

BUILDING A
GLOBAL MEDIA
**COMPANY OF
THE FUTURE**

ANNUAL REPORT 2021

الملك



The Custodian of the Two Holy Mosques
King Salman Bin Abdulaziz Al Saud



His Royal Highness Crown Prince
Mohammad Bin Salman Bin Abdulaziz Al Saud

TABLE OF CONTENTS

01	INTRODUCTION	06
	Chairman’s Statement	08
	CEO’s Message	10

02	OVERVIEW	12
	About SRMG	14
	Historical Timeline	16
	Performance Snapshot	18
	Year in Review	20

03	STRATEGY AND BUSINESS REVIEW	22
	Strategy	24
	Business Review	26
	SRMG Media	28
	SRMG International	32
	SRMG Think	34
	SRMG X	36
	SRMG Labs	38
	Case Study – Thmanyah	40
	Financial Review	42
	Our People	44
	Corporate Social Responsibility	46

04	GOVERNANCE	48
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INTRODUCTION

01

Chairman's Statement	08
CEO's Message	10

Chairman's Statement



Eng. Abdulrahman Ibrahim Al-Ruwaita
Chairman

On behalf of SRMG's Board of Directors, it is my pleasure to present our annual report for the year ended 31 December 2021.

In keeping pace with the ever-changing media landscape and the technological developments witnessed around the world today, we took major strides during the year to revamp, restructure, and expand our business activities within the framework of a fundamental strategic overhaul that draws on our five-decade legacy to re-define the Group's vision and future trajectory.

In 2021, we launched a transformation strategy centered around diversification, digitization, and international expansion, and created five distinct yet synergistic verticals to harmonize and integrate our global business activities. Despite the recent launch of this strategic framework, we have already begun venturing into new industry segments, executing strategic initiatives, attracting new world-class talent, and achieving strong financial growth. The Group is better positioned than ever to realize its global ambitions and reinforce its status as an industry pioneer in the Middle East and beyond.

Furthermore, we continue to uphold the highest standards of accountability, transparency, governance, and regulatory compliance in our internal operations and external communications alike.

Finally, I would like to express my utmost gratitude to our people for their relentless dedication and unabated energy as we carve a new path forward inspired by a fresh approach and a renewed vision.

CEO's Message



Ms. Jomana Rashed Al Rashid
Chief Executive Officer
and Member of the Board

Reflecting on the Group's developments and achievements over the past year, we will remember 2021 as a turning point in SRMG's history as we set sights on a new ambitious vision for the future. In 2021, SRMG unveiled a transformation strategy seeking to re-imagine its role and scope as a media group and to spark a paradigm shift in the local and regional landscape for media and information, content creation, and consumer experiences.

Empowered by our new vision, we aim to reinforce SRMG's standing as an industry pioneer, diversify business activities, and maximize shareholder value through three primary pillars: first, bolstering and digitizing our current platforms to foster a diversified and integrated media portfolio; second, entering new industry segments such as conferences and events, book publishing, research, and polling; finally, devising an investment framework to target strategic opportunities in media- and tech-centric companies across all investment stages (incubations, start-ups, and mature companies) regionally and internationally.

Furthermore, SRMG has established five core verticals to streamline and organize its business activities: **SRMG Media** — home to all of the Group's media platforms — aims to digitize and enhance SRMG's existing portfolio and expand it to include new and diverse forms of content; **SRMG X** aims to deepen the relationship between our platforms and their audiences through events, exhibitions, and conferences; **SRMG Think** provides research and advisory, and in-depth insights and analytics in addition to innovative book publishing solutions through Raff Publishing; **SRMG Labs** is a creative, innovation, and R&D arm dedicated to the design and development of new media technologies, products, and platforms; **SRMG International** targets strategic investments and partnerships with globally renowned brands and facilitates exchanges of knowledge and expertise with international partners.

Aside from launching a new strategy, SRMG achieved another major milestone in 2021 — appointing a new management team. During the year, SRMG recruited top-tier executive and managerial talent as part of its efforts to construct a dynamic leadership team befitting its diverse and integrated operations. SRMG's new organizational structure has proven successful in streamlining operations, minimizing execution risks, and achieving cost optimization.

2021 was not merely a year of abstract visionary planning. On-the-ground execution is well underway, and we have already registered several achievements to that end, with Asharq and Asharq Business with Bloomberg emerging as prominent examples. Our Asharq network quickly ramped up in 2021, achieving strong momentum and surpassing competing Arabic news platforms in market share during the year. The Asharq network also boasts high user engagement levels as indicated by the average duration of viewers' sessions, demonstrating the quality of the network's content and coverage. Moreover, Asharq Business with Bloomberg has amassed a sizable following on social media platforms, making it the leading source of business, economic, and financial news across the Arab world.

SRMG saw several other notable achievements in 2021. The Group launched Manga Arabia Kids and Manga Arabia Youth (collectively known as Manga Arabia) in partnership with leading Japanese publishing houses, featuring translated Japanese works as well as original Arabic production developed by in-house creatives and authors. The publication's popularity gained rapid traction and exceeded all expectations as it achieved nearly a million app downloads and distributed more than two million print copies in less than five months. In addition, Independent Arabia expanded its multimedia content offerings to include podcast programs and documentaries covering trending and captivating topics. SRMG has also acquired a majority stake in Thmanyah, a leading producer of Arabic podcasts and original Arabic documentaries in the region.

Our focus during the year spanned more than the Group's products and platforms. We also enhanced the breadth and quality of our services, expanded our client base, and strengthened relations with our strategic partners. Our broad range of services now include audio-visual content production, platform development, conferences and exhibitions, public relations, creative and marketing services, development of media strategies, digital media, print and digital book publishing and distribution, as well as research and analytics services. The Group has also appointed Saudi Media Company (SMC) as its exclusive media representative to manage commercial advertising sales for all our platforms across audio-visual, digital, and print formats.

Our achievements in 2021 lay the foundation for a promising future as we set in motion our transformational vision and strategy. The momentum of our success and progress testifies to the quality and invaluable contributions of our people, who have spared no effort in solidifying our long-standing legacy and propelling it forward. We maintain our unrelenting commitment to attracting, cultivating, and retaining world-class executive, editorial, and creative talent.

SRMG looks ahead with enthusiasm and anticipation. Fortified by a legacy as an industry leader and storyteller, and guided by an ambitious vision for the future, we are well equipped to seize new opportunities and drive transformation within SRMG and across the regional landscape. We are committed to strengthening and broadening our engagement with global audiences and partners, and we strive to continue delivering premium, diverse, and rich content and experiences to audiences at home and abroad.

Finally, I would like to extend sincere thanks and appreciation to every member of the SRMG team for their collective impact and contribution as we chart a new course towards more innovation, growth, and prosperity.



OVERVIEW

02

About SRMG	14
Historical Timeline	16
Performance Snapshot	18
Year in Review	20

About SRMG

We take pride in being industry pioneers and look forward to ushering SRMG’s legacy into a promising new chapter inspired by a renewed vision of growth and expansion.

Over the past five decades, our media platforms have kept pace with regional and global events and documented them through premier, enriching, and impactful content to audiences around the world. Our media portfolio and content offerings have expanded considerably since our genesis in 1972 when Saudi Research and Publishing Company was established. Today, SRMG houses more than 30 platforms covering politics, economy, sports, and general news across multiple languages and formats. Our portfolio includes some of the most iconic publications in the Arab region such as Asharq Al-Awsat, Arab News, Sayidaty, and Hia. Through our unrelenting efforts to attract and cultivate the best talents and thought leaders, we are home to a vast community of esteemed journalists, writers, and content creators comprising more than 2,000 employees, spanning 18 cities around the world.

SRMG’s history is paved with an extended record of firsts and industry-defining milestones. We launched Saudi Arabia’s first-ever English language newspaper, and we were the first to launch a pan-Arab women’s weekly and the first to introduce colour newspapers to the region. We pride ourselves on being a destination for top talent and a leading content source.

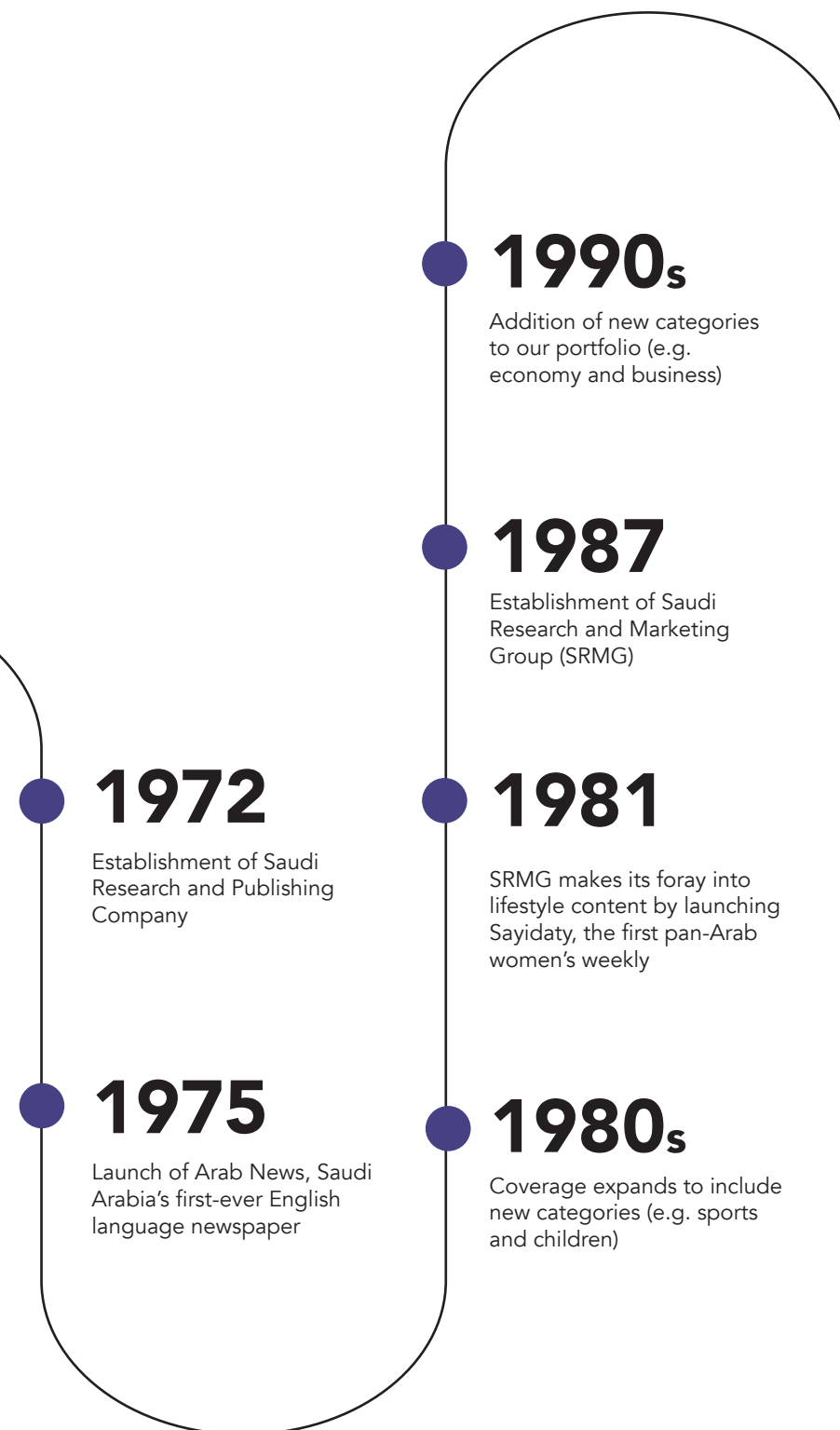
Drawing on our legacy as pioneers and enablers of change, we aim to be at the forefront of a modern and dynamic media landscape. We are harnessing the best human talent, data, and technology to grow our network and continue to explore more innovative and meaningful ways to capture the diverse interests of contemporary audiences in the Middle East and beyond.

SRMG in Numbers

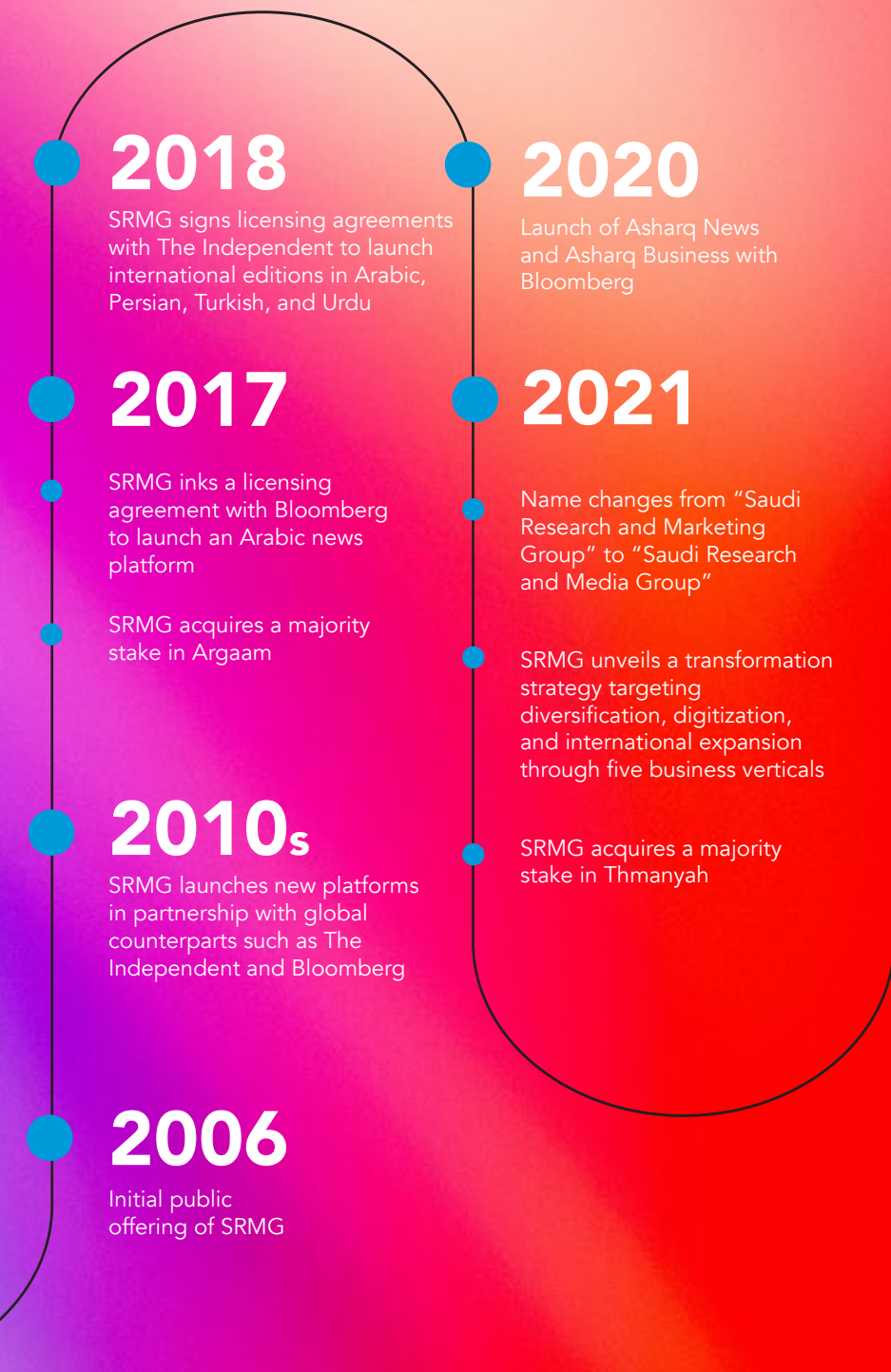
1972 OPERATIONAL SINCE	38+ NATIONALITIES
2,000+ EMPLOYEES	18 OFFICES
11 COUNTRIES	30+ TITLES
4 CONTINENTS	25+ WEBSITES



