developing technical and leadership skills in employees. These programs may include trainings specific for each role, improving leadership capabilities, and reinforcing creative thinking and problem solving

Career empowerment

empowering employees to make decisions and take responsibility for everything related to their work by providing the necessary support and resources, and encouraging innovation and personal initiative.

Performance evaluation

utilizing evaluation tools to measure employee advancement and development, and determining success metrics and criteria that need constant improvement.

Continual training

providing continual learning and self-training opportunities for employees, such as workshops, online courses, and conferences.

Learning management systems

developing internal content to encourage sharing of experience and knowledge.

Institutional cooperation and partnership

encouraging cooperation and partnership between different departments and among employees, and providing opportunities to participate in work teams and multidisciplinary working groups.

3.2.3 Incentives and benefits

At Saudi AZM, incentives and benefits may play an essential role in attracting talents and retaining excellent and competent employees. And so, it is possible to provide a wide array of incentives and benefits to motivate employees, increase their productivity, and maintain their loyalty to the company. Some of these benefits and incentives may include:

Employee benefit programs

provide competitive employee benefits compared to the local and international markets, with consideration towards each employee's experience and skillset.

Monetary incentives and bonuses

provide fiscal incentives to employees who achieve set targets or exhibit exceptional performance.

Stock programs

give employees the opportunity to own shares in the company as compensation for their dedication.

VIP health insurance

provide health insurance plans to employees and their families, which helps them receive any necessary healthcare.

Career development opportunities

provide training and development opportunities, which helps improve career skills and increase job development.

Work flexibility

provide flexible work options, such as working from home and flexible work hours, which helps improve work-life balance.



3.2.4 Important Numbers

a. Employees

+200

employees working within the company's departments and projects.

30

average employee age

%45

of employees are female.

b. Training

+50

Number of training programs

+1,500

Training program hours

+25

sessions

Number of sessions for the knowledge exchange program

+55

hours

Number of hours for the knowledge exchange program



Sustainability

3.3 Sustainability

3.3.1 Safety and Quality Management

Saudi AZM is committed to adopting the highest standards of quality and accuracy in our work. We aspire to constantly maintain the greatest levels of productivity and growth, with the aim of excellence and staying competitive. Saudi AZM also maintains the bonds of teamwork and the spirit of cooperation among its employees in order to stabilize and sustain customer satisfaction and eliminate errors. The company insists on applying international quality and safety standards with high efficiency and efficacy in all services provided to our clients. And to ensure quality and safety levels remain compatible with best international practices and standards, a guidebook has been prepared.

The company has obtained several certificates confirming this, including:

- ISO 45001:2018 (Occupational Health and Safety Management System) dated 11-25-1444 AH corresponding to 06-14-2023 AD
- ISO 9001:2015 (Quality Management System), dated: August 24, 2021 AD.
- ISO 27001:2013 (Information technology, security techniques, information management systems, requirements), dated: August 24, 2021 AD.
- ISO 22301:2019 (Business Continuity Management), dated: August 24, 2021 AD



3.3.2 Risk Management

The concept of risk management provides the company with the potential to identify and evaluate any risks that might arise from work performed, reduce the likelihood of their occurrence, avoid them, and develop a methodology to deal with them. In application of this concept, AZM is working to establish an approach to anticipate, avoid, and manage risks by clarifying the roles and responsibilities of the Board of Directors, its committees, executive management, and employees. Additionally, the Internal Audit Department assesses the efficiency of internal monitoring systems in the company and publishes its reports to the Review Committee. The Committee supervises the work of the internal auditors and monitors the adequacy of the regulatory controls designed and implemented by management for the purpose of reducing and controlling the likelihood and impact of risks. The Committee then submits annual reports to the Board of Directors and the General Assembly with the aim of anticipating and avoiding risks now and in the future, and recovered from their effects and results.

3.3.5 Risk Factors in the Company

Saudi AZM faces a variety of different risks. The internal audit committee identifies and evaluates risks and hedges them, it evaluates the probability of their occurrence and estimates the effects that may result from them, it then takes the necessary measures to reduce, avoid, or contain those risks as much as possible to avoid any damages that may occur if they were to happen.

Below is a list of risks that the company may face during the implementation of its work and how the company responds to them:

Type of Risk ✓	Details ✓	Response Methodology ✓
Strategic risk: Speed of sector evolution	The Information and Communication Technology sector is characterized by rapid technical changes, and this includes the swift change and evolution to provide new products and services to customers, which may cause a reduction in the effective lifetime of a product and shorten its shelf life.	Saudi AZM takes great care to keep up with the latest technological advancements, learn about emerging tech in various fields of information technology, and enter into partnerships with the largest technical service providers to stay up to date with sector trends.
Strategic risk: Adapting to customer requirements	The ICT sector is sensitive to changes in customer desires and market trends. Any change in customer desires and requirements may affect the company's products and services.	Saudi AZM excels at project management, and this is clearly evident in the fact that customer satisfaction is one of our most important values. As such, flexible Agile methodologies are followed in developing projects, enabling us to adapt to customer requirements, delivery, and emergency changes.
Strategic risk: Concentration of the company's customers	The company has a number of major clients with whom the relationship is based on contractual foundations. The revenues generated from the company's dealings with major clients constituted the majority of the company's income.	The company is significantly expanding with new clients, and this is evident from the number of new clients that have been signed recently, and the company is looking forward to deepening the relationship with them and working on larger project opportunities.
Operational risk: Concentration of the company's suppliers	In its operations, the company relies on a group of suppliers with whom the relationship is based on contractual foundations, and they are local parties or from outside the Kingdom of Saudi Arabia.	The company contracts with major international technology service suppliers. The company also develops its technical capabilities by establishing software development offices outside and inside the Kingdom, and carrying out the establishment and training of cadres and localization of the



Type of Risk ✓ **Details** ✓ **Response Methodology** ✓

**Operational Risk:
Depending on
information
technology**

In its work, the company relies heavily on information technology systems so that it can link its business units through the company's software, systems and devices. Any disruption in information technology systems may negatively impact the company.

For this reason, the company deals with the best local hosting companies and global service providers, and applies business continuity practices. Additionally, AZM holds an ISO certificate in business continuity.

**Operational Risk:
Depending on key
personnel**

The company relies on the capabilities and expertise of its key employees. Therefore, the company's success in achieving its goals depends on maintaining its employees as well as attracting and employing competent and qualified people to work for it.

The company carries out continuous development and training programs, especially for second-level leaders and new employees, to ensure they obtain the necessary skills when running for leadership positions. The company also implements several programs to retain employees and attract talent from the market, such as the employee stock program, and the employee benefits and services provided. The company also seeks to govern its management procedures to facilitate the transfer of knowledge to all its administrative levels.

**Commitment risk:
Competition between
ICT service providers**

The company's clients may ask for lower prices for the services provided by the company. The entry of new companies and suppliers into the information technology sector, or the expansion, development or merger of existing competitors' businesses, may lead to an increase in the proportion and number of service providers and thus a decrease in the prices of the products and services that the company provides to its customers. Reducing prices for one of the above reasons will result in a decrease in the percentage of profit margin that the company achieves from its services provided to customers.

The company maintains a low level of costs compared to other companies in the sector, it also uses a number of international methodologies to manage its projects in a way that achieves the highest cost efficiency, which reduces the possibility of this risk occurring. The company's management sets a minimum profit margin for all its projects to maintain a stable financial position for the company.

Type of Risk ✓ **Details** ✓ **Response Methodology** ✓

**Financial risk:
Change in revenue
ratio due to
termination,
postponement or
reduction of scope
of work**

Contracts and purchase orders concluded between the company and its clients stipulate terms and conditions relating to terminating, postponing or reducing the scope of project work according to the desires of the clients. If one of the company's clients terminates, postpones, or reduces the project's scope of work, this will negatively affect the project's revenues and cash flow.

The company actively undertakes billing and collection operations, and its project management methodologies take into account the risk of delaying or reducing work, and hedge according to the nature of the project.

**Financial risk:
Liquidity risks**

Liquidity risk is the risk that the company will encounter difficulties in raising liquidity to meet obligations related to financial instruments. Liquidity risk may result from the inability to collect invoices on time and at fair value.

Liquidity risk is managed through regular monitoring to provide sufficient liquidity to meet any future obligations. The Board of Directors closely and continuously monitors liquidity risks by conducting a regular review of the availability of sufficient liquidity, current and future obligations, and operational and capital expenditures. In addition, the company monitors actual cash flows and seeks to match their maturity dates with its financial assets and liabilities. The company continually seeks to fulfill its legal obligations, including any obligations related to financing agreements.

Commitment risk

Saudi AZM is subject to a number of laws and regulations, such as the Companies Law, the Financial Market Law, and the rules, regulations and circulars issued by the Capital Market Authority. It is also subject to the Wage Protection Law and the Labor Laws.

In order to ensure compliance with all regulations and legislation, Saudi AZM is keen to avoid various risks resulting from not following the legislative and regulatory regulations and ensure that all the regulations and legislation to which it is subject are implemented. It also continuously updates internal procedures to avoid fines or penalties that affect its reputation and standing.



3.3.3 Business Continuity

With the aim of continuing and maintaining the highest standards of work and steadfastness in the labor market, Saudi AZM seeks to remain fully primed to sustain business continuity in the company by developing a comprehensive framework that works to build and improve organizational flexibility and augment the response of its various departments to the incidents or dangers that could influence the conduct of its business in order to ensure its ability to achieve its strategy and goals. Additionally, the executive management is currently conducting a periodic evaluation that will be followed by an update of the company's procedures and the application of any needed precautions, taking into account the possibility of professional, technical, organizational, or other malfunctions and disturbances. The executive management also supports the members of the Board of Directors and analyzes the impact of potential risks on business as part of its plan to build an integrated continuity framework. Saudi AZM applies a business continuity/disaster recovery (DR) plan in its technical projects to ensure the availability of its services to its customers and that there is no interruption in service or loss of data.

3.3.4 Our Contributions to Society

Saudi AZM ascertains to carry out its social responsibilities properly, and therefore the company seeks to establish strong and lasting relationships within the communities in which it operates. Additionally, AZM is keen to ensure that the pioneering social responsibility programs it offers create tangible and positive economic and social benefits.

Our contribution revolves around three pillars

Saudi AZM gives special attention to the issue of social and national responsibility and positions it as a primary priority. It makes concerted efforts to work in ways that enhance society, national sentiment, and the environment and contribute to sustainable development. It is also concerned with constantly participating in social activities and self-development, and gives special attention to the three subsequent foci.

The focus of professional and cognitive development

This focus pertains to Saudi AZM efforts in knowledge support in the fields of management and technology through on-the-ground visits and training workshops, and via empowering the young men and women of this country by providing quality training opportunities in the company's departments and teams.

The focus of cooperation with Waqf entities and charitable organizations

Through this focus, Saudi AZM seeks to create lasting relationships with the charitable bodies and provide them with various opportunities, such as digital empowerment, financial support, and in-kind donations.

The focus of general initiatives

This focus includes public initiatives, as Saudi AZM is keen to include all ideas that serve society and public awareness in various fields, such as health, sports, culture, environment, and other.

Basic principles of social responsibility

- Commitment to developing long-term, mutually beneficial partnerships with our communities.
- Taking into account and respecting the different cultures, values, customs and choices of our societies.
- Providing social responsibility programs that add economic and social gains to both Saudi Arabia and society alike.
- Implementing social responsibility programs in a methodology that enhances sustainability and prevents dependence on others.
- Monitoring and measuring, as much as possible, the results of social responsibility programs, and monitoring areas that need development, in order to achieve continuous improvements.
- Utilizing the company's capabilities and expertise to support charitable and influential works in society.
- Sharing information about our performance and activities that have a significant impact on our communities.
- The responsibility for applying the principles of social responsibility falls on all employees of Saudi AZM and its subsidiaries in various regions, as well as on contractors working in the company's various sectors. Saudi AZM managers and officials must share these principles and encourage their application.

Notable Social Contributions

Based on its sense of patriotism and its belief that social responsibility and giving back to the homeland is one of the foundations of the company's goals and contributes to its positive development and that of its people, and enhances their respect and appreciation. Saudi AZM has made various social contributions, the most notable of which are:



Signing a cooperation agreement with King Faisal University at the Sustainable Partnerships Conference to provide our services in the field of information technology to work on developing and implementing research projects that contribute to enhancing technology and innovation in the Kingdom. This was done in an effort to advance economic, social, and cognitive development in the Kingdom of Saudi Arabia, and to enable youth and society to benefit from technology and innovation.





