



المجموعة السعودية للأبحاث والتسويق
SAUDI RESEARCH & MARKETING GROUP



Annual Report for the year 2020

Saudi Research and Marketing Group

رؤية
VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA



المجموعة السعودية للأبحاث والتسويق
SAUDI RESEARCH & MARKETING GROUP





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Chairman's message to the shareholders

Distinguished shareholders:

Saudi Research and Marketing Group

Peace be upon you:

It is my pleasure to present to you, on my behalf, and on behalf of my colleagues – members of the Board of Directors - the Board of Directors' Annual Report on the Group's performance and the results of its activities for the fiscal year ending on 31/12/2020. The Saudi Research and Marketing Group has continued down its path of distinguished successes and has been able to strengthen its position in the media landscape, despite the fact that 2020 was an exceptional year due to what the world witnessed as a result of the Corona virus pandemic. The Group took a number of precautionary measures to protect its employees and to maintain its business processes without any interruptions or downgrades to the quality of its business.

During 2020, the Group continued with implementing its strategy of providing the best and widest possible range of media services through a number of new platforms, most notably the launch of Al Asharq channel with Bloomberg by the Group on November 11, 2020.

In conclusion, on behalf of the members of the Board of Directors and the Executive Management, I would like to extend my utmost appreciation to the esteemed shareholders for the confidence that they have given us; and I pray to God Almighty that our successes continue to elevate us to new heights and more distinguished and important horizons in the coming years.

God is the Arbiter of Success,,

Chairman of the Board of Directors

Abdul Rahman bin Ibrahim Al Ruwaita



Distinguished Shareholders

Saudi Research and Marketing Group

The Chairman and members of the Board of Directors of the Saudi Research & Marketing Group are pleased to present to the Group's distinguished shareholders the annual report, which sheds light on some of the most important achievements of the Group, in addition to its financial status for the year ending 31/12/2020, prepared in accordance with the requirements of Corporate Governance Regulations issued by the Capital Markets Authority, Saudi Corporate Law, and the Group's Articles of Association. We hope that this report serves as a reflection of the shareholders' aspirations for continued progress.

Our Vision:

To expand the role and rank of the Group in order for it to be a major media enterprise capable of reaching readers locally and globally.

Our Mission

To provide the best media services and products, with a high quality, trustworthy and reliable content, based on innovation within an attractive business environment, relying on trusted names and trademarks.



Activities of the Group and its subsidiary companies



1) The main activities of the Group:

Saudi Research and Marketing Group is considered as one of the leading integrated media groups in the Mena region. The Group occupies a prominent position in the fields of publishing, various media means, advertising, distribution, and packaging in the Kingdom. The Group owns a number of highly influential and famous media products. Moreover, the Group is distinguished by the fact that its main activities are spread throughout all parts of the Kingdom; and it also owns branches and centers for publishing, printing and distribution all around the world. The Group operates through a number of subsidiary companies, and is distinguished by the level of integration that exists between its companies.

2) Activities of the subsidiary companies

a) Publishing

First: Saudi Research and Publishing Company

The publishing sector is considered as one of the main pillars on which the Group relies, doing so through the Saudi Research and Publishing Company, which encompasses a number of various publications in content and issues (daily, weekly, monthly and quarterly). These publications are also issued in a number of languages, noting that the Company also owns a number of websites, applications and accounts on various social networking platforms through which its publications are displayed, all of which work to enhance its presence and brands, and meet the needs of its readers, by offering the appropriate content for each one of its platforms.

Second: Al-khaleejiah for Advertising and Public Relations

Al-khaleejiah for Advertising and Public Relations is considered to be one of the largest advertising companies in the Arab Gulf region. It owns exclusive franchise rights to publications and electronic platforms belonging to Saudi Research and Marketing Company, in addition to various other electronic platforms. The Company also owns exclusive advertising rights for Asharq News Channel, along with its platforms. The Company also carries out a continuous and effective follow-up on the needs of the market through ongoing support for media related research and studies. Al-khaleejiah Company has continued to expand within the advertising domain by establishing relations with Arab markets and developing the marketing message of advertisers in the region, in addition to expanding its advertising and media revenues, alongside innovative designing and public relations.

Third: Saudi Distribution Company

The Saudi Distribution Company is considered as the main point of contact between clients and the Group's publications; whereby the Company has accumulated a great deal of experience in the field of distribution, overseeing the distribution of the Group's publications, and managing the logistical and shipping services for the publications issued by the Saudi Research and Publishing Company.

It is pertinent to note that Saudi Distribution Company signed a contract with Al-Watania Consolidated Distribution Company in 2016, stipulating the transfer of the activities of Saudi Distribution Company to the latter.

Fourth: Arab Media Company Ltd.

Arab Media Company Ltd., which is a leading company in providing marketing programs, is involved in marketing subscriptions for the Group's publications by selling them to individuals, companies, institutions, commercial sectors, banks and hospitals. The Company is also involved in organizing campaigns and yearly subscriptions for the Group's publications, in addition to implementing them through the use of specialized sales and payment tools and channels that it owns: (call-center-payment service-and sales representatives specialized in these activities). Moreover, the Company caters to the local, regional and international publication requirements of all private and government sector enterprises, in addition to offering after-sales services through a high-caliber team specializing in providing the best of services to the customer.



Fifth: Argaam Commercial Investment Co. Ltd

Argaam Commercial Investment Co. Ltd. Is a Saudi company which owns several digital platforms, the most important of which is (Argaam Financial Portal), which is specialized in publishing economic and financial information of interest to investors and decision makers in the Kingdom of Saudi Arabia. The Argaam Portal was designed and programmed to be a digital portal capable of assisting researchers in obtaining financial information and economic news related to stock exchange markets and companies listed in the Gulf region; in addition to remaining up to date with economic developments taking place in the region.

The Argaam Financial Portal team strives to remain abreast of the latest technological practices related to digital platforms, in order to maintain its leading position in providing subscribers and followers with financial data. The Company also owns the “Akhbaar 24” website, which is specialized in following up on developments and events taking place locally, and which are of interest to the citizens and residents of the Kingdom of Saudi Arabia. The site enjoys an extremely high followership, owed largely due to the fact that the editorial team has succeeded at offering content which satisfies the requirements and aspirations of the website’s followers. Another website which has been given a great deal of interest by the Company is the “Sports 24” website, which is specialized in following the latest developments in local, regional Arab, and international football championships in a highly advanced digital manner. Through this acquisition, the Group also aspires to diversify its portfolio of local and international trademarks, in order to further elevate the financial performance of the Group, by expanding the range of tools at its disposal, and by reaching the largest possible segment of audiences in the Kingdom of Saudi Arabia and the Arab world. This is especially true since the activities of the acquired company are considered to be identical and complimentary to some of the Group’s subsidiaries and publications.

Sixth: Saudi Specialized Publishing Company

Founded in 2006, the Saudi Specialized Publishing Company was established based on an entirely new professional culture in the specialized content industry, by relying on employing talents with outstanding journalistic experience and who are distinguished in investing in global specialized media campaigns within an integrated publishing environment, namely in the fields of paper and digital publishing, in accordance with the latest internationally accepted standards, in order to create reference, credibility and trust in its content and accuracy. The Company is also involved in investing in global media campaigns and offering consultancy services in the publishing business, in addition to the fields of producing specialized content, global publishing and commercial publishing. The Company has issued a number of global magazines, printed both in Arabic and English, and distributed in all Arab countries, including the Arabic language magazine, “Parents”, first issued in November 2009, and the Arabic “Robb Report”, the first edition of which was issued in January of 2010, and the first edition of “Better Homes and Gardens Arabia”, published for the first time in February of 2013”, in addition to another series of international publications which were released for the first time in 2007 in cooperation several major international publishers such as “Disney”, the French “Figaro” group, the Italian Editoriale Domus and others.

Furthermore, as a part of its commercial activities, the Saudi Specialized Publishing Company provides specialized content for a wide range of government bodies and major private companies in the private and public sectors in the Kingdom of Saudi Arabia, including “The Diplomat” magazine, which is published by the Prince Saud Al-Faisal Institute for Diplomatic Studies affiliated with the Ministry of Foreign Affairs, in addition to “Ahlan Wa Sahlan” magazine published by the Saudi Arabian Airlines.

Seventh: Asharq News Services Ltd

The Group established Asharq News Services Ltd, with Riyadh as its main headquarters, along with main centers for the company in Dubai, London and Cairo. The Group’s subsidiary launched a number of news platforms in November of 2020, most notably “Asharq News” channel, which is a channel that provides news services in Arabic, and provides daily around-the-clock coverage to audiences in the Middle East and all over the world. The channel focuses on regional and international economic issues. Asharq channel works to present and publish unique and distinguished content that relies on in-depth analyses, accurate and rich information and data in order to reach the general public and decision makers. “Asharq” is the result of the cooperation between Saudi Research and Marketing Group and Bloomberg in order to cover global financial and economic news. The company also owns a number of modern digital platforms, side-by-side with “Asharq”, such as “Asharq News Website”, which is specialized in general news, and a website being run with Bloomberg, and which is specialized in business and finance, along with various specialized video platforms.



b) Public relations

Tawq Public Relations Co. Ltd

The launch of Tawq Public Relations Co. Ltd has enhanced the ability of the Saudi Research and Marketing Company to offer a wide array of innovative advertising services, whereby “Tawq” offers a remarkable platform for providing specialized advertising studies and consultations, in addition to numerous services related to media monitoring, content analysis, content development and translation. The company’s services also include innovative digital marketing, conducting research projects and specialized studies, along with organizing and managing international events and forums, and developing and designing websites. Moreover, “Tawq” is also involved in managing the electronic content of various social media platforms and other digital platforms, along with the management of electronic advertising campaigns.

The Company’s services also include developing strategic and executive advertising plans, and it enjoys an extensive amount of experience in the field of creating and developing initiatives.

Shortly after the Company was established and its operations began, it succeeded at signing a number of important contracts with various entities, namely in the fields of offering advertising, research, marketing and consulting services, in addition to the formulation of strategic plans and the creation and development of initiatives. As a result of the Company’s high-quality performance and the results achieved, the Company has been able to renew its existing contracts and to conclude a number of new ones. During the coming phase, the Company plans to further enhance its activities and to expand its clientele base, in order to meet its high expectations and to achieve its objectives of being a leader locally, regionally and internationally.

c) Numu

Numu Media Holding Co.

The Company was restructured, whereby its non-media related activities were reduced, and a greater focus was placed on its business and activities in numerous specialized media fields.



d) Printing and packaging

Saudi Printing and Packaging Company

Saudi Printing and Packaging Company is a Saudi joint-stock company operating in the field of printing and packaging, and it is registered in the Kingdom of Saudi Arabia under the commercial registration No. 1010219709, issued in Riyadh on 1 Jumada Al-Awwal 1427 (corresponding to 28th of May, 2006). It was established based on the decision of the Ministry of Trade and Investment No. 104/ dated 20 Rabi Al-Thani (corresponding to 7th of May, 2007).

Saudi Printing and Packaging Company was originally established as “Al-Madina Al-Munawara Printing and Publishing Company” in 1963. In 2007, its name was changed to “Saudi Printing and Packaging Company”. During the same year, 30% of the Company’s shares were offered to the public, noting that Saudi Research and Marketing Company owns 70% of the Company’s shares.

The Company is distinguished by the fact that it owns highly advanced centers for printing publications in Riyadh, Jeddah and Dammam, and it is involved in printing a number of important newspapers such as “Asharq Al-Awsat”, “Al-Eqtisadiyah”, “Al-Riyadiah”, “Arab News” and others, in addition to numerous periodical commercial publications. The Company is also involved in the fields of packaging and manufacturing plastic through its factories in Riyadh, Jeddah, Medina, Sharjah, Abu Dhabi and Dubai.

The activities of Saudi Printing and Packaging Company are divided into two types:

First: Printing

Saudi Printing and Packaging Company is considered as one of the largest printing companies in the Kingdom of Saudi Arabia and the Mena region. This is due to the fact that it offers a wide range of top-notch integrated printing services, and its production capacity, in addition to the support provided by its distinctive subsidiaries, namely Medina Printing and Publishing Co. and Hala Printing Co. The Company’s printing activities mainly revolve around printing newspapers and magazines targeting various sectors in the Arab world; in addition to paperback books, commercial publications and packaging in various languages and using a number of different approaches.