Historical Timeline

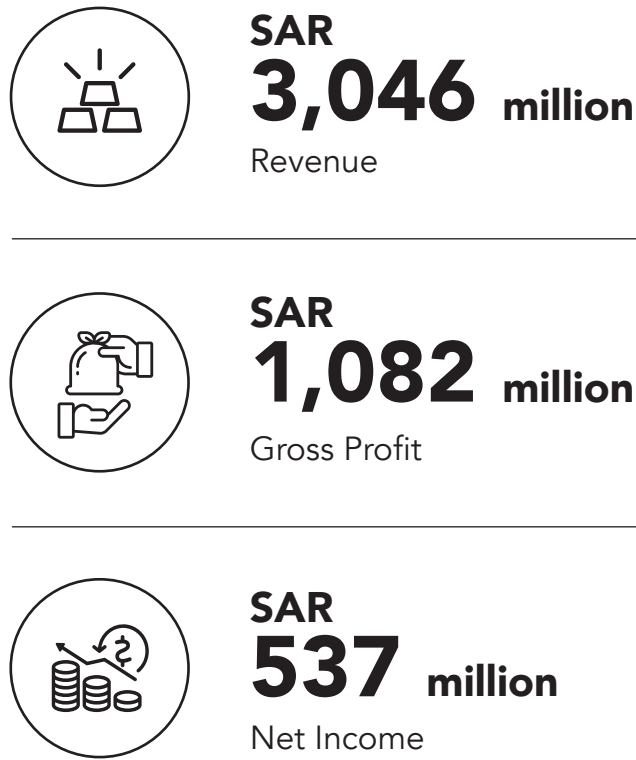


50 Years of leadership and relevance in the worlds of journalism, content creation, and storytelling.

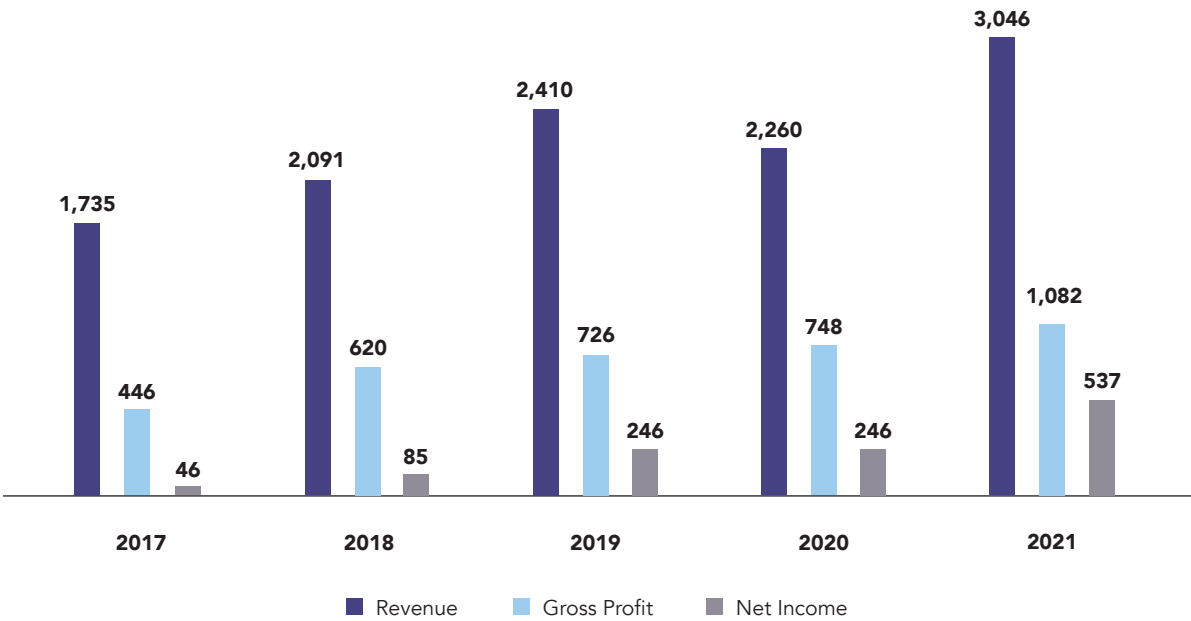


Performance Snapshot

Key Financial Highlights as of 31 December 2021



Group Financial Performance (SAR million)



Year in Review

MAY

SRMG changes its name from "Saudi Research and Marketing Group" to "Saudi Research and Media Group"

AUG

Launch of Manga Arabia in partnership with leading Japanese publishers of manga content, featuring translated Japanese works as well as original Arabic production developed by in-house creatives and infused with authentic Saudi and Arab culture

OCT

Launch of Raff Publishing, a modern publishing house adopting innovative business models, cutting edge technology, and international partnerships to fulfil readers' demand in the region for original, relatable content and to create a supportive ecosystem for authors and writers

JUL

SRMG unveils a transformation strategy targeting diversification, digitization, and international expansion through five business verticals

SRMG acquires a majority stake in Thmanyah

SEP

SRMG signs a memorandum of understanding with the Ministry of Education for free distribution of Manga Arabia Kids in digital and print formats to primary and middle schools throughout Saudi Arabia

NOV

SRMG appoints Saudi Media Company (SMC), a leader in digital advertising sales across the Middle East, as exclusive media representative to manage commercial advertising sales for all SRMG platforms across digital, audio-visual, and print formats



STRATEGY AND BUSINESS REVIEW

03

Strategy	25
Business Review	26
SRMG Media	28
SRMG International	32
SRMG Think	34
SRMG X	36
SRMG Labs	38
Case Study – Thmanyah	40
Financial Review	42
Our People	44
Corporate Social Responsibility	46

Strategy

In 2021, SRMG launched a transformation strategy seeking to re-imagine its role within today's evolving media landscape.

Through a new strategic framework, SRMG aims to develop and digitize its current media portfolio, expand its international footprint, and strengthen its interconnectedness with the global media scene through strategic partnerships and investments.

SRMG has established five core verticals to expand and streamline business activities, broaden global operations, and enable creativity and innovation. Guided by a new vision, SRMG aspires to transform the media industry and propel it towards a new digital age by focusing on digital-first platforms,

diversifying content offerings, adopting an audience-centric approach, and leveraging technology and data to spur innovation and seize new opportunities.

This strategic overhaul marks a pivotal point in SRMG's long-standing history. We are excited by the opportunity to carve new avenues for growth, reinforcing our engagement with audiences around the world and further solidify our status as pioneers and industry leaders.

srmg media

Digitizing and expanding our media portfolio to deliver rich and credible multi-media content to audiences around the world

srmg INTERNATIONAL

Building an expansive international network through bespoke partnerships and strategic investments with globally renowned brands and, driven by a team of seasoned professionals with global expertise

srmg THINK

Providing in-depth research and advisory services covering a broad spectrum of regional and global topics including data analytics, market research, literary work, and publishing solutions

srmgx

Deepening the relationship between our platforms and their audiences through events, exhibitions, and conferences

s r m g l a b s

Fostering technology, talent, and innovation to nurture the regional creative ecosystem in addition to training the next generation of media professionals, journalists, and content creators

Business Review

The media house of the future

srmo media	Publishing, Broadcasting, and Audio-Visual Media	01
srmo <small>INTERNATIONAL</small>	International Investments and Partnerships	02
srmo THINK	Research, Advisory, and Book Publishing	03
srmo x	Events, Conferences, and Exhibitions	04
<div>s r m g l a b s</div>	Innovation and Digital Capabilities	05



SRMG Media

Digital Platforms, Podcasts, and Multimedia

Digitizing and expanding our media portfolio to deliver rich and diverse multi-media content to audiences around the world.

Over the years, SRMG has been known as the leading and most distinguished publisher in the Arab world housing some of the largest and most prestigious publications, covering the key events in the Arab world. We reach our audience through reliable and accurate news and information prepared by elite writers, journalists, and editors. On many fronts, SRMG is a pioneer, publishing the first English-language newspaper in Saudi Arabia, “Arab News”, and the first to publish a magazine that primarily targets Arab women, Sayidaty magazine, and the first to use color in printing.

The rapid pace of change in the media sector, driven by technological advancements, has led to a fundamental change in the way content is created and consumed by our target audiences.

Changes in the Media Landscape

Multimedia Formats

The digital revolution that began in the early 2000s has redefined the publication sector. Beyond quality and credible content, the change necessitated the adoption of different formats to target different consumers and audiences. When publications and content creators combine reliable, quality journalism with data and tech-savvy distribution methods, the result is the delivery of the preferred content to the preferred consumer through their preferred medium.

Data Analysis

The digital revolution has created a wealth of data to help better understand consumer interests and behavior. This led to a number of variables, the most important of which are; Ability to segment readers according to their precise interests, transitioning to specialization and away from generality; and a more scientific approach for content creators to understand engagement and impact.

Social Media

The social media revolution changed the news creation and distribution landscape. The amount of content available

grew exponentially, as content creators were able to distribute their content freely outside traditional news media outlets. These developments have had both positive and negative implications on the sector.

While audiences now have access to a much larger amount of content through a rise in content creators, journalistic standards were not followed, raising questions about facts and reliability. This development increases the responsibility of established media institutions to excel through best practices and the reporting of accurate information with integrity.

What we will do in 2022

Defining SRMG Media as one of the Group’s core business pillars was propelled by changes in the media landscape. These changes require clear and comprehensive plans that would further develop our platforms. Key elements include:

- **Digitizing the group’s platforms:** to produce qualitative, exclusive and compelling content for target segments. This transformation includes operational and organizational restructuring, work manuals, refining skills, leveraging data, and the adoption of multimedia and social media platforms
- **Multimedia channels:** development of different channels with different distribution methods (such as social media or audio-visual) to meet the preferences of each target segment
- **Developing the positioning of platforms:** what distinguishes contemporary platforms is their positioning and style, where the transfer of news varies from one platform to another according to the style based on the target segment. What determines success is the ability to identify the distinctive and appropriate style of the followers according to the data
- **Development of services:** group’s platforms produce visual, audio, and readable content daily, enabling it to invest in production capabilities and capacities that it can offer to 3rd parties
- **Investing in skills development:** skills required in the media sector today are constantly evolving to include

- production capabilities, use of social media platforms, data analysis, and other modern content creation skills
- **Investing in emerging platforms:** adopt the creative and innovative ideas inherent in the young men and women of the Arab world, as demonstrated through our

- acquisition of Thmanyah, the leading Arabic podcast platform
- **Strategic partnerships:** in partnership with SRMG International, establish strategic partnerships that provide access to expertise and best practices



Group Publications



Portfolio Sample

Asharq Al-Awsat

Launch: 1978

Asharq Al-Awsat is the world's premier pan-Arab title, with strong presence and readership across the globe. Launched in London in 1978, Asharq Al-Awsat has established itself as the leading regional publication on pan-Arab and international affairs, offering its readers in-depth analysis and exclusive editorials, as well as the most comprehensive coverage of the entire Arab world and global issues.

Asharq Al-Awsat's success and impact can be attributed to its dedicated and experienced team of skilled journalists, editors, and columnists, who have years of experience delivering top-tier news and analysis. Balanced and comprehensive, Asharq Al-Awsat is the preferred Arabic-language title known for conducting in-depth interviews with prominent and influential personalities.

Asharq Al-Awsat covers events through a network of bureaus and correspondents throughout the Arab world, Europe, the US and Asia, providing its readers and viewers with the most relevant and impactful content from around the globe.

Asharq and Asharq Business with Bloomberg

Launch: 2020

Asharq Business with Bloomberg is a 24-hour network specializing in the delivery of Arabic business, financial, and economic news. The network is headquartered in Riyadh with core bureaus in Dubai and Washington. Through its multi-platform presence, Asharq provides credible and sophisticated coverage of business news spanning the Middle East and the world. Asharq boasts an extensive network of offices and journalists in key global markets and

through a licensing agreement with Bloomberg, has access to content provided by more than 2,700 journalists and analysts around the globe. Asharq aspires to become the leading Arabic business news platform for industry leaders and youthful generations through extensive coverage and unmatched credibility via multi-platform content offerings.

Arab News

Launch: 1975

Arab News is Saudi Arabia's first English-language newspaper launched out of Jeddah in 1975. Arab News is "the voice of a changing region" and is popular among a large and diverse audience across the Arab world and beyond, featuring the latest global stories and coverage. It was the first newspaper to provide an Arab perspective in English on a wide range of national, regional, and global issues through its diverse collection of columnists. Arab News also has the following online editions: Arab News Pakistan, Arab News Japan, and Arab News en Francais.