Signing a cooperation agreement with the Ministry of Islamic Affairs, Da'wah and Guidance to create technical solutions for mosque services in the Kingdom of Saudi Arabia and to improve the service provided to mosques and support and care for mosques in all regions of the Kingdom through an electronic system that achieves transparency, accuracy and professionalism.



A number of visits to the College of Business Administration at King Saud University, whereby experience-sharing sessions were organized with the aim of sharing the most prominent requirements and challenges of the current labor market with female students and informing them of the latest practices in the field of business analysis.



Hosting a group of students approaching graduation from the Department of Information Management Systems – King Saud University, with the aim of informing them of current procedures and practices in the field of project management and business analysis in the work environment.



Cooperating with the Cultural Club of the College of Computer – King Saud University, to provide a workshop on business analysis and business analysis methodology, which comes within the framework of social responsibility to empower students and expand their knowledge.



Participating in a dialogue session with technical pioneers to discuss the contributions of technical solutions and their importance in advancing performance and productivity in support of The Jusoor Initiative of King Saud University.



Teaming up with Ettiwa Voluntary Foundation for their Warmth Campaign, which aims to collect in-kind donations to meet the winter needs of limited income families within the framework of social contribution and to enhance the values of social solidarity.



Teaming up with Ettiwa Voluntary Foundation for their Farah Clothing Campaign, which aims to collect donations to meet the Eid needs of limited income families within the framework of social contributions and to enhance the values of social solidarity.



Participating in World Blood Donation Day in partnership with the Central Blood Bank at King Saud Medical City under the title (A Drop That Makes a Difference), which aims to support the center, fill its needs, promote the culture of regular donation, increase awareness among members of society, contribute to saving patients' lives, and enhance community contributions.



Governance Report

4.1 Contributors

Saudi AZM Company for Communication and Information Technology, represented by its Board of Directors and Executive Management, takes great care to safeguard and protect its shareholders' rights in a way that ensures justice, equality, and non-discrimination between them. It also ensures effective and continuous communication with them to inform them of the latest developments and apply the principle of absolute transparency with them, ensuring not to withhold any of their rights. Additionally,

the company maintains their right to attend public or private shareholder assemblies, participate in deliberations, vote on their decisions, and dispose of their shares in accordance with the provisions of the Companies Law and Financial Market Law and their executive regulations, and to inquire and request access to the company's records and documents, provided that they include all data and information related to the company's activity, its operational and investment strategy in a way that does not harm the company's interests and does not conflict with the aforementioned laws.



4.1.1 General Assemblies of Shareholders

The General Assembly of Shareholders is the highest authority in the company. The General Assembly, held in accordance with statutory procedures, represents all shareholders in exercising their powers related to the company. It is concerned with all issues related to the company, and emphasizes the promotion of effective participation between shareholders, the Board of Directors

and the executive management. It also performs its role in accordance with the provisions of the Companies Law, its executive regulations, and the company's bylaws. Saudi AZM always aims to choose a place and time that allow the full participation of shareholders in the discussion of the topics included in the assembly's agenda and open the way for questions and suggestions.

The General Assembly has held two meetings during 2022. Below, we provide a statement of dates for these meetings as well as the names of the Board of Directors members who attended them:

Member's Name	Extraordinary General Assembly meeting 03/01/1444 AH corresponding to: 01/08/2022 AD	Extraordinary General Assembly meeting 29/06/1444 AH corresponding to: 22/01/2023 AD	Extraordinary General Assembly meeting 29/11/1444 AH corresponding to: 18/06/2023 AD
Mr. Majid bin Saad bin Hamoud Al-Osaimi	✓	✓	✓
Mr. Ahmed bin Abdulaziz bin Muhammad Al-Haqbani	✗	✓	✓
Mr. Ali bin Muhammad bin Rashid Al-Balaa	✓	✓	✓
Mr. Firas bin Khalid bin Ibrahim Al-Juraywi	✗	✗	✗
Mr. Omar bin Abdulrahman bin Ali Al-Jarisi	✓	✗	✗

4.1.2 Number of Company Requests for Shareholders' Register

Saudi Arabia requested the shareholder register from the Securities Depository Center Company "Edaa" (11) times during the fiscal year 2023 AD for the following purposes:

Property File History	Request Reason
2022/08/01	General Assembly
2022/10/25	Corporate Procedures
2022/12/08	Corporate Procedures
2022/12/12	Corporate Procedures
2022/12/18	Corporate Procedures
2023/01/03	Corporate Procedures
2023/01/10	Corporate Procedures
2023/03/30	Corporate Procedures
2023/06/07	Corporate Procedures
2023/06/20	Corporate Procedures
2023/06/21	Corporate Procedures

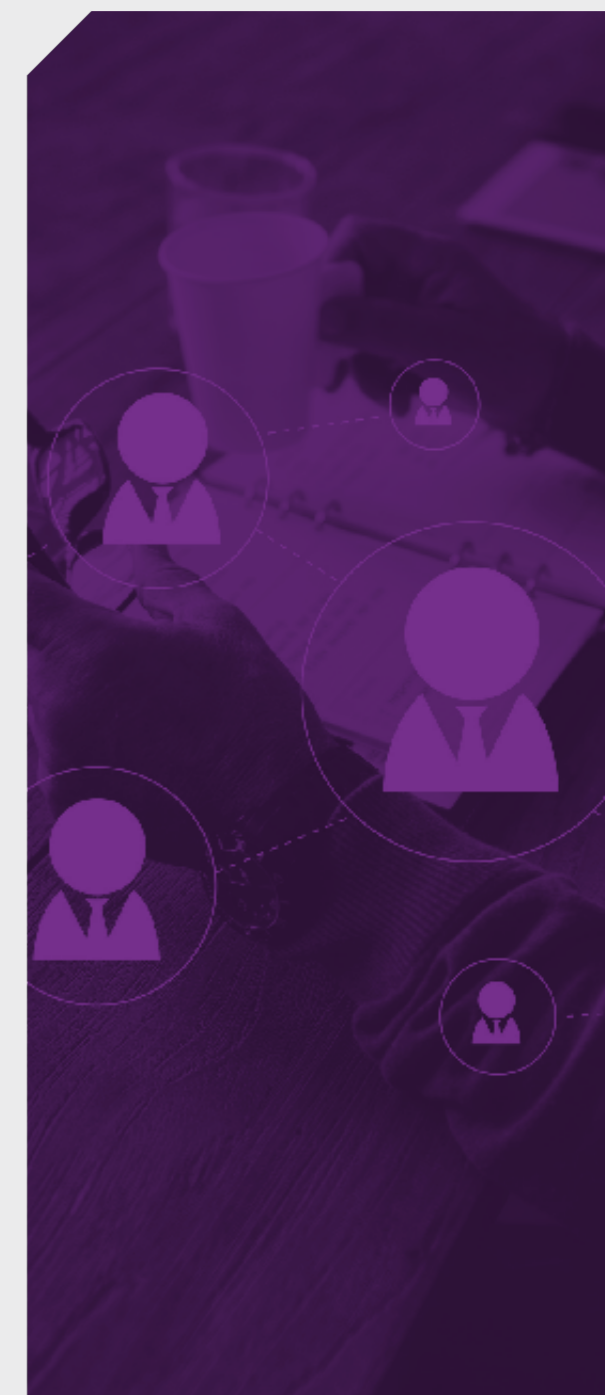
4.1.3 Investor Relations Activities

Through investor relations, Saudi AZM provides constant communication with shareholders and investors throughout the year, which serves as a link between investors, the company's board of directors, and its executive management. The board of directors receives the opinions, suggestions, and comments of its shareholders about the company and its performance on a regular basis, with the aim of enhancing dialogue with stakeholders and achieving balance in their participation.

4.1.4 Means of Communication with Shareholders

Saudi AZM Board of Directors maintains ongoing communication with all shareholders and adopts absolute clarity and transparency in processes of disclosing information published on the company's pages on the Saudi Tadawul website with precision and regularity. The company also urges all shareholders to participate in general assembly meetings, vote, comment, and express their opinions, it also welcomes receiving their suggestions and comments through the Investor Relations email: IR@AZM.sa

- Additionally, Saudi AZM stresses the need for shareholders to participate in general and private assemblies by attending and voting, whether on their own behalf or by organizing a proxy on their behalf, through:
 - Choosing the appropriate time and place that allow full shareholder participation
 - Dedicating enough time for shareholders to discuss the topics listed on the agenda, ask questions, and give suggestions during general assemblies
- Enabling electronic voting on agenda items through the Tadawulaty services portal.



4.1.5 Division of Stock Dividends

The board of directors has instated a clear policy for the distribution of dividends in a manner that achieves the interests of shareholders and the company, in line with the company's bylaws and in compliance with paragraph (b) of Article Nine of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/50/1438 AH corresponding to 13/02/2017 AD, and in accordance with the Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437 AH, amended by the Capital Market Authority Board Resolution No. (8-5-2023) dated 25/06/1444 AH corresponding to 18/01/2023 AD, based on the Companies Law issued By Royal Decree No. (M/132) dated 01/12/1443 AH, as follows:

The jurisdiction of determining the distributed profits

The board of directors provides its proposals regarding the distribution of profits to the Ordinary General Assembly, and deciding on these proposals is within the competence of the Assembly. The Assembly then determines the percentage that must be distributed to shareholders from the net profits, after deducting reserves, if any.

Reports and disclosure

1. At the end of each financial year, the Board of Directors must prepare the company's financial statements and present a report on its activities and financial position for the past fiscal year. This report shall include the proposed method for profit distribution. The board then places these documents at the disposal of the auditor, at least 45 days prior to the date set for the convening of the Annual General Assembly.

2. The Chairman of the Board of Directors, the Chief Executive Officer, and the Financial Director must sign the documents referred to in Paragraph (1) of this Article, and copies thereof are deposited at the company's main office, at the disposal of shareholders.

Dividend Accrual

Each shareholder is entitled to their share of the profits in accordance with the decision of the General Assembly issued in this regard, and the decision indicates the date of maturity and the date of distribution.



Time of Dividend Payout

The Board of Directors must implement the General Assembly's decision regarding the distribution of dividends to registered shareholders within (15) working days from the date of entitlement to these dividends as specified in the General Assembly's decision, or in the Board of Directors' decision requiring the distribution of interim dividends.

Formation of Reserves

The Ordinary General Assembly, based on the Board's proposal, may set aside 10% of the net profits to form a consensual reserve that is allocated for a specific purpose or purposes.

The Ordinary General Assembly may – when determining the portion of shares within the net profit – decide to form other reserves, to the extent that achieves the interest of the company or guarantees the distribution of fixed profits – where possible – to the shareholders. The aforementioned Assembly may also deduct amounts from the net profits to establish social institutions for the company's employees or to assist existing institutions.

Balance of Distributable Profits

The company may not purchase its shares for an amount exceeding the balance of distributable profits, regardless of whether the purchase is made using its cash balances or through external financing sources.

Distributable Profits and Par Value Difference Clause

A. The distributable profits consist of the net income of the fiscal year minus all amounts set aside for the reserve allocated to specific purposes in the company's articles of association – if any – or that should be set aside for the reserves formed by the general assembly, plus the retained profits and the distributable reserves formed from the profits.

B. It is not permissible to use the par value difference clause within the shareholders' rights to distribute cash dividends to the shareholders.

Interim Dividend Distribution Requirements

The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis (if the bylaws stipulate that this is permissible), after the following requirements are met:

1. The Ordinary General Assembly delegates to the Council the distribution of interim dividends according to a resolution that is renewed annually.
2. The company must have good and regular profitability.
3. It must have reasonable liquidity and can reasonably expect its level of profits.
4. The company must have distributable profits according to the latest audited financial statements, sufficient to cover the profits proposed to be distributed, after deducting what was distributed and capitalized from those profits after the date of these financial statements.

Interim Dividend Distribution Controls

A. The distribution of profits is delimited at the expense of remaining profits from previous years or the distributable reserves consisting of profits, or both. The company must take into account the sequence and regularity in the methods and ratios of distributing profits according to the capabilities and liquidity available to the company. The Board of Directors must disclose and announce the regular periodic ratios that are scheduled to be distributed to shareholders as scheduled.

B. The company must, immediately and without delay, disclose to the assembly and the public when making a decision to distribute interim profits.

