



خادم الحرمين الشريفين الملك
سلمان بن عبد العزيز آل سعود



صاحب السمو الملكي الأمير
محمد بن سلمان بن عبد العزيز آل سعود
ولي العهد



تھامہ
إرث حضاري عريق

Report of the Board of Directors
Issued to the Ordinary General Assembly
About the Company's Business

For the Fiscal Year 2021-2020



Preamble

Attention:
M/S Tihama Advertising, Public Relations and Marketing JSC,
Greetings,

The Board of Director (BOD) of Tihama Advertising, Public Relations and Marketing Holding is pleased to present to you the annual report of the BOD for the period from 2020 /04 /01 to 2021 /03 /31 with the final balance sheet of the Company, statements of income, cash flows and changes in equity.

The report includes a comprehensive presentation of the performance of the achieved works, outcomes and decisions made throughout the last year.

The report includes a comprehensive overview for the mechanisms of companies' governance and compliance with the regulations of Capital Market Authority (CMA).

This report is the best evidence to demonstrate conformity with the regulations of company's governance issued by the Board of Capital Market Authority under the decision No. 201701608 dated 16.05.1438 H (corresponding to 13.02.2017 G) and with Companies Law issued by the Royal Decree No. M/3 dated 28.01.1437 H amended by the decision of the Board of Capital Market Authority No. 1-7-2021 dated 1442/6/1 H (corresponding to 2021/1/14 G).



Vision

To be the leaders and pioneers in KSA and the region within the fields of our business to make our business the most developed and consistent with the state-of-the-arts technologies. We seek further to be the first and best choice for our customers and partners.



Mission

We strive to create and develop innovative, new ideas in our chosen fields and to invest in new promising and innovative opportunities in order to enhance our leadership in the market and provide added value to our partners and shareholders.



Strategy

Our strategy is to change achievement to leadership, experience to knowledge, confidence to commitment, demand to technology, vision to creativity, partnership to pride, passion to growth and ideas to a promising future.



Our Values:

Creativity: Unleash our creative spirit in all our business in which we perform and present innovative and practical solutions.

Openness: We are open to all new and creative ideas and developed techniques, enabling us to be pioneers in our business fields.

Leadership: To be the leaders in providing creative and contemporary solutions and to put our business and products to forefront.

Confidence: Dealing with honesty, commitment and transparency with customers, shareholders and other beneficiaries so we can be always be counted on.

Determination: Observance of ambition with a strong will, overcoming challenges and obstacles no matter how hard they are in order to achieve our goals.



Our Goals:

Contribute to the achievement of sustainable development.

Improving the industries of advertisement, communications, education and retail to new and unprecedented levels.

Launching trade value via Tihama's networks, resources and partnerships.



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I : Incorporation Characteristics

Description of the main activities, their impact on business size and contribution to results.

Tihama is one of the largest groups in KSA, specialized in the field of advertisement, public relations, marketing, media services, publication, Retail and education. Tihama started its business as a limited liability company in 1974, then transferred to a Saudi joint-stock company according to Companies Law in KSA, subject to Ministerial Decree No. 1397 dated Jumada AlThani 1403 ,29 H, corresponding to April 1983 ,13 G issued by the Ministry of Commerce. The Company exercises its business in the field of commercial advertisement, public relations, marketing, publication and distribution under the license of Ministry of Culture and Media No. 23232, with capital of SAR 175 Million divided into 17.5 Million shares.

Tihama practices its business through its registered office located in Riyadh (The Extraordinary General Meeting of Shareholders held on October 2016 ,16 has agreed to transfer such registered office to Riyadh City from Jeddah), with branches and sister companies in the Kingdom of Saudi Arabia and GCC countries.

During its journey, Tihama succeeded in creating the trust as the pioneer in advertising and marketing as it gained the exclusive partnership rights of a distinct group of advertising media businesses, international newspapers and magazines as well as a number of Arab satellite channels and strategic global partnerships.

Tihama is the parent company from which other companies running the business of advertising marketing (journals, magazines and satellite channels) have emerged. Tihama contributed to the success achieved by various companies that made their way in the world of advertising and marketing on both the local and regional level.

The road advertising activity started with the formation of the Company in 1976 and developed over years in terms of format and level of investment, which was done in parallel with the opening of service workshops and opening new road advertising sites. Tihama focused on expanding in the field of billboards to cover the whole kingdom, including cities and main roads.

Activity	Revenue in millions	Gross Profit / (loss) in millions	Net loss in millions
Advertisement and production	34.2	(4.2)	(22.0)
Bookstores and Retail	13.0	5.5	(25.2)
Distribution	26.1	9.3	(4.2)
Parent Company and Investments	-	-	(33.5)
Total	73.2	10.6	(84.9)

The guidelines and main strategy of the BOD to support and develop the Company.

The company follows its basic strategy adopted by the Board of Directors since the beginning of its term, which is based on the expansion and diversification of the company's investments through a targeted study on good investment opportunities and their investment and to mergers with other companies that have some new projects that the market needs, in addition to transforming their activities into independent companies. With the aim of giving these subsidiaries emanating from the Tihama Al-Mother more flexibility and independence in making their decisions and conducting their operational work, improving the focus on strategy, increasing competitiveness, and giving the boards of directors with the CEOs of these companies more support and flexibility, while retaining the Board of Directors for Tihama Al-Mother to represent the majority of members in those companies. boards.

The company's strategy is also based on taking advantage of its position in the advertising industry, science, knowledge and libraries by developing investment opportunities in the advertising industry and entering into new sectors such as production and retail, in addition to developing the partnership between Tihama and the Education Technology Company - Houghton Mughlin Harcourt, which is operated by Tihama Distribution Company (a subsidiary company).

Controlling Subsidiaries and activities

Subsidiaries are the businesses, where the Parent company has control (usually by owning more than half of the voting shares) and is able to direct the financial and operational policies to obtain economic benefits and.

3/1 Tihama International Advertising Co.

Tihama International Advertising Company is a Saudi limited liability company established on November 9, 2010 with a capital of 500,000 Saudi riyals, with the purpose of separating the advertising sector into an independent company in accordance with the strategy set at that time, but the company has not yet commence operations yet.

3/2 Tihama Modern Bookstores

With the establishment of Tihama Modern Bookstores, it aim wa to raise awareness and culture in the domestic market, 1976 saw the publication of the first-of-kind book (Guide ofVIP) in KSA in English. Then, the publications continued and a distinguished series of books were published. The company sought to improve and upgrade its business and thus participated in various local and global exhibitions taking national books from the local to global level. Over time, with change of habits and latest developments appeared, which led to the decline in the demand of books, reading habits and individuals orientation away from printed books, the publication and bookstores sector is facing various challenges leading to rising losses.

3/3 Tihama Distribution

The company is currently managing and operating the exclusive dstribution contract for the products of Houghton Mifflin Harcourt. During the year ended 31 March 2021, Tihama distribution) has extended its exclusive distribution agreement with learning technology company Houghton Mifflin Harcourt "HMH". Tihama has renewed its agreement with learning technology company Houghton Mifflin Harcourt (HMH), a leading global provider of K-12 curriculum solutions, as the exclusive distributor of HMH products in the Kingdom of Saudi Arabia. The agreement runs through December 2023 and includes the possibility of further extension through December 2025.

HMH and Tihama have had a successful partnership since 2010, serving over 170 schools across the Kingdom. Tihama continues to develop its full service offering to its customers including training and professional development.

HMH is investing in continuing innovation in the K-12 market segment and is deeply focused on a digital first approach to curriculum design and delivery, leveraging online platforms and the latest in education technology developments.

Its new "Into Learning" product range (including, Into Reading, Into Social Studies, Into Math, etc.) has already received the highest of accolades from leading educators in the USA and Tihama will be promoting key "Into Learning" programs for the next school year.

Covid-19 has had a devastating impact on the world, and schools have had to pivot quickly to remote teaching environments. HMH's "Into Learning" solutions are ideal, offering a fully integrated curriculum with rich content that can be delivered remotely and that connects educators with the right tools to monitor and improve student performance.

The Group worked during the last year on restructuring the distribution sector started with one employee serving 20 schools. Tihama's new educational services with a team of 20 employees erves more than 170 schools in KSA, and focusing on the significance of the growing education sector which now represents 8% of the global gross national product.

The company currently owns a 9% share in the ownership of Watania Combined Distribution Company (Al Watania Distribution), which is a limited liability company registered in KSA.

3/4 Tihama Holding for Commercial Investment



Founded in 1999, based on Tihama's aim of investing in companies running the same business - was to enhance profits through horizontal expansion and achieve the strategic policy to maintain a certain share of advertising spending budgets. Therefore, it participated in incorporating many companies with the Parent Company.

3/5 Estidama Real Estate Co.



The Company was incorporated in 2010 for the purpose of developing and investing in real estate with a modern concept, noting that the company has not started its activity yet.

3/6 Tihama Education Ltd



Tihama established Tihama Education Company - a limited liability company with a capital of 200,000 Saudi riyals, for the purpose of providing educational training and development services - the Company activities was amended into Retail trading. During the fiscal year ending on March 31, 2021 AD, the parent company acquired additional shares from Tihama Education Company (a company Subsidiary) representing 51% of the company's capital, so the parent company's ownership percentage becomes 100% of the subsidiary's capital. As on March 31, 2021, the net effect of acquiring the subsidiary on non-controlling rights amounting to 3,459,628 Saudi riyals was recorded in the consolidated profit or loss statement. for the fiscal year ending on March 31, 2021.

The company owns the exclusive rights to distribute the products of the globally known brand WH Smith in the Kingdom of Saudi Arabia, and its subsidiary company (Aventis Global General Trading Company) owns the exclusive rights to distribute the products of the globally known brand WH Smith in the United Arab Emirates.

Our mission in the retail sector is to transform the customer experience from a mere shopping experience to a leisure lifestyle by providing high quality innovative products and services across all retail platforms. In partnership with WH Smith, the company is adopting a new strategy to develop its foundations to reflect changing consumer needs through redesigned stores, new marketing channels and an enhanced management team.

Tihama for Education worked through three channels:

1- Café & Sip in Riyadh

2- Airport branches and travel areas, during the fiscal year ending on March 31, 2020, two retail locations were opened at King Khalid International Airport in Riyadh. In April of 2021, a contract was signed to lease the first two of the 6 retail units that were awarded at King Abdulaziz Airport International Jeddah.

Online sales and sales platforms.

3/7 Fast Advertising SPC



During the year, the company incorporated Fast Advertising SPC - a limited liability company 100% owned, with a capital of SAR 25,000, with the aim to support the advertising sector of the Group. The company has not started practicing the activity yet.

3/8 Integrated Production Company



Tihama believes that the local production sector will grow significantly during the coming period, in line with the Saudi 2030 vision.

Tihama has recently entered the sector of movie production, commercial and awareness advertising campaigns, and documentaries by participating in the incorporation of the Integrated Media Production Company for audiovisual production (a subsidiary company) in partnership with:

Photo Field Foundation (established in January 2016 G)

Integrated Production Foundation (est. August 2017 G).

The two foundations and their owners (Abdulaziz Al-Swailem and Osama Al-Khuraiji) have a distinguished history in producing visual content and series combined with a strong client list, including National Bank, MBC, SBC TV and Control, which has positively affected the company's launch from inception.

The Integrated Production Company is specialized in producing visual content in 3 main areas:

1. the production of television programs, series, and movies.
2. the production of commercial advertisements and promotional movies.
3. the production of visual materials designated for use in social media.

The Integrated Production Company succeeded during its first year in making a distinguished name for itself in the field of advertisement and awareness production, depending on the previous successes of the company's partners in such field, the network of their clients and the long-standing name of Tihama in the field of media. It is a very distinct return, as it is known that emerging companies do not achieve any returns in their early years. This concept confirms the validity of the Tihama administration's approach to entering into a partnership with companies that have experience, existing contracts and a network of clients to go beyond the early years and enter the profit period).

The Company won Cannes Corporate Media & Tv awards (Cannes Film Festival) and Avenues Award for Commercial Advertisement (Burger King)

Based on the BOD strategy to implement expansion plans in the production sector (as stipulated in the investment plans for use the proceeds of the capital increase contained in the approved prospectus) the company decided to increase its ownership percentage in Integrated Production Company for Audiovisual Media Production.

The BOD was briefed on the achievements of Integrated Production and the current expansion plans of the to establish new openings that will contribute to diversifying and developing its revenue sources, which will, be reflected in supporting the group's revenues and profits. The plans included the existence of many future opportunities that the Integrated Production would like to work on.

During the fiscal year ending on March 31, 2021, the parent company acquired additional shares representing 35% of the capital of the integrated production company with an estimated value of 7,250,000 Saudi riyals. The group's share of the net book value of the acquired assets amounted to 18,861 Saudi riyals, the increase in the total consideration transferred, the amount of non-controlling interest recognized and interests held in excess of the identifiable net assets acquired and liabilities pledged of SAR 7,231,139 is included as goodwill under intangible assets. Based on the results of the valuation prepared by an accredited external valuer office, no impairment was found in the goodwill value as on March 31, 2021.



In July 2019, Tihama, through one of its subsidiaries, acquired the Aventus Global Trading Company, which has the franchise to use the trademark “WH Smith” in UAE.

Aventus Global currently operates number of branches in Dubai and Abu Dhabi to sell books, stationery, magazines, newspapers, entertainment products, sweets and accessories. The branches are distributed between the main streets, the most prestigious commercial centers, hotels, hospitals and Abu Dhabi International Airport. Aventus also has a contract with Abu Dhabi Airport Company to operate 8 retail units at the new Abu Dhabi Airport (Midfield) and these new branches will enable the company to improve sales as a whole, in addition to enabling the company to seek expansion at the regional level in this field in the future.

3/10 Imagination Weave Company for Audio and Visual Media Production



During the year ending on March 31, 2020, the parent company participated in establishing Imagination Weaving Company for Audiovisual Media Production - a limited liability company with a capital of SAR 100,000, 50%-owned.

Tihama has invested in a partnership with Mercot Company to produce the movie Masameer, which had a great success and was at the top of the box office in cinemas at the time of its release. The investment is in line with Tihama's objectives of empowering national businesses. This work was 100%-Saudi in terms of production and content.

We, in Tihama, have a great belief that the production sector will significantly grow during the period to come, in line with the Saudi 2030 vision.

3/11 International Advertising Services Co (InterMarkets)



Established in 1981 in partnership with a Lebanese company specialized in advertising, under a license from the Foreign Investment Committee at the Ministry of Industry. Tihama owns 51% of the company's capital.