Through its subsidiaries, the Company is also involved in printing a large number of various magazines for the Saudi Research and Publication Company, the Saudi Specialized Publishing Company and for a number of other publishers; in addition to the public sector, represented by the Ministry of Education and the Ministry of Islamic Affairs.

Second: Packaging

The Company carries out these activities through the “Emirates National Factory for Plastic Industries” and its subsidiaries (Tiba Packaging Co., Flexible Packaging Co., Medina Packaging Co., City Pack, Future Pack Factory LLC., Abr Al Mustaqbal Plastic Co., Etihad Global Packaging Co. Ltd., United Security Co., Commercial United Packaging Co. “CUPCO”, and Future Plastic Industries).

Emirates National Factory for Plastic Industries is considered to be one of the major players in the plastic manufacturing industry and the integrated packaging materials industry in the Arab Gulf region, whereby it is characterized by its significant global manufacturing capacity, alongside the fact that it owns highly advanced technologies for the manufacture of plastic and packaging materials, supported by more than 20 years of experience in these fields. The Company is also distinguished by the fact that it is involved in manufacturing a full range of plastic and packaging materials, thus positioning it at the forefront of its competitors in the fields of manufacturing plastic products and packaging materials.

3) Subsidiary Companies

The Group directly and indirectly owns the following shares in the below mentioned subsidiaries operating in the same field:

Subsidiaries	Company's main activity	Country of main activity	Capital/Millions	% Ownership	Country of Incorporation
Intellectual Holding Company for Advertisements and Publicity -LLC	Investing in subsidiaries	KSA	SR 300.0	100%	KSA
Scientific Works Holding Company - LLC	Investing in subsidiaries	KSA	SR 300.0	100%	KSA

1-Publishing sector

Subsidiaries	Company's main activity	Country of main activity	Capital/Millions	% Ownership	Country of Incorporation
Saudi Research and Publishing Co.	Publishing	KSA	SR 6.5	100%	KSA
Al Khaleejiah Advertising and Public Relations Co.	Media and Advertising	KSA	SR 5.585	100%	KSA
Arab Media Company	Visual and printed media and advertising services	KSA	SR 1.0	100%	KSA
Saudi Distribution Co.	Publishing and distribution	KSA	SR 8.6	100%	KSA
Kuwaiti Group for Publishing and Distribution Co. Ltd	Distribution	Kuwait	KWD 0.3	100%	Kuwait
Emirates Printing, Publishing and Distribution Co. Ltd.	Distribution	UAE	AED 1.7	100%	UAE
Moutamarat Company for Exhibitions and Conferences	Holding and organizing specialized exhibitions, conferences and forums	KSA	SR 1.0	100%	KSA
Argaam Commercial Investment Company	Publishing and electronic content	KSA	SR 0.10	51%	KSA
Moroccan Printing and Publishing Co.	Printing and distribution	Morocco	MAD 0.5	100%	Morocco
VOX Asia Productions Limited	Media and advertising	Pakistan	PR 1.0	100%	Pakistan
HH Saudi Research and Marketing Co.	Publishing and distribution	United Kingdom	GBP 0.5	100%	United Kingdom
Asharq Al Awsat Co. Ltd	Main center activities	United Kingdom	GBP 0.9	100%	United Kingdom
Media Investment Co. Ltd	Rental services	United Kingdom	GBP 0.5	100%	United Kingdom
Arab Net Technology Co. Ltd	Internet services	United Kingdom	GBP 0.5	100%	United Kingdom
Sayidaty Products Co.	Commercial activities	Grenzee Islands	GBP 0.01	100%	Grenzee Islands
IPM Ltd	Registering, maintenance and possession of intellectual properties of the Group	Grenzee Islands	GBP 0.01	100%	Grenzee Islands
Global Media and Partners Ltd	Commercial activities	Cayman Islands	USD 0.00001	100%	Cayman Islands
Gulf British Company Ltd	Advertising	United Kingdom	GBP 0.0001	100%	United Kingdom
EuroMena Co. (Previously Satellite Graphics Co.)	Commercial activities	United Kingdom	GBP 0.4	100%	United Kingdom
Sayidaty Limited Company	Commercial activities	United Kingdom	GBP 0.000002	100%	United Kingdom
Majallah Company	Commercial activities	United Kingdom	GBP 0.000002	100%	United Kingdom
Arab Media Company	Commercial activities	Jersey	GBP 0.000002	100%	Jersey
Alsharq Company for News Services Ltd	Television Broadcasting and Radio and Forums	UAE	USD 0.05	100%	UAE
Saudi Specialized Printing Company	Specialized publishing	KSA	SR 0.5	100%	KSA

2-Public relations and NUMU sector

Subsidiaries	Company's main activity	Country of main activity	Capital/Millions	% ownership	Country of incorporation
NUMU Media Holding Co.	Electronic audio and video production and distribution	KSA	SR 24.86	100%	KSA
Scene Visual Media Co. (previously NUMU)	Media and advertising	KSA	SR 0.2	100%	KSA
NUMU Educational Co. (previously Educational Bookshop Co.)	Developing educational methods and books trade	KSA	SR 0.5	100%	KSA
Saudi Commercial Company	Trading in printing accessories	KSA	SR 2.0	100%	KSA
Ofoq Information Systems and Communications Co.	Trading in communication equipment and software development	KSA	SR 3.5	100%	KSA
Funoon Al Shakhsiyat for Trade	Trade	KSA	SR 0.05	100%	KSA
Taoq Public Relations Co. Ltd.	Public relations and communication	KSA	SR 0.3	100%	KSA
Takanah Public Relations Co. Ltd.	Finance and business services	KSA	SR 0.05	100%	KSA
Educational Concept Company for Educational Solutions	Import and export and wholesale trade	KSA	SR 0.1	100%	KSA
NUMU Training and Consulting Company	Training and consulting	KSA	SR 0.1	100%	KSA
NUMU Alelaniah for Advertising Co.	Visual and printed media and	KSA	SR 0.05	100%	KSA
Nashroon International Co. for Publishing & Distribution (previously NUMU Nashr for Publishing Co.)	Publishing and Distribution	KSA	SR 0.05	100%	KSA
Taoq Research Co. (previously NUMU Researching Co.)	Research and support	KSA	SR 0.05	100%	KSA
Content Specialized Media	Specialized publishing	UAE	AED 0.2	100%	UAE
University Book Shop Company	Publishing and Distribution	UAE	AED 3.0	100%	UAE
Smart Super Store Company	Publishing and Distribution	UAE	AED 3.0	100%	UAE
Book Depot for Publishing and Distribution (Ethra'a)	Publishing and Distribution	Jordan	JOD 0.1	100%	Jordan

Printing and packaging sector (subsidiaries of the Saudi Printing and Packaging Company in which the Group owns shares):

Subsidiaries	Company's main activity	Country of activity	Capital/millions	% ownership	Country of incorporation
Saudi Printing and Packaging Company	Printing	KSA	SR 600	70%	KSA
Medina Printing and Packaging Company	Printing and packaging	KSA	SR 1.0	70%	KSA
Hala Printing Company	Printing	KSA	SR 1.0	70%	KSA
Emirates National Factory for Plastic Factories Company	Packaging and plastic industries	UAE	SR 30.6	70%	UAE
Future Industrial Investment Company	Printing and packaging	KSA	SR 0.1	70%	KSA



Board of Directors and its sub-committees

Board of Directors and its sub-committees

1) Saudi Research and Marketing Group Board of Directors as at 31/12/2020:

SN	Director's name	Director's profile/background	Statement	Executive	Non-executive	Independent
1	Eng. Abdulrahman bin Ibrahim Abdulrahman Al Ruwaita	A holder of a Master's Degree in Industrial Engineering from the University of South Carolina in the United States of America. He currently serves as the Chairman of the Board of Directors of the Saudi Research and Marketing Group. He is also a Board member at Jadwa for Investment Company, in addition to being a Board member at the General Commission for Audiovisual Media, and at Argaam Company. Eng. Ruwaita has also held a number of positions, including: Managing Director and General Manager of Aseer Company, Chairman of the Board of Directors of Halwani Ikhwan/Bros, and the first Vice Executive President at Dalat Al Baraka Holding Company, Board member of Emaar Economic City Company, and Vice Chairman of the Board of Directors of Welaya for Investment Company. He also served as a member of the Advisory Committee for Economic Affairs at the Supreme Economic Council, in addition to serving as a member of the Board of Directors of the General Authority of Civil Aviation.	Chairman		√	
2	*Mr. Majed bin Abdulrahman Abdulateef Al-Issa	He holds a Bachelor's degree in Accounting from King Saud University and an MBA from Middlesex University in the United Kingdom, in addition to a Higher Diploma from Bradford University in the United Kingdom. He is the Chairman of the Board of Directors of the British-Saudi Reinsurance Company, RFIB, in addition to being the Vice Chairman of the Board at the Saudi Research and Marketing Group. For almost 25 years, he has worked at SABEC and SAMBA Financial Group, whereby he was involved in managing and financing the company. He also worked for Arab National Bank and Arcapita Bank. He subsequently became the Executive Chairman of AlAnwa' Holding Group, which is a private investment company. He also owned a financial consultancy company, noting that he is a Board member in several companies. He was also a former advisor to the Minister of Trade.	Vice Chairman of the Board		√	
3	H.E Mr. Ahmad bin Aqeel Fahd Al Khatib	He holds a Bachelor's degree in Business Administration from King Saud University, and a Diploma in Financial Planning and Wealth Management from the Institute of Banking at Dalhousie University in Canada. He serves as the Minister of Tourism, and he has previously held a number of positions, including: Minister of Health, Chairman of the Board of Directors of General Entertainment Authority, board member of Council for Economic and Development Affairs. He was also involved in running and managing a number of banks for 11 years, and he obtained numerous banking and finance courses. He has also participated in the	Member of the Board of Directors			√

		management boards of a number of joint-stock and private companies.				
4	H.E Dr. Adel bin Zaid Fahd Al-Toraifi	He obtained a PhD in International Relations from the London School of Economics and Political Sciences. He has also obtained a Master's degree in Social Sciences from the University of Kingston, as well as a Master's degree in Philosophy from the London School of Economics and Political Sciences. He has previously held a number of positions, including: H.E. Minister of Information and Culture, Editor-in-Chief of Asharq Al-Awsat, General Manager of Al-Arabiya News Channel, editor-chief of Al-Majallah magazine, and regional director for Siemens International. He was also a member of the Council for Economic and Development Affairs and the Council for Political and Security Affairs.	Member of the Board of Directors			√
5	Mr. Abdulrahman bin Hamad Abdullah Al-Rashed	He previously held the position of Director of Al-Arabiya TV channel, and he supervised it for a period of 10 years, and is currently the Chairman of its editorial board. Moreover, he is member of the Board of Directors at Argaam Company. He was also previously the Editor in Chief of Asharq Al-Awsat until the end of 2003. He completed his studies in Visual Media at the American University, and holds membership positions at a number of study centers.	Member of the Board of Directors		√	
6	Dr. Abdul Aziz bin Hamad Hameen Al-Fahd	He was a legal advisor in a number of fields, including corporate and financial affairs, international transactions and arbitration. He holds a PhD in Law from Yale University in America, and has been a member of several bodies, both in the private and public sectors.	Member of the Board of Directors		√	
7	Eng. Moussa bin Omran Mohammed Al-Omran	He obtained a Bachelor's degree in Industrial Engineering in 1991 from King Saud University in Riyadh. He also holds an MBA from St. Edwards University in Austin, Texas – United States of America. He also previously served as a Board member at Safola, Banque Saudi Fransi, Al-Maraai and the Arabian Cement Company. He was also a member of numerous other committees and councils, including the Council for the Region of Makka Al Mukarrama, the Board of Directors of Saudi Arabian Airlines Air Cargo Company, in addition to being a member of the Board of Directors of Jeddah Development Company and the General Investment Authority. He has accumulated extensive experience in internal, external and industrial investments.	Member of the Board of Directors			√
8	Mr. Mohiddin Saleh Abdullah Kamel	He obtained a Bachelor's degree in Economics, specializing in Management and Marketing from the University of San Francisco in 2006. He serves as the Chairman of the Board of Directors of Al-Rabee' Company, and is also a member of the Boards of Directors of several companies, including: Dallah Company for Health Services, Jabal Omar Development Company, Al-Khozama for Management Company, Dallah Al-Baraka Holding Company, and the Arab Holding Company for Digital Distribution, in addition to	Member of the Board of Directors			√

		Halwani Bros. Company. He has also served a member of Board at Al Baraka Banking Group in Bahrain.				
9	Mr. Adel bin Marzouk Khaled Al-Nasser	He obtained a Diploma from the London Institute of Banking and Finance in 1986, and has held a number of leadership positions at numerous banking institutions and banks, including Deputy Managing Director for the Saudi-British Bank, SABB. He has attended several courses in the fields of management, finance and others. He held, and continues to hold, a number of senior positions, and he is currently serving as the Chairman of Saudi Printing and Packaging Company, in addition to Chairman of Absal Steel Company, and member of the Board of Directors at Al-Itifaq Iron and Steel Company.	Member of the Board of Directors		√	
10	Dr. Turki bin Omar Saleh Buqshan	Dr. Buqshan obtained a PhD from the Australian Bond University/Department of Accounting, and has accumulated practical experience since 1988 in the fields of higher education, management and consulting. He has held several positions, including Vice Deanship of university colleges in Saudi Arabia.	Member of the Board of Directors		√	

- There were no changes to the structure of the Board of Directors during 2020.