****To date, the company has not distributed dividends to its shareholders.**



4.2 Board of Directors

4.2.1 Formation of the Board of Directors

The company is managed by a Board of Directors consisting of five members of natural capacity who are elected by the Ordinary General Assembly of shareholders for a period of five years, starting from 11/11/1442 AH, corresponding to 21/06/2021 AD.



Name	Membership Category
Mr. Majid bin Saad bin Hamoud Al-Osaimi	Non-executive
Position	Date of Appointment
Chairman of the Board of Directors	11/11/1442 AH corresponding to: 21/06/2021 AD



Name	Membership Category
Mr. Omar bin Abdul Rahman bin Ali Al-Jeraisy	Independent
Position	Date of Appointment
Member of the Board of Directors Chairman of the Nominations and Remuneration Committee	11/11/1442 AH corresponding to: 21/06/2021 AD



Name	Membership Category
His Excellency Ahmed bin Abdul Aziz bin Muhammad Al-Haqbani	Non-executive
Position	Date of Appointment
Vice Chairman of the Board of Directors	11/11/1442 AH corresponding to: 21/06/2021 AD



Name	Membership Category
Mr. Firas bin Khalid bin Ibrahim Al-Jariwi	Non-executive
Position	Date of Appointment
Member of the Board of Directors	11/11/1442 AH corresponding to: 21/06/2021 AD
Resignation date	
	18/12/1444 AH corresponding to: 06/07/2023 AD



Name	Membership Category
Mr. Ali bin Muhammad bin Rashid Al-Ballaa	Executive
Position	Date of Appointment
Managing Director and Chief Executive Officer	11/11/1442 AH corresponding to: 21/06/2021 AD



Name	Membership Category
Mr. Omar bin Fahad bin Abdulkarim Al Alsunidi	Independent
Position	Date of Appointment
Member of the Board of Directors - Member of the Audit Committee	18/12/1444 AH corresponding to: 06/07/2023 AD

4.2.2 The Resume of the Members of the Board of Directors



Mr. Majid bin Saad bin Hamoud Al-Osaimi

Current roles:

- Chairman of the Board of Directors of Wajd Holding Group, from 2021 AD to date.
- Chairman of the Board of Directors of AZM Saudi Holding Company, from 2017 AD to date.
- Chairman of the Board of Directors of AZM Financial Technology Company, from 2019 AD to date.
- Chairman of the Board of Directors of Business Development Mines Company, from 2018 AD to date.
- Member of the Board of Directors of Itqan Capital, from 2023 AD to date.
- Chairman of the Board of Directors of Aseel Financial, from 2021 AD to date.
- Chairman of the Board of Directors of Etmam Investment Company, from 2018 AD to date.
- Member of the Board of Directors of Al Sulaiman Real Estate Company, from 2021 AD to date.
- Member of the Board of Directors of NAQUA Company, from 2021 AD to date.
- Member of the Board of Directors of Talad Investment Company, from 2021 AD to date.
- Member of the Board of Directors of Tharawat Capital, from 2021 AD to date.
- CEO of Noura Union Investment Company, from 2018 AD to date.

Previous work experience:

- General Supervisor of the Social Development Sector at the Ministry of Labor and Social Development from October 2016 until May 2017 AD.
- General Supervisor of the Strategic Transformation Office at the Ministry of Labor and Social Development from July 2016 until April 2017 AD.
- General supervisor of the citizen account program from March 2016 until May 2017 AD.
- General Supervisor of the Social Development Agency at the Ministry of Social Affairs from March 2016 until October 2016 AD.
- Advisor to His Excellency the Minister of Labor and Social Development and His Excellency the Minister of Social Affairs from January 2016 until May 2017 AD.
- General Supervisor of the General Administration of Information Technology at the Ministry of Social Affairs from July 2015 until May 2017 AD.
- Senior business developer for Aramco from November 2004 until June 2015 AD.

Educational Qualifications:

- Bachelor of Information Systems – King Saud University, 2004 AD





His Excellency Ahmed bin Abdul Aziz bin Mu- hammad Al-Haqbani

Current roles:

- Member of the Board of Directors of Simplified Financial Solutions Company, from 2023 AD to date.
- Member of the Board of Directors of the Special Zone Integrated Logistics Company, from 2022 AD to date.
- Member of the Board of Directors of the Communications, Space and Technology Commission, from 2022 AD to date.
- Member of the Board of Directors of the Nuclear and Radiological Control Authority, from 2022 AD to date.
- Member of the Board of Trustees of the National Museum, from 2022 to date.
- Member of the Board of Directors of Aquapur Company, from 2022 AD to date.
- Member of the Board of Directors of Obeikan Glass Company, from 2021 AD to date.
- CEO of Simplified Financial Solutions Company, from 2021 AD to date.
- Chairman of the Board of Directors of Osrati Meal for Takeaway, from 2021 AD to date.

Previous work experience:

- Governor of the General Authority of Customs, from 2017 until 2021 AD.
- Undersecretary for Foreign Trade and General Supervisor of Foreign Trade Offices - Ministry of Commerce, from 2016 to 2017 AD.
- Secretary General - Export Development Authority, from 2013 until 2017 AD.
- General Supervisor of Information Technology and Director of the Ministry's Strategy Project - Ministry of Foreign Affairs, from 2010 until 2013 AD.
- Advisor to the Undersecretary for Planning and Information Technology - Ministry of Education, in 2008 AD.
- Business Development Manager for the Economic Cities Project - Cisco Systems, from 2006 to 2008 AD.
- Project Manager - Electronic Government Program (Yesser), from 2004 to 2006 AD.
- Director of Technical Relations Department - Microsoft Corporation, from 2000 until 2004 AD.

Educational Qualifications:

- Master of Business Administration - INSEAD, 2019 AD.
- Bachelor's degree in Information System - King Saud University, 2000 AD.





Mr. Ali bin Muhammad bin Rashid Al-Ballaa

Current roles:

- CEO of AZM Digital Company for Communications and Information Technology, from 2022 AD to date.
- Director of the Future Communication Company for Communications and Information Technology, from 2022 AD to date.
- Managing Director of AZM Experience Company for Information Technology, from 2022 AD to date.
- Managing Director of AZM Financial Technology Company, from 2019 AD to date.
- CEO of Saudi AZM Holding Company, from 2017 AD to date.
- Member of the Board of Directors of Saudi AZM Holding Company, from 2017 AD to date.

Previous work experience:

- CEO of AZM India, from 2020 to 2021 AD.
- General Manager of Aramis, from 2015 to 2017 AD.
- Director of Business Development at the National Technology Group (NTG), in 2015 AD.
- Director of Government Sales at Microsoft Corporation, from 2013 to 2015 AD.
- Microsoft Account Manager, from 2009 to 2013 AD.

Educational Qualifications:

- Bachelor's degree in Information Systems, King Saud University, 2007 AD.





Mr. Omar bin Abdulrahman bin Ali Al-Jeraisy

Current roles:

- Member of the Board of Directors of Eighth Company, from 2021 AD to date.
- CEO of Ain Investment Company, from 2020 AD to date.
- Chairman of the Board of Directors of Tam Company from 2017 AD to date.
- Chairman of the Board of Directors of ADAD Company from 2019 AD to date.
- Member of the Board of Directors of Rehab Najd Real Estate Development, from 2019 AD to date.
- Member of the Board of Directors of Myrkott Animation Studio, from 2019 AD to date.
- Chairman of the Board of Directors of the Jeraisy Card Purification Factory, from 2018 AD to date.
- Chairman of the Board of Directors of the Paper Production Company, from 2018 AD to date.
- Member of the Board of Directors of AXA Cooperative Insurance Company, from 2018 AD to date.

Previous work experience:

- Deputy General Manager of the Jeraisy Group Company, from 2017 to 2019 AD.
- Assistant General Manager of the Jeraisy Group Company, from 2014 to 2017 AD.

Educational Qualifications:

- Bachelor's degree in Business Administration from Prince Sultan University, 2012 AD.





Mr.
Firas bin Khalid bin Ibrahim
Al-Juraywi

Current roles:

- Vice Chairman of the Board of Directors of AZM Financial Technology Company, from 2021 AD to date.
- Aram Advanced Real Estate Development Company, from 2019 AD to date.
- Member of the Board of Directors of Anova Investment Company, from 2019 AD to date.
- Member of the Board of Directors of Consumer Square Company, from 2018 AD to date.
- Member of the Board of Directors of AZM Saudi Holding Company, from 2017 AD to date.
- General Manager of Firas Al-Jariwi Law Firm, from 2017 AD to date.

Previous work experience:

- Master of Commercial Judiciary from the Higher Institute of Judiciary, 2018 AD.
- Bachelor's degree in Sharia, Imam Muhammad bin Saud Islamic University, 2016 AD.
- Bachelor's degree in Civil Engineering - King Saud University, 2012 AD.





Mr.
Omar bin Fahad bin
Abdulkarim Alsunidi

Current jobs:

- Director of Legal, Governance and Committee Affairs from 2023 until today.

Previous work experience:

- Director of The Governance Department / Council and Committee Affairs - Al Rajhi Bank in 2023
- Director of The Corporate Governance Department - Capital Market Authority from 2005 AD until 2023 AD
- Finance - Saudi Basic Industries Corporation (SABIC) in 2005

Educational Qualifications:

- Master of Finance - University of Wollongong, 2011
- Bachelor's degree in Accounting - Imam Muhammad bin Saud Islamic University, 2005 AD
- Bachelor of Law - Saudi Electronic University, 2022 AD



4.2.3 Names of companies in which the board member is a member of the current or previous board of directors or a director

Majid bin Saad bin Hamoud Al-Osaimi – Chairman of the Board of Directors

	The name of the companies in which the board member is a member of their (current) boards of directors or a director	Headquarters		Legal Entity	Name of the companies in which the member of the Board of Directors is a member of its (former) boards of directors or director	Headquarters		Legal Entity
		In the Kingdom	Outside the Kingdom			In the Kingdom	Outside the Kingdom	
01	Itqan Capital Company	✓		Closed contribution	Kwara Finance Company	✓		Closed contribution
02	National Real Estate Platform Company (Aqarak)	✓		Limited Liability	Kafaat International	✓		Limited Liability
03	Wajd Holding Group	✓		Limited Liability	Cash In	✓		Limited Liability
04	Aseel Finance	✓		Limited Liability				
05	Al Sulaiman Real Estate Company	✓		Closed contribution				
06	NAQUA	✓		Closed contribution				
07	Talad Investment Company	✓		Closed contribution				
08	Tharawat Finance	✓		Closed contribution				
09	AZM Financial Technology Company	✓		Closed contribution				
10	Etmam Investment Company	✓		Limited Liability				
11	Manjam Business Development Company	✓		Limited Liability				
12	Noura Union Investment Company	✓		Limited Liability				
13	Saudi AZM Holding Company	✓		Limited Liability				

Ahmed bin Abdulaziz bin Muhammad Al-Haqbani – Vice Chairman of the Board of Directors

	The name of the companies in which the board member is a member of their (current) boards of directors or a director	Headquarters		Legal Entity	Name of the companies in which the member of the Board of Directors is a member of its (former) boards of directors or director	Headquarters		Legal Entity
		In the Kingdom	Outside the Kingdom			In the Kingdom	Outside the Kingdom	
01	Simplified Financial Solutions Company	✓		Limited Liability	Export Development Authority	✓		Government body
02	Special Zone Integrated Logistics Company	✓		Limited Liability	Local Content and Government Procurement Authority	✓		Government body
03	Communications, Space and Technology Commission	✓		Government body	The General Authority for King Fahd Causeway	✓		Government body
04	Nuclear and Radiological Regulatory Authority	✓		Government body	Saudi Company for Electronic Information Exchange (Tabadul)	✓		Joint stock company
05	National Museum	✓		Public organization	Saudi Arabian Airlines Corporation	✓		Public organization
06	Aqua Power Company	✓		Joint stock company	Flyadeal	✓		Public organization
07	Obeikan Glass Company	✓		Joint stock company	General Authority for Food and Drug Administration	✓		Government body
08	My Family Takeaway Meal	✓		Joint stock company	General Ports Authority	✓		Government body
					National Gas and Manufacturing Company	✓		Joint stock company
					Natural gas distribution company	✓		Joint stock company
					Uptown Jeddah Company	✓		Joint stock company

Ali bin Muhammad bin Rashid Al-Ballaa – Managing Director and Chief Executive Officer