Most of its customers reduced the amount of advertising spending, which affected the company's ability to continue and led the company's BOD to taking a decision to suspend the company's activities in order to assess the situation and decide whether or not to continue the operations. The partners in Intermarkets decided on November 16, 2011 to suspend the company's activity for a period of 6 months, and not to perform any new business during that period in order to avoid further loss. The following decisions were taken:

Suspending the company's activity for a period of 6 months starting from the end of the fiscal year on December 31, 2011, to be renewed for subsequent period(s) as necessary.

The partners should meet at the end of each period to decide whether to continue or stop the suspension and return the company to trading.

Tihama's inability to use its legal right to manage this company as a result of the company's cessation of activity since November 16, 2011 and the company's inability to obtain any financial data and information that would enable it to unify the company and the expiration of the commercial registry and the necessary licenses for the company to perform its work, which led to The parent company's loss of control over the investee company.

Accordingly, the parent company decided to stop compiling the financial statements of the International Advertising Services Company - Intermarkets within the group's consolidated financial statements.

Subsequent to the date of the financial position, the partners in the International Company for Advertising Services Limited - Intermarkets decided to liquidate the International Company for Advertising Services and the partners are in the process of issuing a decision appointing a liquidator to take the legal procedures in this regard.



During the year ended as of March 31, 2018, the company contributed to the establishment of Tihama New Media Company, which works in the field of electronic advertising and marketing on behalf of others, with a capital of 100,000 Saudi riyals. The equity share of the company is 48% (directly and indirectly) as on March 31, 2020. During the year ending on March 31, 2021, the parent company acquired all of the partner's shares in Tihama New Media Company (an associate company), accordingly, the ownership of the parent company became 100% of the company's capital and it became a subsidiary company as of March 31, 2021, the net effect of acquiring the additional stake in the subsidiary company amounting to 139,084 SR was recognized directly in the consolidated statement of profit or loss for the financial year ended March 31, 2021.

Associated Companies

Associated companies are companies that the group has significant effect over, but without control. Usually, this is accompanied by ownership of 20% or more of the voting rights.

3/13 Saudi Advertising Material Co Ltd



The company started its activity since 1995 and Tihama owns 42.5% of the capital of the company, 42.5% by Kasab International company, and 15% by Sheikh Ibrahim bin Mohammed Al-Issa Co. The company's activity is based on using the latest equipment technologies available for printing advertisements on advertising areas outside and inside of buildings. Its activity is complementary to Tihama's advertising business.

It has achieved good returns and has a base of distinguished clients at the level of KSA, the most important of which is Aramco, working on their exhibitions that are held in KSA cities on various occasions. The company's branches covered all major cities; however, with the business started to incur losses resulting in an increase in partners' support requirement leading to a decision to liquidate this company. The proposal to liquidate is being pursued through a lawsuit pending before the court.

3/14 United Advertising Co Ltd



The company was incorporated in 1976 with Tihama holding 100% of its share capital. However, in 1986 the company sold 50% of its shares in United Advertising Co., so, Tihama's share became 50%. The legal procedures for this change are still in progress as on March 31, 2021, On June 30, 2021 Tihama agreed to merge its share of United Advertising Co Ltd into a new business called ICG Saudi Arabia

3/15 United Journalists Co. Ltd



Tihama owns 50% of the capital, it has participated in this company since 1990 with the aim of obtaining the advertising franchise for “Kul Al Nas” magazine, whose editor-in-chief was Mr. Imad El Din Adeeb, and over the years the company achieved profitability, but in recent years, losses were recorded as a result of the intensity of competition faced by the company. The company's administration developed a plan that included restructuring and improving its activity. However, this requires financing from partners, and Tihama decided not to involve in a new risk and asked the partner to hold a meeting to discuss solutions, but the partner did not respond. We are in the process of deciding on the continuity of our partnership and the company is still in the process of negotiating with the partner to reach a final solution and a settlement of the company's status.

J.Walter Thompson Middle East and North Africa Company, which was incorporated in the Kingdom of Bahrain in 2000. Tihama's share at incorporation reached 81%, followed by Tihama's sale of a share representing 51% to J.Walter Thompson America, and accordingly, Tihama's share became 30% in the company since that date.

This company represents one of the tributaries of good profits for Tihama because of its distinguished activity around MENA region. The company's offices are located in many countries with the aim of providing advertising services to international clients through its offices in the region.

On June 30, 2021 Tihama and the other partners agreed to merge their shares in this business with Wunderman ME to form Wunderman Thompson ME EC.

3/17 Gulf Development Systems Company

The company became a partner through one of its subsidiaries (Tihama for Commercial Investment) in establishing Gulf Development Systems Company, and the partners therein are as follows: Tihama for Commercial Investment Company 30%, Dar Al Mustawred (owned by the previous Chairman of the Board) 30%, Zakha Contracting Corporation (owned by Dr. Abdulaziz Al-Muzaini, a previous director) 40%. It has not carried out any activities nor achieved any revenues since its incorporation in 2010 G to date. During the year ended March 31, 2017 G, the company recorded impairment losses against the total value of the investment in the company in the consolidated balance sheet, amounting to SAR 19,476,281.

3/18 Tihama Global Dubai Company

In January 2014G, Tihama Advertising, Public Relations and Marketing Holding Company transformed its branch in Dubai into a limited liability company registered in the United Arab Emirates under the name of the Tihama Global Free Zone Company. The business worked with international companies in all areas of the company's various advertising activities and to achieve the necessary administrative flexibility to interact with the market and take advantage of the opportunities for growth and expansion in the Gulf region, Tihama's share is currently 40%.

3/19 Renewable Technology Company

The company entered as a partner in establishing Renewable Technology Company, and the partners therein are as follows: Tihama Advertising and Public Relations Company 30%, Dar Al Mustawred (owned by the previous Chairman of the Board) 30%, Zakha Contracting Corporation (owned by Dr. Abdulaziz Al-Muzaini, a previous director) 40%. It has not carried out any activities nor achieved any revenues since its incorporation in 2010 G. During the year ended as of March 31, 2017, the company recorded impairment losses in the value of the investment in the company in the group consolidated balance sheet, amounting to SAR 150,000.

The ownership position of subsidiary and associate companies can be summarized as follows:

Company name	Equity	Capital Saudi riyals	Place of incorporation	Principal place of business	Main activity
Tihama for Commercial Investment Company	100%	500,000	Saudi Arabia	Saudi Arabia	Commercial investment
Tihama Modern Bookstores Company	100%	81,671,977	Saudi Arabia	Saudi Arabia	Publishing and Bookstores
Estidama Real Estate Company	100%	500,000	Saudi Arabia	Saudi Arabia	Real Estate Investment
Tihama International Advertising Co.	100%	500,000	Saudi Arabia	Saudi Arabia	Advertising
Tihama Distribution Company	100%	3,500,000	Saudi Arabia	Saudi Arabia	Distribution
Tihama Education Company	100%	200,000	Saudi Arabia	Saudi Arabia	Retail
Fast Advertising SPC	100%	25,000	Saudi Arabia	Saudi Arabia	Advertisement
Integrated Production Company	70%	10,000	Saudi Arabia	Saudi Arabia	Production of Films and programs
Aventus Global Trading Company	100%	616,409	United Arab Emirates	United Arab Emirates	Retail
Imagination Weave Company for Audio and Visual Media Production	50%	100,000	Saudi Arabia	Saudi Arabia	Production of Films
International Advertising Services Company (unconsolidated)	51%	1,000,000	Saudi Arabia	Saudi Arabia	Advertising
Tihama New Media Company	100%	100,000	Saudi Arabia	Saudi Arabia	Media and research
Tihama Global Dubai Company	40%	51,000	United Arab Emirates	United Arab Emirates	Advertising and marketing
United Journalists Co.	50%	440	United Kingdom	Middle East	Publishing house
United Advertising Co.	50%	500,000	Saudi Arabia	Saudi Arabia	Advertising
Saudi Advertising Material Co.	42.5%	1,000,000	Saudi Arabia	Saudi Arabia	Advertising
JWalter Thompson Co. - Mena	30%	3,750,000	Kingdom of Bahrain	Middle East and North Africa (MENA)	Advertising and public relations
Gulf Development Systems Company	30%	500,000	Saudi Arabia	Saudi Arabia	Financial Solutions Technology
Renewable Technology Co.	30%	500,000	Saudi Arabia	Saudi Arabia	Financial Solutions Technology



2- : Main characteristic of the financial outcome and performance of the company

Most significant achievements and decisions

In April of the year 2021, one of the subsidiaries (Thama Education Company) signed a contract with the General Authority of Civil Aviation to lease the first two units out of the 6 retail units that were awarded at King Abdulaziz International Airport in Jeddah. The term of the contract is five Gregorian years starting from the date of the site receipt

Tihama will operate these units at the airport under the exclusive franchise of the WH Smith brand. These units will serve passengers across the terminal, including departures and arrivals, as well as domestic and international travelers.

The opening of these units will contribute to the development of the successful partnership between Tihama and WH Smith and the expansion of the range of units operated under the WH Smith franchise, which also includes retail units at Riyadh Airport and throughout the United Arab Emirates.

Founded in 1792, WH Smith is one of the world's largest travel retailer with more than 1,100 stores in 31 countries.

During the fiscal year ending on March 31, 2021, the Group, through its subsidiary (the Integrated Production Company for Audio-Visual Media Production), signed a contract with a government agency to produce documentary films - the value of the contract exceeds (5%) of the company's total revenues according to the latest financial statements annual statements.

During the fiscal year ending on March 31, 2021, the Group, through its subsidiary company (Integrated Production Company for Audiovisual Media Production), signed a contract with the Radio and Television Authority to produce a TV series. TV series production. 5,405,000 SAR

During the fiscal year ending on March 31, 2021, the Group, through its subsidiary (The Integrated Production Company for Audiovisual Media Production), signed a contract with the Radio and Television Authority to produce a television talk show. In the amount of 8,991,263 SAR

During the fiscal year ending on March 31, 2021, the parent company acquired additional shares representing 35% of the capital of the integrated production company with an estimated value of 7,250,000 Saudi riyals

During the fiscal year ending on March 31, 2021, the parent company disposed all its shares in Tihama Contemporary Media Company for an amount of 500,000 Saudi riyals, and the loss from excluding the stakes in the associate company amounting to 722,693 Saudi riyals was included in the consolidated statement of profit or loss for the fiscal year Ended on March 31, 2021.

During the fiscal year ending on March 31, 2021 AD, the parent company acquired additional shares from Tihama Education Company (a subsidiary company), representing 51% of the company's capital, so that the parent company's ownership percentage became 100% of the subsidiary's capital as on March 31, 2021.

During the year ending on March 31, 2021 AD, the parent company acquired all of the partner's shares in Tihama New Media Company (an associate company), and accordingly, the ownership of the parent company became 100% of the company's capital and it became a subsidiary company as on March 31, 2021 AD. The additional stake in the subsidiary amounting to 139,084 Saudi riyals was recognized directly in the consolidated statement of profit or loss for the financial year ending on March 31, 2021.

During the year ending March 31, 2020, the Group (through Tihama Education Company "a subsidiary company") acquired Aventis Global Trading Company (a limited liability company) with a capital of 616,409 Saudi riyals with 100% ownership and registered in the United Arab Emirates. The group is in the 100% subsidiary after acquiring the entire ownership stakes of the parent company of Aventis (Thama Education Company "subsidiary").

Subsequent to the date of the financial position, the partners in the International Company for Advertising Services Limited - Intermarkets decided to liquidate the International Company for Advertising Services and the partners are in the process of issuing a decision appointing a liquidator to take the legal procedures in this regard.

During the year ending on March 31, 2021 AD, the parent company obtained credit facilities from a local bank in the amount of 20 million Saudi riyals, as a comprehensive limit that can be used for several sub-limits, in order to restructure the financial obligations of the company and provide non-cash facilities to the company (guarantees and credits).

During the year ending on March 31, 2021, part of the above-mentioned facility was used to obtain a medium-term loan for a period of two years, with a value of 17 million riyals. By agreeing to an early settlement of the existing Islamic Murabahas with Al-Bab Al-Abyad Holding Company, according to the agreement, an amount of 17,294,000 Saudi riyals was paid out of the company's total outstanding debt of 17,910,000 Saudi riyals.

During the year ending on March 31, 2021, part of the above-mentioned facility was used to obtain a short-term loan for a period of one year, amounting to 3 million riyals in the framework of restructuring the financial obligations of the company.

This approach by the company's management to restructure the company's financial obligations as part of the company's strategy towards converting part of the short-term commitments into medium-term commitments, which contributes to improving the operations of cash flows in the company in addition to contributing to the reduction of the company's financial costs during the coming financial periods due to the lower profit rate of new financing obtained by the company from the profit rates of the existing profit margins.

The financing costs are paid quarterly, while the financing principal is repaid on the maturity date of the financing. The above facilities bear financial expenses according to the rates prevailing in the Kingdom of Saudi Arabia plus the agreed margin, and they are secured by promissory notes issued by the company and mortgaging a deposit with the bank in the amount of 20 Million riyals as on March 31, 2021 AD

Capital increase

On July 15, 2020, the extraordinary general assembly of shareholders approved an increase in the group's capital by 100 million Saudi riyals through the issuance of rights issue shares.

The capital increase of 100 million Saudi riyals was covered in full, as 8,677,641 new shares were subscribed out of a total of 10,000,000 shares, with a value of 86,776,410 Saudi riyals, with a coverage rate of 86.78% of the total new offered shares, and the unsubscribed shares were covered by Shareholders by offering the remaining 1,322,359 shares to a number of institutional investors, where they were fully subscribed.

Accordingly, the company's new capital, after the increase, became 175 million Saudi riyals, with a total number of shares of 17.5 million shares, and the statutory procedures related to the increase have been completed with the relevant authorities.

Company's business-related future risks:

The activities of the company are subject to various risks; for example, in the field of advertisement which is one of the fast markets in terms of changes, emergence of modern advertising means and the connection of these means with government bids subject to municipal and secretariats regulations, the risk of losing one of the auctions, whether by strong competition, expiration of the contract, or refraining by secretariat to re-offer it, or the increase in advertising sites lease pricing is possible.

The same applies to the retail sector, travel restrictions, and competition in the education sector. The company monitors and evaluates these risks and deals with them on an ongoing basis, and may sometimes resort to consulting firms of expertise in the field of risk management and assessment.