*Mr. Majed bin Abdulrahman Abdulateef Al-Issa became an independent member on 04-11-2020.

2) Members of Boards of Directors in subsidiary companies as at 31/12/2020:

SN	Name	Listed	Not listed
1	Eng. Abdulrahman bin Ibrahim Al-Ruwaita	-	- Jadwa Investment Company - Member of the Board of Directors of Argaam Company
2	Mr. Abdulrahman bin Hamad Abdullah Al-Rashed	-	- Board member in Argaam Company
3	Mr. Mohiddin Saleh Kamel	- Board member in Jabal Omar Company - Board member in Dallah Company for Health Services	- Board member in Al-Khozama Management Company
4	Mr. Adel bin Marzouk Al-Nasser	- Chairman of the board in Saudi Printing and Packaging Company	- Board member in Al-Ittefaq Steel Co. Board member in Absal Steel Co.
5	Mr. Turki bin Omar Saleh Buqshan	- Board member in Saudi Printing and Packaging Company	-
6	Mr. Majed Abdulrahman Al-Issa	- Board member in Saudi Printing and Packaging Company	- Board member in Bidayah for Financing

3) **Interests/stakes owned by members of the Board and senior executives:**

The following table shows the changes in stakes/interests held by members of the Board, senior executives, their spouses and children as at 31/12/2020:

Name	No. of shares at the beginning of the year	Percentage ownership at the beginning of the year	Net change in number of shares during the year	Percentage change during the year	No. of shares at the end of the year	Percentage ownership at the end of the year
Eng. Abdulrahman bin Ibrahim Al-Rowaita	1,000	0.00125	-	-	1,000	0.00125
H.E Mr. Ahmad bin Aqeel Al-Khatib	1,000	0.00125	-	-	1,000	0.00125
Mr. Abdulrahman bin Hamad Al-Rashed	1,000	0.00125	-	-	1,000	0.00125
Mr. Mohiddin Saleh Kamel	1000	0.00125	-	-	1,000	0.00125
Dr. Abdul Aziz bin Hamad Al-Fahd	1,115	0.00139	-	-	1,115	0.00139
Mr. Majed bin Abdulrahman Al-Issa	-	-	-	-	-	-
Mr. Adel bin Marzouk Al-Nasser	-	-	-	-	-	-
Dr. Turki bin Omar Saleh Buqshan	1,000	0.00125	-	-	1,000	0.00125
H.E Dr. Adel bin Zayed Al-Toraifi	-	-	-	-	-	-
Eng. Moussa bin Omran Al-Omran	-	-	-	-	-	-

4) Executive management

م	الاسم	المنصب	الخبرات
1	Ms/Jumana bint Rashed Al-Rashed	CEO of the Group	<p>Ms. Jumana Al-Rashed was appointed in October 2020, Jomana Alrashid is the Chief Executive Officer of Saudi Research and Marketing Group (SRMG). She joined the group with a mandate to morph it into the MENA region's media power-hub, via digital transformation that takes news, information, insights and storytelling to new heights. Alrashid is a seasoned communications and media expert with a B.A. in Politics from SOAS University of London, and an M.A. in International Journalism from City University. Alrashid has previously worked as the London correspondent of Al Riyadh Newspaper, and was posted at the Saudi Embassy in London as a Senior Aide and Advisor to the Ambassador, with a particular emphasis on media relations. In addition to her advisory role, Alrashid headed the Embassy's Media Department. After a successful tenure in London, Alrashid moved to Riyadh in order to pursue a media advisory role assisting the private and public sectors, a position she continued to assume until she was appointed SRMG CEO.</p>
2	Mr. Ahmad El-Shaer	Acting Financial Director	<ul style="list-style-type: none"> • He is a member of the Association of Certified Chartered Accountants in the United Kingdom (ACCA). • He is a member of the Chartered Professional Accountants in Canada (CPA, CGA). • He holds a Bachelor's degree in Business – Cairo University – Accounting Division. He has excellent experience in the fields of finance and accounting, whereby he has worked in the fields of banking, auditing, and accounting, namely in the fields of investment, industry, real estate, hospitality, hotels, and media.

5) Compensation and remuneration policy for the members of the Board of Directors and the sub-committees

During its meeting held on Thursday, 14-09-1441, corresponding to 07-05-2020, the extra-ordinary General Assembly agreed to amend the Compensation and Remuneration policy for the members of the Board of Directors, the sub-committees and the Executive Management of Saudi Research and Marketing Group as follows:

1. Remunerations of members of the Board of Directors:

- a. The Board of Directors has decided to pay a yearly remuneration to its members, provided that the total amount of remunerations and benefits, whether financial or in-kind, received by each Board member, in addition to his/her membership in the sub-committees, shall not exceed an annual amount of SR 500,000.
- b. In addition to the remunerations of Board members mentioned in Paragraph (A), and in accordance with the provisions of the Group's articles of association, the Chairman of the Board shall receive a monthly or annual remuneration, and this amount is to be determined by the Board of Directors or whomever it may authorize to do so.

2. Remunerations of sub-committee members:

The Board of Directors has decided to pay an annual amount of SR 300,000 to each sub-committee member, provided that entitlement to this amount shall be proportional to the number of meetings and sessions attended by each member.

3. Allowances for Board and sub-committee members attending meetings:

Each Board and sub-committee member shall be paid an amount of SR 3,000 for each meeting attended.

4. Expenses related to attending meetings held within the Kingdom of Saudi Arabia:

An amount of SR 3,000 shall be paid to each Board and sub-committee member for each night of stay, including the price of a two-way ticket, to and from a member's place of residence, should the meeting take place in another city, without the need for submitting any invoices. In the event that invoices are submitted, the amount paid should not exceed SR 5,000, taking into consideration the provisions of article No. (7).

5. Expenses related to attending meetings held outside of the Kingdom of Saudi Arabia:

Each Board and sub-committee member shall be compensated for the expenses incurred to attend meetings outside of the Kingdom of Saudi Arabia as per the below mentioned details:

a. Meetings held in the Gulf, Asia and Africa:

An amount of SR 2,000 per night required to attend the meeting shall be paid, in addition to reimbursing the cost of a plane ticket for flying business class from a member's place of residence to the location of the meeting, back and forth, noting that a member should submit an invoice showing the price of the ticket.

b. Meetings held in America and Europe:

An amount of SR 5,000 per night required to attend the meeting shall be paid, in addition to reimbursing the cost of a plane ticket for flying business class from a member's place of residence to the location of the meeting, back and forth, noting that a member should submit an invoice showing the price of the ticket.

6. If any emergency arises, whereby the member is not at his/her place of residence, thus leading to an increase in flight expenses, he/she should obtain approval from the Chairman of the Board of Directors, in order to exempt the member from bearing the additional expenses, based on determining how important it is for the meeting to be attended.

7. In the event that extra amounts are required to be paid to Board and sub-committee members, or any other related individuals, contrary to what has been mentioned above, then the requesting these amounts shall obtain approval from the Chairman of the Board before they are disbursed.

8) Board members may receive compensation for being members of the audit committee formed by the General Assembly, or for any other tasks they may carry out, or for any additional executive, technical, administrative or consultative positions – based on a professional license – in addition to the remunerations they already receive for their membership of the Board and its sub-committees; in accordance with the articles of association of the Company.

9) The Company has the right to demand compensation for any damage caused to its reputation, and recover any remunerations, compensations and any other expenses borne by the Company, in the any of the following cases:

- a) If a Board member commits any act which violates morals and integrity; or if a Board member is discovered to be involved in any acts of forgery, or if a Board member violates any of the laws and regulations in the Kingdom of Saudi Arabia.
- b) If a Board member fails to carry out his/her responsibilities, tasks and duties, thus compromising the interests of the Company.
- c) If it becomes apparent that any remunerations and/or compensations paid to members of the Board and the Executive Management were paid based on inaccurate information provided by a Board and/or Executive Management member, in order to prevent members from exploiting their positions to obtain undeserved remunerations.

10) Policy related to Executive Management remunerations:

The Board of Directors reviews the salary scales of all employees and Executive Management members, in addition to the incentive program and scheme, the performance indicators and the remunerations of the Executive Management approved and implemented within the Group, based on the recommendation of the Remunerations and Nominations Committee, according to the following criteria:

- a. The remunerations and compensations shall be compatible with the Company's overall strategy. They should also serve as a factor to motivate the Executive Management to achieve the Company's goals.
- b. The remunerations and compensations should be compatible with the nature of the Company's activities, volume and the required level of skills and expertise.
- c. The remunerations and compensations should enable the Company to attract senior management candidates with the required skills, capabilities and qualifications to facilitate it to achieve its goals.

11) Publication and implementation:

These regulations, or any subsequent amendments, shall be effective starting from the date that the General Assembly approves them.

6) Salaries and compensations of the Board, committees' members, and the Senior Executives:

The following table shows the highest remunerations received by Board and Senior Executive members, including the CEO and the Operations manager, noting that there were no significant deviations from the approved remunerations policy.