	The name of the companies in which the board member is a member of their (current) boards of directors or a director	Headquarters		Legal Entity	Name of the companies in which the member of the Board of Directors is a member of its (former) boards of directors or director	Headquarters		Legal Entity
		In the Kingdom	Outside the Kingdom			In the Kingdom	Outside the Kingdom	
01	AZM Digital Company for Communications and Information Technology	✓		Limited Liability	AZM India Company	✓		Limited Liability
02	Future Communication Company for Communications and Information Technology	✓		Limited Liability	Aramis company	✓		Limited Liability
03	AZM Experience Information Technology	✓		Limited Liability	National Technology Group	✓		Limited Liability
04	National Real Estate Platform Company (Aqarak)	✓		Limited Liability	Microsoft Saudi Arabia	✓		Limited Liability
05	AZM Financial Technology Company	✓		Closed contribution				
06	Saudi AZM Holding Company	✓		Limited Liability				

Omar bin Abdulrahman bin Ali Al-Jeraisy – Member of the Board of Directors

	The name of the companies in which the board member is a member of their (current) boards of directors or a director	Headquarters		Legal Entity	Name of the companies in which the member of the Board of Directors is a member of its (former) boards of directors or director	Headquarters		Legal Entity
		In the Kingdom	Outside the Kingdom			In the Kingdom	Outside the Kingdom	
01	Thmanyah Company	✓		Limited Liability	Jeraisy Group	✓		Joint stock company
02	Ain Investment Company	✓		Limited Liability				
03	TAM Development Company Limited	✓		Joint stock company				
04	Rehab Najd Real Estate Development	✓		Limited Liability				
05	Myrkott Animation Studio	✓		Limited Liability				
06	Al Jeraisy Card Technology Factory	✓		Joint stock company				
07	Computer Paper Manufacturing Company	✓		Limited Liability				
08	AXA Cooperative Insurance Company	✓		Joint stock company				

Firas bin Khalid bin Ibrahim Al-Juraywi – Member of the Board of Directors

	The name of the companies in which the board member is a member of their (current) boards of directors or a director	Headquarters		Legal Entity	Name of the companies in which the member of the Board of Directors is a member of its (former) boards of directors or director	Headquarters		Legal Entity
		In the Kingdom	Outside the Kingdom			In the Kingdom	Outside the Kingdom	
		01	AZM Financial Technology Company			✓		
02	Aram Advanced Real Estate Development Company	✓		Limited Liability				
03	Anova Investment Company	✓		Limited Liability				
04	Consumer Field Corporation	✓		Limited Liability				
05	Saudi AZM Holding Company	✓		Limited Liability				
06	Firas Al-Juraywi Law Office	✓		Law books licensed by the Ministry of Justice				

Omar bin Fahad bin Abdulkarim Alsunidi - Member of the Board of Directors

	The name of the companies in which the board member is a member of their (current) boards of directors or a director	Headquarters		Legal Entity	Name of the companies in which the member of the Board of Directors is a member of its (former) boards of directors or director	Headquarters		Legal Entity
		In the Kingdom	Outside the Kingdom			In the Kingdom	Outside the Kingdom	
		01	-			-	-	

4.2.3 Ownership of the company's shares and debt instruments by members of the board of directors and their relatives

Name	Beginning of Fiscal Year 2023				End of Fiscal Year 2023				Net Change	Percent Change (%)
	No. of shares before division of par value	No. of shares after division of par value	Debt Instruments	Ownership type	No. of shares before division of par value	No. of shares after division of par value	Debt Instruments	Ownership type		
01 Mr. Majid bin Saad bin Hamoud Al-Osaimi	630,000	12,600,000	0	Direct	630,000	12,600,000	0	Direct	0	%0
02 His Excellency Ahmed bin Abdul Aziz bin Muhammad Al-Haqbani	440	8,800	0	Direct	440	8,800	0	Direct	0	%0
03 Mr. Ali bin Muhammad bin Rashid Al-Ballaa	629,243	12,584,860	0	Direct	629,243	12,584,860	0	Direct	0	%0
04 Mr. Omar bin Abdul Rahman bin Ali Al-Jeraisy	4,127	82,540	0	Indirect	4,127	82,540	0	Indirect	0	%0
05 Mr. Firas bin Khalid bin Ibrahim Al-Jariwi	0	0	0	-	0	0	0	-	0	%0
06 Rawan Abdullah Al-Shathry	45	900	0	Direct	45	900	0	Direct	0	%0
07 Mr. Omar bin Fahd bin Abdulkarim Al Sunaidi	-	-	-	-	-	-	-	-	-	-

** The company's shares were divided according to the approval of the Extraordinary General Assembly on 29/11/1444 AH corresponding to 18/06/2023 AD.

4.2.4 Actions taken by the Board of Directors to inform the members

The Board of Directors of Saudi AZM Company constantly communicates with shareholders, whereby it established an Investor Relations Unit to serve as a link between investors, the company's Board of Directors, and its executive management. The Board of Directors receives its shareholders' opinions, suggestions, and observations about the company and its performance on a regular basis, through a comprehensive report on the company's and shareholders' updates, with the aim of enhancing dialogue with stakeholders and achieving balance in their participation.

4.2.5 Meetings of the Board of Directors

The Board of Directors meets four times a year at the invitation of the Chairman of the Board or whenever necessary to follow up on the business and financial results and supervise the executive management. The following is a statement of the Board of Director's meetings of the Saudi AZM Telecommunications and Information Technology Company held during the year 2023 AD and the names of the Board of Directors members attending these meetings:

		Council session for the year 2023 AD					
		1	2	3	4		
Member Name	Position	09-08-22	24-09-22	30-10-22	29-03-23	Total	
01	Mr. Majid bin Saad bin Hamoud Al-Osaimi	Chairman of the Board of Directors	✓	✓	✓	✓	4
02	His Excellency Ahmed bin Abdul Aziz bin Muhammad Al-Haqbani	Vice Chairman of the Board of Directors	✓	✓	✓	✓	4
03	Mr. Ali bin Muhammad bin Rashid Al-Ballaa	Managing Director Of the Board of Directors	✓	✓	✓	✓	4
04	Mr. Omar bin Abdulrahman bin Ali Al-Jeraisy	Member of the Board of Directors	-	✓	✓	✓	3
05	Mr. Firas bin Khalid bin Ibrahim Al-Juraywi	Member of the Board of Directors	✓	✓	-	✓	3

4.2.5 Rulings of the Board of Directors

The Board of Directors of Saudi AZM Telecommunications and Information Technology Company acknowledges the following:

- Account records have been prepared correctly.
- The internal control system was prepared on sound basis and implemented effectively.
- There is no doubt about the company's ability to continue its activities.
- All information published by the company, whether directly or indirectly, is considered accurate and correct statements of material facts or a statement of opinion, and is not intended to influence the share price.
- There were no important events affecting the soundness of the company's financial position that require disclosure, other than the information available and announced.
- The company's consolidated statements were prepared for the Financial year ending on 30-06-2023 AD in accordance with the standards approved by the Saudi Organization for Certified Public Accountants.
- There is no variance from the accounting standards adopted and applied in the Kingdom of Saudi Arabia, during the Financial year ending on 30-06-2023 AD.
- There are no reservations in the auditor's report on the annual financial statements during the fiscal year ending on 30-06-2023 AD.
- There is no recommendation from the Board of Directors to change the auditor before the end of the designated period during the Financial year ending on 30-06-2023 AD.
- The company did not receive from the auditor a request to convene the General Assembly during the year ending on 30-06-2023 AD.
- The company did not receive a request from shareholders who own 5% or more of the company's capital to invite the General Assembly to convene during the year ending on 30-06-2023 AD.
- There are no procedures that may lead to blocking shareholders' voting rights.
- There are no material conflicts of interest during the year ending 30-06-2023 AD, other than what was disclosed.
- The company did not make any deal with any related party.
- There are no contracts other than those mentioned in the body of this report to which the company is a party and in which there is or was a direct or indirect substantial interest for a member of the Board of Directors or members of the Executive Management or for any person related to any of them.
- There are no arrangements or agreements under which any shareholder, member of the Board of Directors, member of the executive management, or employees of the company waived his right to profits.
- No convertible debt instruments, any contractual securities, subscription rights memoranda or rights were issued or granted by the company during the financial year ending on 30-06-2023 AD.
- No conversion or subscription rights under convertible debt instruments, cash securities, subscription rights memorandums, or similar rights were issued or granted by the company during the financial year ending on 30-06-2023 AD.
- No redeemable debt instruments were redeemed, purchased or canceled by the company during the financial year ending on 30-06-2023 AD.
- The company has not received any notification regarding the rights of the class of shares with the right to vote belonging to persons (other than members of the company's board of directors, senior executives and their relatives) under Article 85 of the Rules on the Offer of Securities and Continuing Obligations, and any change in those rights during the financial year 2023 AD.
- There is no penalty, penalization, or precautionary restriction imposed on the company by the Capital Market Authority, or any supervisory, regulatory, or judicial body other than what is mentioned in this report.
- There were no recommendations from the Audit Committee that conflicted with the decisions of the Board of Directors, or any recommendations that the Board refused to take into account.
- The company did not provide loans or credit facilities to any members of the Board of Directors and members of executive management.
- The company did not receive any comments from shareholders during the financial year ending on 30-06-2023.

4.3 Executive Management

4.3.1 Members of Executive Management

Name	Mr. Ismail bin Saeed Al-Qahtani
Position	Executive Vice President
Joining date	19/11/1439 AH corresponding to 31/07/2018 AD

Name	Mr. Haitham bin Naem Hanoun
Position	Head of Business Development Department
Joining date	21/06/1439 AH corresponding to 08/03/2018 AD

Name	Mr. Muhammad Hammad Al-Rahman	resigned
Position	Head of Financial Department	
Joining date	13/03/1441 AH corresponding to 10/11/2019 AD	

Name	Mr. Moath bin Abdulrahman Mansour
Position	Head of Financial Department
Joining date	02/07/1445 AH corresponding to 14/01/2024 AD

Name	Ms. Rawan bint Hisham Al Sharhan	Name	Ms. Sarah bint Abdulrahman AlSaqhan	resigned
Position	Head of Personnel Management, Corporate Culture and Shared Services	Position	Internal Audit Officer	
Joining date	14/05/1440 AH corresponding to 20/02/2019 AD	Joining date	27/06/1443 AH corresponding to 30/01/2022 AD	

Name	Ms. Sarah bint Musa Al Ismail	Name	Mr. Qusay Raafat Al-Ammarin
Position	Project Management Director	Position	Internal Audit Officer
Joining date	01/05/1442 AH corresponding to 15/12/2020 AD	Joining date	08/10/1445 AH corresponding to 17/04/2024 AD.

Name	Mr. Emad bin Abdulrahman Alhuwail
Position	Head of Management Consulting Department
Joining date	21/01/1443 AH corresponding to 29/08/2021 AD

Name	Mr. Alhanouf bint Talal Alturisi
Position	Head of Legal and Governance Department - Secretary of the Board of Directors
Joining date	19/03/1443 AH corresponding to 25/10/2021 AD

4.2.2 The Resume of the Members of the Executive Management

Mr. Ismail bin Saeed Alqahtani

Position:

- Executive Vice President

Date of joining:

- 19/11/1439 AH corresponding to 31/07/2018 AD

Current and previous jobs and experiences:

- Executive Vice President - Saudi AZM for Communications and Information Technology Company from 2022 AD until today.
- Consultant – BIM Ventures from 2022 AD until today.
- Consultant - AZM Experience Information Technology Company from 2022 AD until today.
- Consultant - AZM Financial Technology Company from 2022 AD until today.
- Consultant - AZM Digital Company for Communications and Information Technology from 2022 AD until today.
- Head of Project Management - Saudi AZM for Communications and Information Technology Company from 2018 AD until 2022 AD
- Area Manager - Huawei Technologies Limited Co., from 2013 AD to 2015 AD.
- Senior Project Manager - Saudi Standards, Metrology and Quality Organization from 2012 AD to 2013 AD
- Team Leader - Etihad Telecommunications Company (Mobily) from 2009 AD until 2012 AD

Qualifications:

- Bachelor in Information Systems - King Saud University, 2012 AD
- Masters in Computer and Information Sciences - University of Missouri, 2017 AD



4.2.2 The Resume of the Members of the Executive Management

Mr. Haitham bin Naeem Hanoun

Position:

- Head of Business Development Department

Joining date:

- 21/06/1439 AH corresponding to 08/03/2018 AD

Current and previous jobs and experiences:

- Secretary of the Audit Committee - Saudi AZM for Communications and Information Technology Company from 2021 AD until today.
- Secretary of the Board of Directors - Saudi AZM for Communications and Information Technology Company from 2021 AD until 2024 AD
- Head of the Department of Business Development - Saudi AZM for Communications and Information Technology Company from 2018 AD until today.
- Engineer of Internet of Things - Hadeer Machinery Company, from 2016 AD to 2018 AD
- Sales Engineer - Al-Ajou Company, from 2015 to 2016 AD
- Design Specialist - Elia Information Technology Company from 2014 to 2015

Qualifications:

- Masters in Engineering Management - King Fahd University of Petroleum and Minerals, 2016 AD
- Bachelor's degree in Computer Engineering - King Fahd University of Petroleum and Minerals, 2013 AD



4.2.2 The Resume of the Members of the Executive Management

Mr. Muhammad Hammad Alrahman

Position:

- Head of Financial Department

Joining date:

- 13/03/1441 AH corresponding to 10/11/2019 AD

resigned

Previous jobs and experiences:

- Financial Director - Al Safwa Mubasher Financial Services Company, 2019 AD
- Financial Controller - Sharjah Islamic Bank, from 2006 AD until 2019 AD
- Deputy Director of Finance - Institute of Cost and Management Accounting, Pakistan, from 2005 to 2006.
- Supervisor of compliance implementation - United Bank Limited from 2002 AD until 2005 AD

Qualifications:

- Master of Business Administration - University of Manchester, 2016 AD.
- Association of Chartered Certified Accountants (ACCA) - Association of Chartered Certified Accountants, 2014 AD.
- Master of Economics - University of Karachi, 2004 AD.
- Diploma of Associate Institute of Bankers Pakistan - Institute of Bankers, 2003 AD.
- Pakistan Institute of Cost and Management Accounting, 2002 AD.
- Bachelor of Commerce - University of Karachi, 1997 AD.



