

Annual Report For a year



We are determined
to make an impact.

www.azm.sa



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..



عزم السعودية
SAUDI AZM

**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 this



His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud

Crown Prince and Prime Minister
Allah save him



Our ambition is to build a more prosperous homeland, in which every citizen will find what they wish for. The future of our homeland that we build together will only be accepted by us to make it at the forefront of the world countries



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1.1 About this Report

1.2 Overview of 2024 AD

1

General Overview

1.1



About this Report:

The annual report of SAUDI AZM Company. for Communications and Information Technology presents a clear picture of the Company's performance and achievements within the scope of what can be disclosed during the fiscal year ended 30 June 2024 AD, as we seek through this report to provide a brief and comprehensive review that includes information on our performance, activities, governance and our consolidated financial statements during the fiscal year 2024 AD



1.1.1 Scope of the Report:

This report includes the performance, achievements and governance of SAUDI AZM for Communications and Information Technology Co. , referred to for the purposes of this report as "SAUDI AZM" or "the Company", "unless otherwise noted" and its financial statements.



1.1.2 Reporting Period:

The annual report covers the 12-month period from 1 July 2023 AD to 30 June 2024 AD, according to the annual financial reporting cycle approved by SAUDI AZM for Communications and Information Technology Co.



1.1.3 Compliance:

The annual report of the Board of Directors of SAUDI AZM Company for Communications and Information Technology has been prepared in accordance with the laws and regulations in force in the Kingdom of Saudi Arabia. The financial statements for the year ended 30 June 2024 AD conform to the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia, Other standards and issuances approved by the Saudi Authority of Auditors and Accountants (SOCPA) and the requirements of the corporate law and Articles of Association of the Company.



1.1.4 Language:

This report has been issued in both Arabic and English, and in the event of any discrepancy between the Arabic and English versions, the Arabic version shall prevail. IR@AZM.SA



1.1.5 Enquiries:

We welcome your comments and inquiries about the annual report of the SAUDI AZM for Communications and Information Technology Co. for the year 2024 AD through the following e-mail: IR@AZM.SA





1.2

Overview of 2024 AD:

1.2.1 Key Figures:

Success Partners:

+330

local and international suppliers and partners.



The Company's projects increased by

+30%

During this year compared to previous years.



The number of new customers increased by

+50%

During this year compared to previous years.



90%

The retention rate of success partners.



SAUDI AZM Team:

+200

Employees working in the Company's departments and projects.



+115

Training program.



29

The average age of Saudi AZM employees.



+39,700

Training hours.



25%

Percentage of working women in Saudi AZM.



+50

Trainees of this year.



Financial Performance:

Group revenues of

▶ 217,638,378 SAR

Increased by 27.4% Compared to last year.



Total comprehensive income of

▶ 30,736,789 SAR

Increased by 26.1% Compared to last year.



earnings per share

▶ 0.47 SAR

Increased by 20.5% Compared to last year.



Net group profit

▶ 30,162,543 SAR

Increased by 25.9% Compared to last year.



Profit before Zakat, income tax, cost of financing, depreciation and amortization amounted to

▶ 37,340,203 SAR

Increased by 28.8% Compared to last year.



1.2.2

Visits and Engagements:

SAUDI AZM organized many visits and engagements and participated in various conferences to transfer knowledge and share experiences, which are summarized as follows:

AZM MEETUPS:



Out of Saudi AZM’s commitment to building a distinguished knowledge environment, the AZM Meetups series has been launched. This is a series of regular meetings with leaders, experts, and specialists, each centred around a specific topic, aimed at exchanging experiences and spreading knowledge.



Delegation of the Belgian Trade Mission for Financial Affairs and Technology:



In a step towards enhancing the investment environment in the Kingdom of Saudi Arabia, SAUDI AZM received the delegation of the Belgian Trade Mission for Financial Affairs and Technology organized by Flanders Investment Agency. This visit aims to enable foreign companies in the field of technology and finance to explore business partnership opportunities in the Kingdom of Saudi Arabia in line with the Kingdom’s ambitious vision for digital transformation.



Digital Government Forum:



SAUDI AZM participated in the Digital Government Forum, the second edition, and through its participation, it has sought to leave a clear imprint, showcasing its latest innovations and technologies that contribute to keeping pace with the transformation of digital governance.



Leap International Technical Conference:



SAUDI AZM participated in the Leap International Technical Conference, where it showcased its latest innovations in digital transformation, solutions and products in the field of technology and business towards new horizons that contribute to changing people's lives for the better.

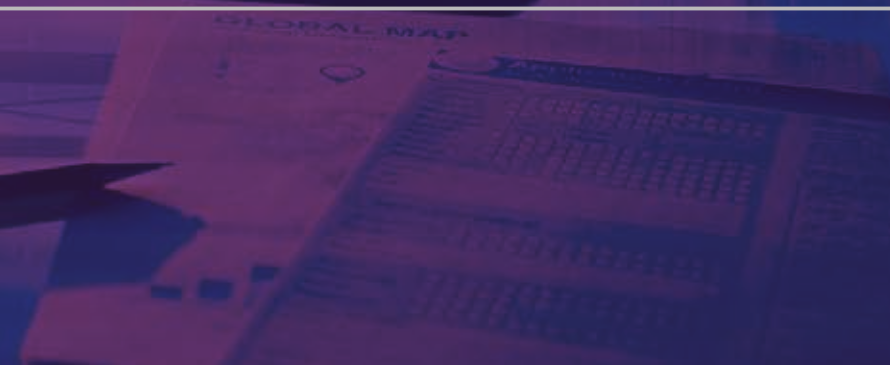




- 2.1 Chairman's Statement
- 2.2 Managing Director and CEO statement

2

Leaders Vision



2.1

Chairman's statement:



Mr
Majed bin Saad
bin Hamoud
AlOusaimi

Another year goes by with stories of effective contributions and achievements in the prosperity and development of the Kingdom of Saudi Arabia.

On behalf of myself and my fellow members of the Board of Directors, I am pleased to present to you the annual report of the SAUDI AZM Company for Communications and Information Technology for the fiscal year 2024 AD, through which we review the performance of SAUDI AZM and its most prominent achievements at the financial and technical levels.

Since we started our journey in 2017 AD, we have been taking steady steps towards more sustainable growth and contributing to changing people's lives for the better by providing quality solutions in business and technology and strengthening our position as a leading company in the technology sector and being the first technical and advisory arm to support the sector.

In light of the great development experienced by the technology sector with the support of our wise leadership, SAUDI AZM witnessed during this year, despite the

challenges, a distinctive and exceptional performance that contributed to the growth of the sector towards new horizons and in line with the programs of Saudi Vision 2030 represented in the National Transformation Program through results that confirm our continued commitment to contribute to making change for our society by providing quality solutions in business and technology that exceed expectations and make an impact. This is thanks to God, and then thanks to the efforts of the employees of SAUDI AZM, and we were keen during 2024 AD to continue our march flexibly to achieve our aspirations and strategic goals and follow the best practices in business and governance, which helped to sustain our activities and solutions and gain the confidence of our customers.

In conclusion, our dear partners.. At every step of our journey, we assure you of our pursuit of excellence and change despite all challenges and difficulties, and promise you exceptional achievements that exceed your expectations and keep pace with the ambitions and vision of our beloved homeland.

I am pleased to take this opportunity to thank the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, his Crown Prince, Prince Mohammed bin Salman bin Abdulaziz Al Saud, and our wise government for their efforts and continuous support to elevate the Kingdom to the forefront 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 employees of the Company's departments and all shareholders and partners for their confidence, support and keenness to ensure that SAUDI AZM is determined to achieve its endeavors for the coming years.

2.1

Word from the Managing Director and Chief Executive officer:



Mr
Ali bin
Mohammed bin
Rashid AlBallaa

I am pleased to present to you our annual report for the year 2024, in which we witnessed the continuation of Saudi AZM's journey, solidifying our position as a leading company in the technology sector through promising facts and figures that indicate growth and prosperity in business services and digital solutions across various business sectors.

The inclusion of Saudi AZM in the Parallel Market (Nomu) at the beginning of 2022 AD has allowed us to be part of creating impact within our community through multiple partnerships across various business sectors, relying on innovative technology and digital solutions. This year, with the approval of the Board of Directors, we are applying for a transition to the main market to continue our ambitious journey.



At AZM we take pride and are grateful when we see the numbers aligning with our ambitious Vision 2030. We feel that we are part of these figures and a chapter in the grand transformation journey in the region. Contributing to the development of this country and improving people's lives is a heartbeat that never rests.

Saudi AZM aims to be the first choice for those striving to achieve targets and accomplish initiatives. The company extends its hand to anyone who wishes to contribute to the inspiring transformation story our country, Saudi Arabia, is experiencing.

Looking to the future, Saudi AZM will, God willing, remain well-positioned to adapt and respond to the evolving market challenges. As detailed in this report, our role in achieving digital and technological transformation is evident through our partnerships with leading governmental and private entities, making an impact, meeting targets, and overcoming obstacles. We are also working on several strategic partnerships for the upcoming year, God willing.

In conclusion, I would like to extend my sincere gratitude to His Majesty King Salman bin Abdulaziz Al Saud - may God preserve him, and His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud - may God preserve him - for their continuous support and empowerment of the private sector. I would also like to commend Vision 2030, which serves as an inspiration for us at Saudi AZM.

Additionally, I extend my thanks and appreciation to our esteemed shareholders and partners for their trust throughout all stages of our journey, and to all the champions at Saudi AZM in all departments for their outstanding efforts and dedication to achieving exceptional results beyond expectations.



3.1 SAUDI AZM

3.1.1 About SAUDI AZM

3.1.2 Organizational Structure

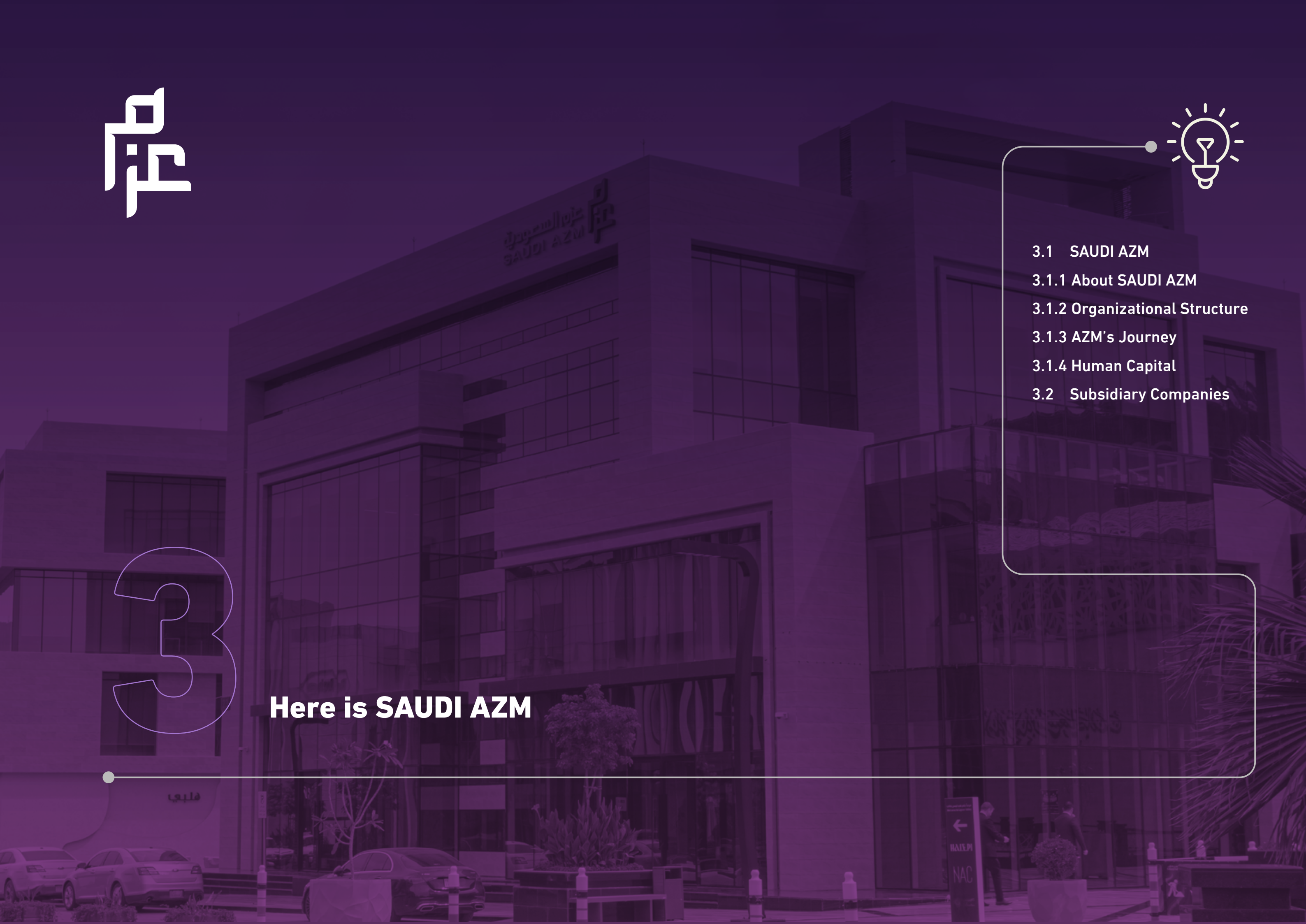
3.1.3 AZM's Journey

3.1.4 Human Capital

3.2 Subsidiary Companies

3

Here is SAUDI AZM



3.1.1

About SAUDI AZM:

SAUDI AZM for Communications and Information Technology company was established in 2017 AD in the city of Riyadh in the Kingdom of Saudi Arabia and was registered under the Commercial Register No. (1010918075). The Company was established with the aim of providing creative solutions for projects with a qualitative impact in the fields of specialized information technology and executive consulting. It aspires to be the preferred partner for its customers and to stand as a key pillar that contributes to the achievement of a prosperous economy for the Kingdom and to play an essential role in building a vibrant society and an ambitious homeland by focusing on quality projects with a high impact that are implemented efficiently and flexibly.



3.1.1.1 Mission:

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



3.1.1.2 Vision:

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



3.1.1.3 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.

2017

SAUDI AZM for Communications and Information Technology company



3.1.1.4 SAUDI AZM Values:

Our identity is honest:

Unites us and raises the ceiling of our ethics and behaviours.

Togetherness:

That embraces differences, inspires and unlocks potential.

Exceptional team:

Instills a spirit of challenge with the aim of achieving the best.

Entrepreneurial spirit:

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

Grit for achievement:

It ignites in us the passion and determination to achieve results.



3.1.1.5 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 proprietary technologies for SAUDI AZM:

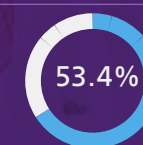
This includes the development and innovation of products, solutions, such as government's digital and technical financial services, electronic certification, automation of procedures, and others.

Platform Development:

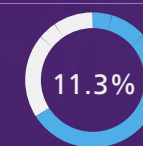
Design, construction, development and operation of the Company's client platforms, including public sector partnership projects (PPP).

3.1.1.6 Volume of Services

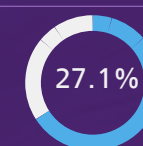
Institutional Services:



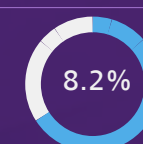
Management Consultancy:



Developing proprietary technologies for SAUDI AZM:



Platform Development:



3.1.1.7 Diversity of Project Sectors:

- Consultancy and operational services in the ICT sector.
- Investment Advisory Services
- Development and operation of financial systems.
- Maintenance and operation of government resource systems
- Consultancy services to support enterprise growth.
- Development and operation of technical services platforms and electronic portals.