	Fixed remunerations							Variable Remunerations					End of service remunerations	Aggregate	Allowance for expenses	
	Specified Amount	Allowance for attending BOD meetings	Total Allowances for attending committees' meetings	In-kind benefits	Bonuses for technical, Administrative and consultative activities	Allowances paid to the Chairman or the appointed member	Total	Percentage from profits	Periodical bonuses	Short-term incentive schemes	Long-term incentive schemes	Granted shares				Total
First: Independent members																
1. H.E. Mr. Ahmad bin Aqeel Al-Khateeb	-	-	-				-								-	
2. Mr. Mohiddine Saleh Kamel	225,000	3,000	6,000				234,000								234,000	
3. H.E. Mr. Adel Al-Toraihi	300,000	3,000	-				303,000								303,000	
4. Eng. Moussa Omran Al-Omran	300,000	6,000	9,000				315,000								315,000	
Total	825,000	12,000	15,000				852,000								852,000	
Second: Non-executive members																
1. Eng. Abdulrahman bin Ibrahim Al-Rowaita	225,000	6,000	12,000			6,000,000	6,243,000								6,243,000	
2. Mr. Abdulrahman bin Hamad Al-Rashed	300,000	6,000	18,000				324,000								324,000	
3. Dr. Turki bin Omar Saleh Al-Buqshan	300,000	6,000	21,000				327,000								327,000	
4. Dr. Abdel Aziz bin Hamad Al-Fahd	225,000	6,000	12,000				243,000								243,000	
5. Mr. Adel bin Marzouk Al-Nasser	300,000	6,000	-				306,000								306,000	
4. Mr. Majed bin Abdulrahman Al-Issa	225,000	6,000	15,000				246,000								246,000	
Total	1,575,000	36,000	78,000			6,000,000	7,689,000								7,689,000	
Second: Executive members																

Senior Executives remunerations:

	Fixed bonuses				Variable bonuses					End of service benefits	Total remunerations for executive board members, if any	Aggregate total	
	Salaries	Allowances	In-kind benefits	Total	Periodical remunerations	Periodical bonuses	Profits	Long-term incentive schemes	Granted shares				Total
1. Senior executives	4,280,797			4,280,797							437,039		4,717,836
Total	4,280,797			4,280,797							437,039		4,717,836

Remunerations of the committee's members

	Fixed remunerations (excluding attendance allowances)	Allowance for attending meetings	Total
Members of the audit committee			
1) Dr. Turki bin Omar Saleh Al-Buqshan	100,000	15,000	115,000
2) Mr. Majed bin Abdulrahman Al-Issa	75,000	15,000	90,000
3) Mr. Suleiman Nasser Al Hatlan Al-Qahtani	100,000	15,000	115,000
Total	275,000	45,000	320,000
Members of the executive committee			
1) Eng. Abdulrahman bin Ibrahim Al-Rowaita	150,000	12,000	162,000
2) H.E. Mr. Ahmad bin Aqeel Al-Khatib	-	-	-
3) Mr. Abdrahman bin Hamad Al-Rashed	150,000	12,000	162,000
4) Dr. Abdul Aziz bin Hamad Al-Fahd	112,500	12,000	124,500
5) 5. Eng. Moussa Omran Al-Omran	112,500	9,000	121,500
Total	525,000	45,000	570,000
Members of the Remunerations and Nominations Committee			
1) Mr. Mohiddin Saleh Kamel	30,000	6,000	36,000
2) Mr. Abdulrahman bin Hamad Al-Rashed	30,000	6,000	36,000
3) Dr. Turki bin Omar Saleh Al-Buqshan	30,000	6,000	36,000
Total	90,000	18,000	108,000

The above table shows the remunerations paid to Board and committee's members during 2020, in addition to the yearly allowances paid to members of the Board and the committees for the year 2019, which were approved for 2020.

7) Balances of related parties

Balances and transactions with related parties during the period ended December 31, 2020, are summarized as follows:

These are daily transactions between the Saudi Printing and Packaging Company and affiliated companies in which the Group owns a stake of 70%, noting that these activities were agreed upon in previous years, and they come as a continuation of the relationships which were established prior to the fiscal year 2020.

- Transaction and contracts executed between the Group and Hala Printing Company, which is one of the subsidiaries of Saudi Printing and Packaging Company; in which the Board members, Mr. Adel bin Marzouk Al-Nasser, Mr. Majed bin Abdulrahman Al-Issa and Dr. Turki bin Omar Saleh Al-Buqshan, own an indirect interest. These transactions represent printing contracts, noting that the total value of these transactions amounted to SR (4,207,705) during the year 2020, while the due amounts of SR (1,776,764) as at 31st of December 2020 (without any preferential conditions).
- Transaction and contracts executed between the Group and Medina Printing and Publishing Co., which is one of the subsidiaries of Saudi Printing and Packaging Company, in which the Board members, Mr. Adel bin Marzouk Al-Nasser, Mr. Majed bin Abdulrahman Al-Issa and Dr. Turki bin Omar Saleh Al-Buqshan, own an indirect interest. These transactions represent a printing contract, noting that the total value of these transactions amounted to SR (13,618,062) during 2020, while the due amounts of SR (5,346,743) as at 31st of December 2020 (without any preferential conditions).
- Transaction and contracts executed between the Group and Al Madarat Advertising Company and its subsidiaries companies, in which the Board member, Mr. Abdulrahman bin Hamad Abdullah Al Rashed owns a direct interest. These transactions represent media services in return for the production of (160) films, noting that the total value of these transactions amounted to SR (29,188,569) during the fiscal year 2020, while the due amounts was SR (11,399,851) as at 31st December 2020 (without any preferential conditions).
- Transaction and contracts executed between the Group and Al-Fahd Law Firm, in which the Board member, Dr. Abdul Aziz Al Fahd owns a direct interest. These transactions represent legal services, noting that the total value of these transactions amounted to SR (1,553,062) during the fiscal year 2020, and there were no due amounts as at 31st December 2020 (without any preferential conditions).

There is no other contract in which the Company is a party which there are any significant interest related by any other Board members , the chief executive officer , financial manager, or any other person related to them.

8) Board of Directors Declarations:

The Board of Directors declares the following:

1. The Group's accounting records have been duly and accurately prepared.
2. The internal control systems have been established based on sound foundations, and have been implemented effectively.
3. There is no doubt as to the Group's ability to continue carrying out its activities.

9) Recommendations of the Audit Committee which are in contradiction with the decisions passed by the Board of Directors, or which the Board has refused to take into consideration, related to the appointment of an auditor for the Company, dismissing him, determining his fees, evaluating his performance, or appointing an internal auditor; in addition to the reasons for making these recommendations and why they were not taken into consideration.

There are no recommendations made by the Audit Committee which are in contradiction with any of the Board's decisions, or which the Board has refused to take into consideration, in relation to the appointment of an auditor for the Company, dismissing him, determining his fees, evaluating his performance or appointing an internal auditor.

10) The tools used by the Board of Directors to assess its own performance, along with the performance of the sub-committees and their members; and the external party which undertook this performance evaluation, along with its relationship with the Company:

The Remunerations and Nominations Committee evaluates the performance of the Board of Directors on annual basis, especially in relation to the following:

1. An annual review of the skills required in order to be a member of the Board of Directors, and preparing a description of the qualifications required to be a member of the Board of Directors, along with the amount of time required to be allocated by members for the Board's activities.
2. Review the structure and formation of the Board of Directors, and make recommendations regarding the changes that could be made.
3. Determine the strengths and weaknesses of the Board of Directors, and make recommendations on how to deal with the weaknesses in line with the Company's interests.
4. Verify the independence of independent members on an annual basis, and ensure there are no overall conflicts of interest in the event that a Board member is a member of Board at any other company.

*As for the Remunerations and Nominations Committee, the Board is responsible for reviewing and evaluating its activities.



11) Communicating with the shareholders

Actions taken by the Board of Directors to inform its members – especially the non-executive members – of proposals and comments made by the shareholders regarding the Company and its performance:

The Saudi Research and Marketing Group assigns a great deal of importance to communicating with its shareholders, and has taken numerous actions in order to guarantee the rights of shareholders to obtain information, through the “Tadawul” website, and the Group’s website, www.srmg.com. Through this website, the Group provides comprehensive information related to its activities, business and yearly reports. The Group is keen on maintaining contact with the shareholders, and answering all of their queries, in addition to providing them with the required data in a timely manner. The Group has also designated the e-mail address: investors.relations@srmgg.com to receive all of the shareholders’ queries.

12) Board of Directors meetings:

The Board of Directors of the Saudi Research and Marketing Group met twice during 2020 (two meetings) as follows:

Member of the Board of Directors	First meeting	Second meeting
	08/12/2020	29/12/2020
Eng. Abdulrahman bin Ibrahim Al-Rowaita	Present	Present
Mr. Majed bin Abdulrahman Al-Issa	Present	Present
HE Mr. Ahmad bin Aqeel Al-Khatib	Not present	Not present
HE Dr. Adel Al-Toraifi	Present	Not present
Mr. Abdulrahman bin Hamad Al-Rashed	Present	Present
Dr. Abdul Aziz bin Hamad Al-Fahd	Present	Present
Eng. Moussa bin Omran Al-Omran	Present	Present
Mr. Mohiddin Saleh Kamel	Not present	Present
Mr. Adel bin Marzouk Al-Nasser	Present	Present
Dr. Turki bin Omar Saleh Buqshan	Present	Present

13) Board of Directors Sub-Committees:

The Board of Directors has established the following three sub-committees:

**The Executive
Committee**

The Audit Committee

**The Remunerations and
Nominations Committee**

1. The Executive Committee:

The current Executive Committee consists of five Board members. Within the scope of the executive responsibilities assigned to it by the Board, the Executive Committee is responsible for overseeing the implementation of the Group's overall strategy and formulating its budgets. The Executive Committee is also responsible for monitoring the Group's operational and financial performance, in addition to reporting financial, strategic and other related matters to the Board of Directors. During 2020, the Executive Committee held 4 meetings, with the names of the Committee members and their attendances shown in the below table:

No.	Name	Title	23/02/2020	17/09/2020	06/12/2020	28/12/2020
1	Eng. Abdulrahman bin Ibrahim Al-Rowaita	Committee Chairman	Present	Present	Present	Present
2	H.E. Mr. Ahmad bin Aqeel Al-Khatib	Committee member	Not present	Not present	Not present	Not present
3	Mr. Abdulrahman bin Hamad Al-Rashed	Committee member	Present	Present	Present	Present
4	Dr. Abdul Aziz bin Hamad Al-Fahd	Committee member	Present	Present	Present	Present
5	Mr. Moussa bin Omran Al-Omran	Committee member	Not present	Present	Present	Present

2. The Audit Committee

The Audit Committee consists of a minimum of three and a maximum of five members. One of these members should be specialized in financial and accounting matters. The Committee's tasks and responsibilities include studying the internal control system of the Company, overseeing the Internal Auditing Management of the Group in order to verify its effectiveness in carrying out the tasks set by the Board of Directors, in addition to studying and reviewing the internal audit reports and following up on implementation of the recommendations and corrective actions made in these reports. The Committee is also responsible for making recommendations to the Board of Directors on appointing and dismissing certified public accountants, determining their fees, verifying their independence, and following up on their work, along with studying and reviewing the audit plans with the certified public accountant. The Committee is also responsible for studying the accountant's remarks related to the consolidated financial statements of the Group, and following up on actions taken in this regard, in addition to studying preliminary and annual statements before presenting them to the Board of Directors, and giving recommendations and opinions as necessary.

The Committee is also responsible for studying the accounting policies being used and submits its opinions and recommendations to the Board of Directors in this regard. Moreover, the Committee evaluates the effectiveness of the Group's management in assessing risks, and the steps and actions taken by the Group's management to monitor these risks. During 2020, the audit committee held five meetings, and the table below shows the names of the members and their attendance:

	Name	Title	08/01/2020	25/03/2020	06/05/2020	20/08/2020	09/11/2020
1	Dr. Turki bin Omar Saleh Buqshan	Committee Chairman	Present	Present	Present	Present	Present
2	Mr. Majed bin Abdulrahman Al-Issa	Committee member	Present	Present	Present	Present	Present
3	Mr. Suleiman bin Nasser Al Hatlan*	Committee member	Present	Present	Present	Present	Present

***Mr. Suleiman Al Hatlan:** a holder of a Master's degree in Professional Accounting from California State University since 1998, and a Bachelor's degree in Accounting from King Saud University since 1994. He has worked in a number of fields, starting off as a member of the teaching faculty staff at the Institute of Public Administration. He went on to serve as a Consultant Manager, and he then became a partner at Al-Hmeid Company and Al-Nemr Consulting Company in 2006. He was then appointed as the Managing Director for the House of National Consulting, which is a financial firm licensed by the Capital Markets Authority. Throughout his years of experience, and to this date, he has worked on a hundred consulting projects in the fields of mergers and acquisition, valuation, internal auditing, governance and numerous complex accounting cases. Mr. Hatlan also possesses a great deal of experience when it comes to auditing committees, whereby he has been a member of a number of audit committees, including the audit committee at Al-Bilad Bank for three sessions. He is still a member of the audit committee at Al-Marai Company, Bupa Arabic for Cooperative Insurance and Al-Habib Medical Group. He is also a Board member and the Managing Director of Maharah Human Resources Company, in addition to being a Board member and the Chairman of the Auditing Committee at Saudi Vitrified Clay Pipe Co. Finally, he is a member of the Board of Directors at Al-Hilal Club Investment Company.

3. Remunerations and Nominations Committee

The Remunerations and Nominations Committee is made up of a minimum of three and a maximum of five members, all of whom are from the Board of Directors. At least one of the members should be independent. The Committee's tasks and responsibilities include making recommendations related to nominations to the Board of Directors in accordance with the adopted policies and standards, and conducting an annual review of the required skills necessary for membership to the Board of Directors, along with preparing a description of the capabilities and qualifications required by members of the Board, and specifying the amount of time to be allocated by members for the Board's activities. The Committee is also responsible for reviewing the structure and composition of the Board, and submitting recommendations related to the changes that could be made, in addition to highlighting the strengths and weaknesses of the Board, and accordingly making suggestions as to how to address them in line with the Company's interests. Furthermore, the Committee verifies the independence of independent members on an annual basis, and it ensures that there are no conflicts of interest in the event that one or more members of the Board is a board member at other companies.