4.2.2 The Resume of the Members of the Executive Management

Mr. Moath bin Abdulrahman Mansour

Position:

- Head of Financial Department

Joining date:

- 02/07/1445 AH corresponding to 14/01/2024 AD

Previous jobs and experiences:

- Head of Financial Management - Saudi AZM for Communications and Information Technology Company, from 2024 AD until today.
- Audit Director - PricewaterhouseCoopers (PwC), from 2017 AD until 2023 AD

Qualifications:

- Certified Public Accountant, 2017 AD
- Diploma in International Financial Reporting - Society of Certified Public Accountants in 2017
- Bachelor's degree in Accounting - University of Jordan, 2017 AD



4.2.2 The Resume of the Members of the Executive Management

Ms. Rawan bint Hisham Alsharhan

Position:

- Head of People, Culture & Shared Services Department

Joining date:

- 14/05/1440 AH corresponding to 20/02/2019 AD

Current and previous jobs and experiences:

- Head of Personnel Management, Institutional Culture and Shared Services - Saudi AZM for Communications and Information Technology Company, from 2019 AD until today.
- Performance Analyst - National Center for Privatization and Partnership between the Public and Private Sectors from 2018 AD to 2019 AD

Qualifications:

- Chartered Institute of Personnel and Development qualifications in 2021
- Bachelor's degree in Human Resources Management - King Saud University 2018 AD



4.2.2 The Resume of the Members of the Executive Management

Ms. Sarah bint Musa Al Ismail

Position:

- Head of Project Department

Joining date:

- 01/05/1442 AH corresponding to 15/12/2020 AD

Current and previous jobs and experiences:

- Consultant - Helya Innovation Company, from 2023 AD until today.
- Consultant - White Track, from 2023 AD until today.
- Consultant - Three Lines Company, from 2020 AD until today.
- Head of Project Management - Saudi AZM for Communications and Information Technology Company, from 2022 AD until today.
- Senior Project Manager - Saudi AZM for Communications and Information Technology Company, from 2020 AD until 2022 AD
- Project Manager - The Grand Store Information Technology Foundation, from 2018 AD until 2020 AD

Qualifications:

- Masters in Business Administration, Ancik University, 2020
- Masters in Executive Management, Al Yamamah University, 2020 AD
- Higher Diploma in Leadership and Management, University of Washington, 2020 AD
- Technology for Leadership Program, Massachusetts Institute of Technology (MIT), 2020
- Project Management Professional (PMP) Certificate - Project Management Institute, 2020 AD
- Bachelor's degree in French Language - Princess Noura bint Abdul Rahman University, 2020 AD



4.2.2 The Resume of the Members of the Executive Management

Mr. Emad bin Abdulrahman Alhuwail

Position:

- Head of Advisory Department

Joining date:

- 21/01/1443 AH corresponding to 29/08/2021 AD

Current and previous jobs and experiences:

- Head of the Management Consulting Department - Saudi AZM for Communications and Information Technology Company, from 2024 AD until today.
- Senior Consultant - Saudi AZM for Communications and Information Technology Company, from 2021 AD to 2024 AD.
- Associate consultant - Boston Consulting Group (BCG), from 2019 AD to 2021 AD.
- Business Analyst - Boston Consulting Group (BCG), from 2018 to 2019
- Consultant trainee - PricewaterhouseCoopers (PwC), from 2017 AD to 2018 AD.

Qualifications:

- Bachelor's degree in Industrial and Systems Engineering - King Fahd University of Petroleum and Minerals, 2018 AD



4.2.2 The Resume of the Members of the Executive Management

Ms. Alhanouf bint Talal Alturisi

Position:

- Head of Legal and Governance Department - Secretary of the Board of Directors

Joining date:

- 19/03/1443 AH corresponding to 25/10/2021 AD

Current and previous jobs and experiences:

- Head of Legal Department and Governance - Saudi AZM for Communications and Information Technology Company, from 2024 AD until today.
- Secretary of the Board of Directors - Saudi AZM for Communications and Information Technology Company, from 2024 AD until today.
- Secretary of the Board of Directors - AZM Financial Technology Company from 2022 AD until today.
- Leader of Legal Affairs and Governance - Saudi AZM for Communications and Information Technology Company, from 2022 AD to 2024 AD.
- Legal Affairs and Governance Specialist - Saudi AZM for Communications and Information Technology Company, from 2021 AD to 2022 AD.
- Trainee lawyer - Abdullah Al-Falaj Office, lawyers and consultants, one year ago, from 2019 AD until 2020 AD.

Qualifications:

- International Fellowship in Commercial Arbitration - The Royal British Association of Arbitrators (CIArb) in cooperation with the Academy of the Saudi Center for Commercial Arbitration, in 2023 AD.
- General Certificate for Dealing in Securities (CME1), Financial Academy, 2022 AD
- Professional Certificate for Disclosure, Financial Academy in 2022
- Bachelor's Degree in Systems - Princess Noura bint Abdul Rahman University, 2019 AD



4.2.2 The Resume of the Members of the Executive Management

Ms. Sarah bint Abdulrahman Alsaqhan

Position:

- Internal Audit Officer

Joining date:

- 27/06/1443 AH corresponding to 30/01/2022 AD

resigned

Previous jobs and experiences:

- Internal auditor and risk consultant - Protiviti Company, from 2020 AD to 2021 AD.

Qualifications:

- Governance, Risk and Compliance Certified Professional (GRCP) certificate, 2022 AD
- General Certificate for Dealing in Securities (CME1), 2020 AD
- Bachelor's degree in Finance - King Saud University, 2020 AD



4.2.2 The Resume of the Members of the Executive Management

Mr. Qusay Raafat Al-Ammarin

Position:

- Internal Audit Officer

Joining date:

- 08/10/1445 AH corresponding to 17/04/2024 AD.

Previous jobs and experiences:

- Senior Internal Auditor - Ahli Microfinance Company, from 2023 AD to 2024 AD
- Internal auditor - Ahli Microfinance Company, from 2020 AD to 2023 AD
- Small and Medium Enterprises Account Manager - Orange Communications, from 2019 AD to 2020 AD
- Customer service - Roya Channel from 2017 AD until 2019 AD
- Treasury employee - Operations Department - Bank Audi, from 2014 AD to 2017 AD

Qualifications:

- Certified specialist in internal control in 2024
- Certified specialist in combating money laundering and terrorist financing in 2022
- Bachelor's degree in Banking and Finance - The Hashemite University in 2013



4.4.3 Ownership of shares and debt instruments by ex-

Name	Beginning of Fiscal Year 2023				End of Fiscal Year 2023				Net Change	Percent Change (%)
	No. of shares before division of par value	No. of shares after division of par value	Debt Instruments	Ownership type	No. of shares before division of par value	No. of shares after division of par value	Debt Instruments	Ownership type		
01 Mr. Ismail bin Said bin Salem Alqahtani	60	1,200	0	Direct	1,858	37,160	0	Direct	35,960	%97
02 Mr. Haitham bin Naeem Hanoun	0	0	0	Direct	90	1,800	0	Direct	1,800	%100
03 Mr. Mohamed Hammad Al-Rahman	0	0	0	-	1,237	24,740	0	Direct	24740	%100
04 Ms. Rawan bint Hisham Alsharhan	30	600	0	Direct	561	11,220	0	Direct	10,620	%95
05 Ms. Sarah bint Musa Al Ismail	17	340	0	Direct	1,089	21,780	0	Direct	21,440	%98
06 Ms. Sarah bint Abdulrahman Alsaqhan	0	0	0	-	77	1,540	0	Direct	1,540	%100
07 Mr. Emad bin Abdulrahman Alhuwail	0	0	0	-	614	12,820	0	Direct	12,820	%100
08 Ms. Alhanouf bint Talal Alturisi	0	0	0	-	531	10620	0	Direct	10620	%100
09 Qusay Raafat Al-Ammarin	-	-	-	-	-	-	-	-	-	-

** The company's shares were divided according to the approval of the Extraordinary General Assembly on 11/29/1444 AH corresponding to 06/18/2023 AD.

4.4 Committees Emanating from the Board of Directors

There are two committees that emanate from the Board of Directors, which are the Audit Committee and the Nominations and Remunerations Committee that were formed in accordance with the Corporate Governance Regulations issued by the Board of the Capital Market Authority to support the Board of Directors. The tasks and responsibilities of the committees have been defined in the internal regulations for the work of each committee, provided that the number of committee members is not less than 3 and the committees present their recommendations and views to the Board of Directors.

4.4.1 Audit Committee

The Audit Committee consists of (three members) who are not members of the Executive Board of Directors, whether shareholders or others, who were appointed pursuant to the decision of the Ordinary General Assembly dated 16/11/1442 AH, corresponding to 26/06/2021 AD.

And, with the approaching end of the Audit Committee's session, the Board of Directors have decided on 09/10/1445 AH corresponding to 18/04/2024 AD to terminate and reconstitute the current session; so that it commences on the date of the Board's decision and lasts until the date of 06/01/1448 AH corresponding to 21/06/2026 AD, in order to coincide with the current Board of Directors' span.



4.4.1.1 Formation and Duties of the Audit Committee

The committee is formed from the company's shareholders or others, by a decision of the company's Board of Directors, provided that it does not include any of the executive members of the Board, and the number of its members is not less than three or more than five and that at least one of them is an independent member. The Chairman of the Board of Directors may not be a member of the committee, and anyone who works or has worked in the executive or financial management of the company or with the company's auditor during the last two years, may not be a member of the committee.

There must be one member, amongst the members, specialized in financial and accounting affairs, and this committee member must have the experience and qualifications appropriate to the committee's work and tasks, they must adhere to the principles of honesty, loyalty, care, and concern for the interests of the company and shareholders and prioritize them over their personal interests, and they must adhere to the regulatory requirements and the company's policies and regulations regarding conflicts of interest and disclosure. The main role of the Audit Committee is to supervise the internal audit tasks, study its reports, and follow up on the application of corrective measures for the observations contained in the oversight and audit of the company's work. To do this, it has the right to review records and documents and request any clarification or statement from the members of the Board or the Executive Management. It may also request the Board of Directors to convene the General Assembly, if the Board impedes its work or if the company suffers serious damages or losses.



4.4.1.2 Specialties and Duties of the Audit Committee

The Audit Committee is responsible for monitoring the company's business and verifying the veracity and integrity of its reports, financial statements, and internal control systems. The committee's tasks include, in particular, the following:

First: Financial Reports

1. Study the company's initial and annual financial statements before presenting them to the Board of Directors and expressing its opinion and recommendations regarding them; to ensure its integrity, fairness, and transparency.
2. Expressing a technical opinion – at the request of the Board of Directors – as to whether the Board of Directors' report and the company's financial statements are fair, balanced, understandable, and include information that allows shareholders and investors to evaluate the company's financial position, performance, business model, and strategy.
3. Assessing any important or unusual issues included in the financial reports.
4. Carefully researching any issues raised by the company's financial director, whoever assumes duties, the compliance officer, the company's internal control officer, or the auditor.
5. Verifying accounting estimates on the fundamental issues contained in the financial reports.
6. Scrutinizing the accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors regarding them.