Going Concern

The accumulated losses of the company, as on March 31, 2021, exceeded more than 50% of the company's capital, and according to the Article 150 of the Companies Law, if a joint stock company incurs losses amounting to half of the paid-in capital at any time during the fiscal year, any of the company executives or the auditor shall promptly, upon knowledge thereof, inform the chairman of the board, who shall promptly inform board members. The board of directors shall, within 15 days from the date of notification, call for an extraordinary general assembly meeting within 60 days from the date of its knowledge of the losses, to decide whether to increase or decrease the company's capital, in accordance with the provisions of the Law, to the extent where losses are decreased below half of the paid-in capital, or to dissolve the company prior to the date set forth in its articles of association.

2- The company shall be deemed terminated by the operation of law if the extraordinary general assembly fails to meet during the period set forth in paragraph 1 of this Article; if the assembly convenes but fails to issue a decision on the matter; or if it decides to increase the capital in accordance with this Article but the shares issued are not fully subscribed to within 180 days from the assembly's decision to increase the capital. According to Royal Order No 15016 on 16/03/1442 H, regarding the holding of perusing some clauses of the Companies' Law issued by Royal Decree No. (M/3) on 28/01/1437 H, the paragraph No2 of article No 150 of Companies' Law dictates that in case on non-conveying the extraordinary assemble within 180 days from the date of it came to the knowledge of board of directors regarding the accumulated losses (which will expire 21/09/2021), or in case the general assemble not resolved the subject matter, the company will be lapsed by the force of the law.

- The group's current liabilities exceeded its current assets by an amount of 10,126,347 SR as of March 31, 2021, indicating the existence of a material uncertainty regarding the group's ability to manage liquidity.

- The spread of the new Corona virus (Covid 19) has affected the group's business, as the regulatory authorities took precautionary measures by closing the group's retail showrooms, in addition to that, the surrounding economic conditions led to a significant slowdown in the group's advertising sector business. The company has also verified the existence of any adjustments and changes in judgments, estimates and

risk management to be taken, and review the main future estimates and others that may involve material risks, and accordingly, provisions for impairment in the value of financial and non-financial assets have been recorded in the consolidated financial statements. The group incurred successive losses in previous years in the bookstores and advertising sectors, after the volume of business and sales decreased significantly due to the closing of a number of branches, the increase in rents and the loss of some of the tenders for the advertising sector.

- The group's management is working on restructuring some of its subsidiaries and expanding the Production and retail sector operations to achieve sufficient revenues to cover its expenses and achieve operational profits during the following years.

As explained above, the management has reasonable expectations that it has sufficient resources to face the risk of liquidity management in the foreseeable future.

28/1- Covid-19 effect on financial statements for the year ended March 31, 2021:

The spread of the new Coronavirus (Covid-19) has affected the group's business as regulators took precautionary measures by closing the group's retail stores, in addition to which the economic conditions led to a significant slowdown in the group's advertising business, which had some negative impact on the company's business and led to a significant decline in revenues, from retail and advertising sector during the financial year ended March 31, 2021. The impact can also be less extended to the revenues of the Production sector.

Since the beginning of the crisis, the management of the group has been constantly following up on developments and taking the necessary measures and procedures to confront this crisis and reduce its effects on the company and its business, including the support provided by the state to companies to confront these effects. The company has also verified the existence of any settlements and changes in judgments, estimates and risk management that must be taken and disclosed. From them in the consolidated financial statements, the following are the main assumptions about the sources of future key estimates and others that may involve a material risk of making material adjustments to the consolidated financial statements.

Covid-19 effect on financial statements for the year ended March 31, 2021:

- Decrease in value of non-financial assets

The Group verified that there were no indications of a decrease in the value of non-financial assets, any substantial uncertainties with respect to property, equipment, and its right of use assets, particularly those resulting from any change in lease periods, and concluded that there was no material impact on the Covid-19 epidemic with respect to property and equipment. With regard to the right of use assets, the Group has applied modifications to IFRS 16 "Fair Reductions related to the Covid-19 pandemic" to all rental concessions that meet the conditions referred to in note 3. The application of this adjustment means the total rental liabilities were reduced by SAR 3,060,329. The impact of this reduction was recorded in the consolidated profit and loss statement.

- Expected credit losses and decrease in value of financial assets

The Group has conducted the study on the credit status of all customers and has applied additional discretionary provisions to existing models of expected credit losses by applying probability-weighted scenarios to the macroeconomic factors related to the economic climate of the market in which it is engaged in its activities and as a result an increase in the expected credit losses of 4,634,097 Saudi riyals were booked.

- Inventory

The group has carried out a study of the value of inventory by cost or net value verifiable whichever net value is less verifiable is the price that can be sold in the normal business cycle after allowing the cost to be verified, this resulted in an increase in the provision for obsolete and slow moving goods by an amount of 5,864,182 Saudi riyals.

- Contingent liabilities and obligations

The Group assessed the impact of disruption of any operational activities, including any contractual challenges, business changes and business relationships between customers and suppliers, as well as reviewed the potential increase in liabilities and contingent liabilities, and no problems were noted.

- Going concern

The Group has conducted an assessment about its ability to continue as a going concern in light of the current economic conditions and all available information about future risks and uncertainties. Forecasts have been prepared that address the company's future performance, capital and liquidity, but at the present time, expectations indicate that the company has sufficient resources In order to continue carrying out its operations, and as a result, it was not significantly affected by its position on the going concern principle, these consolidated financial statements have been prepared in accordance with the going concern basis.

Company's performance summary, analysis and consolidated financial outcome

1/3 Financial Outcome:

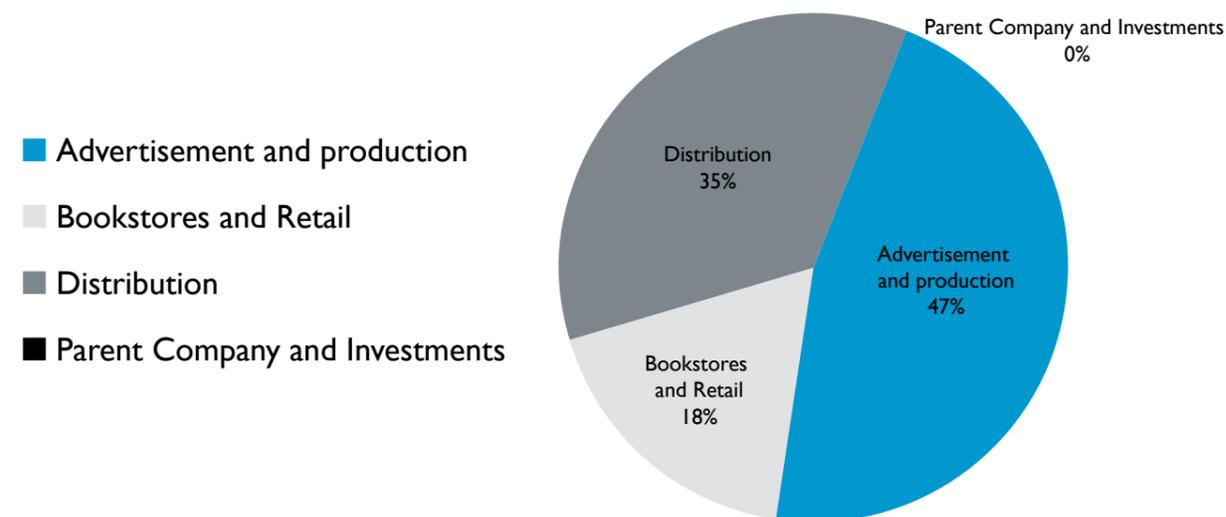
The net loss amounted to SAR 84.94 million compared to a net loss of SAR 29.1 million in the prior year with an increase of 192%, and the loss per share amounted to SAR 5.27 compared to a loss per share of 2.1 riyals in the prior year with an increase of 151%. The gross profit amounted to SAR 10.6 million compared to a gross profit of SAR 30.19 million over the previous year with a decrease of 185%, and the loss from operations amounted to SAR 53.8 million compared to a loss from business of SAR 36.1 million in the prior year with an increase of 49%.

2/3 Impact of Main Activities on Business Results:

The advertising and production sector achieved revenues of SAR 43.1 million compared to revenues of SAR 49.1 million for the previous year, declined by 12%, and realized a net profit of SAR 2 million compared to a net profit of SAR 22.6 million for the previous year, declined by 91%. The bookstores and retail sector also achieved revenues of SAR 25.4 million, compared to sales of SAR 3.8 million for the previous year, with an increase of 568% over the previous year. The net loss amounted to SAR 18.3 million compared to the net loss over the previous year of SAR 10.9 million, with an increase of 67.9%. The distribution sector achieved revenues of SAR 28.2 million compared to revenues of SAR 27.8 million over the previous year, with an increase of 1.4%. The net loss amounted to SAR 1.7 million compared to a net profit of SAR 0.9 million over the previous year; the net loss of the public administration and investment sector amounted to SAR 9.5 million, compared to a loss of SAR 9.2 million over the previous year, with an increase of 3%.

Activity	Revenue in millions	Gross profit in millions	Net profit / (loss) in millions
Advertising and production	34.2	(4.2)	(22.0)
Bookstores and Retail	13.0	5.5	(25.2)
Distribution	26.1	9.3	(4.2)
Parent Company and Investments	-	-	(33.5)
Total	73.2	10.6	(84.9)

Revenues by Sector

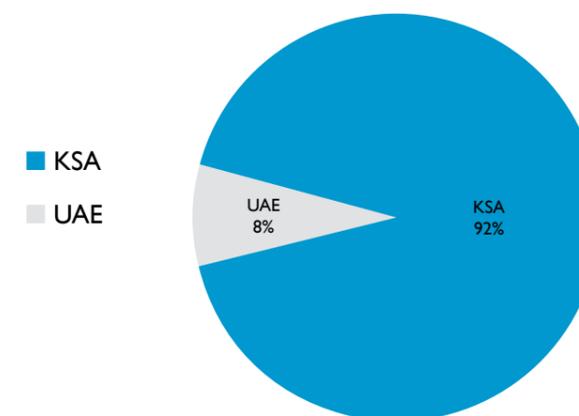


3/3 Geographical Distribution of the realized revenues:

A) Geographical distribution by country:

The revenues realized from the activity in the United Arab Emirates (i.e. revenues of the Aventus Global Trading Company) which operates in the retail sector, amounted to 9% of the total revenues of the company, while the revenues realized in KSA amounted to 92% of the total revenues of the company.

Country	Amount in millions	Ratio
KSA	67.2	92%
UAE	6.1	8%
Total Revenues	73.2	100%

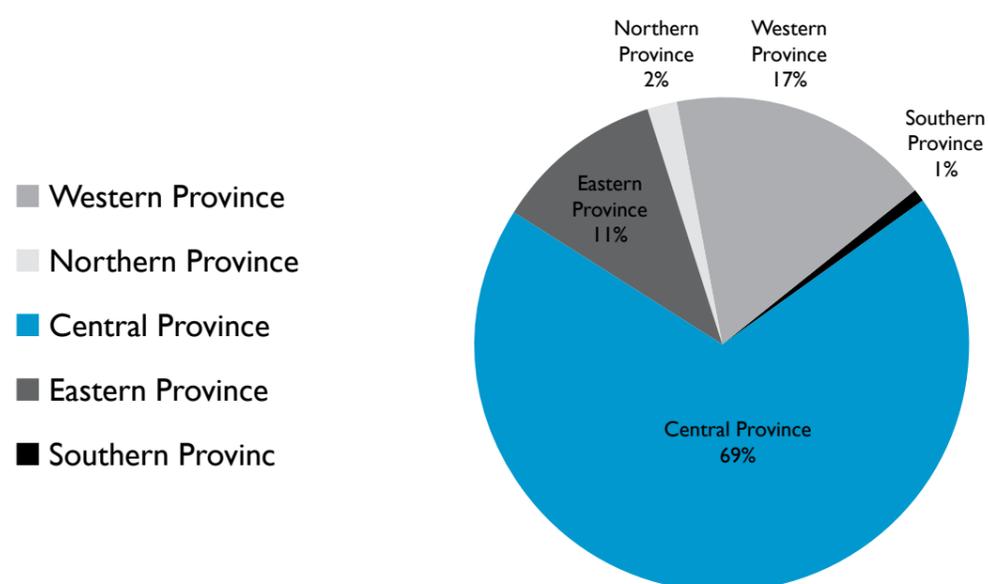


Revenues achieved by associates inside the Kingdom (United Advertising Company), amounted to 23.7 million Saudi riyals (Tihama Stake in the company is 50%), and revenues achieved by associates outside the Kingdom (J Walter Thompson MENA) were around 183 million Saudi riyals, Tihama holds a 30% stake in JWT MENA.

A) Geographical distribution of the revenues realized within KSA by regions:

The revenues generated from the activity in the central region amounted to 69% of the total revenues generated in the Kingdom, where most of the retail stores and the activities of the production sector are located, in addition to the concentration of most of the revenues of the distribution company in the central region. The revenues generated from the activity in the western region amounted to 17% of the total revenues achieved in the Kingdom. This is due to the presence of large numbers of road boards on the Western Region and the distribution company's clients from international schools in the Western Region. The revenues generated in the Eastern Region amounted to 11% of the total revenue achieved in the Kingdom, representing the revenues of road advertisements and the revenues of the Distribution Company in the Eastern Region, while the revenues generated in the Southern Region amounted to 1% of the total revenues achieved in the Kingdom, which represents the revenues of the libraries located in the southern region and the customers of the distribution company in the southern region, and the revenues from the northern region amounted to 2% of the total revenues achieved in the Kingdom, which represents the revenues of the distribution company's customers in the region.

Region	Amount in millions	Percentage
Southern Province	0.7	1%
Western Province	11.6	17%
Central Province	46.3	69%
Eastern Province	7.1	11%
Northern Province	1.5	2%
Total revenues inside KSA	67.2	100%



3/4 Financial Statements:

The net loss over the twelve months is SAR 28.8 million, compared to a net profit of SAR 3.42 million for the same period over the previous year.

The loss per share during the twelve months is SAR 2.4, compared to a profit per share of SAR 0.69 for the same period over the previous year.