The responsibilities of the Remunerations and Nominations Committee also include setting a clear remunerations and bonuses policy for the Board and Senior Executive members, after submitting it to the Board of Directors and obtaining approval to proceed and obtain approval from the General Assembly. The Committee is also responsible for following up on the Board's recommendations and ensuring their implementation.

During 2020, the Remunerations and Nominations Committee held two meetings, and the table below shows the names of its members, along with their attendance:

No.	Name	Title	23/03/2020	22/09/2020
1	Mr. Mohiddin Saleh Kamel	Committee Chairman	Present	Present
2	Mr. Abdulrahman bin Hamad Al-Rashed	Committee Member	Present	Present
3	Dr. Turki bin Omar Saleh Buqshan	Committee Member	Present	Present

Corporate Governance and Risks

1) Corporate Governance of the Saudi Research and Marketing Group

The Group is always keen to conduct its commercial and investment operations in line with the applicable laws and regulations in the Kingdom of Saudi Arabia. In this regard, the Group is committed to observing transparency and disclosure standards, in accordance with the requirements of good governance and corporate governance regulations applied in the Kingdom. This includes making fundamental information available to shareholders and investors at specified times, according to the instructions and regulations of the Saudi Capital Markets Authority, and in line with the applicable Corporate Governance regulations in the Group.

The Board of Directors, along with its sub committees (the Executive Committee, the Audit Committee and the Remunerations and Nominations Committee) supports all the means and methods necessary for governance on an ongoing basis. The Company's governance rules are reviewed from time to time, to ensure that they are being implemented and adhered to, and in order to accommodate developments and emerging regulatory requirements of the Capital Market Authority.

Accordingly, the Group has complied with all of the mandatory articles of the Corporate Governance Regulations issued by the Capital Markets Authority. The following table shows what the Group has done regarding the guiding provisions stipulated within the Governance regulations:

Article No.	Article/Paragraph	Partially implemented	Not implemented	Reasons and details
Article No. (32): Board meetings	b) The Board of Directors holds at least 4 meetings on an annual basis, with no less than one meeting every three months.	√		The Board of Directors held two meetings during 2020 in accordance with the Group's articles of association, in light of the Corona virus pandemic. It is worth mentioning that the Group held four meetings in the previous years. The article is still considered as indicative, and in the event that it becomes mandatory, the Group shall implement it.
Article No. (39): Training	(2) Setting up the necessary mechanisms in order for the members of the Board and the Executive Management to undergo continuous training programs and courses, in order to develop their skills and knowledge in areas related to the activities of the Company.		√	The article is still indicative, and in the event that it becomes mandatory, the Company shall implement it.
Article No. (41): Evaluation	z) The Board of Directors is taking the necessary actions to obtain an evaluation of its performance every three years.		√	The article is still indicative, and in the event that it becomes mandatory, the Company shall implement it.
Article No. (54): Structure of the Audit Committee	b) The Chairman of the Audit Committee should be an independent member		√	The article is still indicative and in the event that it becomes mandatory, the Company shall implement it.
Article No. (70): Establishing a Risk Management Committee	Based on a decision from the Company's Board of Directors, a "Risk Management Committee" shall be formed, whereby the majority of its members and its Chairman are to be selected from amongst the non-executive members of the Board. Its members are required to enjoy an adequate level of knowledge related to risk management and finance.		√	The article is still indicative, and in the event that it becomes mandatory, the Company shall implement it.
Article No. (78): Internal Audit Report	a) The Internal Audit Department or Unit shall prepare a written report regarding its activities and it shall submit it to the Board of Directors and the Audit Committee at least once every quarter. The report should include an evaluation of the Company's internal control systems, and the conclusions and recommendations of the unit or department. The report should also include the actions taken by departments with regards to the	√		The Internal Audit Department presents all of its reports to the Audit Committee. The Chairman of the Committee presents the most significant findings in these reports to the Board of Directors whenever necessary.



	<p>recommendations presented in the previous audit report, in addition to any remarks on these recommendations, especially in the event of failure to address these issues in a timely manner, and the reasons for this failure.</p> <p>b) The Internal Audit Department or Unit shall prepare general written report and present it to the Board of Directors and the Audit Committee regarding all of the audits it has conducted during the fiscal year. The report shall provide a comparison between the actual audits carried out and the adopted plans. The report shall include a description of the reasons for any deviations from the adopted plan, if any. Finally, the report is to be submitted to the Board during the subsequent quarter to the fiscal year in question.</p>			
Article No. (85): Motivating employees	<ol style="list-style-type: none"> 1) Establishing committees or holding specialized workshops to take note of the opinions of the Company's employees, and to discuss issues related to important decisions. 2) Programs related to granting employees Company shares, or a share of the realized profits, in addition to retirement programs; and the establishment of an independent fund to finance these programs. 3) Establish social institutions for the Company's employees. 	√		The article is still indicative, and in the event that it becomes mandatory, the Company shall implement it. Noting that the Company supports and motivates its employees on an ongoing basis.
Article (87): Corporate Social Responsibility	Based on the proposal of the Board of Directors, the Ordinary General Assembly shall formulate a policy to ensure a balance between the Company's goals and the goals that society aspires to achieve, with the aim of developing and advancing the social and economic conditions of society.	√		The article is still indicative, and in the event that it becomes mandatory, the Company shall implement it. Noting that the Company has made numerous social contributions.
Article No. (88): Social work initiatives	<ol style="list-style-type: none"> 1) Create measurement indicators to link the Company's performance with its social work initiatives, and compare these indicators with other companies involved in similar activities. 4) Develop community awareness programs to make known the Company's social responsibility. 		√	The article is still indicative, and in the event that it becomes mandatory, the Company shall implement it, noting that the Company carries out numerous social and humanitarian activities through its media platforms.
Article No. (95): Establish a Corporate Governance Committee	In the event that the Board of Directors establishes a specialized Corporate Governance Committee, it must delegate the necessary powers to it stipulated in article no. (94) of these regulations. The committee shall be responsible for following up on any issues concerning corporate governance applications. Moreover, the committee shall submit its reports and recommendations to the Board of Directors at least once a year.	√		The article is still indicative, and in the event that it becomes mandatory, the Company shall implement it.

2) Human Resources:

The Group is fully aware that its success, currently and in the future, is reliant on the skills of its human resources, which the Group has spared no effort to develop its productive and creative capabilities, in order to optimally invest them.

By developing these vital capabilities, the Group has been able to enhance its assets in a manner which provides it with the necessary resources and capabilities required to face the growing challenges in the market, which are characterized by increased competition. In order to maximize benefits to be derived from creative talents, the Group motivates its employees through its many programs, which include career development, ongoing education, development of the work and management cultures, along with many other various aspects which enhance performance and help to attract talented employees, and to retain them, whilst also motivating them to intensify their efforts.

- In 2007, the Group established a contingency fund for employees facing various emergencies and issues, in an attempt to strengthen its relationships with its employees, and to increase employee loyalty to the Group. Since its establishment, the fund has contributed towards solving some of the emergencies and issues faced by the employees, which has in turn had a positive impact on employee loyalty and distinction at the work place. The regulations governing this fund identify the necessary conditions and standards for the Group to offer assistance, noting that the movements taking place on the fund during 2020 were as follows:

Employee Contingency Fund	SR
Balance at the beginning of the year	158,897.12
Amount added during the year	-
Amount disbursed during the year	22,500
Balance at the end of the year	136,397.12

3) Social responsibility:

As a continuation to the Group's role in supporting humanitarian and charity efforts in Saudi society, and stemming from its keenness to fulfill its obligations towards the nation and society; the Group has taken up a leading, positive and effective role to support these activities, in a manner which has rendered significant benefits to large segments of the society. In this particular context, the Group continued its support for numerous charities during 2020, some of which are mentioned in the table below:

King Salman Center for Disability Research	Prince Sultan Abdul Aziz Charitable Foundation
King Salman Science Oasis	Prince Mohammad Bin Salman Charitable Foundation (MISK)
Prince Fahd Bin Salman Charitable Society for the Care of Kidney Patients	Saudi Alzheimer's Disease Association
Disabled Children's Association	Kayl Association for Combating Obesity
King Abdulaziz Foundation for Research and Archives (Darah)	Zahra Breast Cancer Association
Prince Ahmad Bin Salman Academy for Applied Media	Saudi Cancer Society

Moreover, the Group participated in and sponsored several media advertisements for numerous national events, and economic and social forums, in addition to many conferences and seminars of interest to all segments of society. In this regard, it is pertinent to point out that the Group supported the launch of the Prince Ahmad Bin Salman Academy for Applied Media, with the aim of meeting the emerging training requirements of media institutions. The Academy is considered as a bridge, whereby professionals from all media fields and specializations receive the highest levels of training focused on awareness and quality, through various training programs offered by the Academy in cooperation with global institutions specialized in training and designing programs.

4) Risk management:

The Group works diligently to face potential challenges and risks which could have an effect on its activities and the strength of its financial position. It does so by relying on its accumulated experiences in the publishing industry, along with its ability to identify the potential risks related to the industry and the market, on one hand, thus enabling it to take necessary actions to avoid or mitigate the effects of these risks. All of this comes in light of the fast paced global and local economic and political developments and challenges being witnessed in regions where the Group operates.

The Group has been successful at avoiding and facing previously identified risks, and it has been able to reduce the effects linked to these risks, which has contributed to strengthening its operational results. This has strengthened the confidence of shareholders and investors in the Group's and its employees' ability to achieve sustained development, and to realize its strategic goals.

The risks which have been studied and proactively addressed include: strategic risks, financial risks and operational risks; all of which may affect the Group's ability to achieve its strategic objectives, and to achieve its targeted profit levels, and to bolster its financial position. The Group (Saudi Research and Marketing Company) and its subsidiary companies are involved in the fields of trade, marketing, advertising, distribution, printing, publishing and packaging, and these activities are mainly conducted in the Middle East, Europe and North Africa. The Group perceives that the most significant risks it could face in relation to its activities are as follows:

First: Strategic Risks

- **Reputation risks**

The Group works continuously to strengthen the confidence of its customers and suppliers, by maintaining a positive image of its brands, whilst developing these brands and maintaining a balanced and solemn editorial line. The Group is also careful to solve any disputes that may arise with its suppliers, or with any other parties, in order to avoid entering into any legal disputes which could have a negative impact on its commercial revenues or reputation.

- **Economic conditions**

The Group's revenues are quantitatively and qualitatively impacted by economic changes and cycles in the markets which it is involved. In order to limit and mitigate these risks, the Group has diversified its sources of revenues, whereby it does not rely on only one element. Moreover, the Group's important relationships with the advertising market is one of the most prominent factors that plays a role in mitigating the effects of these risks. The main economic risk factors that could potentially have a negative impact on the Group's revenues, and which could change the Group's capital, are carefully studied and analyzed whilst implementing the Group's strategy and day-to-day operational decisions.

- **Political conditions**

The Group operates in a variety of markets that may experience certain geopolitical changes. Furthermore, there is always the risk that new legislations may emerge, thus impacting the Group's business. In an effort to reduce the effects of these risks, the Group continuously monitors the markets in which it operates, and finds solutions to any obstacles that may arise. This includes working with international law firms in order to ensure compliance with any legislations passed in these markets.

- **Industry risks (shifting customer patterns)**

The media and publishing industry is facing numerous challenges, whereby the realities and basics related to obtaining and using information are rapidly transforming. The Group is fully aware of and appreciates these transformations, based on rapidly occurring technological advancements, coupled with the challenges related to the changes in the sources for obtaining information and news from traditional media platforms to modern media platforms. The Group has worked continuously to remain abreast of these changes and transformations by implementing carefully studied plans to adopt digital platforms within specified professional and economically feasible frameworks.