3.1.2

SAUDI AZM Organizational Structure:

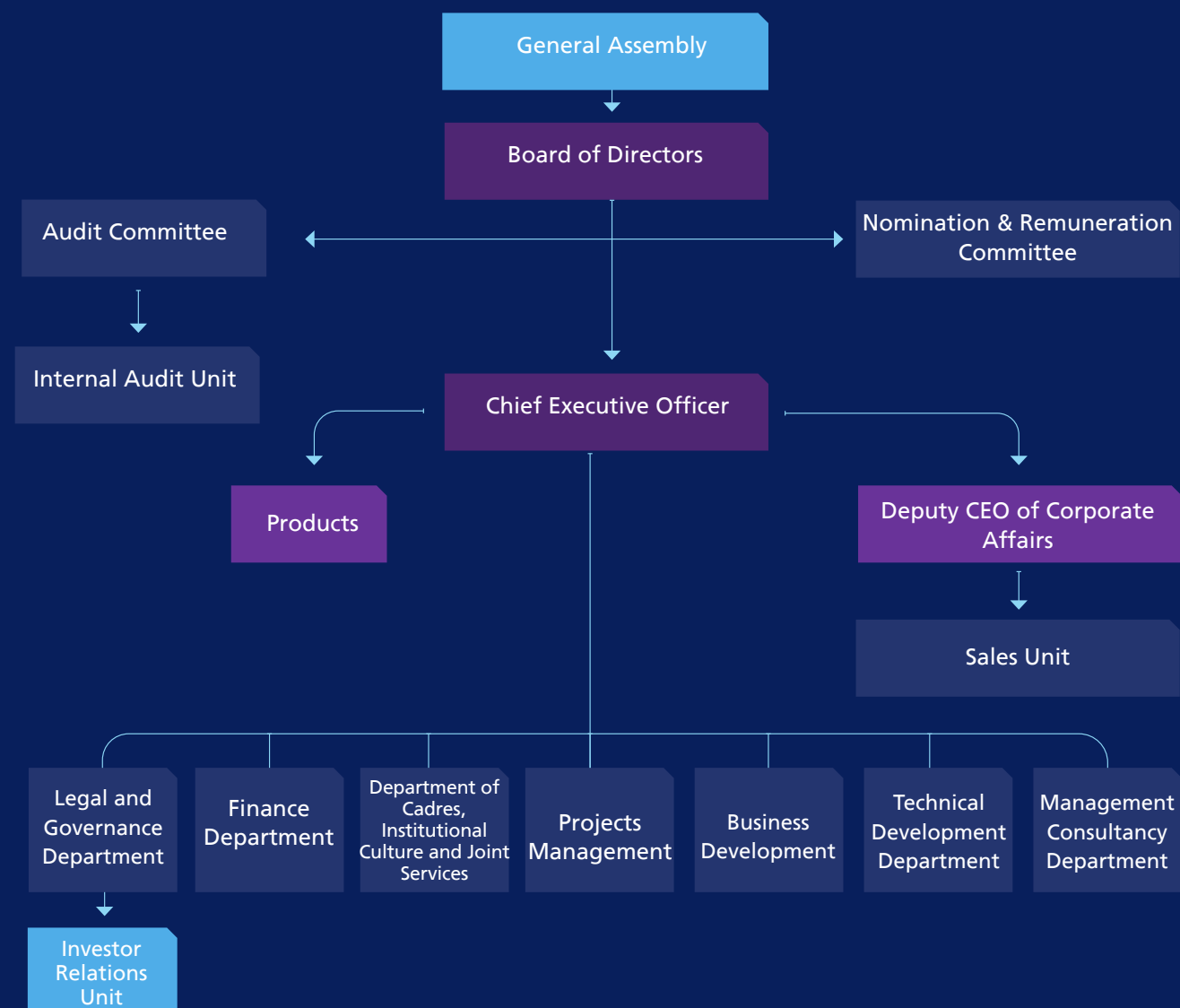
SAUDI AZM has an organizational structure that determines the division of departments and the distribution of powers and work among its departments, and it consists of the Board of Directors, the committees emanating from it, and a team of executive officials (executive management).

SAUDI AZM's administrative organizational structure is chaired by the Board of Directors and its committees, assisted by the Executive Management, which is responsible for supervising the Company's daily activities. The Board is also ultimately responsible for the direction, general supervision and control of the Company. The Board has also delegated the responsibility for implementing the strategic plans and managing the Company's daily business to the Executive Management, which is headed by the Managing Director and Chief Executive officer, who directly oversees the development of the necessary policies and procedures to ensure the efficiency and effectiveness of

the Company's management and the internal control system and to manage and prevent future risks to the maximum extent possible.

The Board of Directors of the Company also has two committees that cooperate with the Board of Directors in its tasks and work, namely the Audit Committee and the Nomination and Remuneration Committee. The responsibility for managing the daily operations of the Company lies with 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, his deputy, the Secretary, the Managing Director and Chief Executive officer of the Company are specified in Article (20) of the Articles of Association.

Below is an illustration showing the organizational structure of SAUDI AZM, which has been introduced during this year.



3.1.3

AZM's Journey:

The most important milestones in the development of SAUDI AZM are:



2017

Establishment of SAUDI AZM with a capital not exceeding SAR 50,000

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

2018

Increasing the capital to SAR 500,000

To expand SAUDI AZM, implement its plans and increase its projects.

2019

Adding new activities

To make Saudi AZM determination a fundamental pillar contributing to achieving Saudi Vision 2030.

2020

Business Growth

SAUDI AZM to be a leader in the field of technical solutions.

2021

Increasing the capital to SAR 30,000,000

To expand SAUDI AZM, thrive its business and increase its projects.

2022

Inclusion in Nomu - Parallel Market

To achieve SAUDI AZM's vision of accelerated growth.

2023

Dividing the nominal value of the share

To give the community the opportunity to be a partner with SAUDI AZM to make an impact.

2024

Creating the Company's Organizational Structure

To match the size of the Company's business and keep pace with its growth.

2025



3.1.4

Human Capital:

In SAUDI AZM we seek to attract exceptional talents, abilities and minds, attract high calibers, provide a work environment that supports development and learning, and encourage innovation and creative thinking.



Key Figures:

a) Employees:

+200

employee

Employees working in the Company's departments and projects.

29

Year

The average age of Saudi AZM employees.

25%

of

Percentage of working women in Saudi AZM.

b) Training:

+115

Program

Training program.

+39,700

Hour

Training hour.

+90

Session

Of Sessions for the Knowledge Exchange Program.



3.1.4.1 Exceptional Talents and Competencies

3.1.4.1.1 Attracting Exceptional Talents and Competencies:

Attracting exceptional talents and competencies and maintaining the development of their abilities and skills in a competitive market is one of the important challenges facing companies. In SAUDI AZM this is achieved by following specific strategies, including:



Attractive Working Environment:

Provide an attractive and stimulating work environment, encourage employees to be creative by offering training and development opportunities, and encourage a culture of cooperation and empowerment.



Competitive Advantages:

Offer an outstanding salary and benefits package as a recognition to employees for their efforts, and as an incentive to attract exceptional competencies, such as employee incentive stock programs (owning company shares).



Career Advancement Opportunities:

Provide opportunities for career advancement and professional development based on competencies and effort at work.



Balance Between Work and Personal Life:

Provide flexible working hours and remote work opportunities that will contribute to increased employee satisfaction.



Learning and Development:

Provide opportunities for continuous learning, training and professional development that contribute to the sustainable growth of employees.



3.1.4.1.2 Managing Exceptional Talents and Competencies:

Talent and Competency Management at SAUDI AZM includes many activities and strategies that contribute to attracting, developing and retaining talented and competent employees. There are several important factors to consider:

Identify needs:

current and future of SAUDI AZM in terms of skills and competencies, and identify roles and jobs that need to be covered.

Talent Acquisition:

Effective strategies have been developed to attract potential talent, such as using social media, participating in job fairs, and offering training and development programs.

Staff Assessment:

Using periodic assessment and review tools to identify staff strengths and weaknesses, and identify training and development needs.

Employee Development:

Provide continuous training and development opportunities for employees to improve their skills and competencies, and offer leadership development programs and job training.

Employee Retention:

Apply employee retention strategies, such as offering an attractive benefits package, offering career advancement opportunities, and offering a comfortable and stimulating work environment.



Performance Management:

Applying performance management systems to evaluate and improve employee performance, identify specific goals and requirements for each job, and provide periodic feedback.

Improving Communication:

Improving communication within SAUDI AZM and between different departments, and providing effective channels for communication between employees and management.

Talent and Competency Management at SAUDI AZM is a pivotal factor in achieving the Company's success and increasing its competitiveness in the market. This can be achieved through the application of various strategies that serve the progress and development of human capital.



3.1.4.2 Empowerment and Training:

Empowerment concepts and training programs are an important part of the employee development strategy at SAUDI AZM as 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 the achievement of the Company's objectives.

Training and Development Programs:



Provide continuous training programs focused on developing the technical and leadership skills of employees. These programs may include training on job-specific tasks, developing leadership capabilities, and promoting creative thinking and problem solving.

Functional Empowerment:



Empowering employees to make decisions and take responsibilities in everything related to their work by providing the necessary support and resources, and encouraging innovation and personal initiatives.

Performance Appraisal:



Using performance appraisal tools to measure employee progress and development and identify successes and frameworks that need to be continuously improved.

Continuous Training:



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

Learning Management System:



develop internal content to encourage exchange of experiences and knowledge.

Institutional cooperation and partnership:



Encourage cooperation and partnership between different departments and between employees, and provide opportunities to participate in work teams and multidisciplinary working groups.

3.1.4.3 Rewards and Benefits:

At SAUDI AZM rewards and benefits can be an important factor in attracting talent and retaining outstanding and competent employees. A variety of rewards and benefits can be offered to motivate employees, increase their productivity, and maintain their loyalty to the Company. Some of these benefits and rewards may include:

Employee Benefits Programs:

Providing competitive benefits programs compared to the local and international market, taking into account the employee's experience and skills.

Cash Incentives and Rewards:

Provide cash incentives to employees who achieve certain goals or demonstrate exceptional performance.

Equity Ownership Program:

Granting employees the opportunity to own shares in SAUDI AZM as compensation for their dedication to work.

VIP Health Insurance:

Providing health insurance plans for employees and their families, which helps provide the necessary health care.

Professional Development Opportunities:

Provide training and professional development opportunities, helping to improve employees' skills and increase their career progression.

Flexibility at Work:

Offering flexible work options, such as remote work and flexible working hours, which helps improve work-life balance.



3.2

Subsidiary Companies:

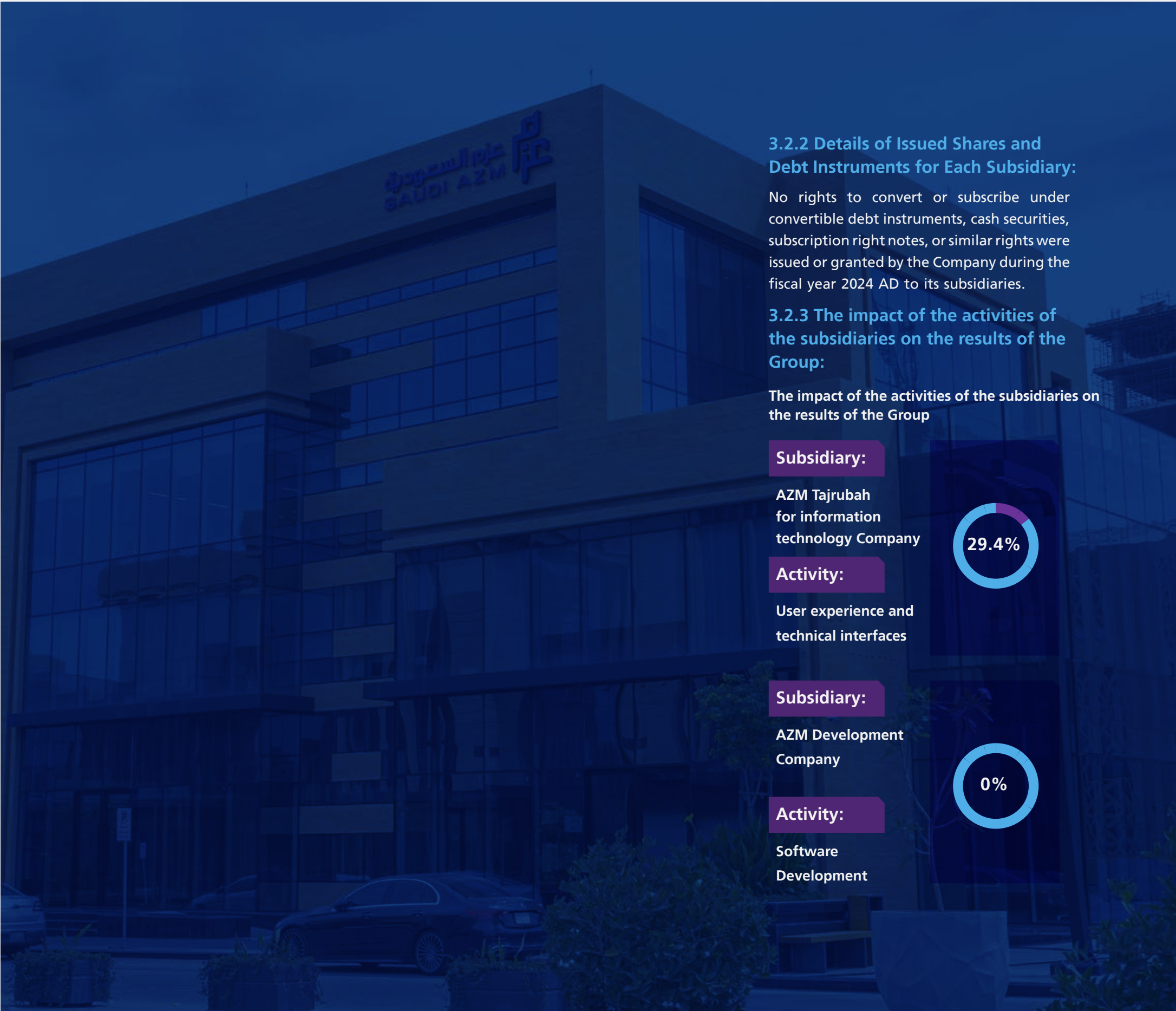
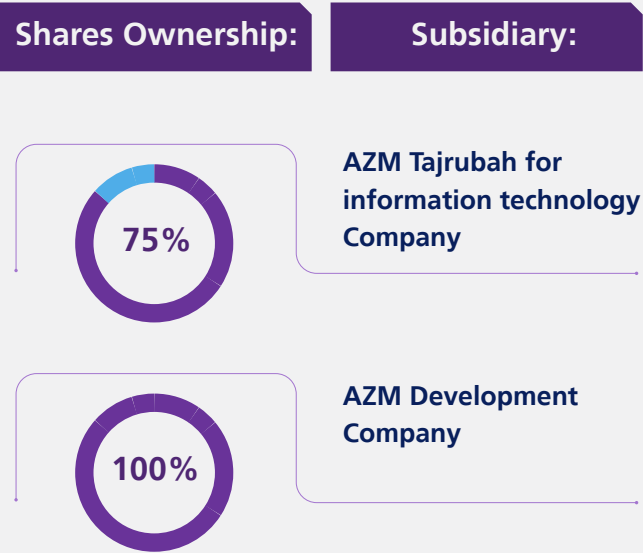
3.2.1 Subsidiary Companies:

AZM Tajrubah for information technology Company:

It is a limited liability company registered in the Kingdom of Saudi Arabia that provides technical activities to improve the user experience, under Commercial Registration No. (1010600261) dated 22 Safar 1441 AH corresponding to 21 October 2019 AD with a capital of 100,000 Saudi riyals, Its place of business is located in the Kingdom of Saudi Arabia and the share of SAUDI AZM is 75% of the total company.

AZM Development Company:

It is a single person limited liability company registered in the Arab Republic of Egypt that provides software development activities, design and development of electronics and data center, under Commercial Registration No. (209298) dated 02 Dhu Al-Hijja 1444AH corresponding to 20 June 2023 AD with a capital of 25,000 US dollars, Its place of business is located in the Kingdom of Saudi Arabia and the share of SAUDI AZM is 100%of the total company.