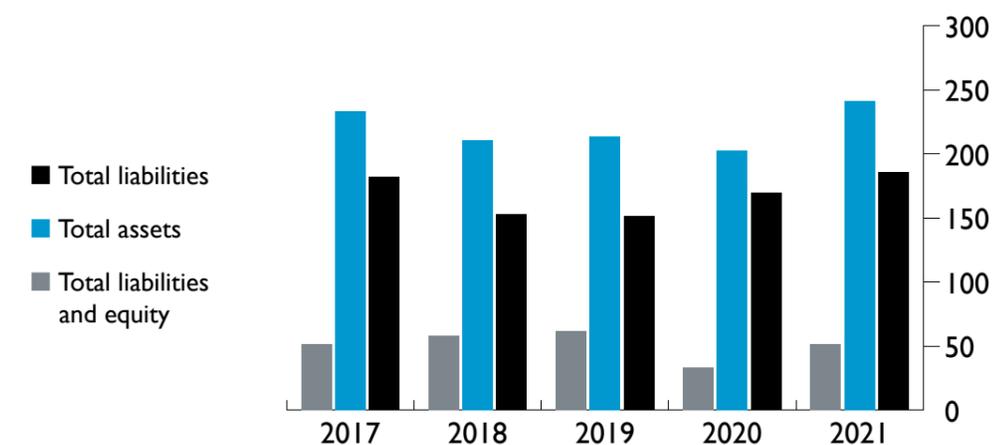
The gross profit over the twelve months is SAR 29.6 million compared to a total profit of SAR 29.5 million for the same period over the previous year, with an increase of 0.3%.

The operation loss over the twelve months is SAR 36.9 million, compared to an operation loss amounting to SAR 11.1 million for the same period over the previous year, increased by 232%.

5/3 Statement of Financial Position:

The following is a summary of the statement of financial position (for the past five years) in thousand as at 31 March of each year:

Item	2021	2020	2019	2018	2017
Assets					
Current assets	142,284	95,682	116,988	103,635	118,973
Non-current assets	95,555	105,098	94,155	107,308	114,751
Total assets	237,840	200,780	211,143	210,943	233,724
Liabilities and Equity					
Current liabilities	152,411	147,740	125,297	126,226	142,064
Non-current liabilities	31,927	22,475	26,059	26,945	40,033
Total liabilities	184,338	170,215	151,356	153,171	182,097
Equity	53,502	30,565	59,787	57,772	51,627
Total liabilities and equity	237,840	200,780	211,143	210,943	233,724



The company achieved gross profits of SAR 10.6 million compared to a gross profit of SAR 30.19 million for the last year, with a decrease of 185%. The company also achieved an operation loss of SAR 53.8 million compared to an operation loss of SAR 36.1 million for the last year, with an increase of 49%. The final outcome of the activity and investments was the realization of a net loss after deducting zakat and provisions, amounting to SAR 84.9 million, compared to a net loss of SAR 29.1 million for the last year with an increase of 192%.

The reason for the increase in losses during the current year compared to last year is mainly due to a decrease in gross profit of around SAR 19.6 million. The Advertising sector gross profit dropped by around SAR 8.0 million, with the company's revenue negatively affected due to the impact of Corona virus driving a huge drop in advertising spend by customers during the year, combined with a decline in revenues due to the expiration of some advertising site contracts. Gross profit from the Production sector dropped by SAR 6.4 million as a result of drop in demand in advertising production by customers, also last year included the gross profit of the movie "Massamier" of SAR 0.6 million. Gross profit from the Retail sector dropped by around SAR 5.5 million as the spread of Corona virus negatively impacted revenues due to the restrictions on domestic and international flights, the full closure of airport and high street stores during the year and with the closure of schools our high street business lost the key back to school sales season. Capital raise expenses increased by around SAR 2.2 million compared to last year as the offering and capital increase procedures were approved and completed during the current year. The Company's share of the results from associates decreased by nearly SAR 13.5 million, of which SAR 10.2 million came from the company's share of the results of J.Walter Thomson MENA and approximately SAR 2.4 million from the share of the results of United Advertising Company. During the year impairment losses in property and equipment of around SAR 4.2 million along with a provision for legal cases and claims of approximately SAR 5.3 million were booked. Losses on disposal of an associate company and the effect of increasing the percentage ownership in subsidiaries (in line with the plans to restructure the sectors) of approximately SAR 4.3 million were recognised.

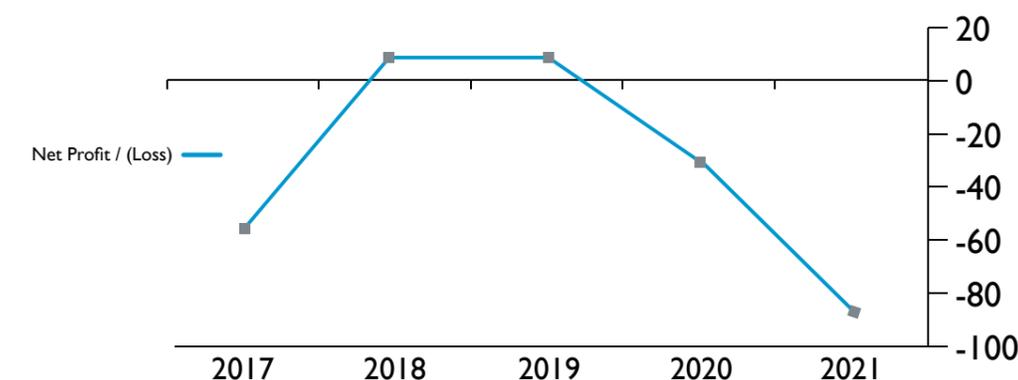
Other income dropped by around SAR 3.6 million, mainly as the Company had recognised in the prior year SAR 7.7 million as other income from settlement of advertising site contract claims, partially offset by a gain from rent relief of SAR 3.1 million, SAR 0.6 million gains from investment in money market funds and SAR 0.5 million as gains from release of provisions no longer required booked during the current year. An increase in the Zakat provision of approximately SAR 8 million was booked, of which approximately SAR 6.5 million provisions were recorded by the Company based on the adjusted assessments by the Zakat, Income and Customs Authority (Which is still subject to objection with the General Secretariat of the Tax Committee), in addition to the impact of the increase the company's capital during the year.

These losses were partially offset by an overall decrease in selling and general expenses of around SAR 2 million, although expenses increased due to the expansion in Retail sector operations, an increase in expected credit loss provision compared to comparative year of SAR 1.6 million and the increase in provision for slow moving inventory compared to last year of around SAR 1.4 million, the company's implementation of a number of plans to reduce expenses helped to counteract the impact of the Covid 19 virus pandemic and this resulted in the net overall decrease in general and selling expenses against the previous year. During last year an impairment loss in intangible assets of SAR 2.5 million was booked. The restructuring of loans also contributed to a decrease in financing expenses by approximately SAR 0.5 million in the year.

The following is a summary of the statement of profits and losses (for the past five years) as at 31 March: (In thousand)

Item / Year	2021 G	2020 G	2019 G	2018 G	2017 G
Revenues	73.25	96.81	80.65	71.55	86.64
Other revenues	6.07	9.72	17.94	20.54	0.60
The company's share of the profits of the sister companies	(6.51)	7.04	1.51	3.18	12.30
Cost and expenses	(147.67)	(140.56)	(94.89)	(87.34)	(151.01)
Net profit / (loss) before Zakat	(74.86)	(26.99)	5.21	7.93	(51.47)
Zakat	(10.08)	(2.13)	(1.78)	(4.97)	(4.19)
Net profit / (loss)	(84.94)	(29.12)	3.42	2.96	(55.66)

Net (Loss) / Profit



Comparison of the statement of profit and loss for the two Fiscal years ended on 31 March (in thousand)

Item	2021	2020	Variance	Percentage
Total Revenue	73.2	96.8	(23.6)	-24%
Cost of revenue	(62.6)	(66.6)	4.0	-6%
GROSS PROFIT	10.6	30.2	(19.6)	-65%
Selling and marketing expenses	(31.2)	(36.3)	5.1	-14%
General and administrative expenses	(33.2)	(30.1)	(3.1)	10%
Loss from Operations	(53.8)	(36.1)	(17.6)	49%
Financial charges	(4.0)	(4.5)	0.5	-10%
Share of results from associate companies	(6.5)	7.0	(13.6)	-192%
Impairment of intangible assets	0.0	(2.5)	2.5	-100%
Provision for legal cases and claims	(5.3)		(5.3)	#DIV/0!
Impairment loss in Property and Equipment's	(4.2)		(4.2)	#DIV/0!
Placement expenses for the capital increase	(2.8)	(0.6)	(2.2)	371%
Loss on disposal of associate	(0.7)		(0.7)	#DIV/0!
Effect of increase in control in subsidiaries	(3.6)	0.0	(3.6)	#DIV/0!
Other revenue	6.1	9.7	(3.7)	-38%
Net Loss For The Year Before Estimated Zakat	(74.9)	(26.9)	(47.9)	178%
Estimated zakat	(10.1)	(2.1)	(7.9)	373%
Net Loss For The Year	(84.94)	(29.07)	(55.9)	192%

The following is a statement of shareholders' Equity (in thousand)

Shareholders Equity	2021	2020	Net change
Capital	175.0	75.0	100.0
Accumulated losses	(116.0)	(39.2)	(77.9)
Employees defined benefit measurement reserve	(1.3)	(0.2)	(1.1)
Foreign Currency Translation reserve	(3.0)	0.0	(3.0)
Change in fair value reserve	(1.5)	0.0	(0.8)
Total Owners' Equity Attribute to Shareholder in Parent Company	53.2	35.6	17.1
Non-controlling interest	0.3	(5.1)	5.4
Total Owners' Equity	53.5	30.6	22.6

The following is a statement of the amounts due to government agencies and the amounts paid to the same during the year ended on March 31, 2021 G: (In thousand)

Statement	Balance as of March 31, 2020	Accrued during the period	Paid during the period	Adjustments	Balance as of March 31, 2021
General Authority of Zakat and Income	21,714	10,079	(1,532)	-	31,260
General Organization for Social Insurance	117	870	(862)	-	125
Municipalities and other government agencies	52,305	13,682	(6,238)	(13,611)	58,742
Total amounts due to government agencies	74,212	24,631	(8,633)	(13,611)	89,127

The consolidated financial statements were prepared in accordance with the international financial reporting standards approved by the Saudi Organization for Certified Public Accountants and applicable in KSA, as well as other standards and interpretations approved by the Saudi Organization for Certified Public Accountants.

III: Zakat Status:

Zakat for the parent company and its subsidiaries was calculated in accordance with the regulations issued by the Zakat, Income and Customs Authority in the Kingdom of Saudi Arabia.

Parent company

- The parent company has ended its zakat position until the year ending on March 31, 2006.
- The parent company has submitted its zakat returns for the years ending on March 31, 2010 until 2020, to the Zakat, Income and Customs Authority, which is still under review with the Authority.
- During the financial year ending on March 31, 2021, the parent company received the amended zakat assessments by the Zakat, Income and Customs Authority for the years ending on March 31, 2015 until March 31, 2019. The total value of the differences based on the adjusted assessments for the provision recorded in the books amounted to 2,510,965 Saudi riyals. A provision for it was recorded in the consolidated statement of profit or loss for the financial year ending on March 31, 2021. The parent company objected to these assessments before the General Secretariat of the Tax Committees after the company's objection was rejected by the Zakat, Income and Customs Authority.

Subsidiaries

- Tihama Modern Bookstores Company has not submitted its zakat returns since its establishment, knowing that the management of the subsidiary company calculated zakat provisions annually, during the period the company received zakat assessments from the Zakat, Income and Customs Authority for the years ending on December 31, 2011 until December 31, 2019. The total value of the differences based on the adjusted assessments for the provision recorded in the books amounted to 3,540,123 Saudi riyals, and a provision against it has been recorded in the consolidated statement of profit or loss for the fiscal year ending on March 31, 2021, and the company has also objected to these assessments before the General Secretariat of the Tax Committees after The company's objection was rejected by the Zakat, Income and Customs Authority. Subsequent to the financial position date, Tihama Distribution Company received the amended zakat assessment from the Zakat, Income and Customs Authority for the year ending on December 31, 2015. The total value of the differences based on the revised assessment is 357,242 Saudi riyals, and a provision against it has been recorded in the consolidated statement of profit or loss For the fiscal year ending on March 31, 2021, the company also objected to the assessment before the Zakat, Income and Customs Authority.

IV: Loans.

Existing loans and borrowings as of 31 March :

	31 March 2021	31 March 2020 (Adjusted)
Long term loans	20,345,233	18,075,611
Current portion of long term loans	3,202,584	13,610,986
Non-current portion of long term loans	17,142,639	4,464,625
Total	20,345,223	18,075,611

- During the year ended March 31, 2021, the parent company obtained credit facilities from a local bank worth SAR 20 million, a comprehensive limit that can be used for several sub-limits for the purpose of restructuring the company's financial obligations and providing non-cash facilities to the company (guarantees and credits). During the year ended March 31, 2021, part of the facility mentioned above was used to obtain a medium-term loan for two years' worth 17 million riyals. By agreeing to pay an early settlement for the existing Islamic murabaha with White Door Holding Company, where under the agreement a payment of 17,294,000 Saudi riyals of the company's total debt of SAR 17,910,000.

During the year between March 31, 2021, part of the facility mentioned above was used to obtain a short-term one-year loan of SAR 3 million as part of the restructuring of the company's financial obligations.

- This approach by the company's management to restructure the company's financial obligations as part of the company's strategy towards converting part of the short-term commitments into medium-term commitments, which contributes to improving the operations of cash flows in the company in addition to contributing to the reduction of the company's financial costs during the coming financial periods due to the lower profit rate of new financing obtained by the company from the profit rates of the existing profit margins.

- Financing costs are paid quarterly while the principal of the financing is paid on the date of the financing due to the above facilities carry financial expenses in accordance with the prevailing rates in Saudi Arabia plus the agreed margin, and are guaranteed by the company's authorized bonds and a deposit with the bank of 20 million riyals as of March 31, 2021 (nothing as on March 31, 2020). note (12)

- A subsidiary company has financing from an external bank to purchase cars with a book value as of March 31, 2021, an amount of 345,223 SR (577,563 as of March 31, 2020). The financing is paid in monthly instalments for a period of 48 months.

- A subsidiary company has a non-cash facility from an external bank to issue performance letters of guarantee amounting to 4,935,053 SR as on March 31, 2021 (4,935,053 SR as of March 31, 2020). The key terms of the facility include mortgage of real estate investments to the company and assignment of the right to rental income to investments. Real estate properties for the benefit of the bank with no less than 0.6 million riyals and a pledge of the subsidiary company's stock as a guarantee for the non-cash facility and a promissory note for the value of the facility.

