



2021 TURNING CHALLENGES **INTO OPPORTUNITIES**

Board of Directors'
Report 2021

Note: This is an English translation of the official Arabic text. In the event of any contradiction or difference between the Arabic text and the English text of this Report, the Arabic text shall prevail.

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

(رَبَّنَا إِنِّي أَسْكَنْتُ مِنْ ذُرِّيَّتِي بِوَادٍ غَيْرِ ذِي زَرْعٍ عِنْدَ بَيْتِكَ الْمُحَرَّمِ رَبَّنَا لِيُقِيمُوا الصَّلَاةَ
فَجَعَلْ أَمَانَةَ مِنَ النَّاسِ تَهْوِي إِلَيْهِمْ وَأَرْزُقْهُمْ مِنَ الثَّمَرَاتِ لَعَلَّهُمْ يَشْكُرُونَ)

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



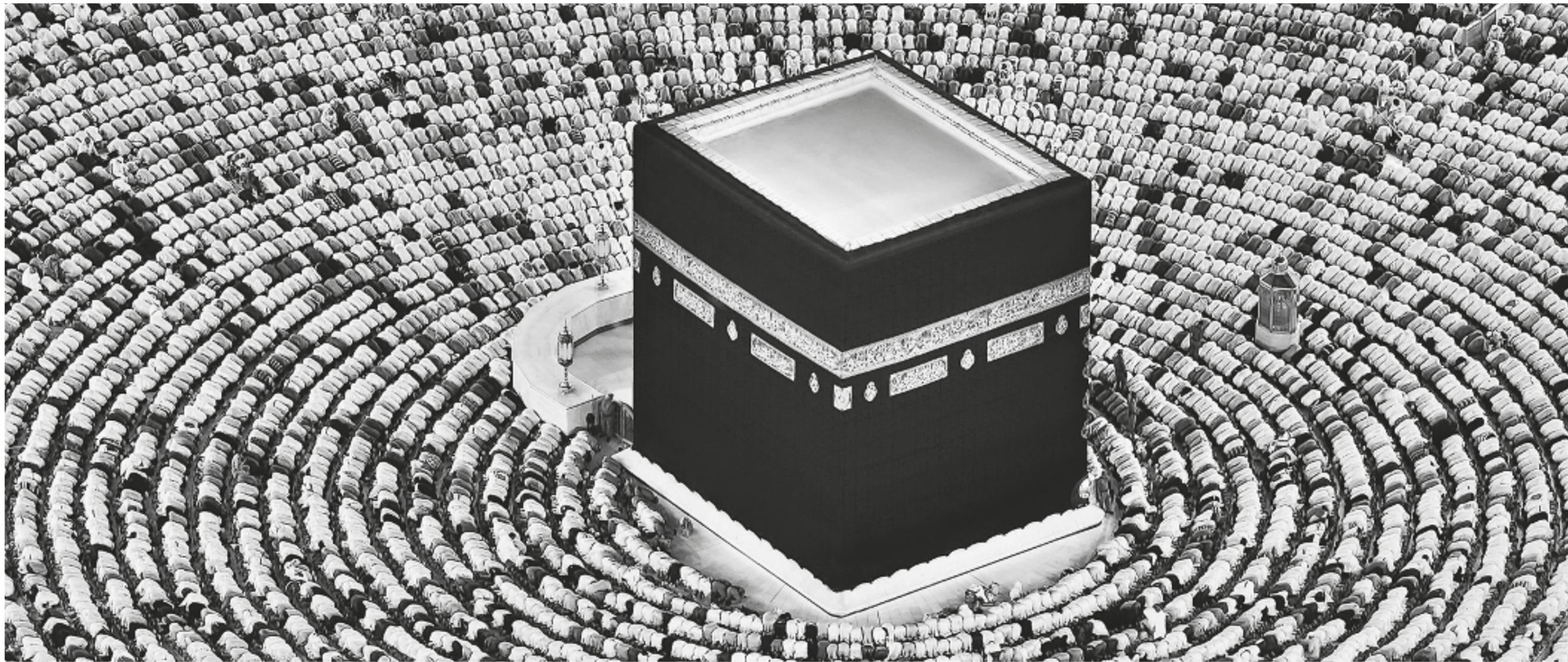
His Royal Highness
Prince Khalid Al-Faisal Al Saud
Advisor to the Custodian of the Two Holy
Mosques and Governor of Makkah region