Argaam

Launch: 2007

Argaam is the Arab world's leading financial news portal, delivering real-time updates on financial markets and macro-economic data. In April 2015, Argaam launched its Arabic/English language subscription-based service, providing subscribers and readers with market data, in-depth analysis and exclusive interviews, as well as coverage of stocks listed across the Gulf. Its subscribers include C-level executives, analysts, fund managers and investors. SRMG acquired a controlling stake in Argaam in 2017.

Sayidaty

Launch: 1982

Sayidaty is a leading Arabic lifestyle title. It was the first pan-Arab women's weekly title and is widely distributed throughout the Middle East, North Africa, Europe and the US. It was established in 1981 as a weekly printed publication and has today become the digital destination of choice through its multiple verticals, including Sayidaty Kitchen and Sayidaty Cars.

Hia

Launch: 1992

Hia is an Arabic monthly magazine that has established itself as the No.1 title of choice for the affluent Arab woman. The title addresses topics of interest, including haute couture, beauty, jewelry, health, travel, art, community service and more.

Independent Arabia

Launch: 2019

Independent Arabia is a licensing agreement between SRMG and The Independent. The title is the Arabic version of the British newspaper and is led by more than 75 seasoned journalists, reporting from London, New York and multiple Arab cities.

SRMG International

International Investments and Partnerships

Building an international network through bespoke partnerships and strategic investments with globally renowned brands and driven by a team of seasoned professionals with global expertise.

As a global media player, SRMG constantly seeks to strengthen and widen its global industry network in order to reach a wider audience base and grow its international footprint. SRMG aims to become the partner of choice for renowned brands and innovative companies seeking partnerships in MENA, as well as an investor and enabler for global players pursuing their growth ambitions.

SRMG International is the channel through which we oversee our international relationships and scout new strategic opportunities with global brands by way of partnerships,

investments, and collaborations. Led by a team of professionals with global expertise, SRMG International seeks opportunities that complement our broader portfolio and serve the diverse interests of our clients and audiences.

The accelerated rate of change and disruption in Media and technology create opportunities for SRMG International to partner and invest in highly innovative and high growth companies. SRMG is determined to stay at the forefront of these changes and will explore opportunities in the most promising developments in digital media, production,

Bloomberg



INDEPENDENT



Robb Report

Adtech, and web3. The SRMG International team is well positioned to identify the right opportunities that will enable synergistic and growth-focused partnerships for SRMG.

Working alongside SRMG leadership, the team ensures the successful integration of all investments and partnerships throughout their lifecycle within the Groups' platform and seeks to enhance the breadth and diversity of our existing media portfolio in collaboration with exceptional global brands.

We aim to source partnerships and investment opportunities in key focus markets including the US, Europe, and MENA in order to diversify our portfolio and unlock new growth opportunities. Our partnerships with Bloomberg, The Independent, and leading Japanese manga publishing houses are notable examples of strategic partnerships as they have created opportunities to enhance content offerings and facilitate valuable exchanges of knowledge, expertise, and technology.

SRMG Think

Books, Research, and Polling

As the hub for in-depth perspectives from the MENA region, SRMG THINK provides research and advisory services covering a broad spectrum of regional and global topics. It also brings new perspectives, stories, and information through its innovative book publishing company.

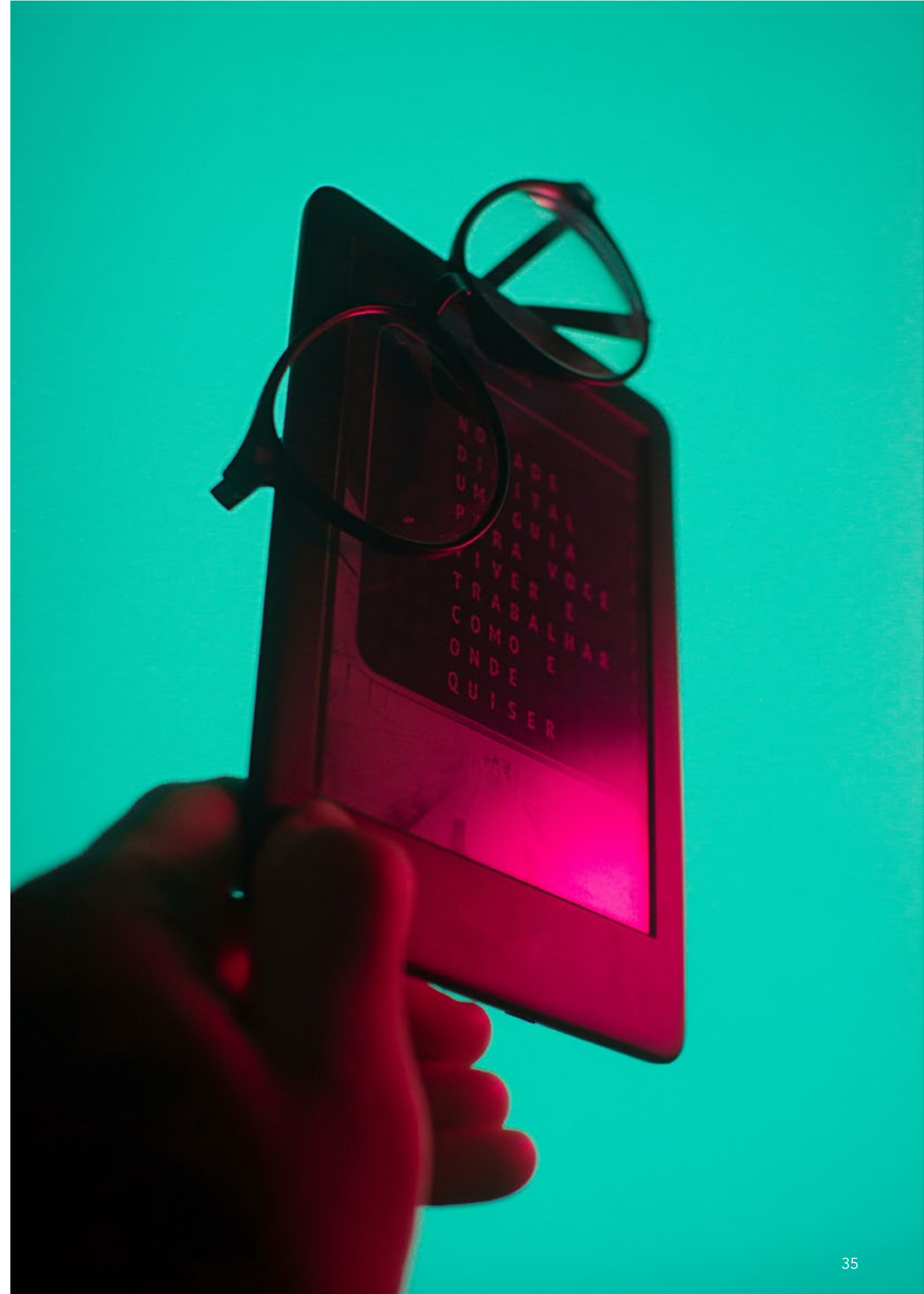
Building on its role as a leading source of credible information in the region, SRMG has launched a new vertical aimed at bolstering the Group's existing research capabilities. Through its work, SRMG THINK solidifies SRMG's positions as a driver of innovation, thought leadership, research, and provider of insights and actionable information. This new vertical also focuses on innovative book publishing through the adoption of a fresh business model, the utilization of cutting-edge technology, and garnering international partnerships. It aims to fulfil regional and global readers' demand for original and relatable content from MENA while supporting the region's publishing eco-system.

SRMG Think operates through two distinct offerings:

Book publishing: SRMG has established "Raff Publishing" to serve as the Group's book publishing arm. Through its modern and innovative approach, "Raff Publishing" enhances the reader's experience and enables them to access the region's best authors, researchers, and storytellers. It has also signed multiple agreements with

globally renowned publishing houses to bring international best-selling books to Arabic-speaking audiences through multiple formats. Guided by the Group's transformation strategy, "Raff Publishing" plays a leading role in disrupting the regional publishing industry through its commitment to quality, high editorial standards, and the adopting of innovating technology and formats.

Research and advisory services: Drawing on SRMG's existing research capabilities and in line with the Group's digitization and expansion plans, SRMG has launched a company focusing on the delivery of in-depth research and advisory services to support decision-makers in the public and private sector. With actionable analysis, insights and data, the business specializes in a broad range of the most pertinent issues facing the world while providing a lens from the region on topics such as macro-economics, geo-politics, energy, and media policy. Through the launch of this new business, SRMG Think strives to unlock new revenue streams for the Group by meeting the increasing demand for nuanced analysis and research from the commercial and public sectors.



SRMG X

Events, Conferences, and Exhibitions

Deepening the relationship between our platforms and their audiences through events, exhibitions, and conferences.

Audience engagement has always been at the core of SRMG’s mission. Over the past five decades, our brands and platforms were fortunate to attract millions of eager viewers and followers across the Arab world and beyond. Recognizing the human need to seek personal connection with the content we consume, we launched SRMG X with the aspiration to become the leading event organizer in MENA. SRMG X provides a comprehensive suite of offerings to create deeper engagement and monetization opportunities.

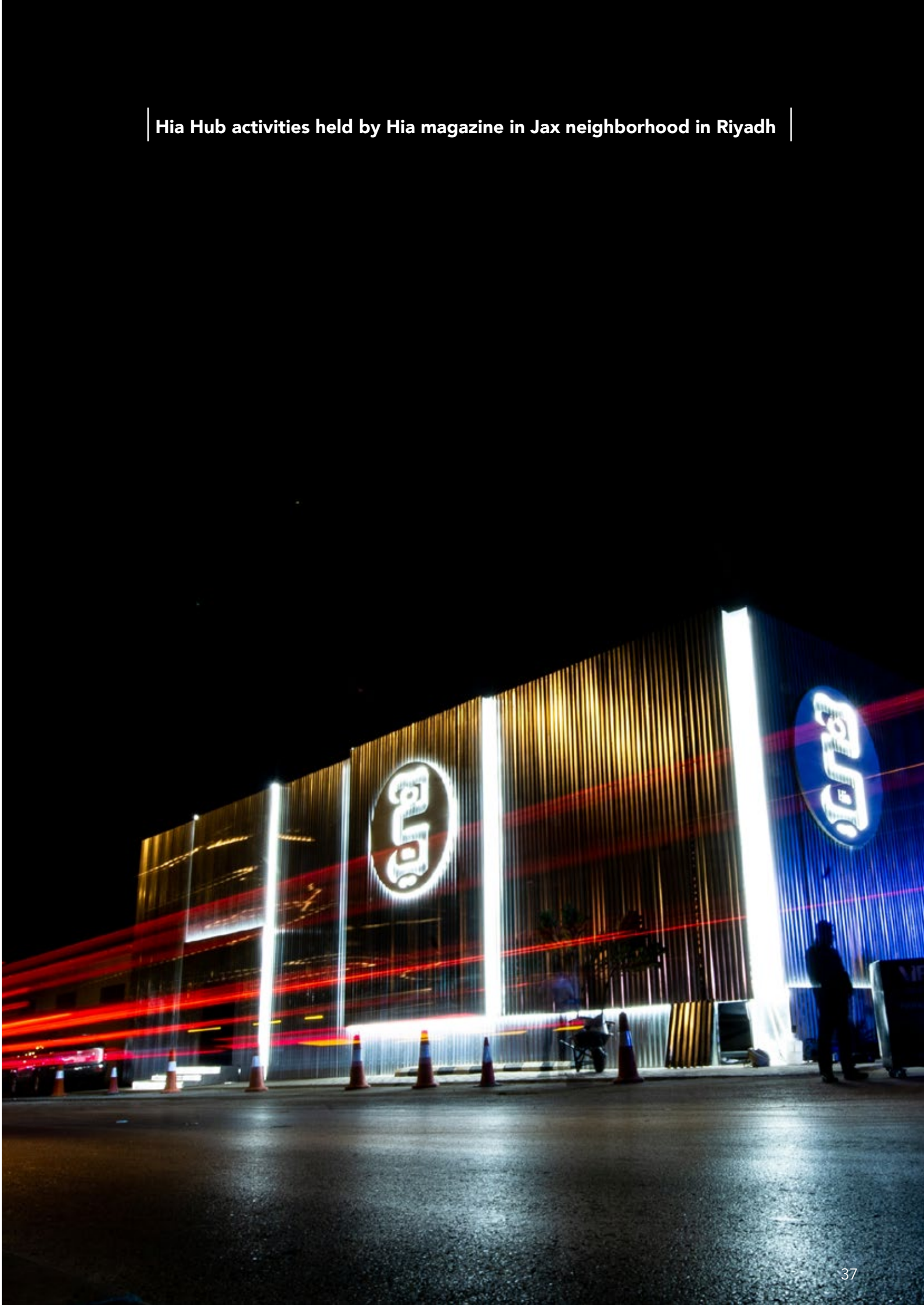
We will leverage our brands, platforms, and global network to achieve the following:

- Premium events for SRMG’s own IP and publications
- Partner of choice for leading international events in the MENA region
- Event organizer of choice for clients

SRMG X launched in 2021 by organizing Hia Hub and Sayidaty Glasshouse, a series of events that brought together the most prestigious names in luxury, fashion, and art. The two activations brought together opinion leaders and over 2,200 attendees as well as 40 million online impressions.

The events industry presents a compelling opportunity for SRMG to diversify into fast growing and highly lucrative sectors. The global events industry is expected to grow by over 10% to exceed \$1.0 trillion by 2025. Enabled by Vision 2030 opportunities and initiatives, the Saudi market in particular is growing at an even faster pace and is expected to exceed \$10bn by 2025. SRMG will leverage its brands, expertise and global network with the aim of becoming a leading player in this space, creating monetization opportunities and further engagement with our partners, audiences, and advertisers.

Hia Hub activities held by Hia magazine in Jax neighborhood in Riyadh



SRMG Labs

Innovation, Incubation, and Training

Fostering technology, talent, and innovation to nurture the regional creative ecosystem in addition to training the next generation of media professionals, journalists, and content creators.