	31 March 2021	31 March 2020 (Adjusted)
Long term loans	20,345,233	18,075,611
Due within one year	3,202,584	13,610,986
Due after one year	17,142,639	4,464,625
Total	20,345,223	18,075,611

The following is a statement showing the change in net loans (in thousand):	
Balance as at March 31, 2020G	18,075
Paid	(17,730)
Finance obtained during the year	20,000
Balance as at March 31, 2020 G	20,345
Change in net loans during the year	2,270



V: Lawsuits.

On December 18, 2016, the General Assembly of Shareholders approved the recommendation of the Company's Board of Directors to file a complaint against some members of the company's former board of directors before the competent judicial authorities and authorize the chairman of the Board to appoint a representative of the company in the filing of the lawsuit. After the lawsuit was filed with the Board of Grievances in Riyadh, a court decision was issued on 29-08-1439 H corresponding to 15-5-2018 G, including that the case was not accepted because there was no link between the different requests in the lawsuit. The company's appeal was rejected by the Court of Appeal, in which the court upheld the ruling of the Commercial Court on 9-4-1440 H corresponding to 16-12-2018 G. And after all means of litigation and appeals were tried in this case, and the company was considering filing a new lawsuit and adjudicating the cases, which required more legal advice and accounting experience requirements. The company faced some differing opinions on the issue of the statutory dates. And the jurisdiction of the courts, and the subsequent procedures in this regard, which required a complex legal and accounting effort.

Considering the above, the company indicates that it has appointed a lawyer to express an opinion on the merits of this case and on the possibility of re-adjusting the violations committed by some members of the former board of directors of the company and considering moving forward with filing a lawsuit before the competent judicial authorities to ensure the interests of the company. And its shareholders if this is legally permissible and in the interests of the company and its shareholders.

During the fiscal year ending on March 31, 2021, a preliminary judgment was issued in favor of one of the trusts, amounting to 11.7 million Saudi riyals for the rental and exploitation of advertising sites (recorded in the accounting records due to the full value of the claim), later on the date of the financial position, the parent company filed an appeal against the judgment before the Administrative Court of Appeal.

During the fiscal year ending on March 31, 2021, a final judgment was issued against the company in a lawsuit by a customer with a subsidiary company (Thama Distribution Company). The judgment stipulates that the company pays an amount of 1,871,743 Saudi riyals in favor of the plaintiff, and a provision has been entered in the books in exchange for the judgment amount within the creditors and Other credit balances, after the date of the financial position, the company filed a petition against the judgment.

During the fiscal year ending on March 31, 2021, a preliminary judgment was issued against the company in a lawsuit by a customer with a subsidiary company (Thama Distribution Company). The judgment stipulates that the company pays an amount of 3,448,186 Saudi riyals in favor of the plaintiff, and a provision has been entered in the books in exchange for the judgment amount within the creditors and Other credit balances, bearing in mind that the company has appealed the judgment to the Court of Appeal.

Subsequent to the date of the financial position, the company's exception was rejected in a lawsuit demanding the company to pay an amount of approximately 13.4 million Saudi riyals in favor of one of the individuals, the amount represented in transferring a right to a debt on the company in favor of a company owned by the former chairman of the board of directors for a good loan previously granted to the company in previous previous years before 30 September 2015, Noting that it is restricted to a maturity of approximately 13.8 million Saudi riyals within the item creditors and other credit balances, and the company has submitted a petition against the judgment.

Subsequent to the date of the financial position, the parent company filed a compensation claim against the former director of Tihama Global (an associate company) and a partner in the associate company in the United Arab Emirates, and no judgment was issued in the case until the date of approving the consolidated financial statements.

VI: Social Responsibility

Through a wide participation in covering awareness, national and social campaigns, the company is still playing its role in deepening the concept of social responsibility by increasing the number of free banner advertisements that the company shall print and pay their rental value so as to include all its banners. This has been conducted within the campaign of the pledge of allegiance to the Custodian of the Two Holy Mosques, King Salman bin Abdul Aziz Al Saud, and HRH Crown Prince Mohammed bin Salman in joyful celebrations that reflects the loyalty bond between leadership and the people.

The company also continues to provide free banners for educational and social events, as Tihama considers the concept of social responsibility as a true investment in society and not a charitable act limited to the support and financial donations provided by some companies. Tihama believes that social responsibility is the deepest meaning and the largest area for participation in building societies, consolidating its rights and preserving its environment.

Tihama was among the first to contribute to the spread of science and knowledge in the Saudi society, through Tihama bookstores that cover KSA's regions. Tihama was also among the first to print and publish thousands of intellectual and literary books by Saudi writers, contributing to the promotion and culture-awareness raising of Saudi Society.

The company's main cooperation with the Saudi Disabled Children Association in particular contributed to culture-awareness raising. Tihama Co. has partnered with charitable and civil societies in the development and awareness of the Saudis through the free ads multiplying the number of banner advertisements and the time period provided by Tihama Co. for charitable and civil societies to deliver its messages to the community.

Staff and training

The company has completed a manual of policies and procedures for each business sector, including a statement of the rights, duties of the employee towards the company, in order to ensure the most efficient performance.

The company has maintained Saudi employees as much as possible in its employee rehabilitation program, which reflects its keenness to keep and engage the national competencies in the production process.

The company will also seek to establish a provident fund for employees, aiming at assisting junior employees and their dependents to face the urgent conditions and problems.

General Assemblies of Shareholders:

During the fiscal year ending on March 31, 2021, an ordinary general assembly and an extraordinary general assembly were held, including the approval of the capital increase as follows:

Member name	Extra Ordinary General Assembly meeting held on 15/7/2020	Ordinary General Assembly meeting held on 28/9/2020
Eng. Sari bin Ibrahim Al-Mayouf	X	X
Eng. Abdul Karim bin Ibrahim Al-Mayouf	X	X
Mr. Reda bin Mohammed Al-Haidar	X	X
Mr. Ibrahim bin Mohammed Al-Shabib	X	X
Mr. Badr Hassan Al-Mady	X	X
Mr. Khalid bin Fahd Al-Abdul-Jabbar	X	X
Dr. Ebid bin Saad Al Abdali	X	

The number, dates and reasons of company's requests for the shareholders' register:

#	Request Date	Request Reason
1	8/4/2020	Company's procedures
2	14/4/2020	Company's procedures
3	10/5/2020	Company's procedures
4	25/6/2020	Company's procedures
5	5/7/2020	Company's procedures
6	7/7/2020	Other
7	12/7/2020	Company's procedures
8	14/7/2020	Company's procedures
9	15/7/2020	General Assembly
10	19/7/2020	Company's procedures
11	5/8/2020	Company's procedures
12	10/8/2020	Company's procedures
13	23/8/2020	Other
14	24/8/2020	Company's procedures
15	2/9/2020	Company's procedures
16	15/9/2020	Company's procedures
17	28/9/2020	General Assembly
18	19/11/2020	Company's procedures
19	9/2/2021	Company's procedures

VI: Company's Governance Regulations.

The company is guided by the provisions of the corporate governance regulations issued by the Capital Market Authority, as well as in accordance with the company's Articles of Association and the Companies Law promulgated by Royal Decree No. M/3 dated 28/01/1437 H.

Procedures are maintained ensuring that the company respects laws and regulations, including compliance with the requirements for disclosure of material information, adhering to conflict of interest regulations for the Board of Directors and company's employees, as well as the policies for regulating the relationship with stakeholders and the mechanisms for resolving disputes.

The company, in line with the Corporate Governance Regulations and the new Companies Law, has the following

Charter for the Audit Committee.

Charter for Remuneration and Nominations Committee.

Code of Conduct.

Conflict of Interest Policy.

Confidentiality Policy.

Risk Management Policy.

Disclosure and Transparency Policy.

Stakeholder Relations Policy.

Confidentiality Policy.

Commitment to abide by the conflict-of-interest policy.

Acknowledgment of the rights of shareholders and stakeholders.

Commitment to the Policy of Stakeholders.

1- Communication with Shareholders

Tihama company pays close attention to implement the Corporate Governance Regulations which enhance its relationship with its shareholders and stakeholders, pursuant to the principles of disclosure and transparency. Tihama informs the shareholders about its performance and activities over the year through its quarterly reporting and the annual Board report. Any significant developments that may arise and have an impact on the business and its financial are reported through the Tadawul website and other means of communication such as on the company website, It also maintains a specific email address for effective communication with shareholders.

The company by Law guarantee the general rights of the shareholders, including all rights related to the shares, including the right to dispose of the shares, the right to obtain a share of the profits to be distributed, the right to obtain a share of the company's assets on liquidation, the right to attend shareholder assemblies and vote on their decisions, and the right to monitor the work of the company. The Board of Directors has the right to inquire and request information in a manner that does not harm the interest of the company or conflict with the Capital Market Law and its implementing regulations. The company has established a shareholder relations unit whose main objective is to ensure that the company implements the mechanisms and requirements for communication with shareholders.

2- Dividend Policy.

According to Article (48) of the Company by law, the dividend policy of the company is as follows:

In accordance with Article (48) of the company's articles of association, the company's dividend policy is as follows:

- 10% of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly shall decide to stop this deduction when the said reserve reaches (30%) of the paid-up capital.
- The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the company or ensures the maximum distribution of fixed profits to shareholders.
- The Ordinary General Assembly may decide to distribute from the remainder after that to the shareholders a percentage representing (5%) of the paid-up capital of the company.
- The Ordinary General Assembly, after observing the provisions stipulated in the company's articles of association and Article (76) of the Companies Law, may, after the above, allocate (10%) of the remainder

for the remuneration of the Board of Directors, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member.

3- Board of Directors and Classification of Membership.

The Company's BOD shall be formed of 7 members appointed by the Shareholders General Assembly for a term of no more than 3 years.

The new Board of the company was elected by the General Assembly of Shareholders hold on 14/10/2018G for the new session, which starts from 14/10/2018G and ends on 13/10/2021G.

An independent member is a non-executive board member with complete independence in their position and decisions, and on which none of the independence restrictions stipulated in the Corporate Governance Regulations issued by CMA shall apply. Tihama obliges the independent member to the following regarding their terms:

An independent BOD member shall be able to exercise their duties, express their opinions, and vote on decisions objectively and impartially, to help the BOD to make the right decisions that contribute to achieving the company's best interests.

The BOD shall conduct an annual assessment of the extent to which the independence of the member has been achieved and to ensure that there are no relationships or circumstances that effect or could effect them.

Tihama requires, in order to fulfill the conditions of independence for an independent BOD member include, but not limited to, the following:-:

They shall not hold 5% or more of the company's shares, or of another company in its group, or hold a relationship with whoever owns more than this percentage.

They shall not be a representative of a legal person who owns 5% or more of the company's shares or another company from its group.

They shall not have a relation with any of the BOD members in the company or in another company of its group.

They shall not have any relation with any of the senior executives in the company or in another company of its group.

They shall not be a BOD member of another company within the same company's group.

They shall not work or had been working as an employee of the company during the past two years or for any party dealing with it or another company from its group such as auditors and major suppliers or to be the owner of controlling shares with any of those parties during the past two years.

They shall not have a direct or indirect interest in the business and contracts that are made with the company. They shall not receive any funds from the company in addition to remuneration for BOD membership or any of its committees that exceeds SAR 200 thousand or 50% of their remuneration in the previous year for BOD membership or any of its committees, whichever is the lower.

They shall not participate in a business that would compete with the company, or trade in one of the branches of activities that the company is engaged in.

They shall spent more than 9 years continuously or separately in the company's BOD.

Executive Member is a BOD member who is a full-time executive of the company and participates in the running of the day-to-day business.

A non-executive member is a BOD Member who is not a full-time manager of the company and does not participate in the day-to-day business.

Functions of the Board of Directors:

Based on the terms of references determined by the General Assembly, the main functions of BOD are focused on developing and supervising on the strategic direction and objectives, internal control regulations and rules and approving key budgets, financial policies and policies that regulate relationship with shareholders in a way that serves the interests of the company and its investors, in addition to all other functions given in the company's Articles of Association. The following are the names of BOD Members and their classifications.

	Member Name	Function	Classification	Membership of BODs of other joint stock companies during the fiscal year	Qualifications & Experiences
1	Eng/ Sari bin Ibrahim Al-Mayouf	BOD Chairman-Member of the Nomination and Remuneration Committee	Non-Executive	BOD Member of the National Agricultural Marketing Company-Thimar	Bachelor degree of Electrical Engineering, California State University 15 years of experience in senior positions in KSA and internationally, including 7 years in the financial services sector after working for ING
2	Eng/ Abdelkrim bin Ibrahim Al-Mayouf	Managing Director -	Executive		Holds a BA with Honors in Electrical Engineering and a Masters degree in Engineering Management from the University of Southern California. Held several positions in Bina Puri Saudi Co. Ltd., Riyadh, K.S.A including Director of Business Development and BOD Member. Previously, he was a member of BOD of Bank Al-Jazira
3	Mr / Ibrahim bin Mohammed Al-Shabib	Vice Chairman - Chairman of the Audit Committee	Independent	BOD Member of the National Agricultural Marketing Company-Thimar	He holds a BA and MA in Media and Public Relations with honors from King Saud University. Participated in the implementation of numerous monitoring, advisory and environmental projects in various government agencies and public and private sector institutions for more than 16 years. He was appointed as a teaching assistant at King Saud University, Department of Media in 2003. He was a member of the Saudi Association for Media and Communication and a member of the British Arab Chamber of Commerce. He holds the King Abdulaziz Medal of the third degree.

	Member Name	Function	Classification	Membership of BODs of other joint stock companies during the fiscal year	Qualifications & Experiences
4	Mr / Badr Hassan Al-Mady	BOD Member - Chairman of the Nomination and Remuneration Committee	Independent		Holds a Bachelor's degree in Computer Science and Software Engineering from King Fahd University of Petroleum and Minerals and a Diploma in Strategic Leadership from IMD Institute in Lausanne - Switzerland More than 14 years of experience in the field of IT, where he worked in international companies such as Oracle and Cisco. He also worked in the governmental sector as a consultant to the Minister of Communications and IT in the fields of international strategic partnerships and responsible for digital transformation files for the G20 and the World Economic Forum (WEF).
5	Mr / Khalid bin Fahd Al-Abdul-Jabbar	BOD Member-Member of the Nomination and Remuneration Committee	Independent		Holds a Bachelor's degree in Public Relations from King Saud University Banker at the National Commercial Bank and a co-founder of several food chain restaurants. Currently working as a general manager for one of the leading health companies in KSA.
6	Mr / Reda bin Mohammed Al-Haidar	BOD Member	Independent		Holds a BA in Multimedia Design and Development from the American University. A MA in General Administration from Kennedy School at Harvard University, and a MA in Communication, Culture and Technology from Georgetown University. Previously, he has worked for the Capital Market Authority (CMA), the General Investment Authority, and other governmental agencies. He has held several positions as a Senior Executive and a BOD Member in companies operating in the advertising and marketing industry in KSA and abroad. Until recently, he served as Chairman of the General Commission for Audiovisual Media.