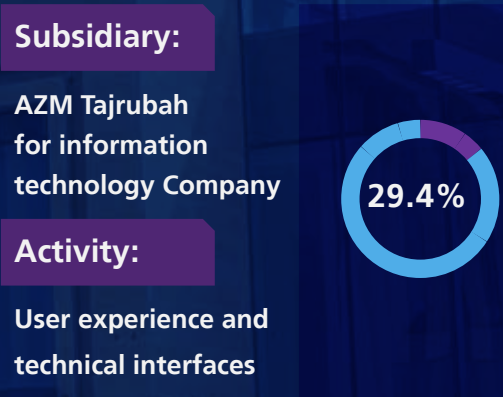


3.2.2 Details of Issued Shares and Debt Instruments for Each Subsidiary:

No rights to convert or subscribe under convertible debt instruments, cash securities, subscription right notes, or similar rights were issued or granted by the Company during the fiscal year 2024 AD to its subsidiaries.

3.2.3 The impact of the activities of the subsidiaries on the results of the Group:

The impact of the activities of the subsidiaries on the results of the Group





- 4.1. Strategy
- 4.2. Sustainability
- 4.3 Social Responsibility

Strategic Report



4.1

Strategy:

4.1.1 Strategic Priorities:

SAUDI AZM’s Strategy works to show what is in line with future visions, possibilities and opportunities in the market, through four strategic priorities that it will work to achieve during the fiscal year 2024 AD:

- 

Expansion and growth in business and technical services.
- 

Adopting concepts and mechanisms for planning and providing services that place their primary focus on the customer.
- 

To provide services more flexibly, efficiently and effectively.
- 

Enhancing the Company’s work environment to be one of the best workplaces in the Kingdom of Saudi Arabia.

Key targets for these strategic priorities have been linked, a clear implementation plan has been developed with detailed executive paths and initiatives, and the necessary governance has been put in place to ensure the quality of implementation and monitor time plans to ensure that the Company’s objectives are achieved as planned.

4.1.2 Strategy Initiatives:

Several key initiatives have been developed to work to achieve the strategic priorities set out in the Company’s strategy, and to appoint those responsible for them and those working on them in the various departments of the Company, including:

- 01**

Initiatives for the “Expansion and growth in business and technical services” priority:

 - 1.1 Technical Development Capability Expansion Initiative
 - 1.2 New Product Development Initiative
 - 1.3 Management Consultancy Arm Development Initiative
 - 1.4 Public Sector Partnership Product Development Initiative
- 02**

Initiatives for the priority of “Adopting concepts and mechanisms for planning and providing services that place their primary focus on the customer”:

 - 2.1 Increasing Customer Continuity Rate Initiative
- 03**

Initiatives for the priority of “providing services more flexibly, efficiently and effectively”:

 - 3.1 Organizational Structure Design Review Initiative
 - 3.2 Policies and Procedures Review and Development Initiative
- 04**

Initiatives related 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 Human Capital Plan Initiative
 - 4.2 Increasing Employee Satisfaction Rate Initiative

4.1.3 Targets for 2025 AD:

Growth in human resources and development of enablers in the field of management consulting



4.2

Sustainability:

4.2.1 Quality and Safety Management :

SAUDI AZM is committed to adopting the highest standards to maintain quality and accuracy at work and it aspires to continuously maintain the highest levels of productivity and growth with the aim of excellence and competition. It also maintains the bonds of teamwork and the spirit of cooperation among its employees in order to stabilize the work and reduce risks. It is also keen to apply the highest international quality and safety standards efficiently and effectively in all works and services provided to customers. A guide has been prepared to ensure quality and safety in line with best international practices and standards.

The Company has obtained several certificates confirming this, including:



ISO 45001:2018 (Occupational Health and Safety Management System) dated:14 June 2024 AD.

ISO 9001: 2015 (Quality Management System), dated: 04 August 2021 AD.

ISO 27001:2013 (Information Technology, Security Technologies, Information Management Systems, Requirements), dated: 04 August 2021AD.

ISO 22301:2019 (Business Continuity Management), dated: 04 August 2021 AD.

4.2.2 Risk Management :

The concept of risk management gives the possibility to identify and assess the risks that arise from the work, reduce the likelihood of their occurrence, avoid them, and develop a methodology to deal with them Through the company's risk management policy In accordance with this concept, SAUDI AZM is 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. The Internal Audit Department also evaluates the effectiveness of the internal control systems in the Company and submits its reports to the Audit Committee, which in turn supervises the internal audit work and monitors the adequacy of the supervisory controls that it designs and implements in order to reduce the likelihood and impact of risks and controls them. It submits annual reports to the Board of Directors and the General Assembly in order to avoid risks now and in the future, and to anticipate their effects and consequences.

4.2.3 Company Risk Factors:

SAUDI AZM faces a number of different risks, and the Internal Audit and Audit Committee identify and assess risks and their precautions, their probabilities of occurrence, and estimate the effects they may have, and then the necessary measures are taken by the Executive Management to reduce, avoid, or contain these risks as much as possible to avoid any damage they may cause if they occur.





The following is the list of risks that the Company may face during the execution of its business and how the Company responds to this risk:

✓ Risk Type:	✓ Details:	✓ How to Respond:
 Strategic Risk: The speed of development of the sector	The ICT sector is characterized by rapid technological changes, including rapid change and development to provide new products and services to customers that can reduce the duration of the product's effectiveness and reduce its shelf life.	SAUDI AZM is keen to keep abreast of the latest technologies and learn about emerging technologies in various fields of information technology, and to establish partnerships with the largest providers of technical services to stay abreast of the sector's trend.
 Strategic Risk: Adapting to customer requirements	The ICT sector is sensitive to changes in customer desires and market direction. Any change in the wishes and requirements of customers may affect the Company's products and services.	SAUDI AZM is distinguished in project management. This is evident in the fact that customer satisfaction is one of the most important values of AZM. Therefore, flexible and streamlined methodologies are followed in the development of its projects that enable AZM to adapt to customer requirements, delivery and emergency changes.
 Strategic Risk: Customer focus	SAUDI AZM has a number of major customers with whom the relationship is based on contractual bases. Revenues resulting from the Company's dealings with major customers has accounted for the majority of its income.	SAUDI AZM is concretely expanding with new customers, as evidenced by the number of new customers that the Company has recently signed up with, and SAUDI AZM is looking forward to deepening the relationship with them and working on larger project opportunities.
 Strategic Risk: Supplier focus	In its operations, SAUDI AZM depends on a group of suppliers with whom the relationship is based on contractual bases, and they are local or non-Saudi Arabian suppliers.	SAUDI AZM has contracted with leading global technology service providers and is developing its technical capabilities by establishing software development offices inside and outside the Kingdom, establishing and training cadres and localizing the industry.
 Strategic Risk: Reliance on information technology	In its business, SAUDI AZM relies heavily on IT systems so that it can connect its business units through its software, systems and devices. Any disruption to IT systems will have negative impacts.	Therefore, SAUDI AZM deals with the best local hosting companies and global service providers, and applies business continuity practices, as SAUDI AZM is ISO certified in business continuity.



<p>✓ Risk Type:</p>  <p>Operational Risk: Reliance on key personnel</p>	<p>✓ Details:</p> <p>SAUDI AZM depends on the capabilities and expertise of its key employees, so the success of the Company in achieving its goals depends on maintaining its employees and attracting and recruiting qualified people to work for it</p>	<p>✓ How to Respond:</p> <p>SAUDI AZM launches continuous development and training programs, especially for second-tier leaders and new employees to ensure that the necessary skills are obtained when running for leadership positions. SAUDI AZM has also issued policies related to job succession that will ensure intensive training and prepare employees for leadership positions in case of vacancy. SAUDI AZM is also implementing several programs to maintain employees and attract competencies from the market, such as the employee shares program, and the employee benefits and services provided. It also seeks to govern the procedures of its departments to facilitate the transfer of knowledge to all administrative levels.</p>
<p>✓ Risk Type:</p>  <p>Strategic Risk: Competition among ICT service providers</p>	<p>Customers may demand lower prices for services provided by SAUDI AZM, and the entry of new companies and suppliers to the IT sector or the expansion, development or merger of existing competitors may increase the percentage and number of service providers and thus decrease the prices of products and services provided by SAUDI AZM to its customers. Reducing prices for one of the above reasons will result in a lower percentage of the profit margin the Company makes from its services to customers.</p>	<p>SAUDI AZM maintains a low cost level compared to other companies in the sector, and it uses a number of global methodologies to manage its projects in the most cost-efficient manner, which reduces the possibility of this risk. The Executive Management shall determine a minimum profit margin for all its projects to maintain a stable financial position.</p>
<p>✓ Risk Type:</p>  <p>Financial Risk: Change in the percentage of revenue due to termination, postponement or reduction of the scope of work</p>	<p>Contracts and purchase orders concluded between SAUDI AZM and its customers stipulate terms and conditions related to the termination, postponement or reduction of the scope of work of the project according to the desire of the customers. In the event that a customer terminates, postpones or reduces the scope of work of the project, this will negatively affect the project's revenues and cash flow.</p>	<p>SAUDI AZM actively conducts billing and collection operations, and its project management methodologies take into account the risk of postponing or reducing work, and hedges according to the nature of the project.</p>

<p>✓ Risk Type:</p>  <p>Strategic Risk: Liquidity risks</p>	<p>✓ Details:</p> <p>Liquidity risks are the risk that SAUDI AZM will face difficulties in raising liquidity to meet obligations related to financial instruments. Liquidity risks may result from an inability to collect invoices at the required time and fair value.</p>	<p>✓ How to Respond:</p> <p>Liquidity risks are 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, operating expenses, and capital. In addition, the Company monitors actual cash flows and seeks to match its maturity dates with its financial assets and liabilities. SAUDI AZM seeks to meet its legal obligations, including any obligations related to financing agreements.</p>
<p>✓ Risk Type:</p>  <p>Commitment Risk</p>	<p>SAUDI AZM is subject to a number of laws and regulations such as the Companies Law, the Capital Market Law, and the laws, regulations and circulars issued by the Capital Market Authority. It is also subject to the Wages Protection Law and labor regulations.</p>	<p>To ensure compliance with all regulations and legislation, SAUDI AZM is keen to avoid various risks resulting from non-compliance with legislative and legislative regulations and to ensure the application of all regulations and legislation to which it is subject. It also updates internal procedures on an ongoing basis to avoid fines or penalties that affect its reputation and standing.</p>

4.2.4 Business Continuity

and applying any necessary precautions, taking into account the possibility of malfunctions, professional, technical, regulatory, or other disorders. It also supports the members of the Board of Directors and analyzes the impact of potential risks on the business as part of its plan to build an integrated framework for the continuity of its business. SAUDI AZM is to implement a business continuity/disaster recovery (DR) plan in its technical projects to ensure the availability of its services to its customers and the absence of any interruption in services or loss of data.

In order to continue and maintain the highest levels of work and resilience in the labor market, SAUDI AZM seeks to remain fully prepared to maintain the continuity of its business by developing a comprehensive framework that builds and improves organizational flexibility and enhances the response of its various departments to accidents or risks that will affect the progress of its business, in order to ensure its ability to achieve its strategy and objectives. The Executive Management is keen to carry out a periodic evaluation followed by updating the procedures



4.3

Social Responsibility:

4.3.1 Social Responsibility at a Glance:

SAUDI AZM is keen to perform its social responsibilities properly; therefore, the Company seeks to establish strong and lasting relationships with the communities in which it operates, and is keen to ensure that the leading social responsibility programs it offers produce tangible and positive economic and social benefits.

4.3.2 SAUDI AZM's contributions revolve around three pillars:

The Company pays special attention to the issue of social and national responsibility and places it on the basis of its priorities, making concerted efforts to work in ways that contribute to strengthening the community, national sense and the environment and contribute to sustainable development. It is also concerned with continuous participation in social activities and self-development, and pays special attention to subsequent three pillars.

Professional and Cognitive Development Pillar:

This pillar is related to the efforts of SAUDI AZM in terms of knowledge support through visits and conducting training workshops in the fields of management and technology, and the empowerment of young men and women of this country through the provision of qualitative training opportunities in the departments and teams of the Company.

The focus of cooperation with Waqf institutions and charities:

Through this pillars, SAUDI AZM seeks to build sustainable relations with charitable entities and provide them with support in various ways, such as digital empowerment, material support and in-kind donations.

Public Initiatives Pillar:

Public initiatives fall under this pillar. SAUDI AZM is keen to include all ideas that serve the community and public awareness in various fields such as health, sports, culture, environment,...etc.

4.3.3 Basic Principles of Social Responsibility:

- Commitment to developing long-term and mutually beneficial partnerships with the community.
- Taking into account and respecting the different cultures, values, customs and community choices.
- Delivering social responsibility programs that add economic and social benefits to both Saudi Arabia and the community.
- Implementing social responsibility programs with a methodology that promotes sustainability and prevents dependence on others.
- Where possible monitoring and measuring the results of social responsibility programs, and monitoring areas that need to be developed, in order to achieve continuous improvements.
- Exploiting the capabilities and expertise of the Company in supporting charitable and influential works in the community.
- Sharing information about AZM's performance and activities that have a significant impact on communities.
- The application of the principles of social responsibility is the responsibility of all employees of SAUDI AZM and its subsidiaries in various regions, as well as contractors working in the various sectors of the Company, and the managers and officials of SAUDI AZM shall share these principles and urge their application.



4.3.4 Highlights of Social Contributions:

King Saud University Hackathon:

students' practical skills, preparing them for the labor market, and enhancing their culture of innovation and creativity.

AZM aims to transform theoretical ideas into creative practical application through the hackathon, which contributes to developing



The future of business analytics:

In a step towards developing the skills of young people and qualifying them for the labor market, SAUDI AZM organized the Business Analysis Competition at King Saud University. This competition aims to hone the analytical and management skills of students to stimulate the spirit of creativity and innovation among students.



Blood Donation Campaign:

This campaign contributed to raising awareness of the importance of blood donation and the health benefits of the donor and the beneficiary. These efforts resulted in a significant increase in the number of donors from SAUDI AZM's employees.