- **Expansion strategy**

The Group undertakes the planning of numerous expansionist projects which are consistent with its overall strategies, and implements them. These projects are subject to the risks of being postponed or non-implementation, within the framework of the Group's overall expansionist strategies. Developing and implementing programs within a set timeframe and a prespecified budget constitutes a significant challenge for the Group; hence the Group has resorted to highly qualified experts to implement these programs within the existing budget and time constraints, whilst periodically following up on the progress of these projects to determine the effectiveness of the Group's expansionist programs.

Second: Financial risks

• Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulties in raising funds to meet commitments associated with financial instruments. Liquidity risk may also arise from the inability to sell a financial asset quickly at an amount close to its fair value. The Group manages its liquidity risks through regular monitoring in order to ensure the availability of sufficient funds to meet future obligations. This entails ensuring that bank facilities are readily available to the Group, noting that it enjoys the ability to obtain a significantly large credit limit in order to meet its short-term cash needs if necessary.

The Company strives to maintain its cash and cash equivalent liquidity levels in order to meet unexpected future cash flows required to cover financial liabilities.

The Group's selling terms stipulate that amounts are to be paid in cash, or on a deferred payment basis, when goods are supplied, noting that trade payables are normally settled within a period of 90 days, starting from the date of purchase.

• Currency risks

Currency risks are the risks arising from fluctuations in the values of financial instruments due to changes in foreign exchange rates. The Group's management monitors fluctuations in foreign exchange rates, and it believes that the impact of foreign currency fluctuations on the Group's activities was insignificant during the year.

• Credit risks

Credit risk is the risk that one party will fail to discharge an obligation, thus causing the other party to incur a financial loss. Credit risk mainly includes cash and cash equivalents, term deposits, trade debtors, loans, and other receivables. In accordance with the Group's policies, the credit profiles of all clients that wish to deal on a credit basis/deferred payment basis are taken into consideration and are carefully studied. Financial instruments which are the most exposed to credit risk concentrations include bank and debtor balances, noting that the Group has adopted a policy of depositing its cash balances at a number of financial institutions with high credit ratings.

• Murabaha commission rate risk

Murabaha commission fluctuation risks represent those risks which may arise from fluctuations in Murabaha rates on short and long-term loans. The Management monitors fluctuations in Murabaha rates on an ongoing basis with all banks that it deals with, and it believes that the impact of fluctuating Murabaha rates during the year was insignificant.

• Risks related to borrowing terms

Borrowing terms risks represents the failure of the Group to comply with the terms and conditions of borrowing agreements, which may lead to a reclassification of long-term loans into short-term loans. In turn, this could have a negative impact on the Group's liquidity in the short-term. The Group reviews the terms of loan agreements and conducts the required financial analysis on an ongoing basis, to ensure that it is in compliance with the provisions of these agreements. It may also resort to restructuring existing loans to ensure continued compliance in a manner that does not affect its profits or operations.

Third: Operational risks

• Raw material cost risks

Paper is considered as one of the most important raw materials used by the Group, especially when it comes to its costs and supply sources. The Group relies on the printing presses owned by the Saudi Printing and Packaging Company (a Saudi joint-stock company) to print its publications in the Kingdom of Saudi Arabia. The Group obtains the majority of its paper supplies through an agreement signed with a main supplier, while it also obtains smaller quantities of paper from various other suppliers every now and then. The Group has been able to limit the impact of paper cost fluctuations by carefully monitoring and professionally managing its inventory levels. The Group has also adopted a policy of diversifying its suppliers of polyethylene and polypropylene materials, in addition to standardizing purchase contracts for quantities, in order to obtain the greatest possible level of benefits.

• Leadership stability

The Group is managed by some of the best Saudi and Arab competencies in all of its editorial, administrative and financial sectors. The stability of these leaderships is one of the most important factors affecting the development of the Group's performance.

• Risks of business interruptions

Business interruption risks are those risks that may arise from exposure to environmental risks, or natural disasters, or hacking. The Group continuously works to update its infrastructure, in order to make it easy to switch to a virtual environment, or to other locations. This has been done easily during the Corona virus pandemic.

The Group also conducts periodical tests to ensure that its website and main servers are by protected. This is done by dealing with leading international companies in the cybersecurity sector. The Group has also employed state of the art technology in the field of cybersecurity. Moreover, the Company's websites are hosted by companies that have a high degree of protection against any security breaches.

• Risks related to governance

The Board of Directors is responsible for determining the strategic direction of the Group, and this is affected by the level of accuracy of information related to the operational and financial transactions of the Group companies. In turn, this could lead to formulating ineffective strategies, and thus could negatively impact the profitability and returns on investments. In order to reduce the possibility of occurrence of these types of risk, the Board of Directors has adopted the principles of corporate governance, and it review the compliance of the Company with these principles on an ongoing basis, in an effort to enhance transparency, and to bolster the relationships between the Group and stakeholders. Moreover, the Board also observes and ensures compliance with all regulations, through a number of tools, including but not limited to:

- 1- Formulating frameworks and the general lines for the Group's commercial and operational orientations, in order to limit the risks faced by the Group.
- 2- Formulating the Group's strategies, and review and adjust these strategies periodically.
- 3- Provide the necessary logistical, human and financial support in order to facilitate achieving the Group's objectives.
- 4- Effectively review and assess the Executive Management's performance on an ongoing basis.
- 5- Establish values and criteria to measure the Group's performance.
- 6- Ensure that the Group is aware of its obligations towards the shareholders, and that it fulfills them.
- 7- Discuss the performances of the various companies in light of the Group's overall strategy, goals, workforce plans, yearly budgets, and ensure that any corrective actions are taken.
- 8- Review accounting policies and practices adopted by the Group, and ensure any significant changes are adopted by the General Assembly.
- 9- Ongoing review of the internal control systems in place, in addition to risk management, and receive internal audit reports related to how effective these internal controls are.
- 10- Establish sub-committees for the Board of Directors, in order to help with decision making in a professional manner.

5) A list of the dates of the Shareholder General Assemblies held during the previous fiscal year, and the names of the attending Board members:

SN.	General Assembly	Date	Names of attending Board members
1	Extraordinary General Assembly	07-05-2020	<ul style="list-style-type: none"> • Eng. Abdulrahman bin Ibrahim Al-Rowaita – Chairman of the Board • Mr. Majed bin Abdulrahman Al-Issa – Deputy Chairman of the Board • Mr. Mohiddin Saleh Kamel • Mr. Abdulrahman bin Hamad Al-Rashed • Eng. Moussa bin Omran Al-Omran • Mr. Adel bin Marzouq Al-Nasser • Dr. Turki bin Omar Saleh Buqshan

The Saudi Research and Marketing Group held an Extra-ordinary General Assembly during 2020, at exactly 10:00 pm, on Thursday, 14-09-1441, corresponding to 07-05-2020, using modern technological means, in accordance with the Capital Market Authority's directive related to suspending holding General Assemblies for companies listed in the financial market in person until further notice. The legal quorum required for the validity of the extra-ordinary general assembly (the first meeting) was met, noting that attendance reached 67.70%. The results of the voting were as follows:

1. Approval on the Board of Directors' report for the fiscal year ending on 31/12/2019.
2. Approval on the Company's auditor report for the fiscal year ending on 31/12/2019.
3. Approval on the consolidated financial statements of the Company for the year ending on 31/12/2019.
4. Approval to absolve the Board members for all of their actions during the fiscal year ending on 31/12/2019.
5. Approval to appoint KPMG and their Partners (KPMG) as the Company's external auditor from amongst the candidates, based on the recommendation of the audit committee, to examine, review and audit the financial statements for the second, third and fourth quarters, in addition to the annual consolidated financial statements for the fiscal year of 2020, and the first quarter of the fiscal year 2021; and to determine its fees.
6. Approval to increase the fees of the external auditor (Baker Tilly and Partners) based on the recommendation of the audit committee, for the additional auditing work conducted for the Group's subsidiaries, by an amount of SR 200,000.
7. Approval to pay an amount of SR 2,400,000 to the members of the Board of Directors for the year ending on 31/12/2019.
8. Approval to pay an amount of SR 890,000 to the members of the sub-committees for the year ending on 31/12/2019.
9. Approval to amend article No. (3) of the Company's articles of association, related to (The Objectives of the Company).
10. Approval to amend article No. (7) of the Company's articles of association, related to the (Capital).
11. Approval to amend article No. (8) of the Company's articles of association, related to (Enlisting and Shares).
12. Approval to amend article No. (11) of the Company's articles of association, related to (Selling Unpaid for Shares).
13. Approval to amend article No. (22) of the Company's articles of association, related to (The Powers of the Chairman and the Deputy Chairman and the Managing Director and the Secretary-General).
14. Approval to amend article No. (24) of the Company's articles of association, related to (The Legal Quorum of Board meetings).
15. Approval to amend article No. (30) of the Company's articles of association, related to (Holding Assemblies).
16. Approval to amend article No. (41) of the Company's articles of association, related to the (Committee's Reports).
17. Approval to amend article No. (46) of the Company's articles of association, related to (Financial Documents).
18. Approval to amend the Remunerations and Compensations policy for Board, sub-committees and executive management members.
19. Approval to amend the Audit Committee's bylaws.
20. Approval to amend the Remunerations and Nominations bylaws.
21. Approval to amend the Standards and Policies for membership of the Board of Directors.
22. Approval on the transactions and contracts conducted between the Group and Hala Printing Co., one of the subsidiaries of the Saudi Printing and Packaging Co.; and in which the Board of Directors members, Mr. Adel bin Marzouq Al-Nasser, Mr. Majed bin Abdulrahman Al-Issa and Dr. bin Omar Saleh Buqshan, own indirect stakes. These transactions represent printing contracts reaching a total value of SR 9,942,772 during the fiscal year of 2019, and the amounts due reached SR 4,353,978 as at 31st December 2019 (without any preferential conditions).

23. Approval on the transactions and contracts concluded between the Group and Medina Printing and Publishing Co., one of the subsidiaries of the Saudi Printing and Packaging Co.; and in which the Board of Directors members, Mr. Adel bin Marzouk Al-Nasser, Mr. Majed bin Abdulrahman Al-Issa and Dr. Turki bin Omar Saleh Buqshan, own indirect stakes. These transactions represent a printing contract reaching a total value of SR 27,104,780 during the fiscal year of 2019, and the due amounts reached SR 9,077,552 as at 31st December 2019 (without any preferential conditions).
24. Approval on the transactions conducted between the Group and the Saudi Printing and Packaging Co., in which the Board of Directors members, Mr. Adel bin Marzouk Al-Nasser, Mr. Majed bin Abdulrahman Al-Issa and Dr. Turki bin Omar Saleh Buqshan, own an indirect stake. These transactions were conducted as a result of an advertising contract worth SR 81,494 during the fiscal year of 2019, and there were no due amounts as at 31st December 2019 (without any preferential conditions).
25. Approval on the transactions and contracts concluded between the Group and Madarat for Advertising Company, in which the Board of Directors member, Mr. Abdulrahman bin Hamad Abdullah Al-Rashed owns an indirect stake. These transactions were generated due to advertising services offered for the production of 126 hours of film. The total value of these transactions reached SR 18,208,801 during the fiscal year of 2019, and the due amounts reached SR 3,180,746 as at 31st December 2019 (without any preferential conditions).
26. Approval on the transactions and contracts concluded between the Group and Al-Fahd Law Firm, in which the Board of Directors member, Dr. Abdul Aziz Fahd, owns an indirect stake. These transactions represent legal services worth a total of SR 84,163 during the fiscal year of 2019, and there were no due amounts as at 31st December 2019 (without any preferential conditions).
27. Approval on the transactions and contracts conducted between the Group and Al-Fahd Law Firm, in which the Board of Directors member, Dr. Abdul Aziz Fahd, owns an indirect stake. These transactions represent legal services offered during the fiscal year of 2020, noting that the total value of these services reached SR 1,500,000, with an amount of SR 375,000 payable every three months (without any preferential conditions).