His Royal Highness
Prince Mohammed bin Salman Al Saud
The Crown Prince, Deputy Prime Minister Defense Minister



His Royal Highness
Prince Badr bin Sultan Al Saud
Deputy Governor of Makkah Region



Pleasant Accommodation!

In the serenity of the holy city, in a region where hearts crave, Jabal Omar project was built with a unique design offering a wide range of services for Hajj & Umrah visitors to give them a unique experience that is full of comfort, serenity and calm. The project was designed in a rich Islamic architectural design and became an important project for a full development plan for the holy city of Makkah, so it become city of inspiration for the entire Islamic world that combines authenticity and modern aspects of living. Jabal Omar is a mixed-use destination that offers luxury residential units, international hotels and different malls and retail areas.

About the Company

Jabal Omar Development Company is a Saudi joint stock company, established by Royal Decree No. M/63 dated 9/25/1427 AH corresponding to 10/18/2006 AD. The company's capital upon incorporation amounted to 6,714,000,000 Saudi riyals, and in 2011 the company's capital was increased by offering rights shares with a value of 2,580,000,000 Saudi riyals, bringing the company's capital to 9,294,000,000 Saudi riyals.

Jabal Omar Development Company is one of the largest real estate development companies in the Middle East and one of the largest listed companies in the Saudi stock market. The Jabal Omar project is one of the most important mixed-use real estate development projects, located just steps away from the Grand Mosque.

Strategic Direction

JODC consistently ensures delivery of the Strategic Transformation Plan to realize its strategic objectives, which focus on:



Financial
Restructuring



Completing delivery of the
Project's ongoing phases



Cost
Optimization



Corporate governance,
policies and procedures

Key Achievements 2021

During 2021, JODC witnessed major financial, operational and organizational transformations that aim to realize financial sustainability, promote operational flexibility and efficiency by following a proactive and concrete approach to deliver its 2021 strategic priorities. Key achievements include but not limited to the following:

- 1 Initiating delivery of the Strategic Transformation Plan that aims to enhance JODC financial stability, accelerate completion of ongoing project phases, and reach sustainable financial solutions that help JODC realize its objectives and aspirations of its shareholders. The plan is centered on three strategic pillars: Financial restructuring; Achieving cost savings and improving operational & corporate performance; Accelerating project delivery of the second, third and fourth phases of the project.
- 2 Rescheduling debts worth more than SAR 15 billion through 9 initiatives within 9 months.
- 3 JODC signed an agreement to restructure the Islamic term financing provided by SABB and Samba (SNB currently) and to reinstate SAR 1.2 billion of available limit to be drawn.
- 4 JODC received the Ministry of Finance's approval to restructure SAR 3 billion existing loan facility.
- 5 Fostering cash flows and strengthening capital structure while mitigating losses.
- 6 JODC signed a credit facility agreement with Bank Albilad worth SAR 1 billion to foster its capital structure, promote loan structure and reduce financing costs and loan interest rate.
- 7 Promoting operational efficiency and setting the appropriate workforce capacity for JODC from 484 to 147 (Decrease by 69%).
- 8 JODC submitted a non-binding offer to the Manager of Alinma Makkah Real Estate Fund relating to the full settlement of the rights and obligations of the Fund's assets. Work is underway to complete necessary procedures to close the deal.
- 9 JODC signed a guarantee issuance agreement with Ministry of Finance, to issue a guarantee to Banque Saudi Fransi (BSF) for providing JODC with credit facilities amounting to SAR 1.6 billion.
- 10 Key outcomes of issuing the unified title-deed over the entire Jabal Omar project are the completion of sale of land in order to deliver plans of financial obligations restructuring and complete construction of the ongoing phases.
- 11 JODC sell a land plot with a total area of 2,600 sqm located within its project in Makkah for SAR 517 million, which positively impacted 2021 annual results.
- 12 Construction work under Project phases is fast paced, as 80.95% of the second phase constructions were completed, delivering 96 hotel units and a commercial center with a rental area of 8,000 sqm, while completion rate reached 88% and 63.3% in the third and fourth phase respectively.