- 5.1 Shareholders & Investors
- 5.2 The Board of Directors and its Sub-Committees
- 5.3 Executive Management
- 5.4 Remunerations
- 5.5 Competitive Business and Related Party Transactions
- 5.6 Internal Audit
- 5.7 Compliance



Governance Report



5.1

Shareholders & Investors:

5.1.1 SAUDI AZM's Shareholders:

Date of Listing	01 March 2022 AD
Capital Market Authority (CMA)	Saudi Stock Exchange (Tadawul) – Parallel Market - Numo
Stock Code	9534
International Code	SA15H134KV18
Authorized / Paid in Capital	30,000,000
Number of issued shares	60,000,000
Nominal Value / Unit	0.5
Closing rate as of 30 June 2024 AD	SAR 18.40
Market value as at 30 June 2024 AD	SAR 1,104,000,000
Upper limit of foreign ownership	49%
Auditor	PricewaterhouseCoopers (PwC)

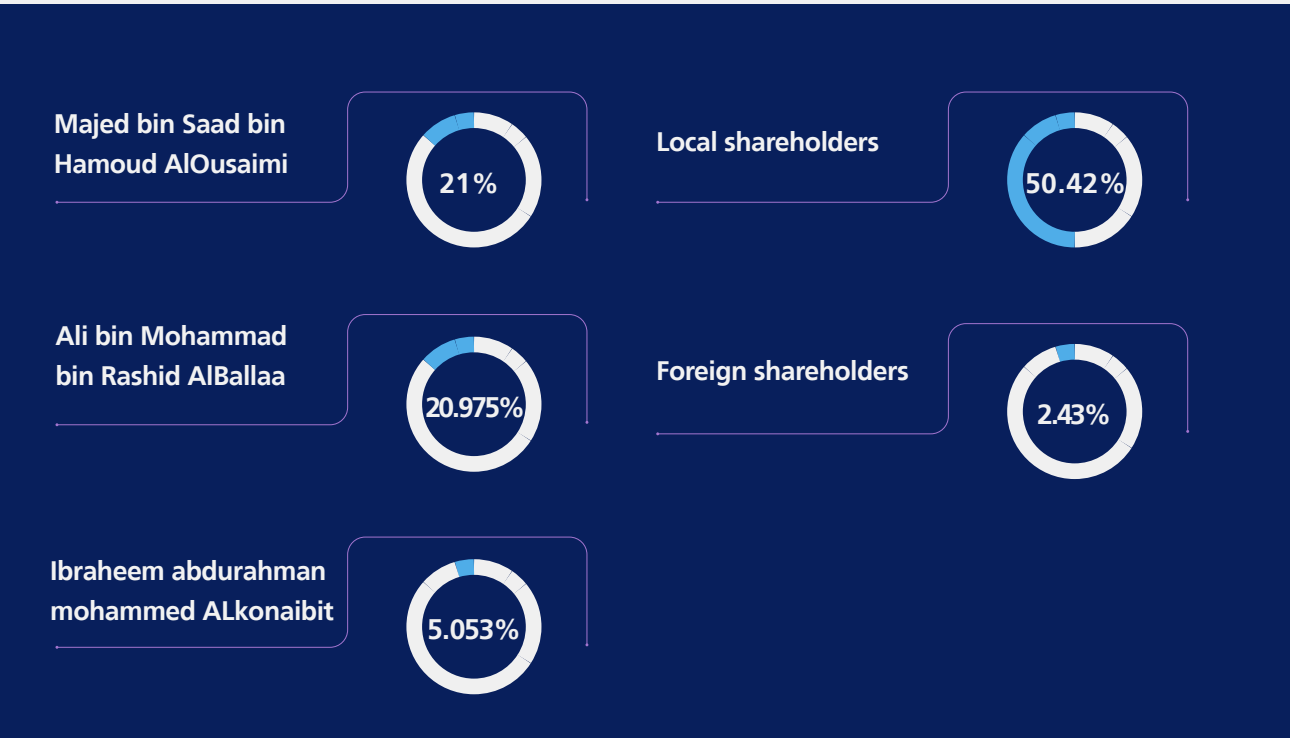
SAUDI AZM for Communications and Information Technology, represented by its Board of Directors, its committees and the Executive Management, is keen to protect and preserve the rights of its shareholders to ensure justice, equality and non-discrimination among them, to communicate effectively and continuously with them and inform them of the latest developments, and to apply the principle of absolute transparency with them and not to withhold any of their rights. It also confirms their right to attend the meetings of the general and private assemblies, participate in

their deliberations, vote on their decisions, have the right to dispose of their shares in accordance with the provisions of the Companies Law and the Capital 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 and its operational and investment strategy in a manner that does not harm the interests of the Company and does not conflict with the Companies Law and the Capital Market Law and their executive regulations.

5.1.1.1 The performance of the share during the year 2024 AD:



5.1.1.2 Company Ownership Structure:



5.1.1.3 General Assemblies of Shareholders:

The General Assembly of Shareholders is the highest authority in the Company, which represents all shareholders and enables them to exercise all their rights and competencies granted to them in accordance with the Companies Law, the Capital Market Authority Law, their executive regulations and the Company's Articles of Association. Saudi AZM confirms promoting effective participation between shareholders, the Board of Directors, its committees and the executive management, and

is keen to choose a place and time that allows full participation of shareholders to discuss the topics included in the agenda of the Assembly and open the way for questions and proposals to be asked.

Two meetings of the General Assembly of Shareholders were held during the fiscal year 2024 AD, and the following is a statement of the dates of these meetings and the names of the members of the Board of Directors present:

			General Assembly Meetings		
			1	2	
#	Member Name	Position	28 December 2023 AD	03 April 2024 AD	Total
01	Majed bin Saad bin Hamoud AlOusaimi	Chairman of the Board of Directors	✓	✓	2
02	Ahmed bin Abdulaziz bin Mohammed AlHakbani	Vice Chairman of the Board	✓	✓	2
03	Ali bin Mohammed bin Rashid AlBallaa	Managing Director Chief Executive Officer	✓	✓	2
04	Omer bin Abdulrahman bin Ali AlJeraisy	Board Member	X	✓	1
05	Umar bin Fahad bin Abdulkarim Alsunidi	Board Member	✓	✓	2

5.1.1.4 Announcements by the Company in Tadawul:

SAUDI AZM had many developments and events during the year 2024 AD. The most prominent of which are shown below:

Date	Announcements
09/07/2023AD	SAUDI AZM for Communications and Information Technology Co. announced the resignation a member of the Board of Directors and the appointment of another
13/07/2023 AD	SAUDI AZM for Communications and Information Technology Co. announced the signing of a contract with the National Center for Environmental Compliance
24/08/2023 AD	SAUDI AZM for Communications and Information Technology Co. announced the signing of a contract with the Ministry of Industry and Mineral Resources
07/09/2023 AD	SAUDI AZM for Communications and Information Technology Co. announced the signing of a contract with the Saudi Standards, Metrology and Quality Organization
13/09/2023 AD	SAUDI AZM for Communications and Information Technology Co. announced the signing of a memorandum of understanding with the National Housing Company
26/09/2023AD	SAUDI AZM for Communications and Information Technology Co. announced the signing of a contract with the Social Development Bank
28/09/2023 AD	SAUDI AZM for Communications and Information Technology Co. announced the Annual Financial Statement for the period ending on 30/06/2023 AD
15/11/2023 AD	SAUDI AZM for Communications and Information Technology Co. announced the signing of a contract with the General Authority for Small and Medium Enterprises
07/12/2023 AD	SAUDI AZM for Communications and Information Technology Co. invited its shareholders to attend the Ordinary General Assembly Meeting (First Meeting)
31/12/2023 AD	SAUDI AZM for Communications and Information Technology Co. announced the results of the Ordinary General Assembly Meeting (First Meeting)
27/02/2024 AD	SAUDI AZM for Communications and Information Technology Co. announced the preliminary financial statements for the period ending on 31/12/2023 AD (six months)
05/03/2024 AD	SAUDI AZM for Communications and Information Technology Co. announced the recommendation of the Board of Directors of the Company to buy its shares
13/03/2024 AD	SAUDI AZM Co. for Communications and Information Technology invited its shareholders to attend the Extraordinary General Assembly meeting (First Meeting)
28/03/2024 AD	SAUDI AZM for Communications and Information Technology Co. announced the signing of a contract with the Education and Training Evaluation Commission
04/04/2024 AD	SAUDI AZM for Communications and Information Technology Co. announced the results of the Extraordinary General Assembly meeting (First Meeting)
21/04/2024 AD	SAUDI AZM for Communications and Information Technology Co. announced the decision of the Board of Directors to move from the Parallel Market to the main market
21/04/2024 AD	SAUDI AZM for Communications and Information Technology Co. announced the re-publication of the report of the Board of Directors for the year 2023 AD
21/04/2024 AD	SAUDI AZM for Communications and Information Technology Co. announced the Board's decision to reconstitute the Audit Committee
27/06/2024 AD	SAUDI AZM for Communications and Information Technology Co. announced the latest developments for the announcement of SAUDI AZM Co. for Communications and Information Technology about the approval of the Board of Directors to move from the Parallel Market to the main market



5.1.1.5 Number of Company Requests for Shareholders’ Register:

SAUDI AZM has requested the shareholders’ register from the Securities Depository Center Company “Edaa” (17) times during the fiscal year 2023 AD for the following purposes:

29/08/2023 AD	General Assembly
29/08/2023 AD	Corporate Actions
03/09/2023 AD	Corporate Actions
07/09/2023 AD	Corporate Actions
05/12/2023 AD	Corporate Actions
30/01/2024 AD	Corporate Actions
10/03/2024 AD	General Assembly
22/04/2024 AD	Corporate Actions
25/04/2024 AD	Corporate Actions
15/05/2024 AD	Corporate Actions
22/05/2024 AD	Corporate Actions
02/06/2024 AD	Corporate Actions
11/06/2024 AD	Corporate Actions
13/06/2024 AD	Corporate Actions
24/06/2024 AD	Corporate Actions
25/06/2024 AD	Corporate Actions
26/06/2024 AD	Corporate Actions



5.1.2

Investor Relations Unit:

5.1.2.1 Investor relations activities:

Through the Investor Relations Unit, SAUDI AZM allows continuous communication with shareholders and investors throughout the year, which serves as a link between investors, the Company’s Board of Directors, its committees and the Executive Management. The Board of Directors receives shareholders’ opinions, suggestions and observations about the Company and its performance on a regular basis, with the aim of enhancing dialogue with stakeholders and achieving balance in their participation.

5.1.2.2 Means of communication with shareholders:

Through the Investor Relations Unit, the Board of Directors of SAUDI AZM is keen to continuously communicate with all shareholders and to clarify the disclosures published on the Company’s page on the Saudi Tadawul website with full transparency and regularity. We urge all shareholders to participate in the meetings of the General and Special Assembly. The Board of Directors of SAUDI AZM welcomes your suggestions, observations and opinions through the Investor Relations Unit via the following e-mail: IR@azm.sa

The Board of Directors of SAUDI AZM also stresses the need for the participation of shareholders in the General and Private Assemblies Meeting by attending and voting, whether on their behalf or by proxy, through:

- Choosing the right place and time that allows full participation of shareholders.
- Allocating sufficient time for shareholders while attending the General Assembly to discuss the topics on its agenda and ask questions and make proposals.
- Making electronic voting on agenda items available through the Tadawulaty - Edaa Platform.

5.1.2.3 Actions taken by the Board of Directors to brief members on shareholders’ proposals and observations regarding the Company and its performance:

The Board of Directors of Saudi AZM is keen to continuously communicate with shareholders, as it has established the Investor Relations Unit, which serves as a link between investors and the Company’s Board of Directors and Executive Management. The Board of Directors receives the opinions, suggestions and observations of its shareholders 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.



5.1.3

Distribution of Profit



5.1.3.1 Dividend Policy

The Board of Directors of SAUDI AZM has set a clear policy regarding dividends and in a way that achieves the interests of the shareholders and the company, in line with the Company's Articles of Association and in compliance with paragraph (b) of Article 9 of the Corporate Governance Regulations issued by the Board of the Capital Market Authority by virtue of Resolution No. (8-16-2017) dated 16/05/1438 AH corresponding

to 13/02/2017 AD, and based on the Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437 AH, as amended by the Board of the Capital Market Authority 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:

Authority to Determine Dividends:

The Board of Directors shall submit its proposals on the distribution of profits to the Ordinary General Assembly, and the decision on these proposals shall be within the competence of the Assembly. The Assembly shall determine the percentage that must be distributed to the shareholders of the net profits after deducting the reserves, if any.

Reporting & Disclosure:

- At the end of each fiscal year of the Company, the Board of Directors must prepare the Company's financial statements and a report on its activity and financial position for the past fiscal year. This report includes the proposed method for distributing profits and the Board places these documents at the disposal of the external auditor, before the date specified for the Ordinary General Assembly annual period of at least forty-five days.
- The Company's Chairman, its CEO, and its financial Manager, must sign the documents referred to in Paragraph (1) above, and copies thereof shall be deposited at the Company's main office at the disposal of the shareholders.

Profits Entitlement:

The shareholder shall be entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard. The decision shall indicate the due date and the date of distribution. The entitlement to profits shall be for the owners of the shares whose names are registered in the shareholders' register kept at the Edaa Center at the end of the day specified for maturity.

Timing of Profit Payment:

The Board of Directors must implement the decision of the General Assembly regarding the distribution of profits to registered shareholders within (15) business days from the maturity date of these profits specified in the decision of the General Assembly, or in the decision of the Board of Directors to distribute interim dividends.

Formation of Reserves:

- The Ordinary General Assembly may, based on the proposal of the Board of Directors, set aside a percentage not exceeding (10%) of the net profits to form a consensual reserve and allocate it for a specific purpose or purposes.
- The Ordinary General Assembly, when determining the share of shares in the net profits, may decide to form other reserves, to the extent that achieves the interest of the Company or ensures the distribution of fixed profits - to the extent possible - to the shareholders. The Ordinary General Assembly may also deduct sums from the net profits for the establishment of social institutions for the Company's employees or to assist the existing ones.

Distributable dividend balance :

The Company may not purchase its shares for an amount in excess of the Dividend Balance, whether purchased using its cash balances or through external funding sources.

Dividends and Nominal Value Difference Item:

- Distributable profits shall consist of the net income for the fiscal year less all sums set aside to reserve for purposes specified in the Articles of Association of the Company, if any, or to be set aside to reserves constituted by the General Assembly plus retained earnings and distributable reserves consisting of profits.
- The nominal value difference item within the shareholders' equity may not be used to distribute cash dividends to shareholders.

Interim Dividend Requirements:

The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis (if the Articles of Association stipulate that this is permissible) after fulfilling the following requirements:

- The Ordinary General Assembly shall authorize the Board to distribute interim profits by virtue of a resolution renewed annually.
- The Company should be of good and regular profitability.
- It should have a reasonable liquidity and can reasonably expect its level of profits.
- The Company should have distributable profits in accordance with the latest audited financial statements, sufficient to cover the profits proposed for distribution, after deducting the distributed and capitalized profits from those profits after the date of these financial statements.

Interim Dividend Controls:

- The distribution of profits shall be credited to the account of the remaining profits accumulated from previous years or the distributable reserves consisting of profits or both. The Company shall take into account the sequence and regularity of the distribution of profits according to the capabilities and liquidity available to the Company. The Board of Directors shall disclose and announce the regular periodic profits to be distributed to shareholders on time.
- The Company shall disclose to the Authority and the public immediately and without delay when making a decision to distribute interim profits.

5.1.3.2 Distribution of Profits

** To date, the Company has not distributed profits to shareholders.

5.1.3.3 Profits Rights

No arrangements or agreement were made whereby a shareholder of the company waived any profit rights.



5.2

The Board of Directors and its Sub-Committees :

5.2.1 Board of Directors:

The Company shall be managed by a Board of Directors consisting of five members of natural character elected by the Ordinary General Assembly of Shareholders for a period not exceeding three years. As an exception, the founders shall appoint the first Board of Directors for a period of five years starting from 21 June 2021 AD.