SRMG Labs is the incubation, innovation and R&D arm of SRMG. It is mandated with continuously updating and upgrading our products and brands with cutting-edge technology and user experience. In addition to bolstering our current brands, SRMG Labs also ideates, tests, and introduces new features and products for the Group to continuously grow and diversify its digital offerings. We are also committed to training the next generation of media professionals and content creators in new technologies and techniques.

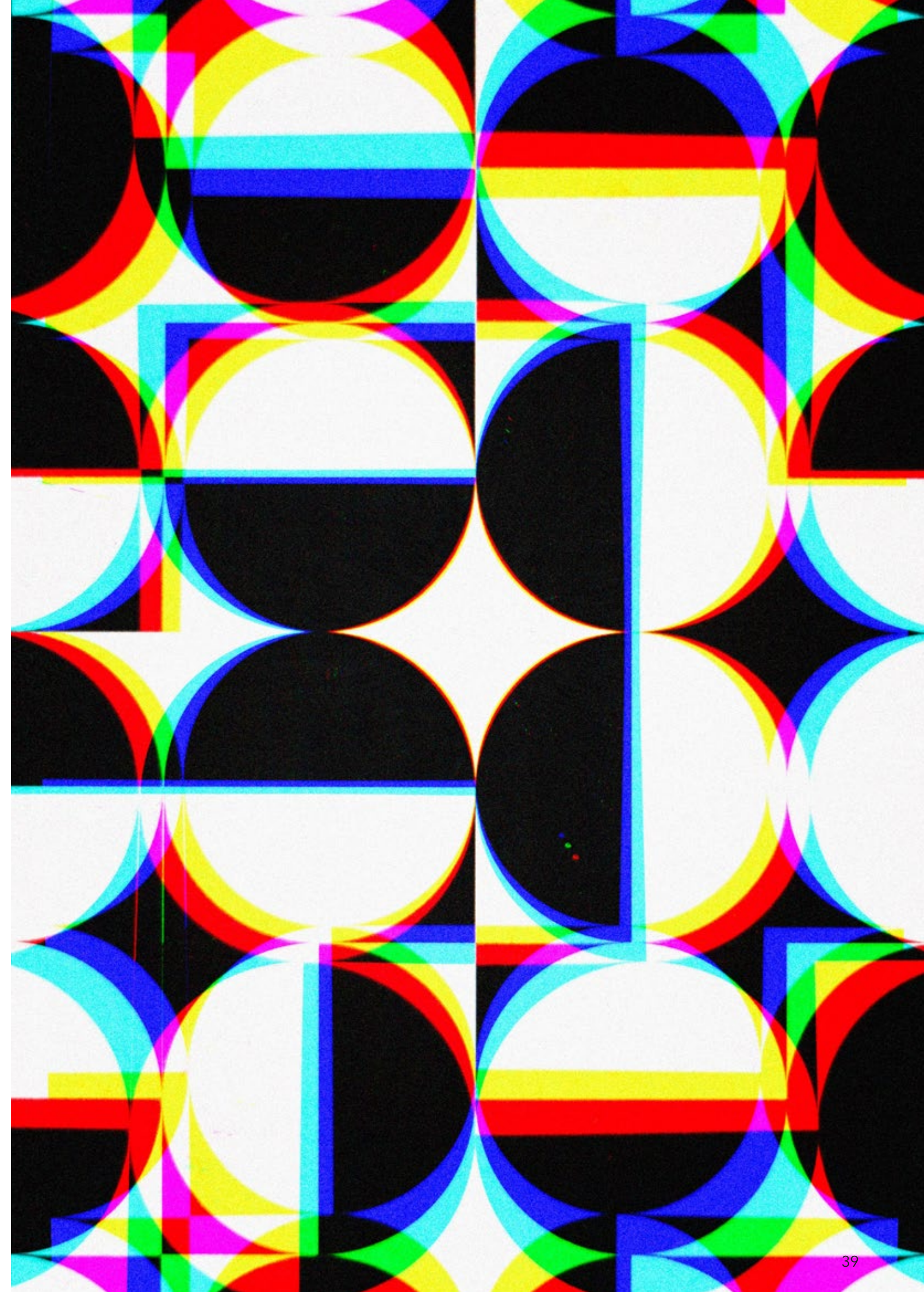
In addition to creating ideas, concepts, products, and services for SRMG, the Labs team will deploy its creative and innovative capabilities to support commercial partners, creating a new revenue stream for SRMG.

Labs will also offer SRMG team members and the general public access to learning and development opportunities across all aspects of media and content creation.

Supported by SRMG International's network, Labs will also connect with and learn from our partner brands to offer the highest quality practical knowledge, expertise, and best practices when in domains of media, journalism, and creativity.

As the world of media transforms at accelerating speed, SRMG Labs ensures that we not only keep up with what's happening in the world of media but also actively participate in shaping its future.

Our Labs division aims to become a leading incubator by leveraging its best-in-class creative and technical capabilities to support media start-ups and content creators in the region.



Case Study THMANYAH

3.6+ million

AVERAGE MONTHLY
PODCAST LISTENERS



The acquisition of Thmanyah is one of the first major milestones towards our aspirations to provide audiences with digital, multi-media content experiences.

In July 2021, SRMG announced its acquisition of a 51% stake in Thmanyah Company for Publishing and Distribution. Thmanyah was founded in 2016 with a vision to enrich contemporary Arab audiences through informative, entertaining, and impactful journalistic content in audio-visual formats. Since then, Thmanyah has evolved to become a leading podcast platform and documentary producer in the MENA region, reaching +3 million podcast listeners each month and +15 million documentary viewers in Saudi Arabia and beyond. With integrity and storytelling at the core of its mission, Thmanyah aspires to continue reaching millions of viewers across the Arab world by casting the spotlight on unique, gripping, and untold stories.

Thmanyah's highly rated slate of podcasts — which includes popular shows such as "Fnjan," "Swalif Business," "Things That Changed Us" and "Socrates" — features a variety of guest speakers, genres, topics, and locally-relevant stories that capture the interests of its listeners.

Thmanyah recently expanded its podcast platform to include three new programs:

- **Murtada:** A weekly talk show podcast analyzing major Saudi football events in a unique way with renowned analysts Khaled Al-Qahtani and Obaidullah Al-Essa. The podcast has quickly gained popularity, landing on top of the Apple Podcasts charts on the day of its launch.
- **Ehteyal:** An investigative podcast in Arabic interviewing both fraudsters and their victims. Following the release of the pilot episode, the podcast reached 5th place on the Apple Podcasts charts.
- **Alsouq:** A podcast presented by three experts in the fields of venture capital and entrepreneurship. They meet every week to discuss the latest local and global market trends.

New media for a new SRMG

The acquisition of Thmanyah further propels SRMG's shift towards a digital-first, multi-platform approach to content delivery. Our global reach across languages and continents will help Thmanyah scale and access new audiences, supercharging their growth ambitions into new genres and geographies.

SRMG's ambitious digital media strategy

With its award-winning podcasts and documentaries, Thmanyah presents an exciting opportunity for SRMG to expand its presence in the podcast space.

The integration of Thmanyah and its popular content and production capabilities will enhance the breadth and reach of SRMG's portfolio and allow it to deliver engaging content through formats that cater to the evolving tastes and preferences of its contemporary audience.

Financial Review

SRMG witnessed remarkable progress in a year of strategic transformation and demonstrated promising growth as it embarked on the first steps towards a renewed vision and strategy. Drawing on our legacy as media pioneers, we have diversified existing businesses, ventured into new growth areas, and optimized our operations to further solidify our growth trajectory.

SRMG's revenue reached SAR 3,046 million in 2021, increasing by 35% as compared to 2020 (SAR 2,260 million). Growth was driven by our renewed focus on delivering the best content, engaging our audiences, advertisers, and customers, while also launching new products and services.

Gross profit for the year amounted to SAR 1,082 million, increasing by 45% as compared to 2020 (SAR 748 million). Although total direct costs have increased, the Group has demonstrated its ability to achieve strong profit margins, which saw notable improvement as revenues increased and operations were streamlined.

In terms of our operating performance, 2021 was an exceptional year for SRMG as we achieved operating profit of SAR 630 million propelled by higher operational efficiencies and centralization of our finance functions. Consequently, our net income more than doubled as compared to 2020, reaching SAR 537 million in 2021.

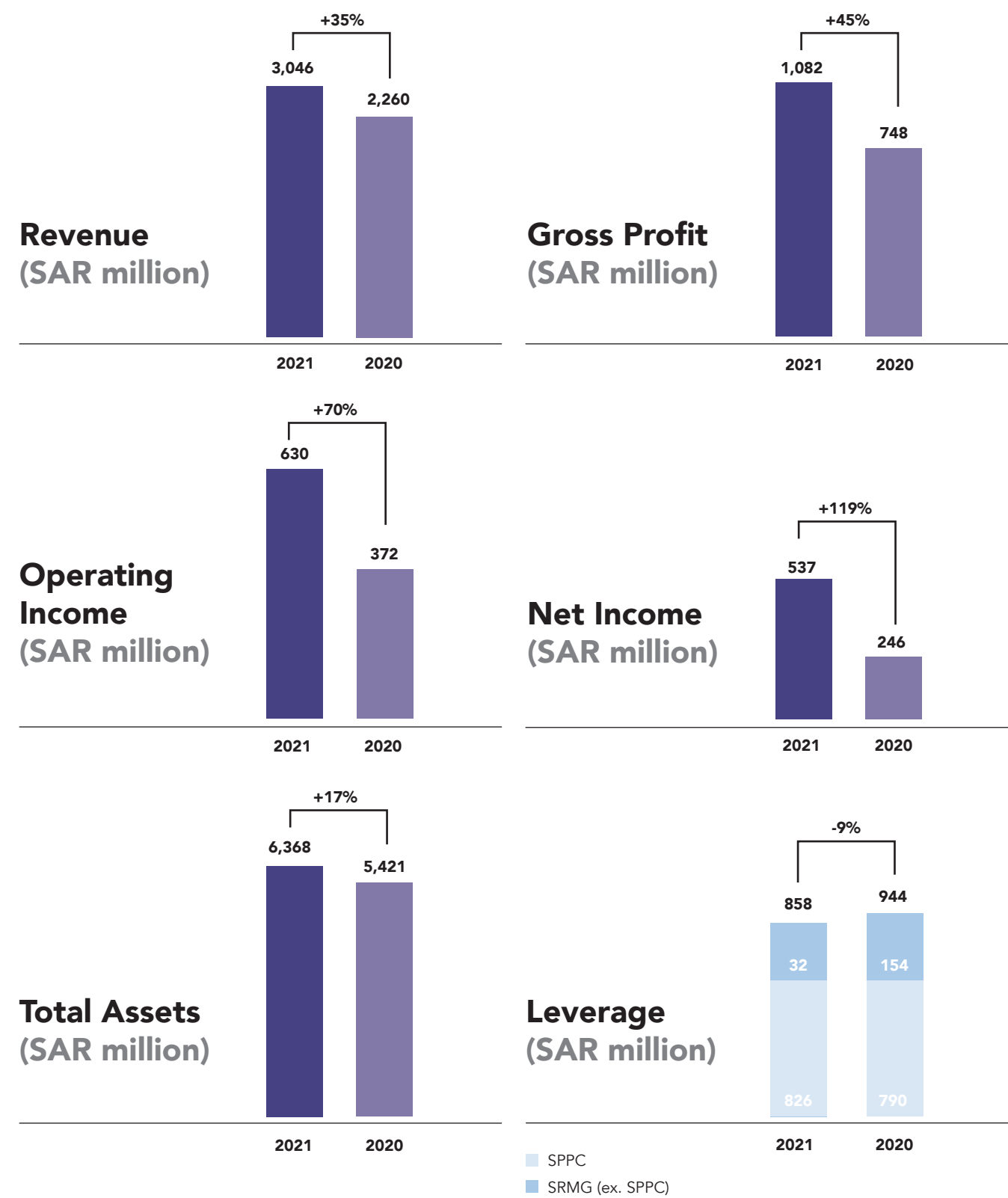
Total assets increased by 17% from SAR 5,421 million in 2020 to SAR 6,368 million in 2021, principally driven by investment in our new platforms, an increase in the market value of certain investments, and healthy growth in our cash position.

To maximize returns on our cash reserves, we deployed excess cash flow generated during the year into safe money markets and Saudi government Sukuk. With a stronger cash position, we are well-positioned to fund our new strategy roll-out by committing resources towards future expansion plans.

Leverage in terms of total debt decreased by 9% during the year. Debt obligations of Saudi Printing and Packaging Company reached SAR 826 million in 2021, which constitutes 96% of SRMG's consolidated debt balance as of year end 2021. Furthermore, SPPC refinanced its debt during the year, which resulted in reduced financing rates and banking fees.

Commercial terms with our customers improved during 2021 resulting in a 15% reduction in receivables. Supplier payment terms also improved as we centralized our procurement function. We continue to maintain strong relationships with our trade partners and monitor our working capital position from funding as well as credit risk perspectives.

Our finance functions have also gone through a structural revamp to streamline operations, optimize costs, and support business operations within the framework of our new strategy.



Our People

Our people by the numbers	2020	2021
Total Number of employees (FTEs)	1,479	1,651
Percentage of female employees (FTEs)	25%	28%
Percentage of Saudi employees	60%	63%
Number of employees departed	196	180
Turnover ratio (%)	13%	11%

During 2021, a full human capital diagnosis was conducted to assess current corporate culture and develop an employee strategy in line with SRMG's new strategy.

Among SRMG's major human capital achievements in 2021 was the recruitment of eight highly competent executives of diverse backgrounds to lead the new transformational strategy and the Group's new business lines.

The activation of new business verticals and launches of key business initiatives throughout the year placed greater importance on attracting top talent to SRMG and accelerating our human capital transformation plan

to keep pace with broader organizational changes. As a result, we increased our overall headcount by 12% during 2021 to reach 1,651 full-time employees with a Saudization rate of 63%.

Furthermore, the Group remains dedicated to increasing the representation of women throughout the organization as the percentage of females reached 28% of our total workforce in 2021. During the year we saw several new initiatives to support employee wellbeing, such as COVID-19 vaccination campaigns and on-site medical check-ups.