Malls revenue increased

44%

Compared to the previous year



Hotel revenue increased

48%

Compared to the previous year



Quick ratio

▲ 347%



Debt to Equity Ratio

▼ 27%



Mr.
Saeed Mohammed Alghamdi
Chairman of the Board

We delighted to welcome the return of pilgrims to Makkah in full capacity in 2021 under the wise leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Highness the Crown Prince Mohammed bin Salman, to effectively respond to combat the pandemic. In the past year, JODC has successfully overcome the challenges arising from the Covid-19 pandemic by implementing a number of strategic initiatives. These efforts have delivered the best possible outcome in light of unprecedented market conditions.

Chairman's Message

Dear Esteemed Shareholders of Jabal Omar Development Co.

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

On behalf of the Board of Directors, I am pleased to announce our 15th annual report, which highlights our achievements, business developments, and financial performance for the fiscal year 2021. Over the course of the year, we took major strides towards fulfilling our strategic goal of contributing towards the growth and development of Makkah.

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In the past year, JODC has successfully overcome the challenges arising from the Covid-19 pandemic by implementing a number of strategic initiatives. These efforts have delivered the best possible outcome in light of unprecedented market conditions.

With an ambitious plan to improve our financial position, the company made significant progress towards improving its capital structure and financial position. We are also continuing our efforts in adopting a disciplined approach towards managing our finances and funding requirements to expedite project completion of phase 2, 3 and 4 of Jabal Omar.

We are proud to play a leading and vital role in providing the best-in-class services and developing one of the most important sites in Makkah to service and enrich the experiences of the pilgrims as well as enabling the Kingdom to achieve the Hajj and Umrah related goals which forms a crucial part of the realizing Saudi Vision 2030.

While much remains to be done in the next phase, we have made significant progress in the master project to date. We continue to work apace and make substantial contributions to the development of the hospitality sector in Makkah, a key component to accommodate the expected increase in Hajj &

Umrah pilgrims to 30 million by 2030 and to develop the central area neighboring Masjid Al Haram. We also continue to offer the highest international standards of services to further enhance the spirituality of Makkah and to enable visitors to carry out their pilgrimage with greater ease and to enrich their religious journey and cultural experience.

All the great work we have done, provides a strong foundation and opens the door to attractive investment opportunities to develop leading international hotels, residential units and shopping centers, including the development of facilities and services to meet the needs of visitors and residents. Through close collaboration with public and private sector partners, Jabal Omar will contribute to the further development of Makkah into both a deeply spiritual destination as well as a modern city with best-in-class services and locations.

On behalf of the Board, I want to express our deepest gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, the Crown Prince His Royal Highness Prince Mohammed bin Salman AL Saud, Deputy Prime Minister, Advisor to the Custodian of the Two Holy Mosques, Prince Khalid Al-Faisal Governor of Makkah Province, and his Deputy Prince Bader bin Sultan, for their unwavering support for all pilgrims. We also thank the Royal Commission of Makkah City and Holy Sites, and the Ministry of Hajj and Umrah and Ministry of Health for their continuous efforts in advancing the development of the Hajj and Umrah sector and safeguarding the wellbeing of the pilgrims, and the Ministry of Finance for their ongoing crucial support.

I would also like to express my sincere appreciation to all our valued shareholders for their continued confidence in our Company. Finally, thank you to all of our employees for their relentless efforts to helping the Company achieves its goals and for their sincere dedication towards servicing the guests of Allah.