On 28/7/2020, Dr. Obaid bin Saad Al-Abdali (a member of the Board of Directors), submitted his resignation from the Board due to personal commitments.

The company's BOD held (7) meetings from the beginning of the fiscal year 01/04/2020G until the end of 31/03/2021G

... The table below shows the attendance record of BOD members at the board meetings.

Member Name	Meeting 1 held on 30/6/2020	Meeting 2 held on 12/7/2020	Meeting 3 held on 28/7/2020	Meeting 4 held on 11/8/2020	Meeting 5 held on 9/11/2020	Meeting 6 held on 21/2/2021	Meeting 7 held on 14/7/2021
Eng/ Sari bin Ibrahim Al-Mayouf	X	X	X	X	X	X	X
Eng/ Abdelkrim bin Ibrahim Al-Mayouf	X	X	X	X	X	X	X
Mr / Reda bin Mohammed Al-Haidar	X	X	X	X	X	X	X
Mr. Ibrahim bin Mohammed Al-Shabib	X	X	X	X	X	X	X
Mr. Badr Hassan Al-Mady	X	X	X	X	X	X	X
Mr. Khalid bin Fahd Al-Abdul-Jabbar	X	X	X	X	X	X	X
Dr./ Obaid Saad Al-Abdali).	X						

Policy for the remuneration of Board members, Board Committees and the Executive Management . Compensations and Remunerations

Policy for the remuneration of Board members, Board Committees and the Executive Management

The Purpose

The aim of this Policy is to set clear standards for the remuneration of the Company's Board members, Board Committees and the Executive Management in the light of the provisions of the Companies Law, the regulations of the Capital Market Authority (CMA) and the Company's Bylaws.

The General Standards of this Policy

The Nomination and Remuneration Committee shall provide to the Board of Directors its recommendations on the remuneration of the Board members, Committees members and Executive Management in accordance with the following standards:

- be consistent with the Company's strategy and objectives;
 - provide remuneration with the aim of encouraging the Board members and Executive Management to achieve the success of the Company and its long-term development;
 - determine remuneration based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance;
 - be consistent with the magnitude, nature and level of risks faced by the Company;
 - take into consideration the practices of other companies in respect of the determination of remuneration and avoid such comparisons leading to unjustifiable increases in remuneration and compensation;
 - attract talented professionals and retain and motivate them.
- Take into consideration the new appointments.

Remuneration of the Board Members

- a) The Board of Directors, when determining and paying remuneration to each Board member, shall take into consideration the following standards:
- the remuneration must be fair and proportionate to the Board member's activities carried out and responsibilities borne by the Board members, in addition to the objectives set out by the Board to be achieved during the financial year;
 - the remuneration must be based on the recommendation of the Nominations and Remuneration Committee;
 - the Remuneration must be proportionate to the Company's activities and the required skills for its management;
 - take into consideration the sector in which the Company operates, its size and experience of its Board members; and
 - the remuneration must be reasonably sufficient to attract and retain highly qualified and experienced Board members.

d) A Board member may receive remuneration for any additional executive, technical, managerial or consultative services pursuant to a professional license- duties or positions carried out by the Board member, and such remuneration should be in addition to the remuneration he may receive in his capacity as a member in the Board and in the Committees formed by the Board, pursuant to the Companies Law and the Company's bylaws.

e) Board members shall not vote on the agenda item relating to the remuneration of Board members at the General Assembly's meeting.

f) The remuneration of different Board members may vary depending on the Board members' experience, expertise, duties he undertakes, independence and number of Board meetings he attended in addition to other considerations as the Board may deem appropriate.

g) If the General Assembly decides to terminate the membership of any Board member who fails to attend three consecutive Board meetings without a legitimate excuse, then such Board member shall not be entitled to any remuneration for the period starting from the last Board meeting he failed to attend, and he shall pay back any remuneration he received for that period.

Remuneration of Committees Members

The Board of directors shall determine and approve remuneration of the Committee members based on the recommendation of the Nominations and Remuneration Committee.

Remuneration of the Executive Management

In accordance with the provisions of article (2) of this Policy, the Nominations and Remunerations Committee shall periodically review the remuneration, annual performance-related bonuses, short and long-term incentive plans and any other in-kind benefits of the Executive Management and provide recommendations to the Board of Directors.

The remuneration of the Executive Management shall include the following:

Basic Salary (paid on a monthly basis)

Allowances and other benefits in accordance with the approved Human Resources Policy and their employment contracts.

short and long-term incentive plans relating to the performance of an Executive Management member and the Company.

Details of Remuneration

(1) Board of Directors Members

Each Board member is entitled to a minimum amount of five thousand Saudi Riyals (SAR 5,000) and a maximum amount of five hundred thousand Saudi Riyals (SAR 500,000) annually;

In case the company achieves profits, a percentage not exceeding (10%) of the net profit may be distributed after deducting the retained reserves decided upon by the General Assembly in application of the provisions of the Companies Law and Articles of Association of the Company and after distribution of profit to the shareholders of not less than (5%) of the paid-up capital of the company. The entitlement of such remuneration shall be commensurate with the number of meetings attended by the member.

c) An attendance allowance of three thousand Saudi Riyals (SAR 3,000) for attending each Board meeting;

d) Reimbursement of travel expenses to a maximum of Saudi Riyals one thousand five hundred (SAR 1,500) to Board members travelling from other cities for attending each Board meeting in the Kingdom.

e) A daily a per diem of five thousand Saudi Riyals (SAR 5,000) for accommodation, meals and incidental expenses to board member participating in business meetings outside KSA.

f) A daily a per diem of three thousand five hundred Saudi Riyals (SAR 3,500) for accommodation, meals and incidental expenses to board member participating in business meetings inside KSA which requires travel from the board member's home city.

g) In all cases, the total amount of the remuneration of the board member in form financial or in-kind benefits for their membership in the Board of Directors and their participation in the business, including the additional remuneration in the event of the participation of the member in any of the committees emanating from the Board of Directors shall not exceed five hundred thousand Saudi Riyals (SAR 500,000) annually.

(2) Committees Members

a) The members of Committee shall be entitled to a maximum annual remuneration of fifty Thousand Saudi Riyals (SAR 50,000) for each member.

An attendance allowance of two thousand five hundred Saudi Riyals (SAR 2,500) for each meeting attended by a member of any Committee.

Reimbursement of travel expenses to a maximum of Saudi Riyals one thousand five hundred (SAR 1,500) to Committee members travelling from other cities for attending each Board meeting in the Kingdom.

Disclosure

The annual report submitted by the Board of Directors to the Ordinary General Assembly shall contain a comprehensive statement of all the payments made to members of the Board and executives during the relevant financial year by way of remuneration, share of profits, attendance allowance and other benefits. The report shall further contain a statement of payments made to the board members in their capacity as employees or executives of the Company or in consideration for technical, administrative or consultative assignments carried out by them in favor of the Company. The report must also state the number of Board meetings and the number of meetings attended by each member during the reporting year.

Suspension and Reclaiming of Remuneration

a) Without prejudice to the provisions of the Companies Law, CMA rules and applicable laws and regulations, the Company has the right to suspend the remuneration, claim compensation for any damages and reclaim paid remunerations in the following cases:

1. If such remuneration is determined based on inaccurate or misleading information provided by any member of the Board of Directors, its Committees or Executive Management;

1. If a member committed a crime and forgery;

2. If a member fails to carry out his responsibilities and duties which impacts negatively on the Company's interest; and

3. If the membership of the Board, its

Committees or Executive Management is terminated.

b) In the event that any case aforementioned in the above paragraphs occurs, the concerned member shall pay back any remuneration he received after the date of such case taken place.

Implementation of this Policy

This Policy shall be come into force from the date of its approval by the General Assembly of the Company and supersede all contradictory provisions and other regulations used to be in place.

Policy Review

The Nominations and Remuneration Committee shall periodically review this Policy to ensure that the provisions of this Policy are consistent with the purpose of this Policy and in compliance with the related laws and regulations.

The following are details of salaries, compensation and related expenses for the Board of Directors and Senior executives during the year ending 31 March 2021:

Board Remuneration																	
		fixed remunerations						Variable remunerations						End-of-service award	Aggregate amount	expenses Allowance	
		specific amount	Allowance ofr attending Board meetings**	Total Allowance for attending committee meetings	In-Kind benefits	Remunerations for technical, managerial and consultaive work	Remunerations of the chairmain, Manageing Director or Secertary, ia a Board member	Total	Percentage of the profits	Periodic remunerations	short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)				Total
first : independent directors																	
1-	Reda Bin Mohamed Al Haider	-	21,000	-	-	-	-	21,000	-	-	-	-	-	-	-	21,000	-
2-	Ibrahim bin Mohamed Al Shabib	-	21,000	-	-	-	-	21,000	-	-	-	-	-	-	-	21,000	-
3-	Khaled Bin Fahd Al Abduljabar	-	21,000	-	-	-	-	21,000	-	-	-	-	-	-	-	21,000	-
4-	Bader Bin Hassan Madi	-	21,000	-	-	-	-	21,000	-	-	-	-	-	-	-	21,000	-
5-	Ebid Bin Saad Al abdali*	-	3,000	-	-	-	-	3,000	-	-	-	-	-	-	-	3,000	-
	Total	-	87,000	-	-	-	-	87,000	-	-	-	-	-	-	-	87,000	-
Second : Non-executive Directors																	
1-	Sari bin Ibrahim Al Maayouf	-	21,000	-	-	-	-	21,000	-	-	-	-	-	-	-	21,000	-
	Total	-	21,000	-	-	-	-	21,000	-	-	-	-	-	-	-	21,000	-
third : Executive Directors																	
2-	Abdulkarim Bin Ibrahim Al Maayouf	-	21,000	-	-	-	-	21,000	-	-	-	-	-	-	-	21,000	-
	Total	-	21,000	-	-	-	-	21,000	-	-	-	-	-	-	-	21,000	-

* On 28 July 2020 Dr . Ebid Bin Saad Al Abdali has resigned as a member of the Board of Directors for personal reasons

** Represents provisions made during the financial year ending on March 31, 2021 and not paid they provisions are in accordance with the policy of remuneration and compensation for members of the Board of Directors and senior executives, which will be presented to the General Assembly of shareholders for approval.

Committees Member Remuneration				
		Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attendingg Board meetings	Total
Audit Committee members				
1-	Ibrahim Bin Mohamed Al Shabib	-	-	-
2-	Mazen Bin Abdullah Al Abduljabar	-	-	-
3-	Rayan Bin Yousef Al Ajaji	-	-	-
4-	Mohamed Bin Fahd Al Otaibi	-	-	-
Total		-	-	-
Nomination and Remuneration Committee members		-	-	-
1-	Sari bin Ibrahim Al Maayouf	-	-	-
2-	Khaled Bin Fahd Al Abduljabar	-	-	-
3-	Bader Bin Hassan Madi	-	-	-
Total		-	-	-

* On 9/8/2020, a member of the Audit Committee, Mr. Mazen bin Abdullah Al-Abdul-Jabbar, submitted his resignation from the membership of the Audit Committee.

Remunerations of Senior Executives														
		Fixed remunerations				Variable remuneration						End-of-service award	Total remunerations for Board executives, if any	Aggregate amount
		Salaries	Allowance	In-Kind benefits	Total	Periodic remunerations**	Profits	short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
1-	Managing Director	1,405,500	-	475,732	1,881,232	-	-	-	-	-	-	250,301	-	2,131,534
2-	Senior Executive Vice President	813,901	180,960	119,423	1,114,284	358,584	-	-	-	-	358,584	56,404	-	1,529,273
3-	Vice President	266,274	61,138	159,489	486,900	23,502	-	-	-	-	23,502	34,155	-	544,557
4-	Financial Director	422,531	109,775	114,943	647,248	214,343	-	-	-	-	214,343	122,560	-	984,151
5-	General Consuler and Board Secretary*	39,564	14,865	39,529	93,958	-	-	-	-	-	-	4,962	-	98,920
Total		2,947,770	366,737	909,116	4,223,623	596,429	-	-	-	-	596,429	468,382	-	5,288,435

* On 26 July 2020 The General Consuler resigned.

** Represents provisions made during the financial year ending on March 31, 2021 and not paid they provisions are in accordance with the policy of remuneration and compensation for members of the Board of Directors and senior executives, which will be presented to the General Assembly of shareholders for approval.

BOD members shareholdings and relevant variation during the fiscal year ending on March 31, 2021G:

Name	Shares			Debt Instruments				
	Number of shares at the beginning of the year	Net variation	Number of shares at the end of the year	Shareholdings % at the end of the year	Percentage of variation	Beginning of the year	End of the year	Variation
Eng/ Sari bin Ibrahim Al-Mayouf	-	-	-	0.00%	-	-	-	-
Eng/ Abdelkrim bin Ibrahim Al-Mayouf	-	-	-	000%	-	-	-	-
Mr / Reda bin Mohammed Al-Haidar	-	-	-	0.00%	-	-	-	-
Prof / Ibrahim bin Mohammed Al-Shabib	-	-	-	00.0%	-	-	-	-
Mr / Badr Hassan Al-Mady	500	(500)	-	00.0%	-	-	-	-
Mr / Khalid bin Fahd Al-Abdul-Jabbar	225	(225)	-	00.0%	-	-	-	-

Shareholdings of first-degree relatives or BOD members and its variation during the fiscal year ending on March 31, 2021G:

Name	Shares			Debt Instruments				
	Number of shares at the beginning of the year	Net variation	Number of shares at the end of the year	shareholdings % at the end of the year	Percentage of variation	Beginning of the year	End of the year	variation
Eng/ Sari bin Ibrahim Al-Mayouf	-	-	-	-	-	-	-	-
Eng/ Abdelkrim bin Ibrahim Al-Mayouf	-	-	-	-	-	-	-	-
Mr / Reda bin Mohammed Al-Haidar	-	-	-	-	-	-	-	-
Mr / Ibrahim bin Mohammed Al-Shabib	-	-	-	-	-	-	-	-
Mr / Badr Hassan Al-Mady	-	-	-	-	-	-	-	-
Mr / Khalid bin Fahd Al-Abdul-Jabbar	-	-	-	-	-	-	-	-
Dr./ Obaid Saad Al-Abdali	-	-	-	-	-	-	-	-

A statement of the interests and relevant change of senior executives and their first-degree relatives during the fiscal year ending on March 31, 2021G:

	Executive Name	Number of shares at the beginning of the year	Number of shares at the end of 2021G	Net variation in the number of shares during the year	Cash dividends for the year 2021G	shareholdings and its variation of first-class relatives
1	Grahame Murray	0	0	0	0	0
3	Ehab)'Rajab	0	0	0	0	0
3	Ayman Muhammad Suleiman	0	0	0	0	0
4	Al-Waleed Saad Al-Haidar*	0	0	0	0	0

6 Waiver of salaries, compensation, and profits:

There are no arrangements or agreements under which a BOD member or a senior executive waived any salaries or compensation received. There are no arrangements or agreement under which a shareholder of the company waived his rights to profits.