Second: Internal Audits

1. Assessing and verifying internal and financial monitoring systems and risk management in the company.
2. Scrutinizing internal audit reports and following up on the implementation of corrective actions for the notes contained therein.
3. Monitoring and supervising the performance and activities of the internal auditor as well as the internal audit department in the company to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them.
4. Recommending the appointment of the director of the internal audit unit or department or the internal auditor and proposing his remuneration to the Board of Directors.

Third: Auditor

1. Recommending the nomination of auditors, their dismissal, determining their fees, and evaluating their performance, to the Board of Directors, after verifying their independence and reviewing the scope of their work and the terms of their contract.
2. Verifying the independence, objectivity, and fairness of the auditor, and the effectiveness of the audit work, taking into account the relevant rules and standards.
3. Reviewing the plan and work of the company's financial auditor, verifying that he is not submitting technical or administrative work that falls outside the scope of auditing, or expressing his views on such matters.
4. Answering the company auditor's inquiries.
5. Reviewing the auditor's report and his observations on the financial statements, expressing its opinion regarding them, if any, and following up on what is decided about them.

Fourth: Ensuring Commitment

1. Reviewing the results of the regulatory authorities' reports and verifying that the company has taken the necessary measures regarding them.
2. Verifying the company's compliance with the laws, regulations, policies, and instructions related to its scope of work.
3. Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and submitting its recommendations to the Board of Directors.
4. Raise any issues it deems necessary to take actions on to the Board of Directors, and expressing its recommendations regarding the measures that must be taken.



Mr. Abdulrahman bin Ibrahim Alhadlaq

Position

- Chairman of the Audit Committee - from outside the Board

Membership date for the Audit Committee session:

- 16/11/1442 AH corresponding to 26/06/2021 AD until 09/10/1445 AH corresponding to 18/04/2024 AD

Current Roles

- CEO, Asas Makin Real Estate Development and Investment Company from 2022 to date.
- Member of the Board of Directors, Asas Makin Real Estate Development and Investment Company from 2022 AD to date.
- Member of the Board of Directors, Hayat Cleaning Company, from 2022 AD to date.
- Member of the Nominations and Remuneration Committee, Nasaj Company, from 2022 to date.
- Chairman of the Board of Directors, Code Real Estate Company, from 2021 AD to date.
- Member of the Board of Directors, Dar Al Marakaba Car Rental Company, from 2021 AD to date.
- Member of the Board of Directors, Nasaj Company, from 2021 AD to date.
- Chairman of the Audit Committee, Nofoth Holding Company, from 2021 AD to date.
- Member of the Audit Committee, Al-Tuwaijri Company, from 2021 AD to date.
- Chairman of the Audit Committee, Specific Food Trading Company, from 2021 AD to date.

Previous Work Experience

- CEO – Sadr Logistics Services Company (2020-2022 AD)
- CEO - Abdul Rahman Al-Shaalan Sons Company (2018-2020 AD)
- Executive Vice President - Abdulrahman Al Shaalan Sons Company (2017-2018 AD)
- Internal auditor - Education and Training Evaluation Commission (2015-2017 AD)

Educational Qualifications

- Master of Business Administration 2015 AD
- Bachelor's degree in Accounting 2011 AD



Dr. Yazid bin Ibrahim Alabdulkarim

Position

- Chairman of the Audit Committee - from outside the Board

Membership date for the Audit Committee session:

- 16/11/1442 AH corresponding to 26/06/2021 AD until 09/10/1445 AH corresponding to 18/04/2024 AD

Current Roles

- Consultant at the Saudi Information Technology Company, from 2021 AD to date.
- Assistant professor at King Saud University, from 2018 to date.

Previous Work Experience

- Doctoral researcher at the University of Southern California, (2014-2018 AD).
- Teaching assistant at King Saud University for one year (2009-2018 AD).
- Integration solutions developer at Alinma Bank, (2007-2019 AD).

Educational Qualifications

- Doctorate in Computer Science from the University of Southern California, 2018 AD.
- Master's degree in Computer Science from the University of Southern California 2012 AD.
- Bachelor's degree in information systems from King Saud University in 2007 AD.



Mr. Muhammad Amin Marah

Position

- Member of the Audit Committee - from outside the Board

Membership date for the Audit Committee session:

- 16/11/1442 AH corresponding to 26/06/2021 AD until 09/10/1445 AH corresponding to 18/04/2024 AD

Current Roles

- Member of the Board of Directors, AZM Financial Technology Company, from 2022 AD to date.
- Member of the Board of Directors, Aseel Financial Company, from 2021 AD to date.
- Managing Director of Mine Investment Business Development Holding Company, from 2021 AD to date.
- Managing Director of Ejaro Technologies, from 2021 AD to date.
- Managing Director of Mine Business Development Holding Company, from 2020 AD to date.
- Member of the Finance Committee, Fakhr Investment Holding Company, from 2019 to date.
- CEO of Mine Business Development and Commercial Investment, from 2018 to date.

Previous Work Experience

- Director - Aramis Consulting Company (2016-2018 AD)
- Senior Assistant - PricewaterhouseCoopers (2013-2016 AD)
- Auditor - Deloitte (2011-2013 AD)

Educational Qualifications

- Bachelor of Accounting - King Fahd University of Petroleum and Minerals in 2011 AD

As the end of the Audit Committee's session is approaching, the Board of Directors have decided on 09/10/1445 AH corresponding to 18/04/2024 AD to terminate the current session and reconstitute it so that it begins on the date of the Board's decision and extends until 01/06/1448 AH corresponding to 21/06/2026 AD in order to coincide with the session of the current Board of Directors. Moreover, the following members have been appointed:

Mr. Abdulrahman bin Ibrahim Alhadlaq

Position:

Chairman of the Audit Committee - from outside the Board

Appointment date:

09/10/1445 AH corresponding to 18/04/2024 AD until today.

Mr. Al-Hadlaq have been previously identified among the section covering the names and information of the members of the Audit Committee of the previous session (page 128).

Mr. Omar bin Fahad bin Abdulkarim Alsunidi

Position:

Member of the Audit Committee - Independent Board Member

Appointment date:

09/10/1445 AH corresponding to 18/04/2024 AD until today.

Mr. Al-Sunaidi was previously identified in the section covering the names and information of the members of the Board of Directors (page 90).

Mr. Mr. Mohamed Amin Merah

Position:

Member of the Audit Committee - from outside the Board

Appointment date:

09/10/1445 AH corresponding to 18/04/2024 AD until today.

Mr. Merah was previously identified in the section covering the names and information of the members of the Audit Committee of the previous session (page 132).

4.4.1.4 Meetings of the Audit Committee

The Audit Committee holds its meetings periodically or whenever necessary to follow up on its work and revise financial statements and other related topics. The attendance record is as follows:

			Audit Committee session for the year 2023				
			1	2	3	4	
#	Member's Name	Position	22-09-25	22-12-20	23-02-01	23-03-01	المجموع
01	Mr. Abdulrahman bin Ibrahim AlaHadlaq	Chairman of the Audit Committee	✓	✓	✓	✓	4
02	Dr. Yazeed bin Ibrahim Alabdulkareem	Member of the Audit Committee	✓	✓	✓	✓	4
03	Mr. Muhammad Amin Marah	Member of the Audit Committee	✓	✓	✓	✓	4



4.4.2 Nominations and Remunerations Committee

The Nominations and Remunerations Committee is composed of three members, not members of the Executive Board of Directors, whether shareholders or others, who were appointed pursuant to a decision of the Board of Directors of Saudi AZM Company dated: 08/10/1443 AH corresponding to: 09/05/2022 AD.

4.4.2.1 Formation and Role of the Nominations and Remunerations Committee

By decision of the company's Board of Directors, a committee called The Nominations and Remunerations Committee is formed of at least three and no more than five members who are non-executive members of the Board of Directors, provided at least one of them is an independent member. The Board of Directors appoints one of its members as Chairman of the Committee, provided that he is an independent member. The Nominations and Remunerations Committee aims to assist the Board of Directors by supervising the remuneration plan and following up on its implementation, the nomination process for membership in the company's Board, committees, and executive management, and ensuring that it is linked to performance, in accordance with the applicable regulatory controls and procedures.

Second: Regarding Nominations

1. Suggesting clear policies and standards for membership in the Board of Directors and Executive Management.
2. Recommending the nomination and re-nomination of members to the Board of Directors in accordance with the approved policies and standards, taking consideration not to nominate anyone with previous convictions of crimes involving a breach of trust.
3. Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and filling executive management positions.
4. Determining the amount of time that a member must devote to the work of the Board of Directors.
5. Reviewing the necessary skills or experiences required for membership in the Board of Directors and executive management functions, annually.
6. Reviewing the structure of the Board of Directors and Executive Management and providing recommendations regarding any changes that can be made.
7. Annually verifying the independence of independent members, and the absence of any conflict of interest if the member is an active member in the Board of another company.
8. Developing job descriptions for executive members, non-executive members, independent members, and senior executives.
9. Establishing special procedures in the event that the position of a member of the Board of Directors or a senior executive becomes vacant.
10. Identifying the weaknesses and strengths of the Board of Directors, and proposing solutions to address them in a way that is consistent with the company's interest.

4.4.2.2 Specialties and Duties of the Nominations and Remunerations Committee

The committee undertakes the tasks and domains related to two important topics, remunerations and nominations. Additionally, it is responsible for submitting reports on its activities to the Council on a periodic basis. The following are the tasks and powers of the committee:

First: Regarding Remunerations

1. Drafting a remuneration policy for the members of the Board of Directors, the committees emanating from the Board, and senior executives, and submitting it to the Board for consideration in preparation for its approval by the General Assembly, provided that this policy takes into account specific standards related to performance, disclosing them, and verifying their implementation.
2. Clarifying the relationships between the remunerations granted and the applicable remunerations policy, and indicating any material deviation from this policy.
3. Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving the desired goals.
4. Recommending the remuneration of members of the Board, the sub-committees, and the company's senior executives to the Board of Directors, in accordance with the approved policy.

4.4.2.3 The Members of the Nominations and Remunerations Committee



Mr
Omar bin Abdul
Rahman Aljeraisy

Position

- Chairman of the Nominations and Remuneration Committee - Independent Board Member

Appointment date:

- 10/08/1443 AH corresponding to 05/09/2022 AD until today.

Has previously been introduced among the names and information of the members of the Board of Directors.
(Page: 86)



Dr. Majdi bin Saleh Qari

Position

- Member of the Nominations and Remuneration Committee - from outside the Board

Appointment date:

- 10/08/1443 AH corresponding to 05/09/2022 AD to until today.

Current Roles

- Director of Human Resources at Kabi Technologies from 2022 AD to date.
- Consultant at Kamen from 2017 AD to date.

Previous Work Experience

- Human Resources Director at Nakhla Human Resources Company (2020-2022 AD)
- Human Resources Manager -Hala (2019-2021)
- Recruitment Consultant (2012-2015 AD)

Educational Qualifications

- Bachelor of Business Administration - King Abdulaziz University in 2009 AD.





**Ms.
Rawan bint Hisham
Alsharhan**

resigned

Position

- Member of the Nominations and Remuneration Committee - from outside the Board

Appointment date:

- 10/08/1443 AH corresponding to 05/09/2022 AD until 09/10/1445 AH corresponding to 18/04/2024 AD

Has previously been introduced among the names and information of the members of the Board of Directors.
(Page: 108-109)





Ms. Lulwah bint Nasser Alotaibi

Position

- Member of the Nominations and Remuneration Committee - from outside the Board

Appointment date:

- 09/10/1445 AH corresponding to 18/04/2024 AD until today.

Current Roles

- Head of Personnel and Cultural Division, Al-Etmam Consulting Company from 2021 AD until today.

Qualifications

- Bachelor's degree in English Language and Translation, King Saud University, 2015 AD.