6) Number of requests for the shareholder register made by the Company, and the dates and reasons for these requests:

SN.	Type of request	Dated	Reason for the request
1	Quantities – Identification Class A	31/12/2020	Company procedures

7) Results of the Annual Review of the effectiveness of the internal control system procedures:

The Audit Committee reviewed and confirmed the efficiency and effectiveness of the Internal Control System procedures in place within the Group's companies. The Audit Department continued to provide internal auditing services and consultations within the scope of its work, independently, objectively and with a reasonable degree of confidence, in accordance with the directions of the Audit Committee. The Audit Department carried out its functions and tasks by relying on a disciplined scientific approach to evaluate the effectiveness of internal controls, risk management and reasonable governance operations during the fiscal year of 2020. Moreover, the Internal Audit Department evaluated and monitored the implementation of the Group's internal control system. It also verified the compliance of the Group's subsidiaries and their employees with the laws, regulations and policies and procedures applied within the Company. This was achieved by implementing the internal audit plan approved by the Audit Committee, based on a risk-focused methodology and certain risk priorities identified through the results of a comprehensive analysis and study of the inherent risks within the Group and its subsidiaries, in addition to offering consultations related to the scope of its work in an independent and objective manner. The Audit Department also followed up on updating the Company's policies and procedures manuals, so as to enable the Group to effectively implements its priorities and to achieve its strategic goals.

During 2020, the Committee reviewed the reports produced by the Internal Audit Department related to the soundness of the internal control systems, and the actions taken by the Group to implement the recommendations proposed within these reports within a specified timeframe. The Department also followed up on the implementation of these recommendations in the subsequent stages, in order to ensure that they were implemented soundly and properly, thus ensuring an improvement and strengthening of procedures; and to offer reasonable assurances on the protection of the Group's assets and resources.

The Group also made sure of the effectiveness and the efficiency of the internal control procedures implemented within the Group and its subsidiary companies, through the Certified Auditor, (Messrs. KPMG), who were appointed to audit the Company's financial statements for the fiscal year of 2020. The auditor reviewed the internal control system at the Group within the scope of auditing the financial statements, noting that this audit did not show any significant weaknesses in the internal control systems of the Group, or of any of its subsidiaries. Accordingly, based on the results of the audit mission carried out by the Audit Department during 2020, both at the levels of the Group and its subsidiary companies, the Audit Committee has been reasonably reassured that the internal control systems provide an adequate level of protection for the Group's assets, and that the Group's operations are efficient and effective and are in compliance with the applicable rules, thus enabling the Group to reach its desired objectives There were, therefore, no material remarks to be disclosed.



Financial Performance and Results

Financial performance and results

First: Overall performance:

During 2020, the Group continued to bolster its local and international role and position in order to achieve its strategic objectives, which can be stated as follows:

(1) A continuation of the main sectors:

During 2020, the Group was able to retain and maintain the main sectors it is involved in, namely the publishing and printing sectors, both of which go hand in hand within an integrated system. The main objective of the Group was to offer unique and advanced services, and to enrich the Group's publications with knowledge and culture, both locally and internationally. The Group was able to achieve through the use of modern methods, means and competencies, and by developing digital content for its publications. Moreover, the Group adopted a business development strategy, whereby it made great efforts to identify the best ways to achieve sustainable development, whilst simultaneously striving to obtain the largest possible share of the digital content production market.

(2) Consolidating strategic relationships and partnerships:

The Group works towards achieving the desired successes through using a number of tools at its disposal, especially the tools which enable it to achieve strategic growth. The Group continued to strengthen its strategic relationships and partnerships, both locally and internationally.

(3) Strategic Growth:

During 2020, the Group was keen on continuing down its path of strategic growth by diversifying its sources of income, and by targeting new markets for investing in media, digital and visual content and public relations. Some of these investments include media licenses from well-known media entities such as "The Independent" and "Bloomberg", since they own various media platforms such as websites and television channels.

Second: The most important developments and achievements during 2020:

- The Saudi Research and Marketing Group launched Al-Sharq Channel with Bloomberg on the 11th of November, 2020.

Third: Future vision:

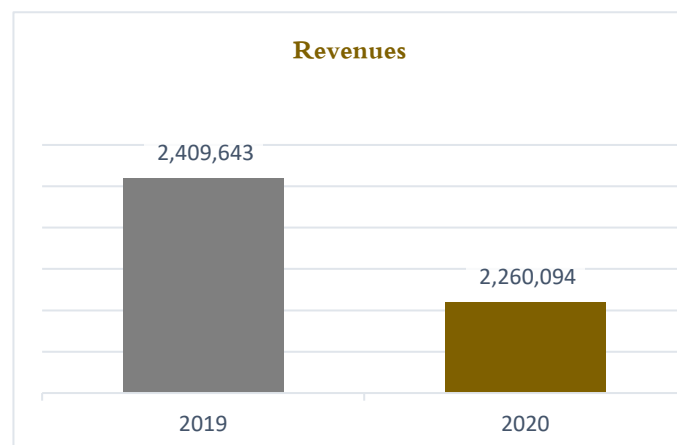
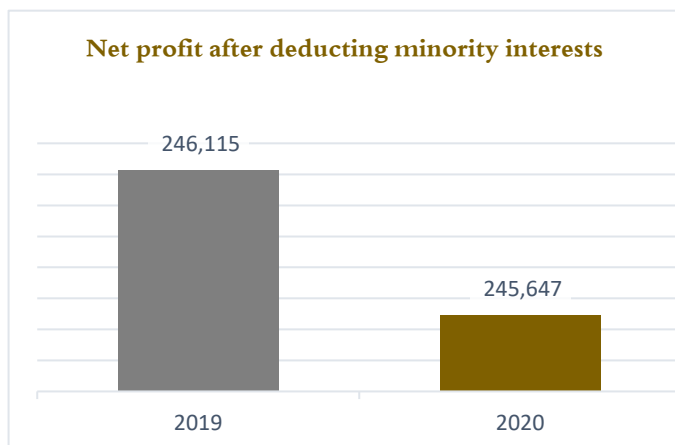
In the future, the Saudi Research and Marketing Group plans to transform itself from a publishing house into a fully integrated media company. The Group is well aware of the future economic challenges, especially in the traditional media and publishing sector; accordingly, the Group is focusing its efforts on digital transformation and producing a diversified and specialized range of content, in addition to diversifying its platforms.

The Group continues to strive towards elevating its growth rates and consolidating its leadership position in the media sector, both locally and internationally, in line with its strategic position. During 2020, the Group succeeded at identifying a number of expansion and acquisition opportunities, thus enhancing its shareholders' rights. The Group shall continue to develop digital content for newspapers and magazines, in addition to developing its own existing platforms, by launching a new diversified range of platforms and products, and by working towards offering the best level of services possible; with the aim of strengthening its international presence in the media field. Additionally, the Group has turned its attention towards attaining a leadership position in the field of public relations and related researches, and playing an influential role by diversifying the Group's products and ensuring a presence all around the world.

Fourth: The Financial Results:

The following table shows the consolidated income statement of the year 2020 compared to 2019.

Description	Income Statement (In thousands of Saudi Riyals)		Change Positive/Negative	% Change
	2020	2019		
Revenues	2,260,094	2,409,643	(149,549)	-6%
Cost of Revenues	(1,485,416)	(1,683,957)	198,541	-12%
Gross Profit	774,678	725,686	48,992	7%
Other income, Net	26,726	20,381	6,345	31%
Selling, marketing and distribution expenses	(74,957)	(82,660)	7,703	-9%
General and administrative expenses	(300,048)	(294,308)	(5,740)	2%
Impairment loss on trade receivables	(12,069)	(10,288)	(1,781)	17%
Impairment loss on intangible assets	(42,800)	(27,735)	(15,065)	54%
Operating profit	371,529	331,076	40,453	12%
Finance cost	(69,965)	(84,312)	14,347	-17%
Finance income	4,331	19,993	(15,662)	-78%
Income before zakat and income tax from continuing operations	305,895	266,758	39,137	15%
Zakat and income tax	(78,103)	(42,080)	(36,023)	86%
Income for the period before Non-controlling interests	227,792	224,678	3,114	1%
Non-controlling interests	17,855	21,437	(3,582)	-17%
Net profit attributable to parent Company for the year	245,647	246,115	(468)	0%



1. Revenue decreased by 6% in 2020, amounting to SR 2,260 million compared to SR 2,410 million last year.
2. Gross profit increased by 7% in 2020, amounting to SR 774.7 million, compared to SR 725.7 million last year.
3. Non-controlling interests of SR 17.9 million represents the losses of Saudi Printing and Packaging company, in addition to Argaam Company.
4. Net profit slightly decreased by 0.2% in 2020, amounting to SR 245.6 million compared to SR 246.1 million last year, resulting in earnings per share of SR 3.07 per share for 2020.
5. Fundamental changes in the main operational results:
The Group's operating profit (income from main operations) reached SR 371.5 million for the year ending on 31/12/2020, compared to operating profits of SR 331.1 million in 2019, constituting an increase of 12%, which was a result of the increase in gross profits.

6. The following table shows the income statement for the last five years, taking into consideration the consolidated financial statements of the Group and its subsidiaries were prepared in accordance with International Financial Reporting Standards, along with the directives issued by the Saudi Organization for Certified Public Accountants. Some comparative figures have been reclassified in order to be in line with the current year:

Income Statement (In thousands of Saudi Riyals)					
Description	2020	2019	2018	2017	2016
Revenues	2,260,094	2,409,643	2,090,891	1,735,115	1,446,461
Cost of Revenues	(1,485,416)	(1,683,957)	(1,471,244)	(1,288,624)	(1,085,146)
Gross Profit	774,678	725,686	619,648	446,491	361,315
Other income, Net	26,726	20,381	24,103	32,378	17,482
Selling and marketing expenses	(74,510)	(82,055)	(84,332)	(80,486)	(105,226)
General and administrative expenses	(295,931)	(284,616)	(327,784)	(230,749)	(308,278)
Depreciation	(16,632)	(20,585)	(14,431)	(16,462)	(14,910)
Impairment loss on intangible assets	(42,800)	(27,735)	(73,091)	(52,606)	(30,574)
Income / (Loss) from Main Operations	371,529	331,076	144,133	98,566	(80,191)
Profits earned from financial investments	1,962	2,596	4,086	-	-
Change in fair value of financial instruments through Profit	1,232	5,293	6,422	-	-
Financing Cost	(69,965)	(84,312)	(76,203)	(52,854)	(50,261)
Income from term deposits	1,137	12,104	-	-	-
(Loss) reverse from the decline in the value of properties, machines and equipment	-	-	-	(10,167)	1,348
Profit from the sale of a building	-	-	-	-	94,877
Reverse (provision) for cancellation of building sale	-	-	-	-	67,605
Profits from continuing operations	305,895	266,758	78,419	35,545	33,378
Profits from discontinued operations	-	-	-	6,403	(90,599)
Income before zakat and income tax from continuing operations	305,895	266,758	78,419	41,948	(57,221)
Zakat and Income Tax	(78,103)	(42,080)	(19,862)	(18,107)	(10,097)
Income for the period before Non-controlling interests	227,792	224,678	58,556	23,841	(67,318)
Non-controlling interests	17,855	21,437	26,051	22,494	10,038
Net profit attributable to parent Company for the year	245,647	246,115	84,607	46,336	(57,280)

7. The following table shows summarized consolidated balance sheet for the last five years:

Statement of Financial Position
(In thousands of Saudi Riyals)

Description	2020	2019	2018	2017	2016
Current Assets	2,202,722	2,535,849	3,284,200	1,102,846	1,097,339
Non-Current Assets	3,218,680	3,234,000	2,986,924	2,123,873	1,832,311
Total Assets	5,421,402	5,769,849	6,271,125	3,226,719	2,929,650
Current Liabilities	1,858,181	1,744,942	1,882,572	1,152,019	1,119,930
Non-Current Liabilities	1,793,939	2,537,790	3,116,316	858,048	651,957
Total Liabilities	3,652,120	4,282,732	4,998,888	2,010,066	1,771,887
Shareholders' Interests	1,527,479	1,237,387	1,014,463	939,464	890,572
Non-controlling interests	241,803	249,730	257,774	277,188	267,191
Total Liabilities and Equity	5,421,402	5,769,849	6,271,125	3,226,719	2,929,650

- 1) Total liabilities to total assets is 67% as at 31st December 2020, compared to 74% in 2019.
- 2) Current ratio (current assets/current liabilities) is 1.2 times as at 31st December 2020. Taking into consideration that the current ratio represents the group's ability to meet its short-term obligations.