Mr.
Khaled M. Al-Amoudi
CEO

I extend my sincere gratitude to the employees of the company that have demonstrated resilience, dedication and unyielding determination to help us in executing on our ambitious transformation plan. Collectively we will continue to fulfill our ambitions. I would also like to thank our wider stakeholders in the public sector specifically, Ministry of Finance, Royal Commission of Makkah, as well as our other stakeholders including banks, suppliers, contractors and other partners for playing a key and enabling role in our transformation.

CEO's Message

Dear Esteemed Shareholders of Jabal Omar Development Co.

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

We entered 2021 with renewed commitment to executing on our strategic priorities to support the company's growth and development. I am pleased to say that we have achieved many significant milestones over the past 12 months that have enabled the company to transform on all fronts and we enter the new year with renewed sense of optimism and confidence in our ability to achieve our goals.

Challenges and Opportunities!

Despite challenging market conditions, in 2021 Jabal Omar underwent a major financial, operational, and organizational transformation to become a more financially resilient, and operationally agile and efficient company. This was made possible thanks to our commitment to executing on an effective transformation plan that was centered on (1) improving the capital structure to enable sustainable growth, (2) enhancing our operating and business activities while optimizing costs to further drive efficiencies, agility and boost resilience, and (3) expedite project development to create additional value and to support the Kingdom in achieving the goals of Vision 2030.

Thanks to the significant progress we made in our company wide transformation plan, we enter 2022 as a leaner, more agile and financially sound company that is in a stronger position to take advantage of the post Covid-19 recovery in the Hajj and Umrah sector and the structural changes that will drive growth in Makkah's real estate sector.

To enable us to protect and grow shareholder value, our priorities for 2022 will be focused on:

1. Completing phase 2, phase 3, phase 4 of the megaproject by following a predetermined schedule and executing in accordance with highest international standards
2. Continuing to execute on the capital structure optimization plan
3. Optimizing the operating model through digitization to enhance efficiency
4. Maximizing revenue of operating assets

5. Selectively monetizing land bank through strategic partnership with sub-developers to develop and provide innovative products

I extend my sincere gratitude to the employees of the company that have demonstrated resilience, dedication and unyielding determination to help us in executing on our ambitious transformation plan. Collectively we will continue to fulfill our ambitions. I would also like to thank our wider stakeholders in the public sector specifically, Ministry of Finance, Royal Commission of Makkah, as well as our other stakeholders including banks, suppliers, contractors and other partners for playing a key and enabling role in our transformation.

Lastly, I would like to thank our shareholders for their unwavering trust in JODC. We are at a critical turning point in our journey together, but we count on your trust to enable us to take this great company towards a path of sustainable growth and to help the Kingdom achieve the goals of Vision 2030 and make the Holy City of Makkah one of the world's most attractive investment locations.

Board Members



Mr. Saeed Mohammed Alghamdi
Chairman of the Board
Non-Executive

Qualification

BSc in Computer Engineering

Current jobs and memberships

- SNB Managing Director
- Board Member in Prince Mohammed bin Salman Charitable Foundation "Misk"
- Board Chairman at Manga Productions.
- Board Member at Institute of International Finance

Previous jobs, memberships, and experiences

- SNB Board Chairman, Board Member and CEO
- Board Chairman at SNB Capital
- Board Chairman at Saudi Credit Bureau "SIMAH"
- Board Chairman at Second Health Cluster
- Board Member at Real Estate General Authority
- Board Chairman of Türkiye Finans Katılım Bankası
- Member of the Regional Advisory Council, Mastercard Middle East and Africa
- CEO Advisor at Al-Rajhi Bank
- SAMA Governor Advisor
- SNB Board Chairman Advisor
- Deputy CEO at Al Rajhi Bank
- Board Member at Al Rajhi Bank, Malaysia
- Board Member at Al-Rajhi Capital
- Board Member at Al-Rajhi Takaful



Mr. Thalib Bin Ali Al-Shamrani
Deputy Chairman of the Board
Non-Executive

Qualification

Bachelor of Economics and Management (Business Administration)