Employee Contingency Fund	SAR
Balance at the beginning of the year	136,397
Amount added during the year	---
Amount disbursed during the year	35,000
Balance at the end of the year	101,397



Corporate Social Responsibility

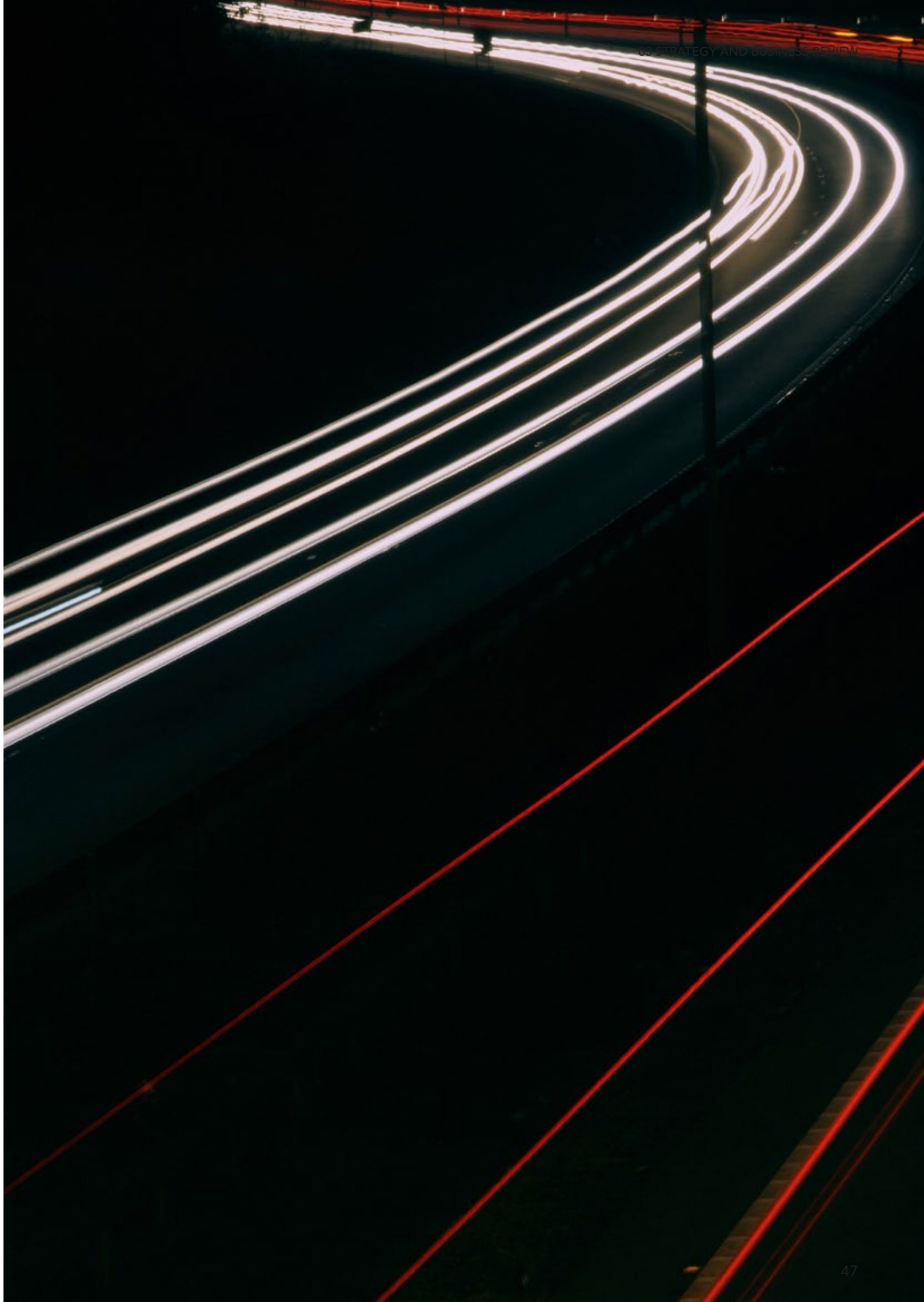
SRMG is a community corporate partner with a long history of support for important charitable organizations and social causes. SRMG has been at the forefront of Corporate Social Responsibility (CSR) initiatives in the Kingdom and abroad by providing media sponsorships and free advertising to charitable groups and events.

Since its inception, SRMG has supported numerous charitable institutions and community causes by helping expand their reach to the largest and most relevant audiences. Over the past 15 years, SRMG has participated

in more than 100 different charitable initiatives, providing organizations with impactful media and marketing services, and connecting community institutions with relevant beneficiaries.

SRMG continues to support CSR initiatives and provide media and advertisement services to charitable entities including the following:

Charitable Entity
Saudi Association for Exceptional Children
Prince Fahd bin Salman Charitable Society (Kellana)
King Salman Center for Disability Research
Sultan bin Abdulaziz Al-Saud Foundation
Prince Ahmed Bin Salman Applied Media Academy
Saudi Cancer Society
King Salman Science Oasis
King Abdulaziz Foundation (Darah) (Agency)



GOVERNANCE

04

The Activities of the Group and its Subsidiaries	50	Risk Management	76
Subsidiary Companies	53	Dividend Distribution Policy	83
Board of Directors and its Sub-Committees	55	Information Related To Murabaha And Loans (Saudi Research And Media Group)	85
Interests/Stakes Owned by Members of the Board and Senior Executives	61	Information Related To Murabaha And Loans (Saudi Printing And Packaging Company)	86
Executive Management	62	Income Statement Summary	87
Compensation and Remuneration Policy for the Members of the Board of Directors And the Sub-Committees	63	Balance Sheet Summary	88
Remuneration of SRMG's Board members and Senior Executives	65	Segmental Information	89
Balances of Related Parties	67	Geographic Breakdown of Revenue	90
Board of Directors Declarations	68	Zakat And Statutory Payments	91
Communicating With the Shareholders	69	Declaration of Any Deviations From the Accounting Standards Endorsed By the Saudi Organization For Certified Public Accountants (Socpa)	92
Board of Directors Meetings	70		
Board of Directors Sub-Committees	71		
Governance of SRMG	74		

THE ACTIVITIES OF THE GROUP AND ITS SUBSIDIARIES

Saudi Research and Media 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 and various media means in the Kingdom. The Group owns several highly influential and well known 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 all around the world. The Group operates through a number of subsidiary companies and is renowned by the level of integration that exists between its companies. Below is a description of those companies and their activities:

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). 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.

Al-khaleejiah for Advertising and Public Relations

Al-khaleejiah for Advertising and Public Relations is considered to be one of the leading advertising companies in the Arab Gulf region. The Company carries out continuous and effective follow-up on the needs of the market through ongoing support for media related research and studies.

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 important to note that Saudi Distribution Company signed a contract with Al-Watania Consolidated Distribution Company in 2016, agreeing to the transfer of the activities of Saudi Distribution Company to the latter.

Argaam Commercial Investment Co.

Argaam Commercial Investment Co. Ltd. is a Saudi company that owns several digital platforms, the most important of which is (Argaam Financial Portal), which is specialized in publishing economic and financial information of interest for investors and decision-makers in 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 which are of interest to the citizens and residents of Saudi Arabia. The site enjoys an extremely high followership, owed largely to the fact that the editorial team has succeeded in 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 the acquisition of Argaam Commercial Investment Co. Ltd, the Group also aspires to diversify its portfolio of local and international trademarks, 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 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.

Asharq News Services

SRMG established Asharq News Services Ltd, headquartered in Riyadh, with main studios in Riyadh and Dubai, and additional expansions are in the pipeline for 2022, including new centers and studios in Washington, Singapore, London and Cairo. The Group's subsidiary launched a multi-platform news service in November 2020, which included Asharq News as well as the business offering as a result of a licensing agreement with Bloomberg to create "Asharq Business with Bloomberg", in addition to 3 digital platforms, asharqbusiness.com and asharq.com and a unique offering of a Video on Demand platform, now.asharq.com

Asharq network is a 24/7 Arabic news service that provides coverage to audiences in MENA and globally, with a special focus on regional and international business news. Asharq News chose a position of providing in-depth analysis from the prism of the economy with special attention to data and providing context to stories it is covering.

The target group for Asharq News has been identified as "News Service for Business Community and Decision Leaders".

Furthermore, Asharq News is extremely digital and socially savvy and pays special attention to the native digital production; those platforms and products include: "Bloomberg Businessweek", "Asharq Green", "Asharq Technology", "Asharq Crypto", "Asharq Breaking News" and "Asharq Business of Sports" among others.

Thmanyah Company for Publishing and Distribution

Founded in 2016 in Saudi Arabia, Thmanyah specializes in the creation and delivery of Arabic journalistic content through multi-platform and audio-visual formats. Since its establishment, Thmanyah has evolved to become a leading podcast platform and documentary producer in the MENA region.

On 13 July 2021, Arab Media Company, one of SRMG's subsidiaries, signed an agreement to acquire a 51% stake in Thmanyah. The transaction value, consisting of a purchase price and a capital injection, amounted to SAR 33,306,120. The transaction was completed on 11 October 2021 after satisfying all the requisite conditions and regulatory requirements.

TAOQ Media Research Company

Since its establishment, TAOQ has worked on promoting the Saudi Research and Media Group's capacities by providing a broad and innovative range of media services. Supported by high-profile consultants and subject-matter experts, TAOQ provides large-scale services, including specialized media studies and consultancies, media monitoring and content analysis services, content development, production of specialized publications, translation, creative digital marketing, research projects and specialized studies, organizing and managing events and international forums, designing, developing websites and portals, managing social media and digital content, managing online media campaigns, and developing media strategic and executive plans as well as creating first-rate initiatives.

Over the past years, TAOQ signed several significant contracts with different entities for providing media, research, marketing, and consultancy services, and developing strategic plans, and creating initiatives.

Thanks to high-quality performance and proven deliverables, TAOQ has gained its clients' trust who, in return, have renewed their contracts and it has been awarded new ones.

In the future, TAOQ will pursue its business development strategy by promoting its work and activities as well as expanding its clients' network in order to meet its high expectations and aspirations, and achieve its leadership goals locally and regionally.

SUBSIDIARY COMPANIES

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 Saudi Arabia under the commercial registration No. 1010219709, issued in Riyadh on 1 Jumada Al-Awwal 1427 (corresponding to 28 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 7 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 Media Group still owns 70% of the Company through 42 million 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-Eqtisadiah”, “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 Group directly and indirectly owns the following shares in the below mentioned subsidiaries:

Subsidiaries	Company’s main activity	Country of main activity	Capital (millions)	% Own-ership	Country of incorporation
Intellectual Holding Company for Advertisements and Publicity -LLC	Investing in subsidiaries	KSA	SAR 300.0	100%	KSA
Scientific Works Holding Company - LLC	Investing in subsidiaries	KSA	SAR 300.0	100%	KSA
Saudi Research and Publishing Co.	Publishing	KSA	SAR 6.5	100%	KSA
Al Khaleejiah Advertising and Public Relations Co.	Media and advertising	KSA	SAR 5.585	100%	KSA
Arab Media Company	Visual and printed media and advertising services	KSA	SAR 1.0	100%	KSA
Saudi Distribution Co.	Publishing and distribution	KSA	SAR 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	SAR 1.0	100%	KSA
Argaam Commercial Investment Company and its subsidiaries	Publishing and electronic content	KSA	SAR 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 and its subsidiaries	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

BOARD OF DIRECTORS AND ITS SUB-COMMITTEES

Saudi Specialized Printing Company	Specialized publishing	KSA	SAR 0.5	100%	KSA
Alsharq TV Company	Television broadcasting and radio and forums	KSA	SAR 0.10	100%	KSA
Alsharq Company for News Services Ltd - The News Hub Limited	Television broadcasting and radio and forums	KSA	SAR 0.10	100%	KSA
Thamnyah for publishing and distribution	News wire	UK	GBP 0.0001	100%	UK
NUMU Media Holding Co.	Broadcasting	KSA	SAR 15.3	51%	KSA
NUMU Media Holding Co.	Electronic audio and video production and distribution	KSA	SAR 24.86	100%	KSA
Scene Visual Media Co. (previously NUMU)	Media and advertising	KSA	SAR 0.2	100%	KSA
NUMU Educational Co. (previously Educational Bookshop Co.)	Developing educational methods and books trade	KSA	SAR 0.5	100%	KSA
Saudi Commercial Company	Trading in printing accessories	KSA	SAR 2.0	100%	KSA
Ofoq Information Systems and Communications Co.	Trading in communication equipment and software development	KSA	SAR 3.5	100%	KSA
Funoon Al Shakhsiyat for Trade	Trade	KSA	SAR 0.05	100%	KSA
Taoq Public Relations Co. Ltd.	Public relations and communication	KSA	SAR 0.3	100%	KSA
Takanah Public Relations Co. Ltd.	Finance and business services	KSA	SAR 0.05	100%	KSA
Educational Concept Company for Educational Solutions	Import and export and wholesale trade	KSA	SAR 0.1	100%	KSA
NUMU Training and Consulting Company	Training and consulting	KSA	SAR 0.1	100%	KSA
NUMU Alelaniah for Advertising Co.	Visual and printed media and advertising services	KSA	SAR 0.05	100%	KSA
Raff for publishing Company (Nashroon International Co. previously	Publishing and distribution	KSA	SAR 0.05	100%	KSA
Taoq Research Co. (previously NUMU Researching Co.)	Research and support	KSA	SAR 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
Saudi Printing and Packaging Company and its subsidiaries	Printing	KSA	SAR 600	70%	KSA

SAUDI RESEARCH AND MEDIA GROUP BOARD OF DIRECTORS AS AT 31 DECEMBER 2021:

#	Director's Name	Director's Profile/Background	Statement	Executive	Non-Executive	Independent
1	Eng. Abdulrahman Ibrahim Al-Ruwaita	Serves on the board of a wide range of organizations, including Jadwa Investment Company and the General Commission for Audiovisual Media. In addition, has held various senior roles including Managing Director and General Manager of Aseer Company, first Vice Executive President at Dallah Al Baraka Holding Company. Eng. Al-Ruwaita previously served as Chairman of the Board of Directors of Halwani Bros, Board member of Emaar Economic City Company, and Vice Chairman of the Board of Directors of Welaya for Investment Company. He formerly 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. Eng. Al-Ruwaita holds a Master's degree in Industrial Engineering from the University of Southern California in the U.S.	Chairman		√	
2	Mr. Majed Abdulrahman Al-Issa	Serves as Marketing Group Chairman of the Board of Directors of the British-Saudi Reinsurance Company, RFIB. Prior to this, he spent 25 years at SABEC and SAMBA Financial Group in various senior leadership roles. He has also held roles at Arab National Bank and Arcapita Bank and served as Executive Chairman of Al-Anwa Holding Group, a private investment company. He has also served as an advisor to the Minister of Trade. Mr. Al-Issa is a member of several boards and committees for various companies. Mr. Al-Issa holds a Bachelor's degree in Accounting from King Saud University and an MBA from Middlesex University in the UK, in addition to a Diploma from Bradford University in the UK.	Vice Chairman of the Board			√

#	Director's Name	Director's Profile/Background	Statement	Executive	Non-Executive	Independent
3	Ms. Jomana Rashed AlRashid	<p>A Board member and the Chief Executive Officer at SRMG, a role she has held since October 2020. She is a seasoned communications and media professional, responsible for steering the region's leading media house through its new transformation strategy focusing on platform expansion and international partnerships. Prior to joining SRMG, Ms. AlRashid worked as the London correspondent of Al-Riyadh newspaper and was posted to the Saudi Embassy in London as a senior aide and adviser to the Ambassador, with an emphasis on media relations, as well as Head of the Embassy's Media Department. After a successful tenure in London, she worked in a media advisory role assisting the private and public sectors in Riyadh. Ms. AlRashid sits on the Board of Argaam Investment Company and is the Chairwoman of Thmanyah Company for Publishing and Distribution.</p> <p>Ms. AlRashid holds a Bachelor's degree in Politics from SOAS University of London, and a Master's degree in International Journalism from City University.</p>	Member of the Board of Directors	√		
4	H.E Dr. Adel Zaid Al-Toraifi	<p>Previously served as the Minister of Information and Culture and has held various senior roles in media including Editor-in-Chief of Asharq Al-Awsat, General Manager of Al-Arabiya News Channel and Editor-in-Chief of Al-Majallah magazine, as well as Regional Director for Siemens International. He is also a member of the Council for Economic and Development Affairs and the Council for Political and Security Affairs.</p> <p>H.E. Dr. Al-Toraifi obtained a Ph.D. in International Relations and a Master's degree in Philosophy from the London School of Economics and Political Sciences (LSE). He also holds a Master's degree in Social Sciences from the University of Kingston.</p>	Member of the Board of Directors			√
5	Dr. Abdulaziz Hamad Al-Fahd	<p>A legal adviser covering various areas including corporate and financial affairs, international transactions, and arbitration. He has served as a Board member at several organizations across both the private and public sectors.</p> <p>Dr. Al-Fahd holds a Ph.D. in Law from Yale University in the U.S.</p>	Member of the Board of Directors		√	

#	Director's Name	Director's Profile/Background	Statement	Executive	Non-Executive	Independent
6	Dr. Turki Omar Buqshan	<p>Held several leadership roles in higher education, management, and consulting, including serving as Vice Dean of university colleges in Saudi Arabia. He also serves as a Board member at Saudi Printing and Packaging Company.</p> <p>Dr. Buqshan obtained a Ph.D. from Bond University in Australia.</p>	Member of the Board of Directors		√	
7	Eng. Moussa Omran Al-Omran	<p>Previously served as a Board member at various organizations including Savola, Banque Saudi Fransi, Al-Marai and the Arabian Cement Company. He was also a Board member of the Council of the Region of Makka Al Mukarrama, Saudi Airlines Air Cargo Company, Jeddah Development Company, and the General Investment Authority. He has accumulated extensive experience in internal, external, and industrial investments.</p> <p>Eng. Al-Omran obtained a Bachelor's degree in Industrial Engineering from King Saud University in Riyadh. He also holds an MBA from St. Edwards University in Austin, Texas.</p>	Member of the Board of Directors			√
8	Mr. Mohiddin Saleh Kamel*	<p>Chairman of the Board of Directors of Al-Rabie Company and serves as a Board member for several organizations including Dallah Health, Jabal Omar Development Company, Al-Khozama Management Company, Dallah Al-Baraka Holding Company, Arab Holding Company for Digital Distribution, and Halwani Bros Company. He has also served as a member of the Board at Al Baraka Banking Group in Bahrain.</p> <p>Mr. Kamel holds a Bachelor's degree in Economics, with a specialization in Management and Marketing, from the University of San Francisco.</p>	Member of the Board of Directors		√	
9	Mr. Adel Marzouk Al-Nasser	<p>Previously held a wide range of leadership positions at banks, including Deputy Managing Director at the Saudi-British Bank (SABB). He currently serves as Chairman of both Saudi Printing and Packaging Company and Absal Steel Company, as well as being a member of the Board of Directors at Al-Itifaq Iron and Steel Company.</p> <p>Mr. Al-Nasser obtained a Diploma from the London Institute of Banking and Finance.</p>	Member of the Board of Directors		√	

#	Director's Name	Director's Profile/Background	Statement	Executive	Non-Executive	Independent
10	Mr. Hamad Saud Al Omar	Extensive experience in academia, accounting, management, and investment banking, and has previously held leadership roles at leading banks and investment banks in Saudi Arabia, as well as in civil aviation. He is a member of several boards and committees for various companies. Mr. Al Omar holds a Master's degree in Mathematics from the University of California.	Member of the Board of Directors			√
11	Eng. Abdullah Suleiman Al-Rubaian	Currently Chairman of the Board of Directors of Banoon Investment Company, in addition to serving on the boards of a range of other organizations. He has extensive management experience and has held senior positions in financial organizations for 45 years. Eng. Al-Rubaian holds an MBA from King Fahd University of Petroleum and Minerals.	Member of the Board of Directors			√

- The following are the members whose membership expired in the previous term of the Board of Directors on 20 May 2021:

#	Director's Name	Director's Profile/Background	Statement	Executive	Non-Executive	Independent
1	H.E Mr. Ahmad Aqeel Al-Khatib	Serves as the Minister of Tourism, and has previously held a number of positions including Minister of Health, Chairman of the Board of Directors of General Entertainment Authority, and a Board member of the Council for Economic and Development Affairs. He was also involved in running and managing a number of banks for 11 years, where he completed numerous banking and finance courses. He has also participated in the management boards of various joint-stock and private companies. H.E. Mr. Al-Khatib 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.	Member of the Board of Directors			√
2	Mr. Abdulrahman Hamad Al-Rashed	Previously held the position of Director of Al-Arabiya TV channel and supervised it for a period of 10 years and is currently the Chairman of its editorial Board. Moreover, he is a 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. Mr. Al-Rashed 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		√	

*Mr. Mohiddin Saleh Kamel became a Non-Executive member on 21 May 2021.

INTERESTS/STAKES OWNED BY MEMBERS OF THE BOARD AND SENIOR EXECUTIVES

Names of the companies inside and outside the Kingdom in which a Board member is a member of their current or previous Board member or manager

Name	Listed	Not listed
Eng. Abdulrahman Ibrahim Al-Ruwaita	<ul style="list-style-type: none">Chairman of the Board of Directors of Saudi Research and Media Group	<ul style="list-style-type: none">Board member of Jadwa Investment Company
Mr. Mohiddin Saleh Kamel	<ul style="list-style-type: none">Board member of Saudi Research and Media GroupBoard member of Jabal Omar CompanyBoard member of Dallah Company for Health Services	<ul style="list-style-type: none">Board member of Al-Khozama Management Company
Mr. Adel Marzouk Al-Nasser	<ul style="list-style-type: none">Board member of Saudi Research and Media GroupChairman of the Board of Directors of Saudi Printing and Packaging Company	<ul style="list-style-type: none">Board member of Al-Ittefaq Steel Co.Board member of Absal Steel Co.
Mr. Turki Omar Buqshan	<ul style="list-style-type: none">Board member of Saudi Research and Media GroupBoard member of Saudi Printing and Packaging Company	
Mr. Majed Abdulrahman Al-Issa	<ul style="list-style-type: none">Board member of Saudi Research and Media GroupBoard member of Saudi Printing and Packaging Company	<ul style="list-style-type: none">Board member of Bidayah for Financing
Ms. Jomana Rashed AlRashid	<ul style="list-style-type: none">Board member of Saudi Research and Media Group	
Mr. Hamad Saud Al Omar	<ul style="list-style-type: none">Board member of Saudi Research and Media GroupBoard member of HSBC Saudi Arabia Bank	
Eng. Abdullah Suleiman Al-Rubaian	<ul style="list-style-type: none">Board member of Saudi Research and Media GroupChairman of the Board of Directors of National Shipping Company of Saudi ArabiaBoard member of Arabian ShieldChairman of the Board of Directors of Salic	<ul style="list-style-type: none">Chairman of the Board of Directors of ArascoBoard member of Saudi Airlines Company
Eng. Moussa Omran Al-Omran	<ul style="list-style-type: none">Board member of Saudi Research and Media Group	<ul style="list-style-type: none">Board member of MBC GroupBoard member of Royal Commission for Al UlaBoard member of Al Arabia News Channel
Dr. Abdulaziz Hamad Al-Fahd	<ul style="list-style-type: none">Board member of Saudi Research and Media Group	
H.E Dr. Adel Zaid Al-Toraifi	<ul style="list-style-type: none">Board member of Saudi Research and Media Group	

The following table displays the changes in stakes/interests held by members of the Board, senior executives, their spouses and children as at 31/12/2021

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 Ibrahim Al-Rowaita	1,000	0.00125	-	-	1,000	0.00125
Mr. Mohiddin Saleh Kamel	1,000	0.00125	-	-	1,000	0.00125
Dr. Abdulaziz Hamad Al-Fahd	1,115	0.00139	-	-	1,115	0.00139
Mr. Majed Abdulrahman Al-Issa	-	-	-	-	-	-
Mr. Adel Marzouk Al-Nasser	-	-	-	-	-	-
Dr. Turki Omar Buqshan	1,000	0.00125	-	-	1,000	0.00125
H.E Dr. Adel Zaid Al-Toraifi	-	-	-	-	-	-
Eng. Moussa Omran Al-Omran	-	-	-	-	-	-
Ms. Jomana Rashed AlRashid	-	-	-	-	-	-
Mr. Hamad Saud Al Omar	-	-	-	-	-	-
Eng. Abdullah Suleiman Al-Rubaian	-	-	-	-	-	-
Mr. Mohammed Abdul Fattah Nazer	-	-	-	-	-	-

EXECUTIVE MANAGEMENT

Ms. Jomana Rashed AlRashid CEO

Ms. Jomana is a Board member and Chief Executive Officer at SRMG, a role she has held since October 2020. She is a seasoned communications and media professional, responsible for steering the region's leading media house through its new transformation strategy focusing on platform expansion and international partnerships. Prior to joining SRMG, Ms. Jomana worked as the London correspondent of Al-Riyadh newspaper and was posted to the Saudi Embassy in London as a senior aide and adviser to the Ambassador, with an emphasis on media relations, as well as Head of the Embassy's Media Department. After a successful tenure in London, she worked in a media advisory role assisting the private and public sectors in Riyadh. Ms. Jomana sits on the Board of Argaam Investment Company and is the Chairwoman of Thmanyah Company for Publishing and Distribution.

Ms. Jomana holds a Bachelor's degree in Politics from SOAS University of London, and a Master's degree in International Journalism from City University.

Mr. Mohammed Abdul Fattah Nazer CFO

Mr. Mohammed is the Chief Financial Officer at SRMG, and is responsible for the finance and investments departments at the company. Prior to joining SRMG, he served as Executive Director at Goldman Sachs Saudi Arabia, and prior to that was part of J.P. Morgan's Mergers and Acquisitions team in New York. His other roles include positions at Jadwa Investment, Barclays Capital, and Proctor & Gamble. Mr. Mohammed sits on the Boards of Saudi Printing and Packaging Company, Argaam Investment Company, and Thmanyah Company for Publishing and Distribution.

Mr. Mohammed has an MBA from The Wharton School at the University of Pennsylvania and an undergraduate degree from New York University.

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 7 May 2020, the Extraordinary 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 as follows:

1. Remunerations of members of the Board of Directors:

- 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 SAR 500,000.
- 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 SAR 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 SAR 3,000 for each meeting attended.

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

An amount of SAR 3,000 shall be paid to each Board and sub-committee member for each night of stay, including the price of a 2-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 SAR 5,000, taking into consideration the provisions of article No. (7).

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

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

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

An amount of SAR 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 SAR 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 requested 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:

- 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 Saudi Arabia.
- If a Board member fails to carry out his/her responsibilities, tasks and duties, thus compromising the interests of the Company.
- 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:

- 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.
- The remunerations and compensations should be compatible with the nature of the Company's activities, volume and the required level of skills and expertise.
- 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.