Name	Membership Category
Mr. Majed bin Saad bin Hamoud AlOusaimi	Non-executive
Position	Service Start Date
Chairman of the Board of Directors	21/06/2021AD



Name	Membership Category
Mr. Ali bin Mohammed bin Rashid AlBallaa	Executive
Position	Service Start Date
Managing Director and Chief Executive Officer	21/06/2021AD



Name	Membership Category
Mr. Omer bin Abdulrahman bin Ali AlJeraisy	Independent
Position	Service Start Date
Board Member Chairman of Nominations and Remuneration Committee	21/06/2021AD



Name	Membership Category
His Excellency/ Ahmed bin Abdulaziz bin Mohammed AlHakbani	Independent
Position	Service Start Date
Vice Chairman of the Board	21/06/2021 AD



Name	Membership Category
Mr. Umar bin Fahad bin Abdulkarim Alsunaidi	Independent
Position	Service Start Date
Board Member Member of the Audit Committee	06/07/2023AD

5.2.1.1 Directors' Curriculum Vitae :



Mr.
Majed bin Saad bin
Hamoud AlOusaimi

Current Positions:

General Manager of Wajd Holding Group Company, from 2024 AD to date

Previous Positions:

- CEO of Noura Union Investment Company, from 2018 AD to 2024 AD
- Advisor to His Excellency the Minister and General Supervisor of a number of sectors of the Ministry of Labor and Social Development from 2015 AD to 2017 AD
- Senior Business Developer for Aramco from 2004 AD to 2015 AD
- Services Engineer Added to Advanced Ecteronic Company in 2004 AD

Academic Qualifications:

- Bachelor of Information Systems from the King Saud University, 2004 AD



Mr.
Ahmed bin Abdulaziz
bin Mohammed
AlHakbani

Current Positions:

CEO of Simplified Financial Solutions, from 2021 AD to date

• Previous Positions:

- Governor of the General Authority of Customs, from 2017 AD to 2021 AD
- Undersecretary of the Ministry of Commerce for Foreign Affairs and General Supervisor of Foreign Offices of Ministry of Commerce, from 2016 AD to 2017 AD
- Secretary General of Export Development Authority, from 2013 AD to 2017 AD
- General Supervisor of Information Technology and Manager of the Ministry's Strategy Project of Ministry of Foreign Affairs, from 2010 AD to 2013 AD
- Advisor to the Undersecretary for Planning and Information Technology of Ministry of Education, from 2008 AD to 2008 AD
- Business Development Manager for Economic Cities Project of Cisco Systems from 2006 AD to 2008 AD
- Project Manager of "Yesser" e-Government Program, from 2004 AD to 2006 AD
- Manager of Technical Relationship Management of Microsoft Company, from 2000 AD to 2004 AD

• Academic Qualifications:

- Master of Business Administration from the INSEAD, 2009 AD
- Bachelor of Information Systems from the King Saud University, 2000 AD



Mr.
Ali bin Mohammad
bin Rashid AlBallaa

Current Positions:

- CEO of SAUDI AZM for Communications and Information Technology Company , from 2017 AD to date
- General Manager of SAUDI AZM Holding Company, from 2017 AD to date
- General Manager of Digital AZM for Communications and Information Technology Company, from 2022 AD to date
- General Manager of Olive Tree Real Estate Company, from 2023 AD to date
- General Manager of National Real Estate Platform Company (Aqarek) , from 2021 AD to date

Previous Positions:

- General Manager of Future for Communications and Information Technology Company, from 2022 AD to 2024 AD
- CEO of Software Development Company from 2020 AD to 2021 AD
- CEO of Aramis Company, from 2015 AD to 2017 AD
- Business Development Manager of National Technology Group (NTG), 2015 AD
- Manager of Government Sales of Microsoft Company , from 2013 AD to 2015 AD
- Account Manager of Microsoft Company , from 2009 AD to 2013 AD

Academic Qualifications:

- Bachelor of Information Systems from the King Saud University, 2007 AD



Mr.
Omer bin
Abdulrahman bin Ali
AlJeraisy

Current Positions:

CEO of Ain Developmental Investment Company, from 2020 AD to date

Previous Positions:

- Deputy General Manager of AlJeraisy Group Company, from 2017 AD to 2019 AD
- Assistant General Manager of AlJeraisy Group Company, from 2014 AD to 2017 AD

Academic Qualifications:

- Bachelor of Business Administration from the Prince Sultan University, 2012 AD



Mr.
Umar bin Fahad
bin Abdulkarim
Alsunaidi

Current Positions:

Manager of Legal, Governance and Committee Affairs from 2023 AD to datedate

Previous Positions:

- Manager of Legal, Governance, Board and Committees Affairs for Al-Rajhi Bank, 2023 AD
- Manager of Corporate Governance Department of the Capital Market Authority, from 2005 AD to 2023 AD
- Finance for Saudi Basic Industries Corporation (SABIC), 2005 AD

Academic Qualifications:

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

5.2.1.2 Names of companies in which a director is a member of their present and former boards of directors or of their directors

Majed bin Saad bin Hamoud AlOusaimi – Chairman

#	Company Name	Position	State	Headquarters		Legal Entity
				Within the Kingdom	Outside the Kingdom	
01	Wajd Holding Group	General Manager	Current	✓		A Limited Liability Company
02	Al Etmam Investment Company	Chairman of the Board of Directors	Current	✓		Closed Joint Stock Company
03	AZM Fintech	Chairman of the Board of Directors	Current	✓		Closed Joint Stock Company
04	Aseel Financial Company	Chairman of the Board of Directors	Current	✓		A Limited Liability Company
05	Som Real Estate Platform Company	Chairman of the Board of Directors	Current	✓		Simplified Joint Stock Company
06	Muhlah Zamaniyah Fintech	Chairman of the Board of Directors	Current	✓		Closed Joint Stock Company
07	Samaei Aviation Company	Chairman of the Board of Directors	Current	✓		A Limited Liability Company
08	JetBase	Chairman of the Board of Directors	Current	✓		A Limited Liability Company
09	Alsoliman Real Estate Company	Board Member	Current	✓		Closed Joint Stock Company
10	Telad Investment Company	Chairman of the Board of Directors	Current	✓		Closed Joint Stock Company
11	Tharawat for Financial Securities	Board Member	Current	✓		Closed Joint Stock Company
12	Etihad Noura Investment Company	Chief Executive Officer	Previous	✓		A Limited Liability Company
13	Itqan Capital Company	Board Member	Previous	✓		Closed Joint Stock Company
14	National Aquaculture Group	Board Member	Previous	✓		Closed Joint Stock Company
15	Quara Finance Company	Board Member	Previous	✓		Public Shareholding Company
16	Kafaat International Company	Chairman of the Board of Directors	Previous	✓		A Limited Liability Company



Ahmed bin Abdulaziz bin Mohammed AlHakbani – Vice Chairman:

#	Company Name	Position	State	Headquarters		Legal Entity
				Within the Kingdom	Outside the Kingdom	
01	Simplified Financial Solutions Company	Board Member	Current	✓		Closed Joint Stock Company
02	Saudi Arabian Mining Company (MAADEN).	Board Member	Current	✓		Public Shareholding Company
03	Special Integrated Logistics Zone	Vice Chairman of the Board	Current	✓		One Person Company
04	Acwa Power	Board Member	Current	✓		Public Shareholding Company
05	Siwar Foods	Chairman of the Board of Directors	Current	✓		Closed Joint Stock Company
06	Obeikan Glass Company	Board Member	Previous	✓		Public Shareholding Company
07	Uptown Jeddah Company	Chairman of the Board of Directors	Previous	✓		Closed Joint Stock Company
08	Flyadeal	Member Board of Directors	Previous	✓		Closed Joint Stock Company
09	Gasco	Board Member	Previous	✓		Public Shareholding Company
10	Natural Gas Distribution Company (NGDC)	Board Member	Previous	✓		Public Shareholding Company
11	Local Content and Government Procurement Authority	Board Member	Previous	✓		Government Entity
12	Zakat, Tax, and Customs Authority (ZATCA)	Board Member	Previous	✓		Government Entity
13	Saudi Ports Authority	Board Member	Previous	✓		Government Entity
14	King Fahd Causeway Authority	Board Chairman	Previous	✓		Government Entity
15	Saudi Company for Exchanging Digital Information (Tabadul)	Board Chairman	Previous	✓		Government Entity
16	Saudi Food and Drug Authority	Board Member	Previous	✓		Government Entity

Ali bin Mohammad bin Rashid AlBallaa – Managing Director and Chief Executive Officer:

#	Company Name	Position	State	Headquarters		Legal Entity
				Within the Kingdom	Outside the Kingdom	
01	SAUDI AZM Holding Company	General Manager	Current	✓		A Limited Liability Company
02	AZM Fintech	Managing Director	Current	✓		Closed Joint Stock Company
03	National Real Estate Platform Company (Aqarek)	General Manager	Current	✓		A Limited Liability Company
04	AZM Digital for Communications and Information Technology Company	General Manager	Current	✓		A Limited Liability Company
05	Olive Tree Real Estate Company	General Manager	Current	✓		A Limited Liability Company
06	AZM Software Development Company	General Manager	Previous	✓		A Limited Liability Company
07	Future for Communications and Information Technology Company	General Manager	Previous	✓		A Limited Liability Company
08	National Technology Group (NTG)	Business Development Manager	Previous	✓		A Limited Liability Company
09	Microsoft Company	Government Sales Manager & Account Manager	Previous	✓		A Limited Liability Company
10	Araamis Copmany	General Manager	Previous	✓		A Limited Liability Company



Omer bin Abdulrahman bin Ali AlJeraisy– Member of the Board of Directors:

#	Company Name	Position	State	Headquarters		Legal Entity
				Within the Kingdom	Outside the Kingdom	
01	Thmanyah Company	Board Member	Current	✓		A Limited Liability Company
02	Ain Developmental Investment Company	Chief Executive Officer	Current	✓		A Limited Liability Company
03	Tam Development Company	Chairman of the Board of Directors	Current	✓		Public Shareholding Company
04	Rehab Najd Real Estate Development	Board Member	Current	✓		A Limited Liability Company
05	Myrkott Animation Studio	Board Member	Current	✓		A Limited Liability Company
06	Al Jeraisy Group	Deputy General Manager	Previous	✓		Closed Joint Stock Company

Umar bin Fahd bin Abdulkarim Al Sunaidi - Member of the Board of Directors:

Company Name	Position	State	Headquarters		Legal Entity
			Within the Kingdom	Outside the Kingdom	
None					



5.2.1.3 Ownership of the shares and debt instruments of the Company by the members of the Executive Management and their relatives:

#	Name	Beginning of FY 2024 AD			End of FY 2024 AD			Net change	Percentage of change (%)
		Number of Shares	Debt instruments	Type of Property	Number of Shares	Debt instruments	Type of Property		
01	Mr. Majed bin Saad bin Hamoud AlOusaimi	12,600,000	0	Direct	12,600,000	0	Direct	0	0%
02	Mr. Ahmed bin Abdulaziz bin Mohammed AlHakbani	8,800	0	Direct	20,966	0	Direct	12,166	138.25%
03	Mr. Ali bin Mohammad bin Rashid AlBallaa	12,584,860	0	Direct	12,584,860	0	Direct	0	0%
04	Mr. Omer bin Abdulrahman bin Ali AlJeraisy	82,540	0	Indirect	82,540	0	Indirect	0	0%
05	Mr. Umar bin Fahad bin Abdulkarim Alsunaidi	0	0	-	26,967	0	Direct	26,967	100%



5.2.1.4 Board Meetings:

The Board of Directors meets four times a year at the invitation of the Chairman of the Board or whenever the need arises to follow up the business and financial results and supervise the Executive Management. The following is a statement

of the meetings of the Board of Directors of SAUDI AZM Co. for Communications and Information Technology held in 2024 AD and the names of the members of the Board of Directors present at these meetings:

Board Meetings								Total
#	Member Name	Position	1	2	3	4	5	
			25 September 2023 AD	28 November 2023 AD	26 February 2024 AD	26 March 2024 AD	18 April 2024 AD	
01	Mr. Majed bin Saad bin Hamoud AlOusaimi	Chairman of the Board of Directors Non-executive	✓	✓	✓	✓	✓	6
02	Mr. Ahmed bin Abdulaziz bin Mohammed AlHakbani	Vice Chairman of the Board Independent	✓	✓	✓	✓	✓	6
03	Mr. Ali bin Mohammad bin Rashid AlBallaa	Managing Director and CEO	✓	✓	✓	✓	✓	6
04	Mr. Omer bin Abdulrahman bin Ali AlJeraisy	Board Member Independent	✓	✓	✓	✓	✓	6
05	Mr. Umar bin Fahad bin Abdulkarim Alsunaidi	Board Member Independent	✓	✓	✓	✓	✓	6

5.2.1.5 Board Declarations

The Board of Directors of SAUDI AZM for Communications and Information Technology company acknowledges the following:

- That the books of account have been properly prepared.
- That the internal control system is well established and effectively implemented.
- That there is no significant doubt regarding the Company’s ability to continue its activity.



5.2.2

Audit Committee:

5.2.2.1 About the Audit Committee:

The Audit Committee consists of (three) members other than the executive members of the Board of Directors, whether shareholders or others, who were appointed by virtue of the Ordinary General Assembly Resolution on 26/06/2021 AD.

Towards the end of the session of the Audit Committee, the Board of Directors decided on 18/04/2024 AD to end the current session and restructure it so that it starts from the date of the Board's decision until 21/6/2026 AD to coincide with the current session of the Board of Directors.

5.2.2.2 Formation and Role of the Audit Committee:

The Audit Committee shall be formed of shareholders or others appointed by a decision of the Board of Directors of the Company, provided that it does not include any of the executive members of the Board of Directors. The number of its members shall not be less than three and not more than five, provided that they include at least one independent member. The Chairman of the Board of Directors may not be a member of the Committee. Those who work or have worked during the past two years in the executive or financial management of the Company, or with the auditor of the Company, may not be members of the Committee.

care and concern for the interests of the Company and shareholders over their personal interests. They must also adhere to the regulatory requirements and the Company's policies and regulations related to conflict of interest and disclosure.

The main role of the Audit Committee is to supervise the internal audit tasks, study its reports, and follow up the application of corrective measures for the observations contained in the control and audit on the Company's work. For this purpose, it has the right to view the Company's records and documents and request any clarification or statement from the members of the Board of Directors or the Executive Management. It may request the Board of Directors to invite the General Assembly of the Company to convene if the Board of Directors hinders its work or the Company suffers serious damages or losses.

The members must include a member specialized in financial and accounting affairs, and the member of the Committee must have the appropriate expertise and qualifications for the work and tasks of the Committee. They must adhere to the principles of honesty, loyalty,



5.2.2.3 Terms of Reference and Functions of the Audit Committee:

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

Firstly: Financial reports:

1. Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
2. Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
3. Analyzing any important or non-familiar issues contained in the financial reports.
4. Accurately investigating any issues raised by the Company's CFO, Assignee, Compliance Officer, Internal Control Officer of the Company or the Auditor.
5. Verifying accounting estimates on material matters contained in financial reports.
6. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon

Secondly: Internal Audit:

1. Examining and reviewing the Company's internal and financial control regulations and risk management .
2. Studying internal audit reports and following up the implementation of corrective actions for the observations contained therein.
3. Monitoring and supervising the performance and activities of the internal auditor and the Internal Audit Department in the Company, to verify the availability of the necessary resources and their effectiveness in performing the work and tasks entrusted thereto.
4. Providing recommendations to Board of Directors on the appointment of the Manager of Internal Audit Unit/ Department or the Internal Auditor and proposing their remuneration.

Thirdly: Auditor:


1. Providing recommendations to the Board to nominate Auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
2. Verifying the independence of the Auditor, their objectivity and fairness, as well as the effectiveness of the audit activities, taking into account the relevant rules and standards.
3. Reviewing the plan of the Company's Auditor and his activities, and ensuring that they do not provide any technical or administrative works that are beyond their scope of work, and providing its opinion thereon.
4. Responding to queries of the Company's Auditor.
5. Studying the Auditor's report and observations on the financial statements and expressing its views thereon, if any, and following up on what has been taken in this regard.

Fourth: Ensuring Compliance:

1. Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.
2. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.
3. Reviewing the contracts and transactions proposed to be conducted by the Company with related parties, and providing its recommendations regarding them to the Board of Directors.
4. Raising any issues it deems necessary to take action on to the Board of Directors, and giving its recommendations on the measures that must be taken.




5.2.2.4 The curriculum vitae of the members of the Audit Committee of the previous session:




Mr

Abdulrahman bin Ibrahim AlHadlaq




Position

Chairman of the Audit Committee - from outside the Board from 2024AD to date.




Title

Independent




Current Positions

Chief Executive Officer, Asas Makin Real Estate Investment, from 2022 AD to date.



Previous Jobs and Experience

- CEO of Sadr Logistics Services from 2020 AD to 2022 AD.
- CEO of Abdul Rahman Al Abdul Aziz Al Shaalan Sons Trading Co. from 2018 AD to 2020 AD.
- Executive Vice President of Abdul Rahman Al Abdul Aziz Al Shaalan Sons Trading Co. from 2017 AD to 2018 AD.
- Internal Auditor of Education and Training Evaluation Commission from 2015 AD to 2017 AD.
- Accountant of Education and Training Evaluation Commission from 2012 AD to 2015 AD



Academic Qualifications

- Master of Business Administration, 2015
- Bachelor of Accounting, 2011



Dr

Yazid bin Ibrahim AlAbdulkarim



Position

Member of the Audit Committee - from outside the Board, from 2021 to date



Title

Independent



Current Positions

Consultant at the Saudi Information Technology Company, from 2021 AD to date.

Assistant Professor at King Saud University, from 2018 AD to date.