Current jobs and memberships

- Advisor to His Excellency the Minister of Finance
- Member of the Board of Directors of the Human Resources Development Fund and member of the Executive Committee
- Chairman of Oversight Committee at General Organization for Social Insurance
- Board Member, Audit Committee Member at Saudi Space Commission
- Audit Committee Member, Nominations and Remunerations Committee Member at Saudi Health Council
- Member of the Accounting Standards Committee in the Public Sector
- Member of the Committee for the Development, Accreditation and Issuance of Concepts of Accounting Standards in the Public Sector
- Board Member, Executive Committee Member at Albalad Alameen Development and Urban Regeneration Company
- Board Member, Audit Committee Member at IKTVA
- Board Chairman at Bidaya Home Finance
- Chairman of the Steering Committee for the Transformation of Saudi Governmental Entities and Authorities to the Accrual Accounting Principle

Previous jobs, memberships, and experiences

- Assistant Minister of Finance for Financial Affairs
- Member of the Board of Directors of the General Organization for Social Insurance and Chairman of the Risk Committee
- Member of the Risk Committee - General Authority of Zakat and Income
- 35 years of banking experience, including 24 years at Riyadh Bank, at the senior and executive levels
- Risk Committee Member at Saudi Electricity Company
- Chairman of the Board of Directors of the Ithraa of Riyadh Real Estate
- Member of the Board of Directors and Chairman of the Audit and Compliance Committee of Riyadh Capital
- Board Member, Executive Committee Member at Public Pension Agency
- Vice-Chairman and Chairman of the Executive Committee of the Saudi Travel Check Company
- Membership of several banking and risk management committees, the International Basel Standards Implementation Committee, and the accounting committees



Dr. Abdulraouf Mohammed Mannaa
Board Member
Non-Executive

Qualification

Bachelor, Master and PhD in Mechanical Engineering

Current jobs and memberships

- Member of the Board of Directors and Chairman of the Nomination and Remuneration Committee at SEDCO Holding Company
- Deputy Board Chairman and Chairman of the Investment Committee of Sulaiman Bin AbdulAziz Al Rajhi Holding Co.
- Chairman of the Board of Directors at Elaf Group
- Senior Consultant at Abdulraouf Mannaa Management Consulting Office

Previous jobs, memberships, and experiences

- Deputy Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee at Omar Development Company
- Member of the Board of Directors of Baeshen Company
- Member of the Board of Directors of the Social Development Bank
- Member of the Board of Directors of Hasana Company
- Member of the Board of Directors and Chairman of the Nomination and Remuneration Committee at Knowledge Economic City
- Member of the Board of Directors of the General Organization for Social Security
- Member of the Board of Directors, Chairman of the Nomination Committee and Chairman of the Audit Committee at the Saudi Investment Bank
- Member of the Board of Directors and Managing Director of Savola Group
- Managing Director of Emaar, The Economic City
- Board Member of Almarai Company



Dr. Ahmad Othman Alqasabi
Board Member
Non-Executive

Qualification

Bachelor, Master and PhD in Civil Engineering

Current jobs and memberships

- Member of the Board of Directors and Member of the Executive Committee of the Thakher Investment and Real Estate Development Company Ltd.
- Member of the Board of Directors and Deputy CEO of Al Qasabi Contracting Company
- Member of the Board of Directors for Geotech Overseas Project Engineering
- Member of the Board of Directors and member of the Executive Committee of the Saudi Contractors Authority
- Member of the Committee on Audit in the company Bin Laden Global Holding

Previous jobs, memberships, and experiences

- Member of the Executive Committee at Jabal Omar Development Company
- Member of the Saudi Code Preparation Committee - Structural Committee
- Vice President of the Committee for Preparing the Saudi Soil and Foundations Code
- Member of the Board of Directors of the Saudi Contractors Authority
- Chairman of the Committee of the supervisory of Qias tests
- Supervisor of the Statistics Center in Higher Education - Ministry of Higher Education
- General Manager of Al-Qasabi Contracting Company
- Member of the Committee of the supervisory project Prince Turki Alsudairy Mosque
- CEO of Al-Aqiq Real Estate Investment Company
- Faculty member - College of Engineering - King Saud University
- Member of the Examinations Committee for Colleges of Medicine - King Saud University
- Supervisor of registration - College of Engineering - King Saud University
- Member of Audit Committee of Riyadh Economic Forum