Fifth: Business Segment Information:

The following table shows the segmental information of the Group in 2020 along with 2019:

Segment Information
(In thousands of Saudi Riyals)

As at 31st December 2020

Description	Publishing, digital and visual content	Advertising and Public Relations	Printing and Packaging	Others	Total	Elimination	Consolidated
Net Revenues	1,067,061	1,220,631	767,688	49,493	3,104,873	(844,779)	2,260,094
Gross Profit	213,409	422,356	127,415	17,252	780,433	(5,755)	774,678
Net Profit/Loss	24,695	330,761	(20,545)	(33,600)	301,311	(55,664)	245,647
Total Assets	2,179,020	4,828,112	1,671,990	771,009	9,450,131	(4,028,729)	5,421,402
Total Liabilities	2,374,665	3,102,301	969,249	822,733	7,268,948	(3,616,828)	3,652,120

As at 31st December 2019

Description	Publishing, digital and visual content	Advertising and Public Relations	Printing and Packaging	Others	Total	Elimination	Consolidated
Net Revenues	1,058,529	911,415	924,344	54,795	2,949,083	(539,440)	2,409,643
Gross Profit	130,933	449,115	131,064	19,433	730,545	(4,859)	725,686
Net Profit/Loss	(41,238)	383,320	(38,760)	(30,271)	273,051	(26,936)	246,115
Total Assets	1,758,329	4,104,487	1,787,003	776,245	8,426,064	(2,656,215)	5,769,849
Total Liabilities	1,707,034	2,944,379	1,063,099	829,228	6,543,740	(2,261,008)	4,282,732

The Group operates mainly in Saudi Arabia. The main markets for the group activities are Middle East, Europe and North Africa. The following table shows the revenues of the Group and its subsidiaries inside and outside Saudi Arabia.

Description	In thousands of Saudi Riyals	Percentage
Revenues generated inside the Kingdom of Saudi Arabia	1,731,371	%77
Revenues generated outside of the Kingdom of Saudi Arabia		
Middle East and North Africa (MENA)	455,569	%20
Africa, excluding North Africa	66,505	%3
Asia	4,179	%0
Europe and North America	2,470	%0
Total Revenues outside of the Kingdom	528,723	%23
Total Revenues	2,260,094	%100

Sixth: Zakat and statutory payments

The group and its subsidiaries are subject to Zakat and income tax laws in Saudi Arabia. The Group pays Zakat after closing all outstanding issues and reply to all questionnaires of the General Authority of Zakat & Tax (GAZT).

On the other side, the group maintain a provision to meet the tax obligations of the subsidiaries operate outside Saudi Arabia, if any. The following table shows all regulatory payments in 2020:

Description	Amounts paid during 2020 (in thousands of Saudi Riyals)
Zakat	42,505
Withheld taxes	9,687
General Organization for Social Insurance	15,172
Other regulatory payments	5,214
Customs	4,909
Total	77,487

Seventh: Shares and debt instruments held by the Group and its subsidiary companies

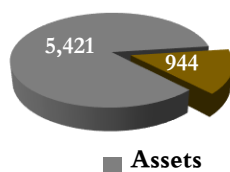
The Group and its subsidiaries own 42 million shares in Saudi Printing and Packaging Company, which represents 70% of SR 600 million capital paid.

Eighth: Credit Facilities details

The Group has credit facilities agreements with several banks in order to finance its investment plans and guarantee a sustainable cash flow for its operating plans.

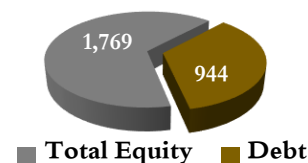
The group has a strong financial position in relation to its level of leverage. Total debt / total equity reached 53.4% in 2020 compared to 67.5% in 2019. In addition, the total debt to total assets reached 17.4% in 2020 compared to 17.5% in 2019.

Debt to total Assets 2020



In millions of Saudi Riyals

Debt to total equity 2020



• SRMG'S loans in 2020

Description	2020 (in millions of Saudi Riyals)	2019 (in millions of Saudi Riyals)
Saudi Research and Marketing Group	153	159
Saudi Printing and Packaging Co.	786	838
Total Loans	939	997
Finance Cost	5	7
Total Debt	944	1,004

• SRMG's loans movement in 2020 (Excluding SPPC)

(In thousands of Saudi Riyals)

Company	Type	Balance at the beginning of the year	added during the year	Amounts paid as settlement of the loans	Balance at the end of the year	Granting banks
Saudi Research and Marketing Group	Short-term loans	159,000	340,000	346,000	153,000	Saudi Fransi bank

Information related to Murabaha and loans (Saudi Printing and Packaging Company):

The following table shows information related to the consolidated loans of the Group and their movements during 2020:

	Principle Loan Amount	Balance at the Beginning of the Year	Balance added during the year	Amounts paid as settlement of the loans	Balance at the end of the year	Loan duration (in years)	Granting bank
	(000's of SR)	(000's of SR)	(000's of SR)	(000's of SR)	(000's of SR)	(000's of SR)	(000's of SR)
Short-term loans	876,256	517,000		59,036	457,964	4-7 years	More than one bank
Long-term loans	308,105	326,419	425,497	420,346	331,570	1 year	More than one bank
Total	1,184,361	843,419	425,497	479,382	789,534		

- The movement of Murabaha and loans (Saudi Printing and Packaging Company) used for operational and investment purposes is summarized as follows:

	2020	2019
Balance at the beginning of the year	843,419	977,460
Add: proceeds during the year	425,497	596,097
Less: repayments during the year	479,382	730,138
Balance at the end of the year	789,534	843,419

- Due loans (Saudi Printing and Packaging Company)

	2020 (in thousands of Saudi Riyals)	2019 (in thousands of Saudi Riyals)
Less than one year	331,570	326,419
From one to two years	181,085	102,510
From two to five years	276,879	309,230
More than five years	-	105,260
Total	789,534	843,419

- Total Murabaha and loans (Saudi Printing and Packaging Company) are summarized as follows:

	2020 (in thousands of SR)	2019 (in thousands of SR)
Short-term loans (STL)	331,570	517,000
Long-term loans/financing investments (LTL)	457,964	326,419
Total	789,534	843,419

- The balance at the end of 2020 AD between internal and external banks (Saudi Printing and packaging company) is summarized as the following :

	(thousands of Saudi Riyals)	Percentage	Granting bank
Saudi's Banks	390,531	%49,5	Alinma Bank, Banque Saudi Fransi, Saudi British Bank, Riyadh Bank
Foreign Banks	399,003	%50,5	Abu Dhabi Islamic Bank, Dubai Islamic Bank, Emirates Islamic Bank, First Abu Dhabi Bank
Total	789,534	%100	

Ninth: Clarifications for any deviations from the accounting standards endorsed by the Saudi Organization for Certified Public Accountants

The consolidated financial statements for the Company, along with the standalone financial statements for the subsidiaries are prepared in accordance with International Financial Reporting Standards (IFRS) and the directives issued by the Saudi Organization for Certified Public Accountants. Moreover, these financial statements have been audited in accordance with the International Standards on Auditing (ISAs), noting that the financial statements are in compliance with IFRS.

**The dividends Policy and
Recommendations of the Board of
Directors**

First: Dividends distribution policy

On 29/12/2020, the Group updated its dividend distribution policy, and obtained approval on it from the Board of Directors in accordance with the articles of association and the relevant regulations.

First: this policy clarifies how profits are to be distributed if they are realized, in a way that serves the interests of the shareholders and the Company, in accordance with the Company's articles of association.

Second: The Company's articles of association clarify the percentage of net profits to be distributed as dividends to shareholders, after deducting the statutory reserve and all other reserves. The Company shall commit to allocate a statutory reserve, along with other reserves, taking into consideration the Company's financial position, prevailing market and economic conditions, and any other factors, including but not limited to the existence of investment opportunities, the potential for business, and other regulatory considerations.

Third: in the event that approval is obtained to distribute profits, dividends shall be distributed from the Company's net profits after deducting all general expenses and other costs as follows:

1. 10% of net profits is allocated to the statutory reserve, noting that, based on a recommendation from the Board of Directors, the Ordinary General Assembly may halt these allocations as soon as the mentioned reserve exceeds 30% of the Company's capital.
2. Based on a recommendation from the Board of Directors, the Ordinary General Assembly may allocate no more than 10% of net profits to form a consensual reserve for various purposes.
3. Whilst determining the Earnings per Share, the Ordinary General Assembly may decide to form other types of reserves, to the extent that this achieves the Company's interests, or to the extent that this would ensure the distribution of fixed profits to the shareholders. The mentioned General Assembly may also deduct certain amounts from the Company's profits to establish/create various social institutions for the Company's employees, or to support any existing institutions.
4. Based on the recommendation of the Board of Directors, the General Assembly may distribute the remaining amounts, at a rate of no less than 5% of the paid-in-capital. The Company may also distribute interim dividends to its shareholders, on a semi-annual or quarterly basis, after meeting the requirements and regulations in this regard. These dividends, whether they are from the Company's net profits or if they are interim dividends, are to be paid based on a decision clarifying the due dates and the dates of distribution. Shareholders that are registered in the Company's shareholders' records at the end of the day specified for distribution shall be eligible to receive these dividends, within the period specified in the decision. All other exceptions are to be decided upon based on the articles of association.

Fourth: Distribution of dividends for preferred shares

1. If no dividends have been distributed for any fiscal years, profits may not be distributed for the subsequent years until after the specified percentage for the current year has been paid to preferred shareholders, in accordance with article No. 114 of the Companies' Act.
2. In the event that the Company fails to pay the specified percentage for a period of three consecutive years in accordance with article No. 114 of the Companies' Act; a Special Assembly made up of these shareholders, and held in accordance with article No. 89 of the Companies' Act, may decide for its members to attend the meetings of the Company's General Assembly and to participate in voting, or to appoint representatives in the Board of Directors in proportion to the value of their shares in the Company's capital. This shall continue until the Company is able to pay all dividends allocated to preferred shareholders for the previous years.

Fifth: Shareholders are entitled to their share in the Company's profits based on a decision taken by the General Assembly related to the distribution of profits, or based on a decision passed by the Board of Directors to distribute interim dividends. The decision shall specify the date that these dividends are due to be paid, provided that the decision is implemented in accordance to the controls and regulatory procedures stipulated within the Companies' Act for enlisted joint-stock companies.



Second: Non-distribution of dividends for the year 2020

The Group decided not to distribute dividends for the fiscal year of 2020, in order to strengthen its investments.

Third: Recommendations of the Board of Directors:

The Board of Directors of the Saudi Research and Marketing Group is pleased to invite its distinguished shareholders to hold the Extraordinary General Assembly at 10:30 pm on Thursday, 17-09-1442, corresponding to 29-04-2021.

In order to discuss the following points of the agenda:

1. To vote on the Board of Directors' report for the fiscal year ending on 31/12/2020.
2. To vote on the Company's auditor report for the fiscal year ending on 31/12/2020.
3. To vote on the consolidated financial statements for the Company for the year ending on 31/12/2020.
4. To vote on absolving the Board members for all of their actions during the fiscal year ending on 31/12/2020.
5. To vote on appointing an auditor for the Company from amongst the candidates, based on a recommendation from the Audit Committee, in order to examine, review and audit the financial statements for the second and third quarters, and for the fiscal year of 2021, along with the first quarter of 2022, and to determine the auditor's fees.
6. To vote on paying the amount of (2,400,000) to members of the Board of Directors of the for the year ending on 31/12/2020.
7. To vote on paying the amount of (952,500) to sub-committees of the Board for the year ending on 31/12/2020.
8. To vote on amending article No. 2 of the Company's articles of association, concerning the name of the Company.
9. To vote on electing Board members, from amongst the nominated candidates, for the subsequent session starting from 21-05-2020 and ending on 20-05-2024 (for a period of three years).
10. To vote on forming the Audit Committee and specifying its tasks and the framework of its work, along with the remunerations to be paid to its members for the subsequent session starting from 21-05-2021 and ending on 20-05-2024.
11. To vote on contracts and transactions with related parties.

God is the Arbiter of Success,,,,,,