Previous Jobs and Experience

- PhD researcher at the University of Southern California, from 2014 AD to 2018 AD
- Docent at King Saud University,from 2009 AD to 2018 AD.
- Developer of integration solutions at Alinma Bank, from 2007 AD to 2019 AD




Academic Qualifications


- PhD in Computer Science from the University of Southern California, from 2014 AD to 2018 AD.
- Master of Computer Science from the University of Southern California, from 2010 AD to 2012 AD.
- Bachelor of Information Systems, King Saud University, 2007 AD




Mr
**Muhammad
Amin Merah**


 **Position** ▶ Member of the Audit Committee - from outside the Board since 2024 AD

 **Title** ▶ Independent

 **Current Positions** ▶ Managing Partner and Chief Executive Officer of Saudi Venture Builder , from 2019 AD to date.

 **Previous Jobs and Experience** ▶

- Consulting Manager - Aramis Consulting Company from 2016 AD to 2018 AD.
- Senior Auditor of PwC, from 2013 AD to 2016 AD.
- Senior Auditor of Deloitte from 2011 AD to 2013 AD.

 **Academic Qualifications** ▶

- Bachelor of Accounting from the King Fahd University of Petroleum and Minerals, from 2006 AD to 2011 AD

5.2.2.5 The curriculum vitae of the members of the Audit Committee of the current session:

Mr. Abdulrahman bin Ibrahim AlHadlaq



Position	Title
Chairman of the Audit Committee - from outside the Board	Independent

Previous Jobs and Experience - Academic Qualifications

Previously introduced on page: 78

Mr. Umar bin Fahad Alsunaidi



Position	Title
Member of the Audit Committee - from within the Board	Independent

Previous Jobs and Experience - Academic Qualifications

Previously introduced on page: 68

Mr. Muhammad Amin Merah



Position	Title
Member of the Audit Committee from outside the Board.	Independent

Previous Jobs and Experience - Academic Qualifications

Previously introduced on page: 80



5.2.2.6 Audit Committee Meetings :

The Audit Committee shall hold its meetings periodically or when necessary to follow up its work and review the financial statements and other relevant topics. The attendance record is as follows:

Audit Committee Meetings							
#	Member Name	Position	01	02	03	04	Total
			01 August 2023 AD	19 September 2023 AD	16 November 2023 AD	20 February 2024 AD	
01	Mr. Abdulrahman bin Ibrahim AlHadlaq	Chairman of the Committee	✓	✓	✓	✓	4
02	Dr. Yazid bin Ibrahim AlAbdulkarim	Committee member	✓	✓	✓	✓	4
03	Mr. Muhammad Amin Merah	Committee member	✓	✓	✓	✓	4

5.2.2.7 Audit Committee’s recommendations:

- The Audit Committee recommended the appointment of an auditor to examine, audit and audit the initial and annual financial statements for the fiscal year ended June 30, 2024 AD. PwC was appointed as Chartered Accountants as per the shareholders’ vote of the Regular General Assembly held on December 28, 2023 AD.
- During the financial year, no recommendations issued by the Audit Committee were inconsistent with the Governing Council’s decisions or the refusal of Board members to take them.





5.2.3

The Nominations and Remuneration Committee:

5.2.3.1 Overview of the Nomination and Remunerations Committee

The Nomination and Remuneration Committee consists of (three) members other than the executive members of the Board of Directors, whether shareholders or others, who were appointed by virtue of a decision of the Board of Directors of SAUDI AZM on 09/05/2022 AD.

On 18/04/2024 AD, the Board of Directors decided to appoint Ms. Lulwah bint Nasser ALOtaibi in the vacant seat in place of Ms. Rawan bint Hisham AlSharhan.

5.2.3.2 Formation and role of the Nomination and Remuneration Committee

A committee called the Nomination and Remuneration Committee shall be formed by a decision of the Board of Directors of the Company, consisting of at least three members and not more than five non-executive members of the Board of Directors, provided that they include at least one independent member. The Board of Directors shall appoint one of its members as Chairman of the Committee, provided that they are an independent member.

The Nomination and Remuneration Committee aims to assist the Board of Directors by supervising the remuneration plan and following up on its implementation, the nomination process for membership of the Board, committees and Executive Management of the Company and ensuring that it is linked to performance, in accordance with the applicable regulatory controls and procedures.

5.2.3.3 Nomination and Remuneration Committee terms of reference and tasks

The committee undertakes the tasks and powers related to two important topics: remunerations and nominations. In addition, it is responsible for submitting reports on its activities to the Board periodically. The following are the tasks and powers of the Committee:

I- With regard to remunerations:

1. Prepare a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submit it to the Board of Directors for consideration in preparation for approval by the General Assembly, taking into account the adoption of standards related to performance, disclosure, and verification of its implementation.

2. Clarify the relationship between the granted remunerations and the applicable remunerations policy, and indicate any material deviation from this policy.
3. Periodically, review the remuneration policy and evaluate its effectiveness in achieving its objectives set.
4. Recommend to the Board of Directors the remunerations to be granted to the members of the Board of Directors, its committees and the senior executives of the Company in the light of the approved policy.

II-With regard to nominations:

1. Propose clear policies and standards for membership of the Board of Directors and Executive Management.
2. Recommend to the Board of Directors the nomination and re-nomination of its members in accordance with the approved policies and standards, taking into account that no person previously convicted of a crime against trust shall be nominated.
3. Prepare a description of the capabilities and qualifications required for membership of the Board of Directors and holding executive management positions.
4. Determine the time to be allotted by the member to the work of the Board of Directors.
5. Conduct annual review of the necessary skills or experience requirements appropriate to the membership of the Board of Directors and the functions of the Executive Management.
6. Review the structure of the Board of Directors and the Executive Management while recommending changes that can be made.
7. Conduct annual verification of the independence of independent members, and the absence of any conflict of interest if the member is a member of the Board of Directors of another company.
8. Develop job descriptions for executive members, non-executive members, independent members and senior executives.
9. Establish special procedures in the event of a vacancy in the position of a member of the Board of Directors or senior executives.
10. Identify weaknesses and strengths of the Board of Directors and proposing solutions to address them in line with the Company's interest.

5.2.3.4 CVs of the members of the Nomination and Remuneration Committee :

Mr. Omer bin Abdulrahman bin Ali AlJeraisy



Position

Chairman of Nominations and Remuneration Committee

Title

Independent - inside the Board.

Current Positions - Previous Jobs and Experience - Academic Qualifications

Previously introduced on page: 67

Mr. Majdi bin Saleh Qari



Position

Member of the Nomination and Remuneration Committee

Title

Independent - outside the Board.

Current Positions

- Manager of Human Resources, Capi Technologies company from 2022 AD to date.
- Consultant, Kamen Company, from 2017 AD to date.

Previous Jobs and Experience

- Manager of Human Resources, Nakheel Company, from 2022 AD to 2022 AD
- HR Manager of Hala Coompany,from 2019 AD to 2021 AD
- Recruitment Consultant of Ernst & Young, from 2012 AD to 2015 AD

Academic Qualifications

- Bachelor of Business Administration from the King Abdulaziz University, (2009 AD).



Ms. Rawan bint Hisham AlSharhan



Position

Member of the Nomination and Remuneration Committee

Title

Executive

Current Positions - Previous Jobs and Experience - Academic Qualifications

Previously introduced under the names and information of the members of the Executive Management (page: 93).



Ms. Lulwah bint Nasser AlOtaibi

Position

Member of the Nomination and Remuneration Committee.

Title

Independent - outside the Board.

Current Positions

- Head of Personnel and Cultural Division of Al-Etmam Consulting Company from 2021 AD to date.

Previous Jobs and Experience

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

Academic Qualifications

- Bachelor of English Language and Translation, King Saud University, (2015 AD).

5.2.3.5 Nomination and Remunerations Committee Meetings:

Nomination and Remunerations Committee Meetings					
#	Member Name	Position	01	02	Total
			10 January 2024 AD	18 January 2024 AD	
01	Mr. Omer bin Abdulrahman AlJeraisy	Chairman of the Committee	✓	✓	2
02	Majdi bin Saleh Qari	Committee member	✓	✓	2
03	Ms. Rawan bint Hisham AlSharhan	Committee member	✓	✓	2





5.3

Executive Management:

5.3.1 Executive Management Composition:

Mr Ali bin Mohammed AlBallaa	<div>▶ Postion: Chief Executive officer</div> <div>▶ Start Date 31/07/2018 AD</div>		<div></div>
Mr Ismail bin Saeed AlQahtani	<div>▶ Postion: Executive Vice-President of Corporate Affairs</div> <div>▶ Start Date 31/07/2018 AD</div>	Mr Emad bin Abdulrahman AlHuwait	<div>▶ Postion: Head of the Management Consultancy Department</div> <div>▶ Start Date 29/08/2021 AD</div>
Mr Haitham bin Naeem Hanoun	<div>▶ Postion: Head of Business Development Department</div> <div>▶ Start Date 08/03/2018 AD</div>	Ms AlHanouf bint Talal Alturisi	<div>▶ Postion: Head of Legal and Governance Department, Secretary to the Board of Directors and Audit Committee</div> <div>▶ Start Date 12/08/2021 AD</div>
Mr Moath bin Abdulrahman Mansour	<div>▶ Postion: Head Financial Department</div> <div>▶ Start Date 14/01/2024 AD</div>	Ms Sarah bint Musa Allsmail	<div>▶ Postion: Head of Projects Management Department</div> <div>▶ Start Date 15/12/2020 AD</div>
Ms Rawan bint Hisham Al-Sharhan	<div>▶ Postion: Manager of Cadres, Institutional Culture and Joint Services Department</div> <div>▶ Start Date 20/02/2019 AD</div>	Mr Qusay Raafat AlAmmarin	<div>▶ Postion: Internal Audit Officer</div> <div>▶ Start Date 17/04/2024 AD</div>



5.3.1.1 Executive Management CVs:

Mr

Ismail bin Saeed

AlQahtani



Position: ▶ Executive Vice-President of Corporate Affairs



Start Date: ▶ 31/07/2018 AD



Current and Past Jobs and Experience: ▶

- Executive Vice President for Corporate Affairs, SAUDI AZM for Communications and Information Technology Company, from 2022 AD to date
- Deputy Chairman of the Board of Directors - Future Vision for Health Training, from 2024AD to date
- Consultant of BIM Ventures, from 2022 AD to date
- Consultant of AZM Experience for Information Technology Company, from 2022 AD to date
- Consultant of AZM Fintech, from 2022 AD to date
- Consultant of SAUDI AZM Digital for Communication and Information Technology, from 2022 AD to date
- Manager of Project Management of SAUDI AZM for Communications and Information Technology, from 2018 AD to 2022 AD
- Area Manager of Huawei from 2013 AD to 2015 AD
- Senior Project Manager of Saudi Standards, Metrology and Quality Organization (SASO), from 2012 AD to 2013 AD.
- Team Leader of Etihad Etisalat (Mobily) - from 2009 AD to 2012 AD



Academic Qualifications: ▶

- Bachelor of Information Systems from the King Saud University 2012 AD
- Master of Computer and Information Science from the University of Missouri, 2017 AD

Mr

Haitham bin

Naeem Hanoun



Position: ▶ Head of Business Development Department



Start Date: ▶ 08/03/2018 AD



Current and Past Jobs and Experience: ▶

- Head of Business Development Department of SAUDI AZM Co. for Communications and Information Technology , from 2018 AD to date
- Secretary of the Audit Committee of SAUDI AZM Co. for Communications and Information Technology , from 2021 AD to 2024 AD
- Secretary to the Board of Directors of SAUDI AZM Co. for Communications and Information Technology , from 2021 AD to 2024 AD
- Manager of Business Development Department of SAUDI AZM Co. for Communications and Information Technology , from 2018 AD to date
- IoT Engineer of Hadeer Machinery Company, from 2015 AD to 2018 AD
- Sales Engineer of Elajou Group, from 2015 AD to 2016 AD
- Design Specialist of Ilia Information Technology Company from 2014 AD to 2015 AD



Academic Qualifications: ▶

- Master of Engineering Management from the King Fahd University of Petroleum and Minerals, 2016 AD
- Bachelor of Computer Engineering from the King Fahd University of Petroleum and Minerals, 2013 AD



Mr
**Moath bin
Abdulrahman
Mansour**



Position: ▶ Head of Financial Department



Start Date: ▶ 14/01/2024 AD



**Current
and Past
Jobs and
Experience:**

- Head of Financial Department – of Saudi AZM for Communications and Information Technology Company , from 2024 AD to date
- Audit Manager of PricewaterhouseCoopers (PwC) from 2019 AD to 2023 AD
- Audit Manager of Deloitte & Touche, from 2017 AD to 2019 AD



**Academic
Qualifications:**

- Certified Public Accountant from the The American Institute of Certified Public Accountants (AICPA), 2019 AD
- Diploma in International Financial Reporting from the Association of Chartered Certified Accountants, 2019 AD
- Bachelor of Accounting from the University of Jordan, 2017 AD



Ms
**Rawan bint
Hisham
AlSharhan**



Position: ▶ Head of the Department of Cadres, Institutional Culture and Joint Services



Start Date: ▶ 20/02/2019 AD



**Current
and Past
Jobs and
Experience:**

- Head of Cadres, Corporate Culture and Joint Services Department – of Saudi AZM for Communications and Information Technology Company, from 2019 AD to date
- Performance Analyst of National Center for Privatization and Public-Private Partnership, from 2018 AD to 2019 AD



**Academic
Qualifications:**

- Chartered Institute of Personnel and Development qualifications , 2021AD
- Bachelor of Human Resources Management from the King Saud University, 2018AD



Mr
**Emad bin
Abdulrahman
AlHuwait**



Position: ▶ Head of the Management Consultancy Department



Start Date: ▶ 29/08/2021 AD



**Current
and Past
Jobs and
Experience:**

- Head of Management Consultancy Department of Saudi AZM for Communications and Information Technology Company, from 2024 AD to date
- Senior Consultant of Saudi AZM for Communications and Information Technology Company, from 2021 AD to 2024 AD
- Associate Consultant of Boston Consulting Group (BCG), from 2019 AD to 2021 AD
- Business Analyst of Boston Consulting Group (BCG), from 2018 AD to 2019 AD
- Trainee Consultant of PricewaterhouseCoopers (PwC), from 2017 AD to 2018 AD



**Academic
Qualifications:**

- Bachelor of Industrial Engineering and Systems from the King Fahd University of Petroleum and Minerals, 2018 AD



Ms
**AlHanouf bint
Talal Alturisi**



Position: ▶ Head of Legal and Governance Department, Secretary to the Board of Directors



Start Date: ▶ 12/08/2021 AD



**Current
and Past
Jobs and
Experience:**

- Head of Legal and Governance Department of Saudi AZM for Communications and Information Technology Company, from 2024 AD to date
- Secretary of the Board of Directors of Saudi AZM for Communications and Information Technology Company, from 2024 AD to date
- Secretary of the Audit Committee of SAUDI AZM Co. for Communications and Information Technology, from 2024 AD to date
- Secretary to the Board of Directors of AZM Fintech, from 2022 AD to date
- Head of Legal and Governance Affairs of Saudi AZM for Communications and Information Technology Company, from 2022 AD to 2024 AD
- Legal and Governance Specialist of Saudi AZM for Communications and Information Technology Company, from 2021 AD to 2022 AD
- Trainee Lawyer of Abdullah Al-Falaj Lawyers and Consultants, from 2019 AD to 2020 AD



**Academic
Qualifications:**

- International Fellowship in Commercial Arbitration - Chartered Institute of Arbitrators (CIARB) in cooperation with the Saudi Center for Commercial Arbitration Academy, since 2023 AD
- The General Securities Qualification Exam (CME1), Financial Academy, 2022 AD
- iFsaH Professional Exam, Financial Academy, 2022 AD
- Bachelor of Law of Princess Nourah bint Abdul Rahman University, 2019 AD



Ms
Sarah bint Musa
Allsmail



Position: ▶ Head of Projects Management Department



Start Date: ▶ 15/12/2020 AD



Current and Past Jobs and Experience:

- Head of Project Management of Saudi AZM for Communications and Information Technology Company, from 2022 AD to date
- Consultant of Innovation Ornaments Co. from 2023 AD to date
- Consultant of White Track, from 2023 AD to date
- Consultant of Three Lines Company, from 2020 AD to date
- Project Manager of The Big Store for Information Technology Foundation, from 2018 AD to 2020 AD