Mr. Abdulaziz Sulaiman Al Rajhi
Board Member
Independent

Qualification

Bachelor's degree in Financial Management

Current jobs and memberships

- Member of Nominations and Remuneration Committee at Jabal Omar Development Company
- CEO of Sulaiman bin Abdulaziz Al Rajhi Holding Company
- Secretary General of Sulaiman Al Rajhi Endowment Company
- Board Member of Al Rajhi United Investment Holding Co.
- Board Member of Raj Real Estate Company
- Board Member, Member of the Audit and Risk Committee, and Member of the Nominations Committee of Yanbu Cement Company
- Board Member of Alpha Investment Company

Previous jobs, memberships, and experiences

- Board Member of Sulaiman Al Rajhi Endowment Company
- Board Member of Sulaiman bin Abdulaziz Al Rajhi Holding Company
- Board Member and Member of the Executive Committee of Sulaiman Bin Abdulaziz Al Rajhi Real Estate Investments Company
- Board Member of the National Agricultural Company
- Board Member of Al Rajhi International for Investment Company
- Board Member of Al Rajhi Family Fund
- Board Member of Abdulaziz bin Saleh Al Rajhi Endowment



Mr. Mohammed Sultan Abu Melha
Board Member
Non-Executive

Qualification

- Master's degree in Engineering Management
- Bachelor's degree in Civil Engineering
- Project Manager Professional (PMP) certification

Current jobs and memberships

- Director of Real Estate Projects Department at the General Organization for Social Insurance

Previous jobs, memberships, and experiences

- Site Engineer at Zuhair Fayez Partnership Consultants



Mr. Yasser Abdulaziz alkadi
Board Member
Independent

Qualification

- B.S. in Finance
- Master's degree in Business Administration

Current jobs and memberships

- Chairman of Nominations and Remuneration Committee at Jabal Omar Development Company
- CEO of kadi Group Holding Company
- Board Member and member of the Audit Committee of the National Shipping Company of Saudi Arabia (Bahri)
- Board Member and Chairman of Risk Committee at Derayah Financial
- Member of the Board of Trustees of Oqal Group
- Member of the Logistics Committee of the Eastern Province Chamber
- Managing Director of Zajil Logistics Company

Previous jobs, memberships, and experiences

- Chairman of the Board of Directors of Oqal Group, Eastern Province
- Chief Business Development Officer at Jeraisy Group
- Financial Analyst at Al Faisaliah Group
- Board Member of Al Sagr Cooperative Insurance Company



Mr. Mohammed Saud Alrasheed
Board Member
Independent

Qualification

- Bachelor in Science Management - Systems

Current jobs and memberships

- Chairman of the Audit Committee of Jabal Omar Development Company
- Chairman and Owner of Muhannad Bin Saud Al Rasheed Advocates and Legal Consultants in cooperation with Baker Potts LLP

Previous jobs, memberships, and experiences

- More than 24 years of experience in the field of rights
- Member of the Audit Committee of Al-Reef Sugar Refining Co.



Mr. Rayan Saleh Alrasheed
Board Member
Independent

Qualification

- Master's degree in Business Administration
- bachelor's degree in Financial Management

Current jobs and memberships

- Member of Nominations and Remuneration Committee at Jabal Omar Development Company
- Vice CEO, Financial Investments at Awqaf Investment Company
- Board Member of the National Tri-generation Company
- Board Member of Raz Amwal Investment Company

Previous jobs, memberships, and experiences

- Board Member of the International Gases Company
- Private Equity and Investment Banking Department in Jadwa Investment Company
- Corporate Finance Department at the Capital Market Authority