Previous jobs and experiences:

- Co-consultant, Al-Etmam Consulting Company, from 2020 to 2021
- Leader of the Project Management Office - Al-Etmam Consulting Company from 2019 to 2020
- Project Management Specialist - Saudi Patient Safety Center, from 2017 to 2018
- Editor - Prince Sultan Military Medical City, from 2016 to 2017



4.4.2.4 Meetings of the Nominations and Remunerations Committee

			Nominations and Remuneration Committee session for the year 2023		
			1	2	
م	Member's Name	Position	22-12-04	23-01-25	Total
01	Mr. Omar bin Abdulrahman Aljeraisy	Chairman of the Nominations and Remunerations Committee	✓	✓	2
02	Mr. Majdi bin Saleh Qari	Member of the Nominations and Remunerations Committee	✓	✓	2
03	Ms. Rawan bint Hisham Alsharhan	Member of the Nominations and Remunerations Committee	✓	✓	2



4.5 Governance and Compliance

Governance aims to establish rules, foundations, and adopt concepts, policies, and controls that work to achieve the specific goals of work in a professional manner that ensures efficient and effective performance, enables continuous oversight, and regulates relationships among stakeholders. And at Saudi AZM Company, we are keen to implement governance in accordance with the highest standards and established practices, comply with all regulations and decisions issued by the competent authorities in the Kingdom of Saudi Arabia, and adopt basic principles such as justice, transparency and equality, which would limit wrongful practices, protect shareholders' rights and ensure business sustainability.

4.5.1 Remunerations

4.5.1.1 Remunerations Policy

The remuneration or incentives policy has been prepared for the Board of Directors, its committees, and the executive management, and it aims to set clear standards for the remuneration of members of the Board of Directors of Saudi AZM Company for Telecommunications and Information Technology, as well as members of the committees emanating from the Board and senior executives, in light of the requirements of the Companies Law and the Capital Market Authority's regulations in accordance with the following:

General Remunerations Standards

The Nominations and Remunerations Committee is responsible for recommending the remuneration of members of the Board of Directors, its committees, and the company's senior executives to the Board, in accordance with the following standards:

1. That the remunerations be commensurate with the company's activity and the skills necessary to manage it and achieve its goals.
2. Consideration must be given to the variable portion of remunerations based on long term performance.
3. Remunerations are determined based on the level of the job, tasks, and responsibilities assigned to the person performing it, as well as their academic qualifications, practical experience, skills, and performance.

4. The company takes into account the consistency of remunerations with the company's strategy and objectives, and with the size, nature, and degree of its risks.
5. The company takes into account the practices of other companies and what prevails in the labor market regarding remuneration, avoiding what may result in an unjust increase in rewards and compensations.
6. The remuneration must be reasonably sufficient to attract, maintain, and motivate professional competencies, without exaggeration.
7. A remuneration must be disbursed or refunded if it is found that it was decided based on inaccurate information provided by a member of the Board of Directors or Executive Management. This is to prevent exploitation of employment status to obtain undeserved remunerations.
8. Remunerations may be of varying amounts to reflect the extent of the results of the member's work, specialisms, the tasks assigned, independence, the number of sessions attended, and other such considerations.
9. The granting of shares to members of the Board of Directors and Executive Management, whether a new issue or shares purchased by the company, is organized under the supervision of the Nominations and Remunerations Committee.
10. By decision of the Board of Directors, the remuneration of members of the Board, its committees, and senior executives may be reduced in the event of a faltering performance of the company.

Remunerations of Members of the Board of Directors and its Sub-committees

1. The remunerations of the Board of Directors at Saudi AZM Company for Communication and Information Technology are formed on a set amount, an attendance allowance for sessions, in-kind benefits, or a certain percentage of net profits. It is possible to combine two or more of these benefits.
2. The remuneration for members of the committees emanating from the Board of Directors at Saudi AZM Company for Telecommunications and Information Technology consists of a set amount, an attendance allowance for sessions, or in-kind benefits.
3. The Board of Directors proposes the remuneration of the members of the Board of Directors and the affiliated committees based on the recommendation of the Nominations and Remuneration Committee and in accordance with the relevant rules, regulations and instructions and with any conditions approved by the General Assembly. None of the remuneration and compensation proposed for the Chairman and members of the Board shall be approved except after the General Assembly's approval of

them.

4. When forming the membership of the committees emanating from the Board of Directors, the number of committees that a Board member can occupy is taken into account, so that the total remuneration that the member receives for his membership in the Board and the committees does not exceed the maximum limit stipulated in the Companies Law.

Remunerations of the Executive Management

1. The annual remuneration for the company's CEO is determined based on his achievement of the annual and strategic goals.
2. The annual bonus for the company's executive management is calculated according to their achievement of the annual and strategic goals.
3. The salaries and benefits allocated to the executive management are determined based on the company's approved policy, to include:
 - a. Basic salary
 - b. Allowances
 - c. Benefits
 - d. What is approved by the company's Board of Directors



4.5.1.2 Remunerations of the Board of Directors

A total of 215,000 Saudi Riyals was disbursed as remuneration for the members of the Board of Directors for the financial year ending on 30-06-2022 AD, pursuant to the approval of the Extraordinary General Assembly held on Sunday 29-06-1444 AH corresponding to 22-01-2023 AD, according to the table below:

Name	Fixed remunerations						Total	Variable Remunerations							Expenses allowance	
	Set amount	Stipend for attending council meetings	Total stipend for attending council meetings	In-kind benefits	Remuneration for technical, administrative and consulting work	Remuneration of the Chairman, Managing Director, or Secretary, if he is a member		Percentage of profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	End of service benefits		Grand total
Mr. Ahmed bin Abdulaziz bin Muhammad Al-Haqbani	100,000	3,000	9,000				109,000								109,000	
Mr. Omar bin Abdulrahman bin Ali Al-Jarisi	100,000	3,000	6,000				106,000								106,000	

4.5.1.3 Remunerations of the Committee Members

An amount of 148,000 Saudi riyals was disbursed as a reward to the members of the Audit Committee, and an amount of 43,000 Saudi riyals was disbursed as a reward to the members of the Nominations and Remuneration Committee for the fiscal year ending on 30/06/2022 AD, pursuant to the approval of the Extraordinary General Assembly held on Sunday, 29/06/1444 AH corresponding to 22/01/2023 AD.

Members of the Audit Committee				
no	name	Fixed Remunerations	Stipend for Session Attendance	Total
01	Mr. Abdulrahman bin Ibrahim Al-Hadlaq	50,000	6,000	56,000
02	Dr. Yazeed bin Ibrahim Al-Abdulkareem	40,000	6,000	46,000
03	Mr. Muhammad Amin Marah	40,000	6,000	46,000

Members of the Nominations and Remuneration Committee				
no	name	Fixed Remunerations	Stipend for Session Attendance	Total
01	Mr. Omar bin Abdulrahman Al-Jarisi	25,000	4,000	29,000
02	Mr. Majdi bin Saleh Qari	10,000	4,000	14,000

** By recommendation of the Nominations and Remunerations Committee, executive members are not granted remuneration for their work on committees.

4.5.1.4 Remunerations for Five Senior Executives

Remunerations were disbursed to five senior executives, including the CEO and CFO, during the financial year ending on 30/06/2023 as per to the following:

Variable Remunerations				Fixed remunerations					End of service benefits	Total executive remuneration for the Board, if any	Grand total
Salaries	Stipends	In-kind benefits	Total	Periodic remunerations	Dividends	Short-term incentive plans	Long-term incentive plans	Shares granted			
2,198,943.89			2,198,943.89	30,000				649,400	679,400	218,499	3,096,842.89

4.5.2.1 Statement of related party transactions

Saudi AZM is always sure, in its contracts and dealings with related parties, to be on a purely commercial competitive basis that guarantees shareholders' rights. The table below shows the most prominent contents of the company's contracts concluded with related parties during the financial year 2023:

N	Related party	Nature of the relationship	Value of balance of transactions during year (SAR)	Duration of transaction (Annual)	Terms of Dealing	Name of Member/ Senior Executives/or any person related to any of them	Status
01	Azm Financial Technology Company	A framework agreement to provide consulting services (and its appendices)	34,464,295	Five years	There are no preferential conditions	Majid bin Saad AL-Osaimi Ali bin Muhammad Al-Balaa Firas bin Khaled Al-Juraywi	It will be submitted at the nearest meeting of the General Assembly for approval
02	Mine Business Company for Development and Commercial Investment	Project management contract to operate and support the Vision Realization Office	690,562	Three years	There are no preferential conditions	Majid bin Saad AL-Osaimi	It will be submitted at the nearest meeting of the General Assembly for approval
03	Al-Ettam Consulting Company	Project management contract to operate the Regional Center of Excellence in the Central Region	16,159,256	One year from date of notification of the start of work	There are no preferential conditions	Majid bin Saad AL-Osaimi	It will be submitted at the nearest meeting of the General Assembly for approval
04	Future Communication Company for Communications and Information Technology	A framework agreement to provide consulting services	66,367	Five years	There are no preferential conditions	Majid bin Saad AL-Osaimi Ali bin Muhammad Al-Balaa Firas bin Khaled Al-Juraywi	It will be submitted at the nearest meeting of the General Assembly for approval
05	Azm Digital Company for Communication and Information Technology	A framework agreement to provide consulting services	96,581	Five years	There are no preferential conditions	Majid bin Saad AL-Osaimi Ali bin Muhammad Al-Balaa Firas bin Khaled Al-Juraywi	It will be submitted at the nearest meeting of the General Assembly for approval

4.5.2.2 Competing businesses

The members of the Board of Directors, the subsidiary committees, or the executive management do not have any business competing with the company.

4.5.3 The provisions of the Corporate Governance Regulations that have and have not been applied

Guided by the Corporate Governance Regulations issued by the Board of the Capital Market Authority, the Board of Directors of Saudi AZM Company for Communication and Information Technology works to ensure compliance with best governance practices and the adoption of rules and standards that guarantee rights and obligations, and enhance credibility and transparency.

It should be noted that Saudi AZM has implemented all the provisions contained in the Corporate Governance Regulations issued by the Board of the Capital Market Authority, with the exception of the provisions stated below:

م	Article/paragraph No.	Text of article/paragraph	Reasons for non-application
01	Article 37	Training	Guidance
02	Article 39	Evaluation	Guidance
03	Article 67	Formation of the Risk Management Committee	Guidance The Audit Committee studies and evaluates the risks and takes the necessary action
04	Article 68	Functions of the Risk Management Committee	Guidance The Audit Committee studies and evaluates the risks and takes the necessary action
05	Article 69	Risk Management Committee meetings	Guidance The Audit Committee studies and evaluates the risks and takes the necessary action
06	Article 92	Formation of a corporate governance committee	Guidance The Board of Directors implements governance, monitors its implementation, and verifies its effectiveness

4.5.4 Penalties and Penalizations

- Fines for late payment were recorded from the Zakat, Tax and Customs Authority during the year 2023 in the amount of (807.42) Saudi riyals, and the necessary measures were taken to ensure that delays are avoided in the future.
- Fines for late payment from the General Organization for Social Insurance were recorded during the year 2023 in the amount of (103,898.62) Saudi riyals, and the necessary measures were taken to ensure that delays are avoided in the future.

4.6 Internal Auditing

Internal audit is considered as one of the most important matters that contribute to identifying strengths and weaknesses, which would directly contribute to the development of the company's welfare in all of its departments. The Audit Committee, represented by the Internal Audit Unit, acts as an effective tool to measure the performance and assess the risks taken in each department, as well as help in determining the compass and future goals, verifying weak points, and working to improve and eliminate them.

The results of the annual audit of the effectiveness of the company's internal control procedures and the audit committee's opinion on the adequacy of the internal control system at the company

- The Audit Committee is keen to create an appropriate and effective internal control system that includes policies and procedures prepared under the supervision of the Board of Directors to achieve the company's strategic objectives. Accordingly, an integrated internal control system is established, which the Audit Committee studies and reviews annually, thereby ensuring the availability of appropriate oversight at the company level. The company is also making integrated efforts to improve the control environment through the development and continuous review of policies and procedures to limit any violations and to avoid and correct any shortcomings in the internal control system.
- The Audit Committee focused on high-risk issues by adopting a risk-based audit plan, following up on matters related to the adequacy and effectiveness of control procedures as well as other work, and supervising the internal and

external audit work conducted during the fiscal year 2022-2023 AD to reasonably ensure the effectiveness of controls and procedures for internal oversight.

- Based on the results of evaluating the effectiveness of internal control procedures and the continuous evaluation of the supervisory controls applied by the company, the committee believes that the internal control environment and system currently in place in the company is working adequately and effectively and is being monitored on a regular basis to make the necessary improvements on an ongoing basis. The company continues its constant endeavor to enhance and develop the Internal Control system, keeping in mind that any internal control system, regardless of the soundness of its design and the effectiveness of its application, cannot provide absolute assurance.