7 BOD Committees:

BOD committees were formed by BOD members, external and executive members with suitable expertise and competences. Their objectives, functions and general framework are given in the approved Articles of Association of the company. These committees have regulations approved by BOD and the General Assembly of shareholders determining their powers and work procedures, as follows.

8/1 Audit Committee

The General Assembly of shareholders hold on 14/10/2018G approved to form the Audit Committee, define its functions, controls and remuneration for its members for the new session, which starts from 14-10-2018G and ends on 13-10-2021G, as follows:

Name	Title
Ibrahim Mohammed Al-Shabib	Chairman
Rayan Yousef Al-Ajaji	Member
Mazen Abdullah Al-Abd Al-Jabbar*	Member
Mohammed bin Fahd Al-Otaibi	Member

* On 9/8/2020, a member of the Audit Committee, Mr. Mazen bin Abdullah Al-Abdul-Jabbar, submitted his resignation from the membership of the Audit Committee.

Purpose

The purpose of the Audit Committee of the company's BOD is to assist the board in achieving its supervisory duties regarding the following:

Audits, accounting, and financial reports of the company in general.

Internal Controls Systems in the company with regard to finance, accounting, legal compliance, and ethical behavior.

The company's financial statements and other financial information that the company provides to shareholders, the public, etc.

Performance of the company's internal audit department and the independent auditors.

The committee while performing its functions, maintains effective work relationships with BOD, Executive Management as well as with the Internal and External Auditor functions. Each member shall understand the detailed responsibilities of the committee membership as well as the company's business, operations, and risks in order to effectively play their role.

Although the committee has the powers and responsibilities stipulated in this Committee Charter, it shall perform a monitoring role. The committee members are not employees of the company and may or may not be accountants or auditors or experts in the fields of accounting or audit. In all cases, they are not required to perform such tasks. Accordingly, it is not the committee's duty to conduct audits or to determine that the company's financial statements and disclosures are complete and accurate according to all applicable rules and regulations. These responsibilities are undertaken by the executive management and independent auditors.

Duties and responsibilities

To fulfil their responsibilities and duties, the audit committee shall do the following:

Regarding the independent auditors

The committee shall be directly responsible for appointing and determining the fees and supervising the work of the independent auditors (including resolving disputes between the management and the independent auditors arising in relation to the financial reports) for the purpose of preparing the audit report or the report of other related work.

Reviewing the scope and plan of work followed by the independent auditors for each fiscal year based on the independent auditors' recommendation.

The committee shall also have the absolute power to review and approve the following:

All audit services provided by independent auditors.

Approve fees and other work conditions related to the work of independent auditors.

The committee shall also review and approve the required disclosures for inclusion in the financial statements in accordance with the regulatory requirements.

The committee shall also ensure the independence of the external auditors.

Regarding the financial statements

Review and discussion of the quarterly and annual financial statements of the Company with the management, the internal audit department and the independent auditors (including the disclosures included within "the Company's management business activity report", and independent auditors' review of the financial statements) before presenting them to the shareholders, any governmental entity, the stock market or the public.

Periodic and ongoing review with the executive management, the independent auditors and the internal audit department of the following separate matters:

Any disagreement between the executive management and the independent auditors or the internal audit department arising in relation to the preparation of the financial statements.

Any problems encountered during the review process (including any limitations on the scope of work or the obtainment of required information).

The management's response to the above-matters.

Consideration and approval, as necessary, of urgent changes to the accounting principles and financial disclosure practices in the company, under the recommendations of the independent auditors, the executive management or the internal audit department.

Review with the executive management, independent auditors, the internal audit department and the company's legal department including any legal, regulatory or compliance issues that could have a significant impact on the financial statements of the Company, including significant changes in accounting standards or rules.

Periodic Discussion of with the independent auditors (without the presence of the executive management) on the following:

Their opinions on the quality, appropriateness and acceptability of the accounting principles for the Company and financial disclosure practices, as applied in its financial reports.

Completeness and accuracy of the financial statements of the Company.

Regarding the internal audit department and internal control systems

Approval of the appointment and/or replacement of the Director of the internal audit department.

Review of the performance of the internal audit department on an annual basis.

Review of the scope and plan of work that shall be performed by the internal audit department, under the recommendation of the independent auditors and the internal audit director.

In consultation with the independent auditors and the internal audit department, the committee shall:

Review the adequacy of the company's internal control system and the procedures designed to ensure compliance with applicable laws and regulations.

Discuss responsibilities, budget and employee needs in the internal audit department.

Managing the internal audit projects implemented by auditors from outside the company.

Other Matters

Reviewing and approving all related party transactions.

Reviewing and approving any change made by Board members or executive directors regarding the code of conduct and business ethics.

Reviewing and evaluating the adequacy of this Charter on an annual basis, and recommending any change deemed appropriate by the committee to the Board.

Annually evaluating its performance and submitting a report on the evaluation results to the Board. This evaluation shall also include an assessment of the commitment and performance of each member of the committee in terms of performing their assigned duties and responsibilities.

Performing any tasks or responsibilities assigned by the BOD from time to time, within the scope of the objectives of the General Committee.

Authorities

The Board shall give the Audit Committee the authority (within the scope of its responsibilities) to perform the following:

Nominating external auditors to the BOD for the approval of the General Assembly.

Checking the scope of the proposed audit to be carried out and the effectiveness and adequacy thereof to deal with the company-related problems.

Reviewing audit results with external auditors and discussing financial statements.

Reviewing the adequacy of the internal, financial and operational controls of the Company with the director and/or employees of the internal audit department and the external auditors, and keeping the Board informed of the relevant updates.

Obtaining legal or external professional advice when needed.

The committee may form and delegate its powers to sub-committees when necessary.

Organization of the Committee

The Audit Committee consists of three members, and the Committee held 5 meetings during the year ended 31/03/2021 G.

The following is a list of the names of the Committee members and the record of attendance and number of meetings.

#	Name of member	First Meeting 29/6/2020	Second Meeting 10/8/2020	Third Meeting 23/8/2020	Fourth Meeting 8/21/2020	Fifth Meeting 10/2/2021
1	Mr. Ibrahim Ibn Mohammed Al-Shabeb (Committee Chairman)	X	X	X	X	X
1	Mr. Rayan Ibn Youssef Al-Agagy (Technical member)	X	X	X	X	X
2	Mr. Mazen Ibn Abdullah Al-Abd Al-Gabbar (Committee member)	X				
3	Mr. Mohammed Ibn Fahd Al-Otaiby (Committee member)	X	X	X	X	X

2/8 Remuneration and Nomination Committee:

The BOD decided to form the Nomination Committee and the Remuneration Committee, and decided they should be merged in order to form the Remuneration and Nomination Committee, as follows:

A – The Board member, Mr. Badr Hassan Al-Mady Chairman.

B- Engineer Sari Ibrahim Al-Mayouf Member.

C- Mr. Khaled Fahd Al-Abd Al-Jabbar Member.

It was approved by the General Shareholders Assembly held in July 16, 2017 G to update its charter, responsibilities, and rewards for its members

Purpose

The purpose of the Remuneration and Nomination Committee shall be in assisting the Board in achieving its duties regarding the following:

Nominating qualified individuals to become members of the BOD and recommending them to the Board for the purpose of presenting their nominations to the shareholders for approval during the annual meeting of the shareholders.

Recommending nominees to the Board for each committee affiliated to the Board.

Monitoring all matters related to the remuneration of Board members, Committees, and Executive Directors.

Preparing and publishing an annual report of the Committee, incorporating the remuneration of Board members, committees and Executive Directors, as well as any other matters that may be required under the applicable laws and regulations in force.

Human Resources issues relating to the recruitment, evaluation, remuneration, and succession of the Board, its committees, senior management and employees.

Duties and Responsibilities

The following duties shall constitute the general and recurring activities of the Committee These duties shall be considered a general guide, bearing in mind that the Committee may perform additional tasks in light of the regulations and business changes, as deemed appropriate by the Board. The Committee shall also perform any duties or responsibilities assigned to it by the BOD from time to time within the scope of the objectives of the General Committee.

Determining the qualifications of nominees as members of the BOD and recommending them to the Board for the purpose of presenting their nominations to the shareholders for approval during the shareholders' annual meeting or during a shareholders' special meeting, if needed (in case there is a vacant seat in the BOD, including vacant seats resulting from increasing the number of board members). The Committee shall make a recommendation to the Board to fill vacancies by appointing nominees to the Board, so that a decision on their membership can be made by the shareholders at the next annual meeting. The committee shall take into account all the factors it deems appropriate when nominating individuals for membership in the Board, including the ability to provide the required time, appropriate technical knowledge, diversity and experience as well as to the extent to which the nominee shall be a desirable addition to the Board or any of its committees. The Committee may also consider the nominees proposed by the shareholders, the Board, or the management at its discretion.

Reviewing the appropriate skill requirements for the Board membership on an annual basis and preparing descriptions of the capabilities and qualifications required for that membership, including the appropriate estimate of the time expected to be needed by the member to carry out their duties and responsibilities as a board member.

Reviewing the structure and formation of the Board and making its suggestions thereon as required.

Identifying the strengths and weaknesses of the BOD and recommending any reforms consistent with the interest of the Company. This may be achieved by conducting an annual evaluation of the achievements and performance of the Board.

Ensuring the independence of the Board members and independent committees on an annual basis and ensuring that all members have no conflict of interest, especially with regard to the membership of Board members on the Boards of Directors of other companies.

Reviewing the formation of all Board committees and submitting their recommendations thereon to the Board regarding the number and duties of the committees. The Committee shall select qualified nominees for membership in all the committees of the Board, taking into account all the applicable laws and regulations in this regard, to be then submitted to the Board in order to select members of the committees from the nominees.

Assisting the Board in selecting, evaluating, and developing potential nominees for executive positions, including the Executive Director, and supervising the development of succession plans for executive positions.

Preparing qualification programs for new members of the Board and organizing ongoing development programs for all members.

Reviewing and approving the objectives of the Company relevant to the CEO remuneration, evaluating his performance in light of these objectives, as well as determining and approving the CEO annual remuneration, based on this evaluation. When evaluating any incentives given to the CEO, the Committee shall take into account the performance of the Company, the return on shareholders' equity, and the value of similar incentives given to Executive Directors in similar companies.

Reviewing and approving the decisions made by the CEO regarding the annual performance evaluation and the level of remuneration given to the company's executives. The definition of senior executives shall include the persons charged with managing the day-to-day operations of the Company and proposing and implementing strategic decisions, such as the CEO, his deputies, and the Chief Financial Officer (CFO).

Submitting its recommendations to the Board regarding the remuneration of Board members (under the applicable laws and regulations), Committee members and senior executives, as well as the incentive and allowance plans, including option-based incentives.

Reviewing the standards followed when evaluating the performance of employees of the Company and other managers other than the CEO, including ensuring that these standards are consistent with the company's human resources strategy.

Reviewing the remuneration policies adopted by the Company (including incentives and allowances), pension and benefit policies and plans developed for other lower-level employees as compared to the executives and managers. This shall include ensuring that these policies are in line with the company's human resources strategy.

Carrying periodic reviews of recruitment, development, promotion, and retention programs. This shall include ensuring that these programs are in line with the company's human resources strategy.

Preparing and publishing the annual report of the Committee on the remuneration of board members, its committees and senior executives.

Reviewing and re-evaluating this Charter and recommending to the Board any improvements it deems necessary.

Evaluating its annual performance and a report on the evaluation results shall be submitted to the Board. This evaluation shall also include an assessment of the commitment and performance of each member of the Committee in terms of performing their assigned duties and responsibilities.

The Committee may form and delegate all or part of its powers to sub-committees.

Ensuring the independence of the independent members of the BOD on an annual basis.

Annually verifying that managers have no conflicts of interests due to their association with the Boards of Directors of other companies.

All committee members shall fulfil the independence and expertise requirements under the applicable laws and regulations. The Board shall also annually determine whether each member of the Committee shall be independent in accordance with the abovementioned requirements. Any decisions or actions taken by the committee shall not be nullified due to the absence of any of the required membership conditions at the time the decision was made.

Organization of the Committee

The committee shall consist of (3) members, all of them shall be board members. The Committee held one meeting during the fiscal year ending March 31, 2021G.

The following is a list of the names of the members and the meeting attendance record:

#	Name of member	Position	Times of attendance
1	Mr. Badr Hassan Al-Mady	Committee Chairman	1
2	Eng. Sari Ibrahim Al-Mayouf	Member	1
3	Mr. Khaled Fahd Al-Abd Al-Jabbar	Member	1

8 Results of annual review of the effectiveness of internal control procedures:

During the fiscal year ended 31/03/2021G, the company's operations were subject to periodic audits by the Audit Committee to verify the effectiveness of the internal control systems in protecting the company's assets and rights, assessing business risks and measuring the adequacy of performance. According to the Audit Committee, audits of the company's operations and activities did not show a fundamental weakness in the company's internal control system requiring the disclosure thereof. The Audit Committee has also reviewed the company's quarterly and final accounts for the fiscal year ending 3/31/2021G, to ensure the integrity of the financial reports and their compliance with the requirements in accordance with the recognized accounting standards, and then made its recommendations to the BOD in this regard.