REMUNERATION OF SRMG'S BOARD, SUB-COMMITTEES, AND SENIOR EXECUTIVES

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

	Fixed remunerations						Variable remunerations									
	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	End of service remunerations	Aggregate	Allowance for expenses
First: Independent members																
H.E Mr. Ahmad Aqeel Al-Khatib	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
H.E Dr. Adel Zaid Al-Toraifi	150,000	6,000	-	-	-	-	156,000	-	-	-	-	-	-	-	156,000	-
Eng. Moussa Omran Al Omran	300,000	9,000	15,000	-	-	-	324,000	-	-	-	-	-	-	-	324,000	4,000
Mr. Majed Abdulrahman Al-Issa	300,000	9,000	15,000	-	-	-	324,000	-	-	-	-	-	-	-	324,000	-
Mr. Hamad Saud Al-Omar	-	3,000	6,000	-	-	-	9,000	-	-	-	-	-	-	-	9,000	-
Eng. Abdullah Suleiman Al-Rubaian	-	3,000	3,000	-	-	-	6,000	-	-	-	-	-	-	-	6,000	-
Total	750,000	30,000	39,000	-	-	-	819,000	-	-	-	-	-	-	-	819,000	4,000
Second: Non-Executive members																
Eng. Abdulrahman Ibrahim Al-Ruwaita	300,000	9,000	15,000	-	-	6,000,000	6,324,000	-	-	-	-	-	-	-	6,324,000	-
Dr. Abdulaziz Hamad Al-Fahd	300,000	9,000	15,000	-	-	-	324,000	-	-	-	-	-	-	-	324,000	8,000
Mr. Mohiddin Saleh Kamel	150,000	9,000	6,000	-	-	-	165,000	-	-	-	-	-	-	-	165,000	12,861
Mr. Adel Marzouk Al-Nasser	300,000	9,000	-	-	-	-	309,000	-	-	-	-	-	-	-	309,000	-
Dr. Turki Omar Buqshan	300,000	9,000	21,000	-	-	-	330,000	-	-	-	-	-	-	-	330,000	-
Mr. Abdulrahman Hamad Al-Rashed	300,000	6,000	15,000	-	-	-	321,000	-	-	-	-	-	-	-	321,000	4,000
Total	1,650,000	51,000	72,000	-	-	6,000,000	7,773,000	-	-	-	-	-	-	-	7,773,000	24,861
Third: Executive Members																
Ms. Jomana Rashed AlRashid	-	3,000	3,000	-	-	-	6,000	-	-	-	-	-	-	-	6,000	-

BALANCES OF RELATED PARTIES

	Fixed bonuses				Variable bonuses								
	Salaries	Allowances	In-kind benefits	Total	Periodical remunerations	Periodical bonuses	Profits	Long-term incentive schemes	Granted shares	Total	End of service benefits	Total remunerations for Executive Board members, if any	Aggregate total
Senior Executives	11,678,267	-	-	11,678,267	-	-	-	-	-	-	588,868	-	12,267,135

	Fixed remunerations (excluding attendance allowances)	Allowance for attending meetings	Total
Members of the Audit Committee			
Dr. Turki Omar Buqshan	100,000	15,000	115,000
Mr. Majed Abdulrahman Al-Issa	100,000	15,000	115,000
Mr. Suleiman Nasser Al Hatlan Al-Qahtani	100,000	6,000	106,000
Mr. Hamad Saud Al-Omar	-	6,000	6,000
Total	300,000	42,000	342,000
Members of the Executive Committee			
Eng. Abdulrahman Ibrahim Al-Ruwaita	150,000	15,000	165,000
Mr. Abdulrahman Hamad Al-Rashed	150,000	12,000	162,000
Dr. Abdulaziz Hamad Al-Fahd	150,000	15,000	165,000
Eng. Moussa Omran Al Omran	112,500	15,000	127,500
Ms. Jomana Rashed AlRashid	-	3,000	3,000
Total	562,500	60,000	622,500
Members of the Remunerations and Nominations Committee			
Mr. Mohiddin Saleh Kamel	30,000	6,000	36,000
Mr. Abdulrahman Hamad Al-Rashed	30,000	3,000	33,000
Dr. Turki Omar Buqshan	30,000	6,000	36,000
Eng. Abdullah Suleiman Al-Rubaian	-	3,000	3,000
Total	90,000	18,000	108,000

The above table exhibits allowances paid to Committee members during 2021, in addition to the yearly remunerations paid to members of the Board and the sub-committees for the year 2020, which were approved for 2021.

Balances and transactions with related parties during the period ended 31 December 31 2021, are summarized as follows:

- 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 Marzouk Al-Nasser, Dr. Turki Omar Buqshan, and Mr. Mohammed Nazer, Chief Financial Officer of the Group, own an indirect interest. These transactions represent printing contracts, noting that the total value of these transactions amounted to SAR 12,381,447 during the year 2021, while the due amounts were SAR 2,839,064 as at 31 December 2021 (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 Marzouk Al-Nasser, Dr. Turki Omar Buqshan and Mr. Mohammed Nazer, Chief Financial Officer of the Group, own an indirect interest. These transactions represent a printing contract, noting that the total value of these transactions amounted to SAR 10,315,231 during 2021, while the due amounts were SAR 2,913,594 as at 31 December 2021 (without any preferential conditions).
- Transaction and contracts executed between the Group and Argam Commercial Investment Co. Ltd, in which the Board member Ms. Jomana Rashed AlRashid, and Mr. Mohammed Nazer, Chief Financial Officer of the Group, own an indirect interest. These transactions represent advertising contracts in addition to other services related to shareholders' relationship management, noting that the total value of these transactions amounted to SAR 2,816,552 during the fiscal year 2021, while the due amounts were SAR 428,652 as of 31 December 2021 (without any preferential conditions).
- Transaction and contracts executed between the Group and Al Madarat Advertising Company and its subsidiary company, O R Media, in which the Board member, Mr. Abdulrahman Hamad Al-Rashed owns a direct interest, for media and advertising services with a total contractual value of SAR 7,763,444. The volume of these transactions is represented in the services provided to the Group starting from 1 January 2021, until 20 May 2021 (the expiry date of his membership on the Board of Directors) (without any preferential conditions).
- Transaction and contracts executed between the Group and Al-Fahd Law Firm, in which the Board member, Dr. Abdulaziz Al-Fahd owns a direct interest. These transactions represent legal services, noting that the total value of these transactions amounted to SAR 1,540,500 during the fiscal year 2021, and there were no due amounts as of 31 December 2021 (without any preferential conditions).

BOARD OF DIRECTORS DECLARATIONS

The Board of Directors declare 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.

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.

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 an 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 a Board at any other company.

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

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 Media 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@srmg.com to receive all of the shareholders’ queries.

The minutes of the General Assembly also include inquiries received from shareholders about the General Assembly’s agenda and informs the Board and the Chairman of the shareholders’ proposals and observations about the Company and its performance when necessary.

BOARD OF DIRECTORS MEETINGS

The Board of Directors of the Saudi Research and Media Group met 3 times during 2021 as follows:

The previous term of the Board of Directors, commenced on 21 May 2018 and ended on 20 May 2021 for the following members:

Member of the Board of Directors	First Meeting 1 March 2021	Second Meeting 29 March 2021
Eng. Abdulrahman Ibrahim Al-Ruwaita	Present	Present
Dr. Turki Omar Buqshan	Present	Present
H.E Dr. Adel Zaid Al-Toraifi	Present	Not present
Dr. Abdulaziz Hamad Al-Fahd	Present	Present
Mr. Majed Abdulrahman Al-Issa	Present	Present
Mr. Adel Marzouk Al-Nasser	Present	Present
Eng. Moussa Omran Al-Omran	Present	Present
Mr. Mohiddin Saleh Kamel	Present	Present
Mr. Abdulrahman Hamad Al-Rashed	Present	Present
H.E Mr. Ahmad Aqeel Al-Khatib	Not present	Not present

The current term of the Board of Directors, commenced on 21 May 2021 and the third meeting was held on 8 July 2021. The following Board members were present:

Member of the Board of Directors	Third Meeting 8 July 2021
Eng. Abdulrahman Ibrahim Al-Ruwaita	Present
Mr. Majed Abdulrahman Al-Issa	Present
Ms. Jomana Rashed AlRashid	Present
H.E Dr. Adel Zaid Al-Toraifi	Present
Dr. Abdulaziz Hamad Al-Fahd	Present
Eng. Moussa Omran Al-Omran	Present
Mr. Mohiddin Saleh Kamel	Present
Mr. Adel Marzouk Al-Nasser	Present
Dr. Turki Omar Buqshan	Present
Mr. Hamad Saud Al Omar	Present
Eng. Abdullah Suleiman Al-Rubaian	Present

BOARD OF DIRECTORS SUB-COMMITTEES

The Board of Directors has established the following 3 sub-committees:

- Executive Committee
- Audit Committee
- Remunerations and Nominations Committee

EXECUTIVE COMMITTEE:

The Executive Committee consists of 5 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 2021, the Executive Committee held 4 meetings, with the names of the Committee members and their attendances shown in the below table:

No.	Name	Title	17 January 2021	24 January 2021	4 April 2021
1	Eng. Abdulrahman Ibrahim Al-Ruwaita	Committee Chairman	Present	Present	Present
2	H.E. Mr. Ahmad Aqeel Al-Khatib	Committee member	Not present	Not present	Not present
3	Mr. Abdulrahman Hamad Al-Rashed	Committee member	Present	Present	Present
4	Dr. Abdulaziz Hamad Al-Fahd	Committee member	Present	Present	Present
5	Mr. Moussa Omran Al-Omran	Committee member	Present	Present	Present

- The members of the Executive Committee were appointed according to the new Board of Directors term, which commenced on 21 May 2021. The Committee held the fourth meeting with the new members as follows:

No.	Name	Title	7 June 2021
1	Eng. Abdulrahman Ibrahim Al-Ruwaita	Committee Chairman	Present
2	Ms. Jomana Rashed AlRashid	Committee member	Present
3	Dr. Abdulaziz Hamad Al-Fahd	Committee member	Present
4	Mr. Moussa Omran Al-Omran	Committee member	Present

AUDIT COMMITTEE

The Audit Committee consists of a minimum of 3 and a maximum of 5 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. In addition the Committee is 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 2021, the Audit Committee held 5 meetings, and the table below shows the names of the members and their attendance:

No.	Name	Title	11 February 2021	28 March 2021	19 May 2021
1	Dr. Turki Omar Buqshan	Committee Chairman	Present	Present	Present
2	Mr. Majed Abdulrahman Al-Issa	Committee member	Present	Present	Present
3	Mr. Suleiman Nasser Al Hatlan*	Committee member	Delegated another committee member	Present	Present

***Mr. Suleiman Al Hatlan:** 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 acquisitions, 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 3 terms. 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 Vitriified Clay Pipe Co., as well as a Board member of Al-Hilal Club Investment Company. Mr. Al Hatlan holds 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

- The members of the Audit Committee were appointed according to the new Board of Directors term, which commenced on 21 May 2021. The fourth meeting of the Committee was held on 15 August 2021 and the fifth meeting on 8 November 2021 with the new members as follows:

No.	Name	Title	15 August 2021	8 November 2021
1	Dr. Turki Omar Buqshan	Committee Chairman	Present	Present
2	Mr. Majed Abdulrahman Al-Issa	Committee member	Present	Present
3	Mr. Hamad Saud Al Omar	Committee member	Present	Present

REMUNERATIONS AND NOMINATIONS COMMITTEE

The Remunerations and Nominations Committee is made up of a minimum of 3 and a maximum of 5 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 2021, the Remunerations and Nominations Committee held 2 meetings, and the table below shows the names of its members, along with their attendance:

No.	Name	Title	4 March 2021
1	Mr. Mohiddin Saleh Kamel	Committee Chairman	Present
2	Mr. Abdulrahman Hamad Al-Rashed	Committee Member	Present
3	Dr. Turki Omar Saleh Buqshan	Committee Member	Present

The members of the Remunerations and Nominations Committee were appointed according to the new Board of Directors term, which commenced on 21 May 2021 and the second meeting of the Committee was held on 7 September 2021 with the new members as follows:

No.	Name	Title	7 September 2021
1	Eng. Abdullah Suleiman Al-Rubaian	Committee Chairman	Present
2	Mr. Mohiddin Saleh Kamel	Committee Member	Present
3	Dr. Turki Omar Buqshan	Committee Member	Present

GOVERNANCE OF SRMG

The Group is always keen to conduct its commercial and investment operations in line with the applicable laws and regulations in 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 of 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 1 meeting every 3 months.	√		The Board of Directors held 3 meetings during 2021 in accordance with the Group's Articles of Association.
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 optional, 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 3 years.		√	The article is still optional, 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 optional 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 optional, and in the event that it becomes mandatory, the Company shall implement it. The Audit Committee also assumed the duties of the Risk Management Committee.

Article No. (78): Internal Audit Report	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 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.	√	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.
Article No. (85): Motivating employees	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. 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. Establish social institutions for the Company's employees.	√	The article is still optional, 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 optional, 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	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. Develop community awareness programs to make known the Company's social responsibility.	√	The article is still optional, 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 optional, and in the event that it becomes mandatory, the Company shall implement it.

RISK MANAGEMENT

The Group's risk management process is in line with the principles and standards issued by the ISO 31000:2009 standard, which defines the best practices for business institutions to follow. The Group's Board of Directors and Senior Management are guided by these principles in the development of strategy initiatives and decision-making processes, and Management aims to put in place sufficient procedures to provide reasonable and adequate assurances for the achievement of the Group's objectives while ensuring that the associated risks are contained within the minimum threshold. The Group's internal controls and associated risks are categorized as follows:

- Strategy: Ensuring alignment of the Group's strategy objectives with its mission and vision
- Operations: Ensuring efficient and effective use of available resources
- Reporting: Ensuring the reliability of financial and operational reporting
- Compliance: Ensuring compliance with all applicable laws, regulations, legislations, and governance frameworks

The Group's Senior Management, Financial Control Department, Risk Management Department, Legal Department, and Internal Audit Department collectively participate in the implementation of internal control procedures to ensure that pre-defined risks are appropriately addressed and controlled.

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, 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 in 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, operational risks, and governance 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 Media Group) and its subsidiary companies are involved in the fields of media, publishing, research, investments, content development, training, and organization of conferences and events. 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 sincere 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 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 COVID-19 pandemic.

The Group also conducts periodical tests to ensure that its website and main servers are 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.

Fourth: Governance Risks

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's 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 reviews 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 fulfils 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.