Academic Qualifications:

- Masters of Business Administration from the INSEEC University, 2020 AD
- Masters in Executive Management from the Al Yamamah University, 2020 AD
- Higher Diploma in Leadership and Management from the University of Washington, 2020 AD
- The Leadership Technology Program from the Massachusetts Institute of Technology (MIT), 2020 AD
- Project Management Professional Certificate (PMP) from the Project Management Institute, 2020 AD
- BA in French from the Princess Nourah Bint Abdul Rahman University, 2017 AD



Mr
Qusay Raafat
AlAmmarin



Position: ▶ Internal Audit Officer



Start Date: ▶ 17/04/2024 AD



Current and Past Jobs and Experience:

- Internal Audit Officer of Saudi AZM for Communications and Information Technology Company, from 2024 AD to date
- Senior Internal Auditor of Ahli Microfinance Company, from 2023 AD to 2024 AD
- Internal Auditor of Ahli Microfinance Company, from 2020 AD to 2023 AD
- Account Manager of Small and Medium Enterprises of Orange Communications, from 2019 AD to 2020 AD
- Customer Service of Roya TV, from 2017 to 2019 AD
- Treasury Officer of the Operations Department of Bank Audi , from 2014 AD to 2017 AD



Academic Qualifications:

- Certified Internal Control Specialist - Internal Control Institute (ICI) - USA, 2024 AD
- Certified AML/CFT Specialist - Association of Certified Anti-Money Laundering Specialists (ACAMS) - USA, 2022 AD
- Bachelor of Finance and Banking from the Hashemite University, 2013 AD



5.3.3 Ownership of the shares and debt instruments of the Company by the members of the Executive Management and their relatives

#	Name	Beginning of FY 2024 AD			End of FY 2024 AD			Net change	Percentage of change (%)
		Number of Shares	Debt instruments	Type of Property	Number of Shares	Debt instruments	Type of Property		
01	Ali bin Mohammed Alballaa	12,584,860	0	Directly	12,584,860	0	Directly	0	0%
02	Mr. Ismail bin Saeed AlQahtani	37,160	0	Directly	637,163	0	Directly	600,003	1615%
03	Mr. Haitham bin Naeem Hanoun	1,800	0	Directly	1,107,736	0	Directly	1,105,936	61441%
04	Mr. Moath bin Abdulrahman Mansour	0	0	-	2,000	0	Directly	2,000	100%
05	Ms. Rawan bint Hisham AlSharhan	11,220	0	Directly	15,447	0	Directly	4,227	38%
06	Mr. Emad bin Abdulrahman AlHuwait	12,820	0	Directly	16,651	0	Directly	3,831	30%
07	Ms. Al Hanouf Bint Talal Alturisi	10620	0	Directly	13,419	0	Directly	2,799	26%
08	Ms. Sarah bint Musa AlIsmail	21,780	0	Directly	21,780	0	Directly	0	0%
09	Mr. Qusay Raafat AlAmarin	0	0	-	0	0	-	0	0%

5.4

Remuneration:

5.4.1 Remuneration Policy:

The remuneration policy has been prepared for the Board of Directors, its committees, and the Executive Management, which aims to define clear criteria for the remuneration of the members of the Board of Directors of SAUDI AZM for Communications and Information Technology company, as well

as the members of the committees emanating from the Board of Directors of the Company and senior executives in light of the requirements of the Companies Law and the regulations of the Capital Market Authority, in accordance with the following:

General Criteria for Remuneration:

The Nomination and Remuneration Committee shall be responsible for recommending to the Board the remuneration of the members of the Board of Directors, the committees emanating from it and the senior executives of the Company in accordance with the following criteria:

1. The remuneration shall be commensurate with the Company's activity and the skills necessary to manage it and achieve its objectives.
2. Consider linking the variable portion of remuneration to long-term performance.
3. The remuneration shall be determined based on the level of the job, the tasks and responsibilities entrusted to its occupant, qualifications and scientific experience, skills and level of performance.
4. The Company shall take into account the consistency of remuneration with the Company's strategy and objectives and with the size, nature and degree of risk it has.
5. The Company shall take into account the practices of other companies and what is prevalent in the labor market in terms of remuneration, in order to avoid the resulting justified rise in remuneration and compensation.
6. The remuneration should be reasonably sufficient to attract, maintain and motivate professional competencies, while not overstating them.
7. The payment of the remuneration shall be suspended or recovered if it is found that it was decided on the basis of inaccurate information provided by a member of the Board of Directors or the Executive Management, in order to prevent the exploitation of the employment status to obtain undue remuneration.
8. The remuneration may vary in amount so as to reflect the extent of the results of the work of the member, their competences, the tasks entrusted to them, their independence, the number of sessions they attend, and other considerations.
9. The granting of shares in the Company to members of the Board of Directors and Executive Management, whether a new issue or shares purchased by the Company, shall be organized under the supervision of the Nomination and Remuneration Committee.
10. The remuneration of the members of the Board, its committees and senior executives may be reduced in the event of failure of the performance of the Company, by a decision of the Board of Directors.

Remuneration of the members of the Board of Directors and the committees emanating from it:

1. The remuneration of the members of the Board of Directors of SAUDI AZM for Communications and Information Technology company consists of a certain amount, an attendance allowance for the sessions, in-kind benefits, or a certain percentage of net profits. Two or more of these benefits may be combined.
2. The remuneration of the members of the committees emanating from the Board of Directors of SAUDI AZM for Communications and Information Technology company consists of a certain amount, an attendance allowance for the sessions, or in-kind benefits. Two or more of these benefits may be combined.
3. The Board of Directors shall propose the remuneration of the members of the Board of Directors and the subordinate committees based on the recommendation of the Nomination and Remuneration Committee and in accordance with the relevant laws, regulations and instructions and with any conditions approved by the General Assembly. Any proposed remuneration and compensation for the Chairman and members of the Board shall be approved only after the approval of the General Assembly.
4. When forming the membership of the committees emanating from the Board of Directors, the number of committees that the Board member can occupy shall be taken into account, so that the total remuneration received by the member for their membership in the Board and the committees does not exceed the maximum limit stipulated in the Companies Law.

Remuneration of the Executive Management:

1. The annual remuneration of the CEO of the Company shall be determined based on their achievement of the annual and strategic objectives.
2. The annual remuneration of the Executive Management of the Company shall be calculated according to their achievement of the annual and strategic objectives.
3. Salaries and benefits allocated to the Executive Management shall be determined based

on the policy adopted in the Company to include:

- a) Basic Salary
- b) Allowances
- c) Benefits
- d) What is approved by the Company's Board of Directors.

5.4.2 Remuneration of the Board of Directors:

An amount of SAR (221,000) was paid as remuneration to the members of the Board of Directors for the fiscal year ending on 30 June 2023 AD , according to the approval of the Ordinary General Assembly held on Thursday, 28 December 2023AD, in accordance with the

table below, noting that the Chairman of the Board of Directors, Mr. Majid bin Saad Al-Osaimi, and the two members of the Board of Directors, Mr. Ali bin Muhammad Al-Balaa, and Mr. Firas bin

#	Fixed remunerations						Variable remunerations									
	Specific amount	Allowance for attending Board's sessions	Total allowance for attending the Board's sessions	In-kind benefits	Remuneration of technical, administrative and consulting works	The remuneration of the Chairman, the Managing Director or the Secretary, if they are a member	Total	Profits Ratio	Periodic remunerations	Short - term incentive plans	Long-term incentive plans	Shares granted	Total	End of Service Gratuity	Grand Total	Expense Allowance
	Independent members															
	Mr. Ahmed bin Abdulaziz AlHakbani	100,000	3,000	12,000	-	-	-	-	-	-	-	-	-	-	112,000	-
	Mr. Omer bin Abdulrahman AlJeraisy	100,000	3,000	9,000	-	-	-	-	-	-	-	-	-	-	109,000	-



5.4.3 Remuneration of Committee Members:

During this year, the Company disbursed the remuneration of the members of the committees for the fiscal year ended 30 June 2023 AD and the remuneration of the members of the committees for the fiscal year ended 30 June 2024 AD. The tables below show the details of what was disbursed:

Firstly: For the fiscal year ended 30 June 2023 AD:

Members of the Audit Committee				
#	Name	Fixed remunerations	Allowance for attending sessions	Total
01	Mr. Abdulrahman bin Ibrahim AlHadlaq	50,000	8,000	58,000
02	Dr. Yazid bin Ibrahim AlAbdulkarim	40,000	8,000	48,000
03	Mr. Muhammad Amin Merah	40,000	8,000	48,000

Members of the Nomination and Remuneration Committee				
#	Name	Fixed remunerations	Allowance for attending sessions	Total
01	Mr. Omer bin Abdulrahman AlJeraisy	50,000	4,000	54,000
02	Mr. Majdi bin Saleh Qari	20,000	4,000	24,000

* * Under the recommendation of the Nomination and Remuneration Committee, executive members are not granted remuneration for their work on the committees.

Secondly: For the fiscal year ended 30 June 2024 AD:

Members of the Audit Committee				
n	Name	Fixed remunerations	Allowance for attending sessions	Total
01	Mr. Abdulrahman bin Ibrahim AlHadlaq	50,000	8,000	58,000
02	Dr. Yazid bin Ibrahim AlAbdulkarim	40,000	8,000	48,000
03	Mr. Muhammad Amin Merah	40,000	8,000	48,000

Members of the Nomination and Remuneration Committee				
n	Name	Fixed remunerations	Allowance for attending sessions	Total
01	Mr. Omer bin Abdulrahman AlJeraisy	50,000	4,000	54,000
02	Mr. Majdi bin Saleh Qari	20,000	4,000	24,000

* * Under the recommendation of the Nomination and Remuneration Committee, executive members are not granted remuneration for their work on the committees.

5.4.4 Remuneration of five senior executives:

The Company disbursed the remuneration to five senior executives, including the CEO and the CFO, during the fiscal year ended 30 June 2024 AD, according to the following:

Fixed remunerations					Variable remunerations								
Jobs of senior executives													
	Salaries												
	Allowances												
	In-kind benefits												
	Total												
	Periodic remunerations												
	Dividends												
	Short - term incentive plans												
	Long-term incentive plans												
	Shares granted												
	Total												
	End of Service Gratuity												
	Total remunerations paid to Executives, if any												
	Grand Total												
Chief Executive Officer	652,650				652,650						100,750		753,400
Chief Financial Officer (CFO)	497,000				497,000	30,000			35,000		65,000	8,390	570,390
Executive Vice-President of Corporate Affairs	540,000				540,000							69,538	609,538
Head of Business Development Department	427,958				427,958						86,660		514,618
Head of Cadres, Institutional Culture and Joint Services Department	233,905				233,905			30,000		30,000	34,293		298,198
Total	2,351,513				2,351,513	30,000		65,000		95,000	299,631		2,746,144

5.4.5 The relationship between the rewards granted and the remuneration policy:

The remuneration of the Board of Directors, the remuneration of the Audit Committee, the Nominations and Remuneration Committee, and the remuneration of executive management were disbursed according to what was stipulated in the remuneration policy approved by the company, and there are no material deviations from it.

5.5

Competitive Business and Related Party Transactions

5.5.1 Competitive Works:

The Board directors, subordinate committees or executive management shall not engage in any business that competes with the Company.

5.5.2 Statement of Related Party Transactions:

In its contracts and transactions with related parties, SAUDI AZM is keen to be on a purely competitive commercial basis that guarantees the rights of shareholders. The table below shows the most prominent contents of the Company's contracts concluded with related parties during the fiscal year 2023 AD:



#	Related party	Nature of Relationship	Value of Transaction Balance during the Year (SAR)	Duration of the transaction Annu-(al	Interest/dealing	Name of the member/senior executives/or any person related to any of them	State
01	AZM Fintech	Framework Agreement for the provision of consultancy services (and its appendices)	19,516,315	Five years	Indirect interest/ no preferential terms	Majed bin Saad AIOusaimi Ali bin Mohammed AlBallaa	It will be submitted to the General Assembly for voting.
02	Digital AZM for Communications and Information Technology	Framework Agreement for the provision of consultancy services	16,596,418	Five years	Indirect interest/ no preferential terms	Majed bin Saad AIOusaimi Ali bin Mohammed AlBallaa	It will be submitted to the General Assembly for voting.
03	Future for Communications and Information Technology Company	Framework Agreement for the provision of consultancy services	489,167	Five years	Indirect interest/ no preferential terms	Majed bin Saad AIOusaimi Ali bin Mohammed AlBallaa	It will be submitted to the General Assembly for voting.
04	AZM Development Private Limited	Framework Agreement for the provision of consultancy services	375,930	Five years	Indirect interest/ no preferential terms	Majed bin Saad AIOusaimi Ali bin Mohammed AlBallaa	It will be submitted to the General Assembly for voting.
05	National Real Estate Platform Company (Aqarek)	Framework Agreement for the provision of consultancy services	2,257,186	Five years	Indirect interest/ no preferential terms	Majed bin Saad AIOusaimi Ali bin Mohammed AlBallaa	It will be submitted to the General Assembly for voting.

5.5.3 Statement of transactions concluded between the company and a related party:

No transaction took place between the company and a related party.

5.6

Internal Audit:

Internal review is one of the most important issues that contributes to knowing the strengths and weaknesses that will directly contribute to the evolution of the company's business in all its divisions. The Audit Committee, represented by the Internal Audit

Department, serves as an effective tool for measuring each department's performance and risks, assisting in identifying compass and future objectives, verifying weaknesses and working to improve and eliminate them.

5.6.1 Results of the annual audit of the effectiveness of the company's internal control procedures and the opinion of the audit committee on the adequacy of the company's internal control Regulation:

The Audit Committee is keen to find 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 and an integrated internal control system to be examined and reviewed annually by the Audit Committee which ensures adequate oversight of the company's 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 excesses and to avoid and correct any shortcomings in the internal control system.

external audit work conducted during fiscal 2023 AD - 2024 AD to ensure the reasonable effectiveness of internal controls and control procedures.

The audit committee focused on high-risk issues through the adoption of a risk-based audit plan, follow-up on the adequacy and effectiveness of control procedures as well as other work, and oversee the internal and

Based on the results of the evaluation of the effectiveness of the internal control procedures and the ongoing evaluation of the controls applied by the company, the Committee is of the view that the company's current internal control environment and system is functioning adequately and effectively and is regularly monitored for continuous improvement, and the company continues to strive to strengthen and develop the internal control system. Any internal control system, regardless of the integrity of its design and the effectiveness of its application, cannot provide absolute assurance about the ability to prevent all potential risks or threats.





5.7

Compliance:

5.7.1 Applicable and nonapplicable provisions of the Corporate Governance Regulation:

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

It should be noted that SAUDI AZM for Communications and Information Technology Co. has applied all the provisions contained in the Corporate Governance Regulations issued by the Board of the Capital Market Authority with the exception of the provisions listed below:

#	Article/Para. No.	Text of article/paragraph	Reasons for non-application
01	Article (37)	Training	Indicative
02	Article (39)	Evaluation	Indicative
03	Article (67)	Formation of Risk Management Committee	Indicative The Audit Committee shall study, evaluate and take the necessary action
04	Article (68)	Terms of Reference of Risk Management Committee	Indicative The Audit Committee shall study, evaluate and take the necessary action
05	Article (69)	Risk Management Committee Meetings	Indicative The Audit Committee shall study, evaluate and take the necessary action
06	Article (92)	Formation of the Corporate Governance Committee	Indicative The Board of Directors shall implement governance, monitor its implementation and verify its effectiveness

5.7.2 Fines and Penalties:

Late payment fines were recorded by the General Organization for Social Insurance during 2024 AD in the amount of SAR (5,806,172.08), and the necessary measures were taken to ensure that the delay is avoided in the future.