Internal Audits aim to ensure the effectiveness of the internal control systems, which are carried out by the company's internal audit department, subject to the supervision and follow-up of the Audit Committee. This is for protecting the company's assets and ensuring effective management of the business risks, which are carried out periodically and continuously by the internal auditor, who reports periodically to the Audit Committee on the performance of the company's various departments.

9 Related-Party Transactions:

Some transactions were carried out with related parties in accordance with the arms length commercial conditions and principles followed with third parties. Pricing policies and conditions of these transactions shall be approved by the Group's Administration.

The following are details of the main transactions with related parties during the two years ending March 31, 2021 and 2020:

	Natural of relation	Natural of transaction	Net value of transaction	
			31 March 2021	31 March 2020 (Adjusted)
Tihama Contemporary Media	Associate company	Current account	1,661,311	2,932,031
Tihama Contemporary Media	Associate company	Services revenues	-	549,183
Tihama New Media	Associate company	Current account	878,712	105,000
United Advertising – Memac	Associate company	Current account	6,000	480,509

Note that all transactions or contracts do not include any personal interest for any BOD member or create any conflict of interest situations.

BOD Declarations as per the regulations of CMA and the results of applying the Governance List for the year 2020/2021 G

The BOD of the company would like to indicate that the company has disclosed in this report the applicable requirements and applied them from the Corporate Governance Regulations, however, there are some items that do not apply. Based on the principle of adherence to the requirements of governance or the interpretation of non-compliance, the following are the non-applicable Articles of the Corporate Governance Regulations, considered by the company to be approved and then added to the report in the coming years:

Article No.	Text of Non-applicable Article	Reasons for non-application
39	<p>The company shall pay sufficient attention to training and qualifying BOD members and the Executive Management, and developing the necessary programs, taking into account the following:</p> <p>The company's strategy and objectives.</p> <p>Financial and operational aspects of the company's activities.</p> <p>Board members' obligations, duties, responsibilities and rights.</p> <p>The duties and terms of reference of the company's committees.</p> <p>Developing the necessary mechanisms for the BOD members and the Executive Management to obtain ongoing training programs and courses; in order to develop their skills and knowledge in areas related to the company's business activities.</p>	It's being studied by the company Board.
41 (A,B,C,D,E,F)	According to the proposal of the Nomination Committee, the BOD shall set the necessary mechanisms to annually evaluate the performance of the Board, its members, committees, and executive management, using appropriate performance measurement indicators related to achieving the company's strategic objectives, the quality of risk management, the adequacy of internal control systems, etc, provided that the strengths and weaknesses shall be identified and proposed to be addressed in accordance with the interest of the company.	The BOD has adopted various methods that enable it to evaluate the performance of its members and committees, and the organization of the mechanism for evaluating the performance of the Board and its committees is being examined in accordance with best practices.
70	Under a decision by the company's BOD, a committee called (Risk Management Committee) shall be formed. Its chairman and the majority of its members shall be non-executive board members, provided that its members shall have an adequate level of knowledge in risk management and financial affairs.	The company's various business activities are not considered to be of high risk, such as those of banking sector. However, the company's BOD is currently examining the appropriateness of forming this committee and the benefits that might brought to the company.
71	<p>Terms of reference of Risk Management Committee</p> <p>The Risk Management Committee shall be competent to:</p> <p>Developing a comprehensive risk management strategy and policies that comply with the nature and size of the company's business activities, verifying their implementation, reviewing and updating them according to the internal and external changes of the company.</p>	The company's various business activities are not considered to be of high risk, such as those of banking sector. However, the company's BOD is currently examining the appropriateness of forming this committee and the benefits that might brought to the company.
72	The Risk Management Committee shall periodically meet at least every 6 months and whenever needed.	The company's various activities are not considered to be of high risk, such as those of banking sector. However, the company's BOD is currently examining the appropriateness of forming this committee and the benefits that might brought to the company.
85	<p>The company shall set programs to develop and motivate the participation and performance of the company's employees, provided that it shall include the following in particular:</p> <p>Forming committees or specialized workshops to listen to and discuss the views of company's employees.</p> <p>Programs granting employees shares in the company or a share of profits and retirement programs.</p> <p>Establishing social institutions for the company's employees.</p>	The company's BOD is studying this matter and taking the necessary procedures to implement them, for its positive impact on the employees.
87	According to a proposal from the BOD, the Ordinary General Assembly shall set a policy that ensures a balance between its objectives and the objectives that the society aspires to achieve in order to develop the social and economic conditions of the society.	The company's BOD is studying it, since it has a noble objective.
88	Social Work Initiatives.	The company's BOD is studying it, since it has a noble objective

Article No.	Text of Non-applicable Article	Reasons for non-application
89/3	The company's website shall include all the information required for disclosure, and any data or other information published through other means of disclosure.	The website is being updated for disclosure of important information
95	<p>Formation of the Corporate Governance Committee:</p> <p>In the event that the BOD forms a Corporate Governance Committee, it shall delegate to it the authorities stipulated under Article 94 of this Regulations. This Committee shall follow up any topics relating to governance applications and provide the BOD with at least the annual reports and recommendations it made.</p>	The company's BOD is currently studying the possibility of forming this committee in order to ensure compliance with the corporate governance and applying the highest quality standards thereto.

10 CMA Penalties:

During the fiscal year ending March 31, 2021 G, CMA imposed no penalties on the company.

11 Future and Ambitions:

It is not unlikely that the company's business activity and the profits of its subsidiaries and controlling companies will be affected by the global situation, especially since one of those companies with a substantial impact on profits has offices outside KSA and even local clients have started to reduce their advertising spending. However, despite the current conditions in the Arab region, the company has achieved growth in revenues, reduced operating losses and achieved growth in net profit, and the BOD optimistic about the future and about achieving more profits during the next year.

With God's help, the company will step forward in all areas of its activity due to the new strategies aimed at achieving the highest rates of profitability. There are some new projects, for which the Board has taken its decisions, which will be implemented during the year.

The company is also working on developing and re-structuring the retail sector and benefiting from the opportunities available in the field of education and knowledge in KSA, Gulf countries, Middle East and North Africa. This comes in light of the high population growth rate in KSA and the Kingdom's great attention given to spending on the education and vocational training sector from the Kingdom's annual budget.

12 Financial Instruments and Risk Management

- The group's activities are subject to various financial risks. These risks include: market risk (including currency risk, fair value risk, cash flow commission rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on unpredictable financial market fluctuations and looks for possibilities to minimize potential negative impacts on the group's consolidated financial performance. Risk management is managed by the senior management in accordance with the policies approved by the Board of Directors. The top management identifies and assesses financial risks in close cooperation with the operating units of the company. The most important types of risk are credit risk, Financial instruments included in the consolidated statement of financial position include cash with banks, short-term deposits, receivables, investments, short and long-term loans, liabilities for operating leases, payables, accrued expenses, and other current liabilities. The recording methods applied for these items were disclosed within the accounting policies of each of them in the group's consolidated financial statements for the year ended March 31, 2021.

Management of currency exchange rate risks

- Currency exchange rate risk is the risk that makes the value of a financial instrument subject to fluctuations due to changes in foreign exchange rates. The group's commercial transactions are mainly in Saudi Riyal, United Arab Emirates dirham and US dollar.

The group operates on a global scale and is exposed to foreign exchange rate fluctuations. The group also has investments in associate foreign companies, where its net assets are exposed to currency exchange risk. These risks are currently mainly related to the exchange rate movement between the Saudi riyal against the UAE dirham. The effect of these exposures is recorded in a separate component of shareholders' equity in the accompanying consolidated financial statements. The Group's management monitors the fluctuations in the foreign exchange rate and believes that these risks are not significant.

Managing fair value and cash flow commission rate risks

Fair value and cash flow commission rate risks are different exposures related to the effect of fluctuations in commission rates prevailing in the market on the consolidated financial position and consolidated cash flows of the group. Commission rate risk to the Group arises mainly from short-term deposits and bank borrowings. The Group does not use hedging contracts, but management monitors changes in commission rates and believes that this risk is not significant.

Price risk management

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its source, or factors affecting all instruments traded in the market. The group is exposed to price risk in relation to equity investments held by the group and classified as financial assets designated at fair value through comprehensive income in the consolidated statement of financial position. The Group diversifies its investment portfolio to manage the price risk arising from its equity investments.

Credit Risk Management

Credit risk is the risk that one party to a financial instrument will not be able to fulfill its obligations and cause the other party to incur a financial loss. The Group does not have a significant concentration of credit risk. The cash is deposited with high credit rated banks. Accounts receivable are recorded after deducting the allowance for expected credit losses.

Liquidity risk management

Liquidity risk is the risk that an enterprise will face in difficulty in securing the funds necessary to meet its obligations in financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The Group manages liquidity risk and monitors it on a regular basis to ensure that sufficient cash funds are available through the credit facilities to meet any future obligations.

fair value

The fair value is the amount for which an asset can be exchanged or a liability paid between two parties with their knowledge and revenues in a transaction that takes place under the same terms of dealings with other parties, as the group's financial instruments are grouped using the historical cost method, except for investments, differences may arise between the book value and fair value estimates. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying value.

13 Description of Debt Instruments Activities:

1. Convertible debt instruments:

There are no debt instruments that may be converted into shares, subscription rights or similar rights issued or granted by the company or its affiliates during the fiscal year.

2. Conversion or subscription rights under debt instruments:

In addition, there are no conversion or subscription rights under debt instruments convertible to shares, option rights or similar title certificates issued or granted by the company or its affiliates during the fiscal year.

3. Recoverable debt instruments:

The company or its affiliates have nor recovered, purchased or canceled any recoverable debt instruments, in addition, there are no shares or instruments issued by the company to any of its affiliates.

-14 Description of Stock Interests and Debt Instruments:

There is no interest in a class of voting shares held by persons (other than the company's directors, Senior Executives and their relatives) who have notified the company of their holdings pursuant to Article 67 of the Rules on the Offer of Securities and Continuing Obligations, together with any change to such interests during the last fiscal year

There is no interest in a class of voting shares and subscription rights are issued to the BOD members, senior executives, their spouse and their minor children in the company's shares or debt instruments or any of its affiliates. There is no change during the recent fiscal year.

15. Acknowledgments of BOD:

That the company's records have been dully prepared.

That the internal control system has been based on sound basis and effectively implemented.

That there is no doubt regarding the ability of the issuer to continue its activity

The BOD shall acknowledge that:

The consolidated financial statements have been dully prepared for the fiscal year ending March 31 2021G, in accordance with the international financial reporting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA) and applicable in KSA, as well as other standards and interpretations approved by SOCPA, in a manner showing its aappropriate financial position.

The company has the ability and the resources necessary to continue its activity and business in the future.

The internal control system has been based on sound basis and effectively implemented.

There are no loans granted to any member of BOD.

No penalties or sanctions have been imposed on the company by any supervisory, regulatory, judicial entity or the CMA.

The BOD shall acknowledge that there are no loans due on the company, except for those mentioned within the company's financial statements for the fiscal year ending March 31, 2021G, and disclosed in its report submitted to the shareholders.

No one has informed the company of any interest in the shares category with voting rights.

The report of the auditor shall appear that the financial statements are clear and free of any fundamental mistakes.

The Auditor's Report includes the following qualifications: As on March 31, 2021 AD, we were not provided with bank confirmations for Aventis Global Trading Company "a subsidiary company" wholly owned, as the balances under cash with banks amounted to approximately SAR 1.77 million and long-term loans approximately SAR 345,000, and We were unable to take alternative procedures to verify the existence and correctness of the completeness and presentation of bank balances and potential liabilities as at this date. and we were unable to determine whether any adjustment to these balances was necessary and whether disclosure of contingent liabilities as at that date was appropriate. As disclosed in note (7/1), investments in associate companies in the attached consolidated financial statements, which indicates that the group's investment in United Advertising Company Limited and J. Walter Thompson MENA, which are associate companies acquired in previous years and accounting for them using the equity method based on financial statements prepared by the management of the two companies, amounting to SAR 3,705,280 and SAR 27,950,656, respectively, in the group's consolidated statement of financial position as on March 31, 2021, and the group's share of the comprehensive income of the two companies above is included based on prepared financial statements by the management of the two companies, amounting to a profit of SAR 386,612 and a loss of SAR 6,424,497, respectively, in the consolidated statement of profit or loss of the group for the year ended on that date, which amounted to zero, and a loss of SAR 3,042,032 in the consolidated statement of comprehensive loss of the group for the year ending on that date. We were not able to obtain sufficient audit evidence directly or through alternative audit procedures regarding the investment balances of the group in the above two companies as on March 31, 2021, as well as the group's share in the net comprehensive loss of the above two companies for the same period, and accordingly we were not able to determine whether It is necessary to make any adjustments to these amounts.

Material uncertainty relating to going concern.

We draw attention to note (2/4) to the consolidated financial statements, which indicates that the group's accumulated losses amounted to approximately 115.96 million Saudi riyals as on March 31, 2021, which exceeded half of the company's capital. The Group's current liabilities exceeded its current assets by approximately SR 10.13 million as at the same date. These circumstances indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. As indicated in note (2/4), management has assessed the Group's ability to continue as a going concern, and accordingly, these consolidated financial statements have been prepared on the going concern basis. Our opinion has not been modified in respect of this order.

15. Recommendations of BOD:

After reviewing with you the balance sheet and final accounts for the period as at 01/04/2030G until 31/03/2021G, the Board recommends the following to your esteemed association:

Approval of the report of BOD for the fiscal year ending 31/03/2021G.

Approval of the financial statements for the fiscal year ending 31/03/2021G.

Approval of the auditor's report for the fiscal year ending 31/03/2021G.

Approval of absolving the BOD from liability for the fiscal year ending 31/03/2021G.

Approval of the appointment of the company's auditor from among the candidates based on the recommendation of the audit committee, to examine, review and audit the financial statements for the second, third and fourth quarters of the fiscal year ending 31/03/2022, and the first quarter of the following fiscal year; as well as determining his/her fees.

Acknowledgment

The BOD of the Tihama Advertising, Public Relations and Marketing Holding Company (Tihama) is pleased to thank God, the Almighty for the results achieved by the company, even if they are below the expected outcome. The Board is also pleased to thank and appreciate the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz – may God bless him – and HRH Crown Prince Muhammad Bin Salman – may God bless him – for their wise contribution to promote the status of the nation and the citizens spreading the welfare throughout the Kingdom for more blessed development. The Board would also thank the company's shareholders for their trust and sincere support, in addition to the company's administration and its employees for their sincere efforts and great performance during the difficult fiscal year 2020/2021G.

God bless,,,

Company's Board of Directors