Financial Performance Report

5.1 Financial Performance

Revenue

Revenues for 2023 amounted to:

Compared to **152,560,468**
Saudi riyals for the year 2022 AD,
an increase of **%24.78**

190,369,167

Gross profit

Gross Profit for 2023 amounted to:

Compared to **30,810,721**
Saudi riyals for the year 2022 AD,
an increase of **%24.87**

38,473,882

Profit before depreciation, amortization, interest, zakat and taxes

Profit before depreciation,
amortization, interest, zakat and
taxes for 2023 amounted to:

Compared to **20,487,346**
Saudi riyals for the year 2022 AD,
an increase of **%24.97**

25,602,978

Total assets

Total assets for 2023 amounted to:

Compared to **107,596,469**
Saudi riyals for the year 2022 AD,
an increase of **%47.64**

158,859,284

Operating profit

Operating profit for 2023 amounted to:

Compared to **14,516,620**
Saudi riyals for the year 2022 AD,
an increase of **19.35%**

17,325,368

Rights of Saudi AZM shareholders

The rights of Saudi AZM sharehold-
ers for 2023 amounted to:

Compared to **51,820,439**
Saudi riyals for the year 2022 AD,
an increase of **%33.69**

69,281,322

Total obligations

Total obligations for 2023 amounted to:

Compared to **55,776,030** Saudi riyals for the year 2022 AD, an increase of **%60.60**

89,577,962

Net profit

Net profit for 2023 amounted to:

Compared to **19,094,545** Saudi riyals for the year 2022 AD, an increase of **%25.52**

23,967,369

Earnings per share

Earnings per share for 2023 amounted to:

Compared to **0.32** Saudi riyals for the year 2022 AD, an increase of **%21.88**

0.39

Financial leverage

Financial leverage for 2023 amounted to:

Compared to 2,012,606 Saudi riyals for the year 2022 AD.

8,245,000

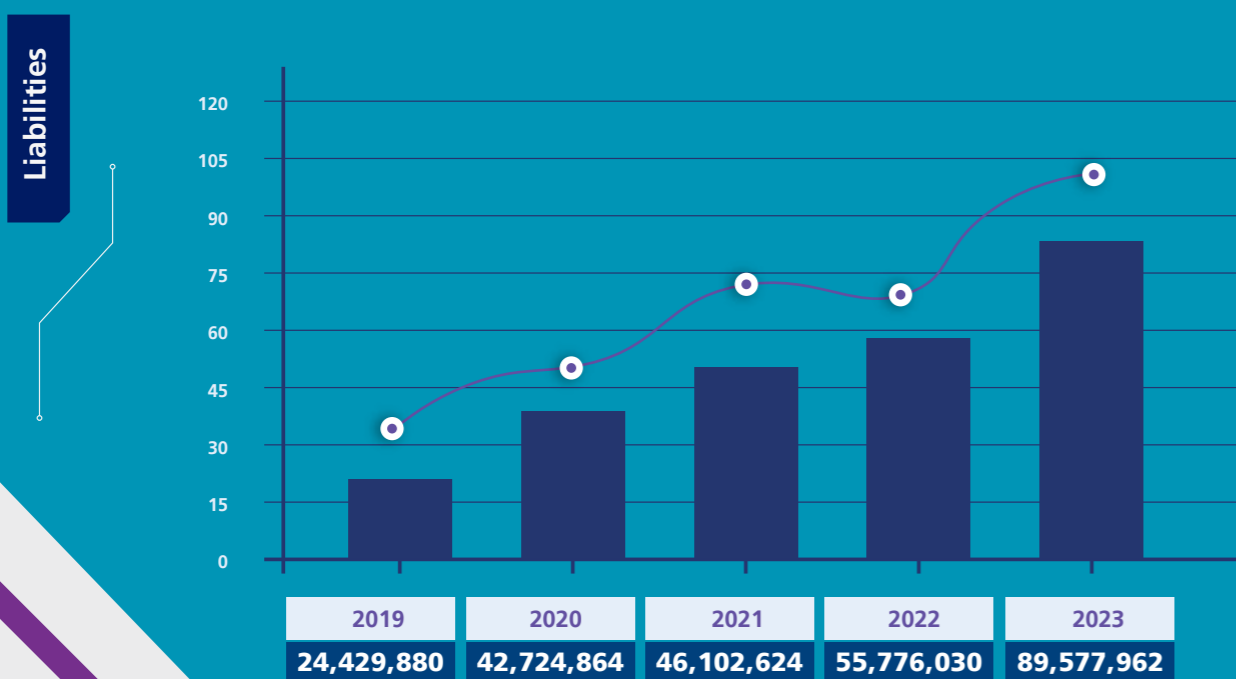
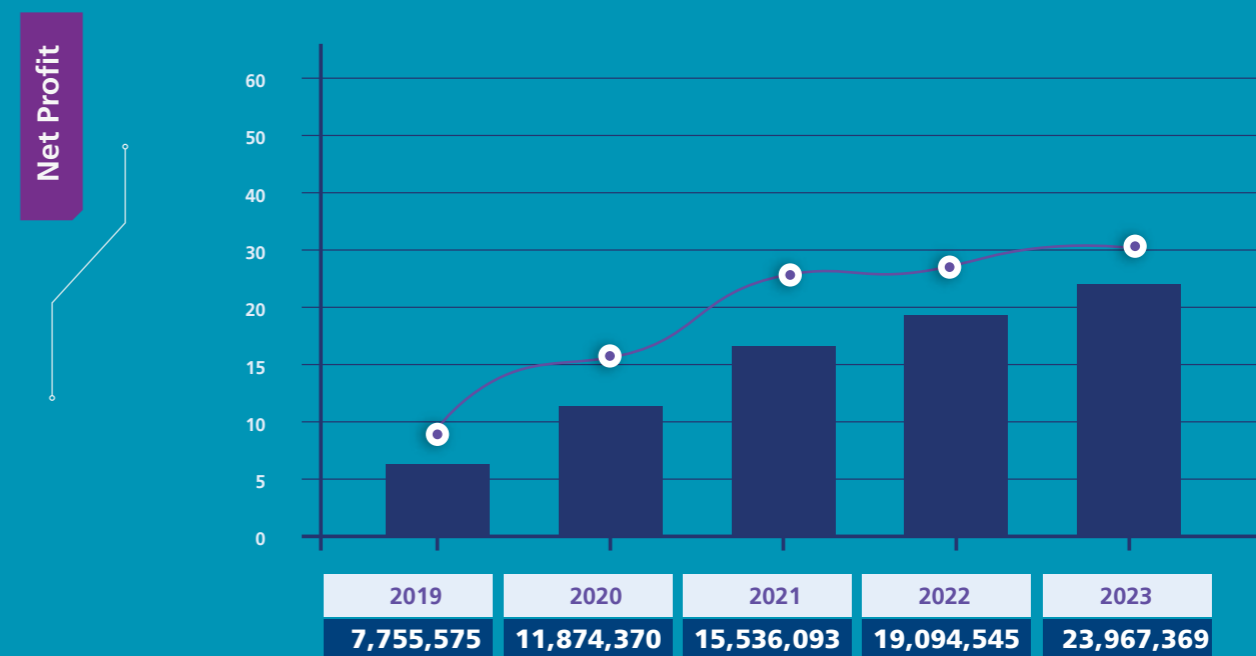
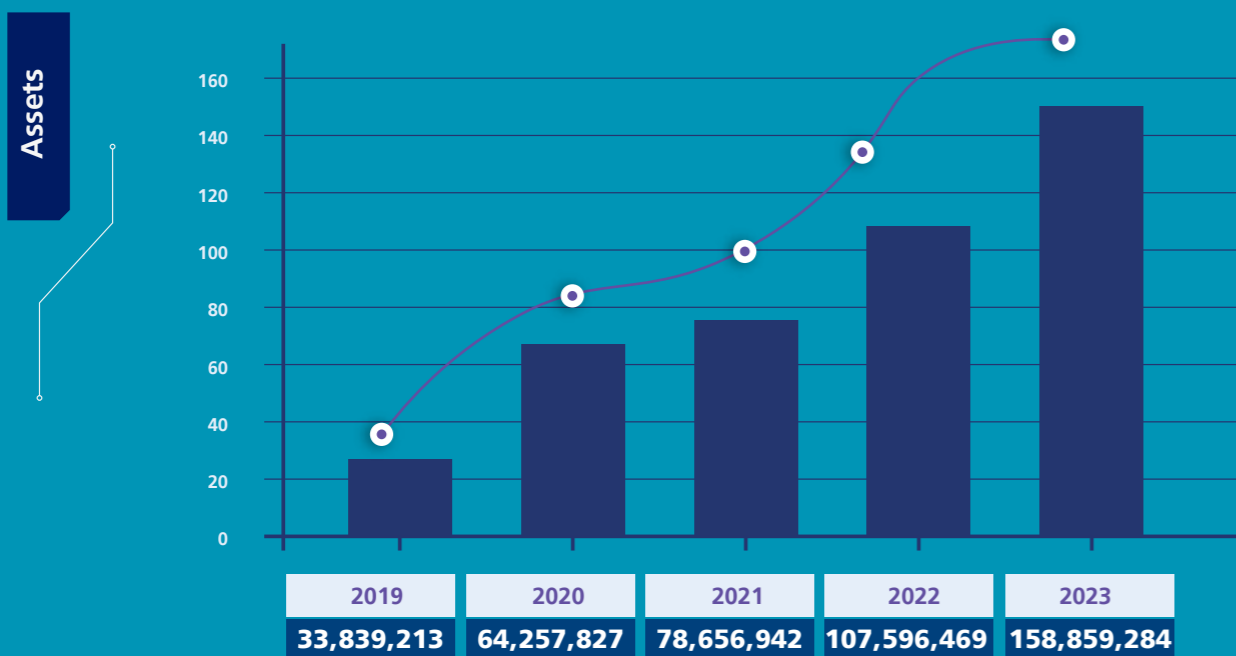
Total comprehensive income

Total comprehensive income for 2023 amounted to:

Compared to 19,271,671 Saudi riyals for the year 2022 AD, an increase of 26.53%

24,384,911

5.2 An overview of the company's assets, liabilities, and business results in the last five years



5.3 Geographic analysis of the company's total revenues

During the financial year ending on 30-06-2023 AD, Saudi AZM Company for Communication and Information Technology achieved total revenues amounting to 190,369,167.



5.4 A statement of the company's registered statutory payments

Saudi AZM is committed to paying the statutory fees to government agencies in accordance with the rules and regulations in force in the Kingdom of Saudi Arabia according to the table below:

Government fees (employment office, visas, purchasing brochures for tenders...etc.)	1,293,838	Represents what has been paid in government fees
Social security	7,732,730	What is paid or incurred during the period in accordance with the provisions of the labor system in the Kingdom of Saudi Arabia.
Value added tax	24,794,020	What is paid or incurred during the period in accordance with the provisions and rules of zakat, the withholding tax system and value added tax.
Withholding tax	1,387,949	What is paid or incurred during the period in accordance with the provisions and rules of zakat, the withholding tax system and value added tax.
Zakat	1,439,601	What is paid or incurred during the period in accordance with the provisions and rules of zakat, the withholding tax system and value added tax.
Total	36,648,138	

5.5 Statement of investments or reserves for the benefit of our employees

The company registered an item amounting to **5,081,100** Saudi riyals as an end-of-service reserve for employees.

5.6 Treasury Stock Held by the Company

Number of Treasury Stocks	Value (Saudi riyals)
748,000	7,243,981

Year Held
2023

Purpose of holding shares
as treasury stocks

Employee incentive
program

5.7 Company Loans

The following table shows all current company loans:

Amount Remaining	Repayment	Due Date	Date Obtained	Loan Value	Loan Type	Granting Party
Kwara Finance Company	Financing	5,500,000	2020/8/31	2023/03/01	5,500,000	0
Al Rajhi Bank	Facilitation	22,819,115	The start date of each financial guarantee issued	The end date of each financial guarantee issued	8,484,259	14,334,856
Banque Saudi Fransi	Facilitation	430,175	The start date of each financial guarantee issued	The end date of each financial guarantee issued	43,017	387,158
First Saudi Bank	Facilitation	2,483,097	The start date of each financial guarantee issued	The end date of each financial guarantee issued	-	2,483,097
Social Development Bank	Facilitation	8,500,000	2023/05/30AD	2025/02/28AD	255,000	8,245,000



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