- 6.1 CFO statement
- 6.2 Overview of the performance and financial position of the group for 2024AD
- 6.3 Overview of the Company's Assets, Liabilities and Business Outcomes in the Last Five Years
- 6.4 Geographical Analysis of the Total Revenues of the Company and its Subsidiaries
- 6.5 Statement of Regular Payments Recorded on the Company
- 6.6 Statement of Investments or Reserves for the Benefit of Employees
- 6.7 Treasury Shares Held by the Company
- 6.8 Loans to the Company and its Subsidiaries
- 6.9 Consolidated Financial Statements for 2024 AD
- 6.10 operating results
- 6.11 Accounting standards
- 6.12 Audited report on annual financial statements



Financial Performance Report

6.1

CFO statement



Mr
Moath bin
Abdulrahman
Mansour



Dear Esteemed Shareholders,

At SAUDI AZM for Communications and Information Technology Company, we believe that true success stems from thoughtful strategic planning and a clear vision that guides our course of action. Over the past years, we have focused on building solid foundations that support our sustainable growth and enhance our ability to adapt to market changes.

In 2024 AD, we witnessed a sustainable outstanding financial performance as we worked to maintain a strong financial position, which provided us with the opportunity to promote the growth of our business beyond the set targets. We achieved a remarkable growth in revenues by %27.4 compared to the previous year. This performance reflects our positive attitude and our constant eagerness to achieve our long-term strategic goals.

At SAUDI AZM, we work to adopt the latest technologies and use data effectively in the decision-making process. Thanks to these strategies, we have been able to achieve a significant increase in the profit margin by 25.9% which demonstrates our success in improving operational and financial efficiency, which enhances our ability to provide added value to our shareholders.

Our continuous efforts in improving financial performance reflect a high level of flexibility and efficiency, which gives us the ability to adapt to changes and challenges in the market.

We trust this integrated strategy will help us expand our customer base and strengthen our competitive position, paving the way for greater successes in the future.

In conclusion, I would like to thank the FATF and everyone who contributed to these achievements. I am also deeply grateful to our shareholders for their continued support and trust, which is the driving force behind our commitment to achieving our future goals.

6.2

Overview of the performance and financial position of the group for 2024 AD:

Revenues

Revenues for 2024 AD amounted to

217,638,378

Compared to SAR (170,829,037) for 2023 AD with an increase of

27.4%



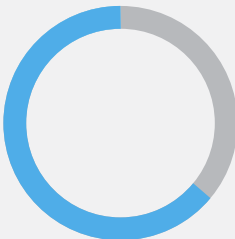
Gross profit:

The Gross profit for 2024 AD amounted to

57,822,217

Compared to SAR (38,473,882) for 2023 AD with an increase of

50.3%



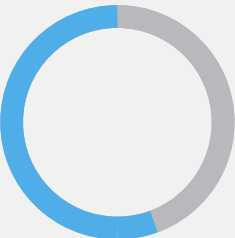
Operating profit

The total profit for 2024 AD amounted to

27,677,021

Compared to SAR (17,325,368) for 2023 AD with an increase of

59.7%



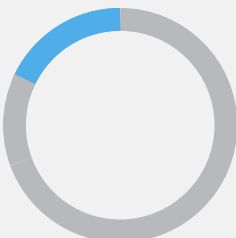
Net profit:

The net profit for 2024 AD amounted to

30,162,543

Compared to SAR (23,967,369) for 2023 AD with an increase of

25.9%



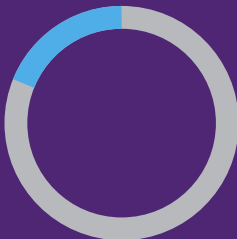
Profit before depreciation, amortization, interest, zakat and taxes

The total profit before depreciation, amortization, interest, zakat and taxes for 2024 AD amounted to

37,340,203

Compared to SAR (28,984,130) for 2023 AD with an increase of

28.8%



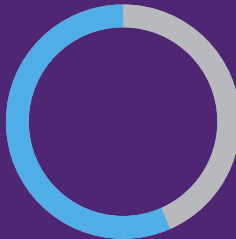
Total assets

The total assets for 2024 AD amounted to

241,667,888

Compared to SAR (158,859,284) for 2023 AD with an increase of

50.1%



Rights of shareholders of SAUDI AZM

The rights of the shareholders of SAUDI AZM for the year 2024 AD amounted to

88,444,398

Compared to SAR (68,421,344) for 2023 AD with an increase of

29.3%



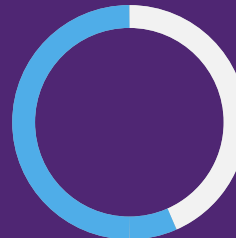
Total liabilities

The total liabilities for 2024 AD amounted to

150,120,858

Compared to SAR (89,577,962) for 2023 AD with an increase of

67.6%



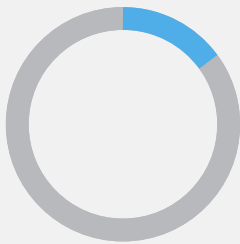
Total comprehensive income

The total comprehensive income for 2024 AD amounted to

30,736,789

Compared to SAR (24,384,911) for 2023 AD with an increase of

26.1%



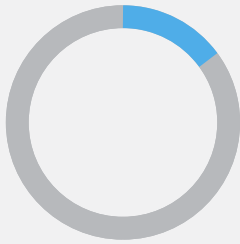
Earning per Share:

The earnings per share for 2024 AD amounted to

0.47

Compared to SAR (0.39) for 2023 AD with an increase of

20.5%



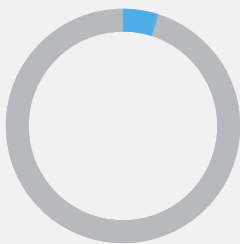
Gearing Ratios:

The financial Gearing Ratios for the year 2024 AD

0.28%

compared to 0.27% for the year 2023 AD with an increase of

3.7%

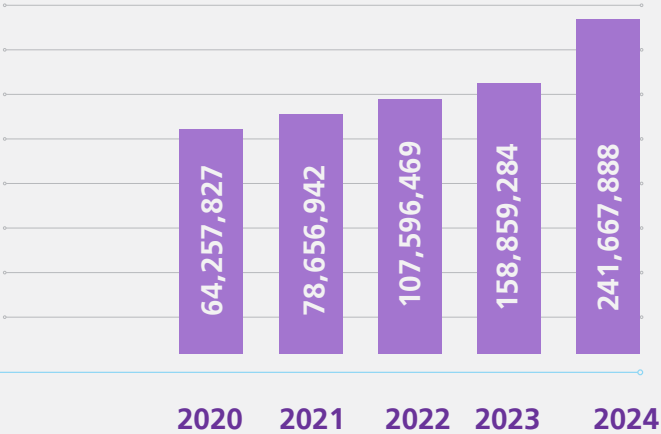


6.3

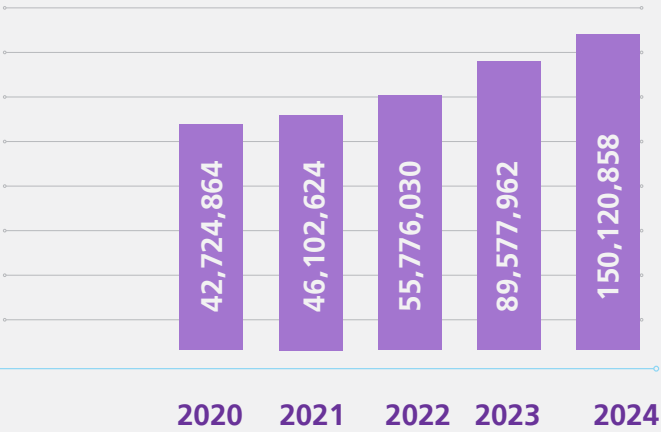
Overview of the Company’s Assets, Liabilities and Business Outcomes in the Last Five Years



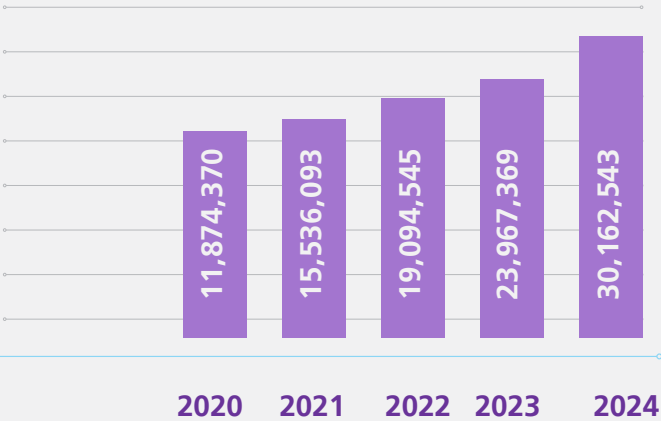
Assets



Liabilities



Net profit

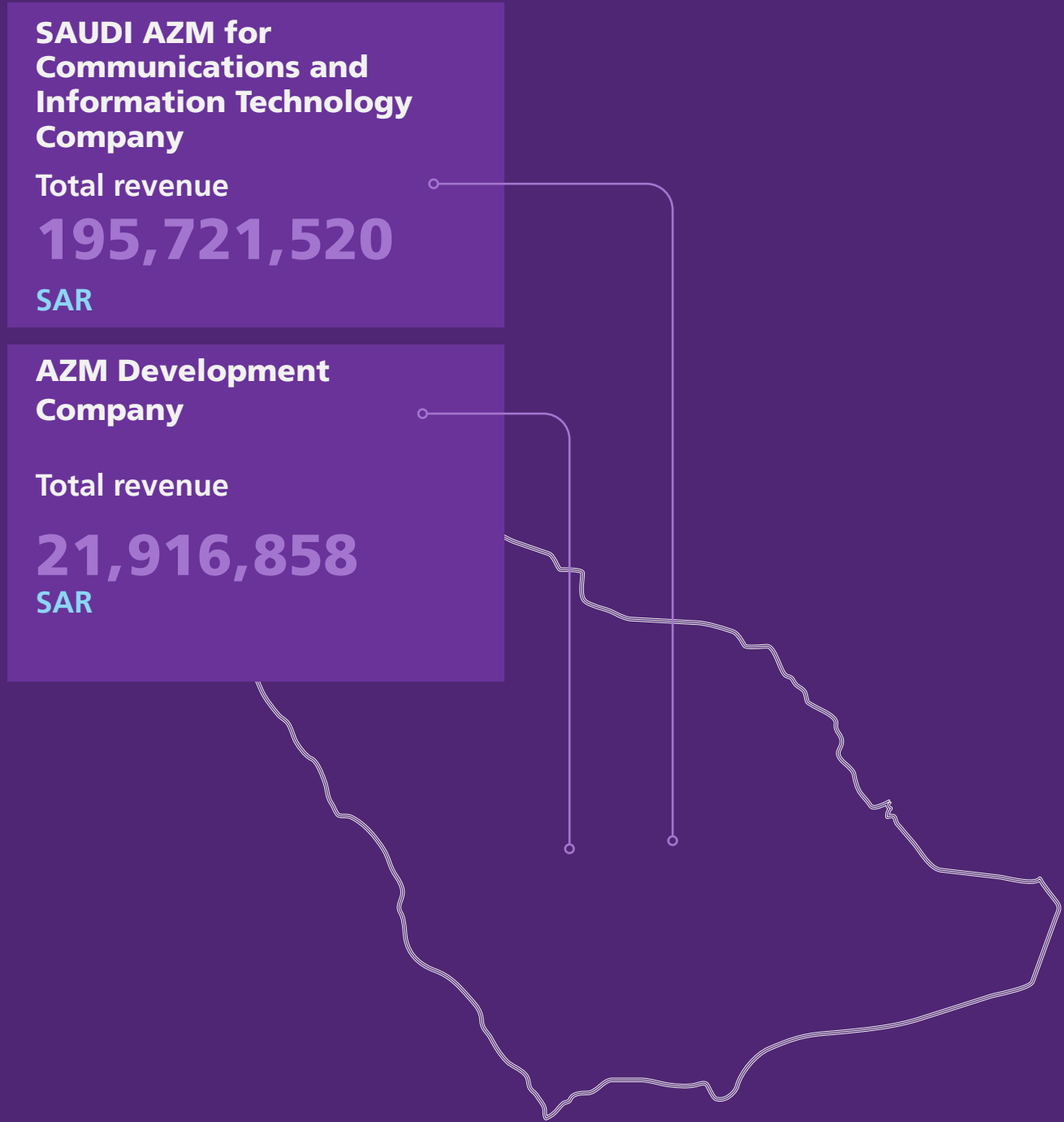




6.4

Geographical analysis of the total revenues of the Company and its subsidiaries

During the fiscal year ended 30 June 2024 AD, SAUDI AZM for Communications and Information Technology and its subsidiaries achieved a total revenue of:



6.5

Statement of Regular Payments Recorded




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

▶ Statement	▶ SAR	▶ Description
Government fees (Office of Labor and Visas, Purchase of Tender Booklets ...etc.).	1,941,096.37	Represents what has been reimbursed for government fees.
Social Insurance	7,087,382.02	What is paid or borne during the period in accordance with the provisions of the Labor Law in the Kingdom of Saudi Arabia.
Value added tax	16,361,461	
Withholding tax	1,344,306	What is paid or borne during the period in accordance with the provisions and rules of the Zakat and tax system. Deduction and VAT.
Zskat and income tax	3,059,516	
Total	29,793,761.4	

6.6

Statement of Investments or Reserves for the Benefit of Employees



The Company recorded an item of

5,028,340 SAR

as employees' end of service reserve.

6.7

Treasury Shares Held by the Company

Treasury Shares	Value (SAR)	Retention Year	Purpose of holding shares as treasury shares
512,737	4,603,023	*2023 AD	Employee Incentive Program
755,318	12,006,309	**2024 AD	Employee Incentive Program

*Retention Year: The year in which treasury shares were purchased for the purpose of the employee incentive program, pursuant to the approval of the Extraordinary General Assembly on 01 August 2022AD, minus the shares that were distributed.

** Retention Year: The year in which treasury shares were purchased for the purpose of the employee incentive program, pursuant to the approval of the Extraordinary General Assembly on 03 April 2024AD.

6.8

Loans to the Company and its Subsidiaries

The following table shows all loans due from the Company and its subsidiaries:

#	Beneficiary	Donor	Loan type	Loan amount	Loan acquisition date	Maturity Date	Payment	Remaining amount
1	SAUDI AZM for Communications and Information Technology Company	Social Development Bank	Finance	8,500,000	30/05/2023	28/02/2025	2,343,571	6,156,429
2	SAUDI AZM for Communications and Information Technology Company	Saudi Awwal Bank	Finance	5,203,373	17/10/2024	28/02/2025	0	5,203,373
3	SAUDI AZM for Communications and Information Technology Company	Saudi Awwal Bank	bank guarantees	6,083,394	Start Date Each warranty Source	End date of each source warranty	0	6,083,394
4	SAUDI AZM for Communications and Information Technology Company	Alrajhi Bank	bank guarantees	32,209,746	Start Date Each warranty Source	End date of each source warranty	0	32,209,746
5	SAUDI AZM for Communications and Information Technology Company	Banque Saudi Fransi	bank guarantees	2,280,295	Start Date Each warranty Source	End date of each source warranty	0	2,280,295



6.9

Debt and Securities Instruments Statement

- The Company has not been informed of any interest in the category of eligible shares 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 Offering of Securities and Continuing Obligations, and has not changed those rights during the financial year.
- The Company has not issued or granted any category and numbers of any convertible debt instruments and any contractual securities, subscription notes or similar rights during the financial year.
- There are no convertible or subscription rights under convertible debt instruments, contractual securities, subscription notes or similar rights issued or granted by the company.
- Neither the company nor its subsidiaries have recovered, purchased or cancelled any refundable debt instruments.

6.10

Operational results

- The company did not announce any expectations for operational results, and operating profits increased by 59.7% compared to last year.

6.11

Accounting standards

- There was no difference from the accounting standards approved by the Saudi Authority for Auditors and Accountants for the annual financial statements for the fiscal year ended June 30, 2024 AD.

6.12

Auditor's report on annual financial statements

- The auditor's report on the annual financial statements for the fiscal year ended June 30, 2024 AD, contained no reservations to the financial statements.





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