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

#	General Assembly	Date	Names of attending Board members
1	Extraordinary General Assembly	29 April 2021	Eng. Abdulrahman Ibrahim Al-Ruwaita – Chairman of the Board Mr. Majed Abdulrahman Al-Issa – Deputy Chairman of the Board H.E. Dr. Adel Zaid Al-Toraifi Dr. Abdulaziz Hamad Al-Fahad Eng. Moussa Omran Al-Omran Mr. Mohiddin Saleh Kamel Mr. Adel Marzouk Al-Nasser Dr. Turki Omar Buqshan

The Extraordinary General Assembly was held at 10:30 pm, on Thursday, 17-09-1442, corresponding to 29 April 2021, using modern technological means. The legal quorum required for the validity of the Extraordinary General Assembly (the first meeting) was met, noting that attendance reached 69.5%, the results of the voting were as follows:

- Approve the Board of Directors’ report for the fiscal year ending on 31 December 2020.
- Approve the auditor’s report on the Company’s accounts for the fiscal year ending on 31 December 2020.
- Approve the Financial Statements for the fiscal year ending on 31 December 2020.
- Approve the discharge of the Board members for the fiscal year ending on 31 December 2020.
- Approve the appointment of the auditor KPMG ALFOZAN & PARTNERS (KPMG) for the Company, from among the candidates based on the Audit Committee’s recommendation, in order to examine, review and audit the financial statements for the second and third and fourth quarters, and the annual fiscal year of 2021, in addition to the first quarter of 2022, and to determine the auditor’s fees.
- Approve the amending article No. (2) of the Company’s Article of Association, concerning the name of the Company.
- Approve the election of the Board members from among the candidates for the next term, commencing on 21 May 2021 for a term of 3 years, and ending on 20 May 2024 through a cumulative voting process, as follows:
 - Eng. Abdulrahman Ibrahim Al-Ruwaita
 - Ms. Jomana Rashed AlRashid
 - Mr. Mohiddin Saleh Kamel
 - Dr. Abdulaziz Hamad Al-Fahad
 - Mr. Majed Abdulrahman Al-Issa
 - Dr. Turki Omar Buqshan
 - Eng. Moussa Omran Al-Omran
 - Dr. Adel Zaid Al-Toraifi
 - Mr. Hamad Saud Al Omar
 - Mr. Adel Marzou Al-Nasser
 - Mr. Abdullah Suleiman Al-Rubaian
- Approve the formation of the Audit Committee and the definition of its duties, work regulations and remuneration of its members for the upcoming term starting on 21 May 2021 and ending on 20 May 2024 as follows:
 - Dr. Turki Omar Buqshan.
 - Mr. Majed Abdulrahman Al-Issa.
 - Mr. Hamad Saud Al Omar.

- Approve the payment of an amount of SAR 2,400,000 as remuneration to the Board members for the fiscal year ending on 31 December 2020.
- Approve the payment of an amount of SAR 952,500 as remuneration to Board committee members for the fiscal year ending on 31 December 2020.
- Approve the transaction and contracts executed between the Group and Hala Printing Company, a subsidiary of Saudi Printing and Packaging Company; in which the Board members, Mr. Adel Marzouk Al-Nasser, Mr. Majed Abdulrahman Al-Issa and Dr. Turki Omar Al-Buqshan, own an indirect interest. Those transactions represent printing contracts, noting that the total value of those transactions amounted to SAR 4,207,705 during the year 2020, while the due balance amounts to SAR 1,776,764 as at 31 December 2020 (without preferential conditions).
- Approve the transaction and contracts executed between the Group and Medina Printing and Publishing Co., a subsidiary of Saudi Printing and Packaging Company, in which the Board members, Mr. Adel Marzouk Al-Nasser, Mr. Majed Abdulrahman Al-Issa and Dr. Turki Omar Al-Buqshan, own an indirect interest. Those transactions represent a printing contract, noting that the total value of those transactions amounted to SAR 13,618,062 during 2020, while the due balance amounts to SAR 5,346,743 as at 31 December 2020 (without preferential conditions).
- Approve the transaction contracts executed between the Group and Al Madarat Advertising Company and its subsidiaries, in which the Board member, Mr. Abdulrahman Hamad Al-Rashed owns a direct interest. Those transactions represent media services in return for the production of 160 films, noting that the total value of those transactions amounted to SAR 29,188,569 during the fiscal year 2020, while the due balance amounts to SAR 11,399,851 as at 31 December 2020 (without preferential conditions).
- Approve the transaction and contracts executed between the Group and Al-Fahd Law Firm, in which the Board member, Dr. Abdulaziz Hamad Al-Fahd owns a direct interest. Those transactions represent legal services, noting that the total value of those transactions amounted to SAR 1,553,062 during the fiscal year 2020, and there was no due balance as at 31 December 2020 (without preferential conditions).

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

#	Type of Request	Dated	Reason for the Request
1	Quantities – Identification Class A	4 January 2021	Company procedures
2	Quantities – Identification Class A	23 April 2021	Company procedures

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

The Board of Directors is guided by the Group’s internal control system in the evaluation of policies and procedures related to risk management, implementation of the Group’s corporate governance system, and compliance with the relevant laws and regulations. This internal process ensures compliance with clear standards of accountability at all executive levels within the Group and that related party transactions are executed in accordance with the relevant provisions and controls.

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 2021. 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, to enable the Group to effectively implement its priorities and to achieve its strategic goals.

During 2021, 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 2021. 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 2021, 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.

DIVIDEND DISTRIBUTION POLICY

On 29 December 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:

- 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.
- 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.
- 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.
- 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-up 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

- 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.
- In the event that the Company fails to pay the specified percentage for a period of 3 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 to 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 with the controls and regulatory procedures stipulated within the Companies' Act for enlisted joint-stock companies.

INFORMATION RELATED TO MURABAHA AND LOANS (SAUDI RESEARCH AND MEDIA GROUP)

Non-distribution of dividends for the year 2021:

The Group decided not to distribute dividends for the fiscal year of 2021, in order to strengthen its investments, and implement its strategy.

Recommendations of the Board of Directors:

The Board of Directors of the Saudi Research and Media Group is pleased to invite its distinguished shareholders to the Ordinary General Assembly at 6:30pm on Thursday, 18-10-1443, corresponding to 19 May 2022, to discuss the following points on the agenda:

- To vote on the Board of Directors’ report for the fiscal year ending on 31 December 2021.
- To vote on the Company’s auditor’s report for the fiscal year ending on 31 December 2021.
- To vote on the Consolidated Financial Statements for the Company for the year ending on 31 December 2021.
- To vote on absolving the Board members for all of their actions during the fiscal year ending on 31 December 2021.
- 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 2022, along with the first quarter of 2023, and to determine the auditor’s fees.
- To vote on paying the amount of SAR 2,800,000 to members of the Board of Directors for the year ending on 31 December 2021.
- To vote on paying the amount of 970,000 to sub-committees of the Board for the year ending on 31 December 2021.
- To vote stop transferring 10% from net profits to statutory reserves starting from the beginning of the fiscal year 2022 as statutory reserves reached 36.7% of the Group’s capital as at 31 December 2021.
- To vote on contracts and transactions with related parties.
- To vote to increase professional fees payable to the Company’s auditors (KPMG) by SAR 150,000 based on a recommendation from the Audit Committee and in relation to the provision of additional audit services for a Group subsidiaries.

Total Loans and Murabaha summarized as follows

SAR ‘000s	2021	2020
Saudi Research and Media Group	32,000	153,000
Saudi Printing and Packaging Company	822,892	785,981
Total consolidated loans and Murabaha (Principal)	854,892	938,981
Total consolidated accrued interest	3,182	4,574
Total consolidated loans and Murabaha	858,074	943,555

The Movement of SRMG’s loans and Murabaha (ex. SPPC) is summarized as follows:

SAR ‘000s	Balance at the beginning of the year	Proceeds during the year	Repayments during the year	Balance at the end of the year	Duration (in years)	Granting Banks
Short-term loans	153,000	236,000	357,000	32,000	Less than 1 year	Banque Saudi Fransi

INFORMATION RELATED TO MURABAHA AND LOANS (SAUDI PRINTING AND PACKAGING COMPANY)

The following table shows information related to SPPC's Loan of the Group and movements during 2021:

SAR '000s	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
Long-term loans	778,830	515,528	282,708	(288,023)	510,213	4-7 years	More than one bank
Short-term loans	446,080	274,006	927,636	(886,101)	315,541	1 year	More than one bank
Total	1,224,910	789,534	1,210,344	(1,174,124)	825,754		

The movement of Murabaha and loans used for operational and investment purposes is summarized as follows:

SAR '000s	2021	2020
Balance at the beginning of the year	789,534	843,419
Add: proceeds during the year	1,210,344	384,515
Less: repayments during the year	1,174,124	438,400
Balance at the end of the year	825,754	789,534

Due loans (SPPC)

SAR '000s	2021	2020
Less than 1 year	407,074	402,510
From 1 to 2 years	144,817	181,085
From 2 to 5 years	131,443	205,939
More than 5 years	142,420	-
Total	825,754	789,534

Total Murabaha and loans (SPPC) is summarized as follows:

SAR '000s	2021	2020
Short-term loans (STL)	315,541	274,006
Long-term loans/financing investments (LTL)	510,213	515,528
Total	825,754	789,534

The balance at the end of 2021 between internal and external banks is summarized as follows:

	Balance (SAR '000s)	Percentage	Granting bank
Saudi Banks	383,044	46.39%	Alinma Bank, Banque Saudi Fransi, Saudi British Bank, Riyadh Bank
Foreign Banks (UAE)	442,710	53.61%	Abu Dhabi Islamic Bank, Dubai Islamic Bank, Emirates Islamic Bank, First Abu Dhabi Bank, Commercial Bank of Dubai
Total	825,754	100%	

INCOME STATEMENT SUMMARY

SAR '000s	2021	2020	2019	2018	2017
Revenue	3,045,974	2,260,094	2,409,643	2,090,891	1,735,115
Cost of revenue	(1,963,834)	(1,512,019)	(1,683,957)	(1,471,244)	(1,288,624)
Gross profit	1,082,140	748,075	725,686	619,647	446,491
Other income (expenses), Net	8,623	26,726	20,381	24,103	32,378
Selling and Marketing Expenses	(95,177)	(74,957)	(82,660)	(84,957)	(81,256)
General and Administrative Expenses	(357,825)	(273,446)	(294,308)	(312,440)	(236,049)
Impairment loss on Trade receivables	(7,913)	(12,069)	(10,288)	(29,149)	(10,391)
Impairment loss on Intangible assets	-	(42,800)	(27,735)	(73,091)	(52,606)
Impairment loss on Property, plant and equipment					(10,167)
Income from main operations	629,848	371,529	331,076	144,113	88,400
Finance Cost	(57,662)	(69,965)	(84,312)	(76,203)	(52,854)
Finance Income	8,287	4,331	19,993	10,508	-
Income for continuing operations	580,473	305,895	266,757	78,418	35,546
Income from discontinuing operations	-	-	-	-	6,403
Operating Profit	580,473	305,895	266,757	78,418	41,949
Zakat and Income Tax	(66,326)	(78,103)	(42,080)	(19,862)	(18,107)
Profit before Non-controlling interests	514,147	227,792	224,677	58,556	23,842
Non-controlling interest	22,873	17,855	21,437	26,051	22,494
Net Profit attributable to parent company for the year	537,020	245,647	246,114	84,607	46,336

BALANCE SHEET SUMMARY

SAR '000s	2017	2018	2019	2020	2021
Current assets	1,102,846	3,284,200	2,535,849	2,202,722	2,838,171
Non-current assets	2,123,873	2,986,925	3,234,000	3,218,680	3,529,969
Total assets	3,226,719	6,271,125	5,769,849	5,421,402	6,368,140
Current liabilities	1,152,019	1,882,572	1,744,942	1,858,181	2,521,556
Non-current liabilities	858,048	3,116,316	2,537,790	1,793,939	1,544,387
Total liabilities	2,010,067	4,998,888	4,282,732	3,652,120	4,065,943
Shareholders' interests	939,464	1,014,463	1,237,387	1,527,479	2,066,458
Non-controlling interests	277,188	257,774	249,730	241,803	235,739
Total liabilities and equity	3,226,719	6,271,125	5,769,849	5,421,402	6,368,140

SEGMENTAL INFORMATION

As at 31 December 2021 (SAR '000s)

SAR '000s	Publishing, Digital and Visual Content	Advertising and Public Relations	Printing and Packaging	Others	Total	Eliminations	Consolidated
Revenues	1,456,899	1,371,394	783,639	53,905	3,665,838	(619,863)	3,045,974
Gross Profit	305,266	689,801	88,976	21,952	1,105,995	(23,855)	1,082,140
Net Profit / (Loss)	111,901	546,416	(59,297)	(16,550)	582,469	(45,449)	537,020
Total Assets	3,182,723	6,493,755	1,702,052	788,351	12,166,882	(5,798,742)	6,368,140
Total Liabilities	3,404,600	4,437,059	1,060,306	328,712	9,230,678	(5,164,735)	4,065,943

As at 31 December 2020 (SAR '000s)

SAR '000s	Publishing, Digital and Visual Content	Advertising and Public Relations	Printing and Packaging	Others	Total	Eliminations	Consolidated
Revenues	1,067,061	1,220,631	767,688	49,493	3,104,873	(844,779)	2,260,094
Gross Profit	186,806	422,356	127,415	17,252	753,830	(5,755)	748,075
Net Profit / (Loss)	24,695	330,760	(20,545)	(33,600)	301,310	(55,663)	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

GEOGRAPHIC BREAKDOWN OF REVENUE (2021)

The Group’s operating assets mainly operate in Saudi Arabia. The main markets for the Group’s major activities are the Middle East, Europe, and North Africa. The below table shows the Group and its subsidiaries’ revenue inside and outside Saudi Arabia.

Geography	Amount (SAR '000s)
Revenues generated inside the KSA	2,480,131
Revenues generated outside the KSA	565,843
Middle East and North Africa (MENA)	479,996
Africa, excluding North Africa	77,713
Asia	5,971
Europe and North America	2,163
Total	3,045,974

ZAKAT AND STATUTORY PAYMENTS

The Company and its subsidiaries are subject to the applicable Zakat and income tax laws of Saudi Arabia. The Group pays Zakat after settling all outstanding amounts and answering all enquiries of the Zakat, Tax and Customs Authority.

As for the Group’s subsidiaries operating abroad, a provision is set aside to cover tax liabilities, if any. The Group also pays all other regulatory obligations in accordance with the applicable regulations of Saudi Arabia. The following table clarifies all the regulatory payments made during 2021:

Description	Amounts paid during 2021 (SAR '000s)
Zakat	19,585
Withheld taxes	11,545
General Organization for Social Insurance	21,198
Other regulatory payments	4,174
Customs	3,202
Total	59,704

DECLARATION OF ANY DEVIATIONS FROM THE ACCOUNTING STANDARDS ENDORSED BY THE SAUDI ORGANIZATION FOR CERTIFIED PUBLIC ACCOUNTANTS (SOCPA)

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.