

Annual Report
2021 - 2022



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 2021-2022



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 01/04/2021 to 31/03/2022 with the balance sheet of the Company, statements of profit or loss, cash flows and changes in shareholders 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).



Vision

To be the company looked to as a benchmark in the media, education, and retail sectors, To be the leading and pioneering group in the Kingdom and the region, within the fields in which we work, to make it the most advanced and keep pace with modern technology, and to be the first and optimal choice for our customers and partners.



Mission

Pursuing innovative ideas and advanced modern technology in our fields wherever they are, and investing in promising new and innovative opportunities to consolidate our leadership in the market, and provide added values to our partners and shareholders.



Strategy

Our strategy has never been about growth for growth's sake. We look to keep adding value to the services we provide by getting closer to our clients' businesses, by better understanding their needs and adapting how we work to meet them. After all, more business is only good if it is good business for everyone.



Our Values:

Creativity: At Tihama, we strive to bring new and different perspectives to every facet of how our business operates across all disciplines and industry sectors. It is a multi-faceted approach with creative problem solving at its very core.

Leadership: Leaders take risks and are not afraid to admit when they are wrong. That is the very DNA of how we work and the key to our ongoing status as a front-runner in our markets.

Determination: As a business, we love a challenge. That's what drives us on, every day. Our determination, inspired by our founders' pioneering spirit, to find solutions that grow our business is relentless.

Confidence: Confidence is all about trust. Over the years, we have built long-term, mutually beneficial relationships, both internally and externally, based on delivering on our promises. Our people, partners and stakeholders have confidence in us. As we do in them.

Openness: We have a culture of constant learning. We are always open to game-changing ideas and technologies, quick to adopt and adapt to new approaches in our industry.



Our Goals:

To provide world-class solutions to a diverse range of clients.

To enhance our commercial value through the maximization of Tihama's extensive networks and resources across our four key operational sectors – media, education, production, and retail.

To be a responsible employer and a leading contributor to the nation's sustainability and development goals.



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I: Characteristics of the Business

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, production, 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 Al Thani 1403 ,29 H, corresponding to April 1983 ,13 G issued by the Ministry of Commerce. The Company exercises its business under the license from the Ministry of Culture and Media No. 23232, with a paid up capital of SAR 50 million divided into 5 million shares.

Tihama manages its business through its registered office located in Riyadh (The Extraordinary General Meeting of Shareholders held on October 2016 ,16 agreed to transfer 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 for a distinct group of advertising media business, international newspapers and magazines as well as several Arab satellite channels and strategic global partnerships.

Tihama is the parent company from which other companies in the business of advertising and marketing (journals, magazines and satellite channels) have emerged, on both the local and regional level.

The Distribution business was used as a vehicle from which Tihama has successfully developed its Education sector.

Tihama began its retail business via bookstores which were opened as outlets to distribute the publications of Arabic authors. In recent years the retail sector has been expanded to cover travel retail and Food & Beverages.

Since 2019 Tihama has developed its media presence with investments in the audio-visual and commercial Advertising production sector.

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

The company follows its strategy adopted by the BOD since the beginning of its appointment term, which is based on the expansion and diversification of the company's investments through a targeted approach to good investment opportunities and to mergers with other companies that have new projects that the market needs. The aim of this approach is to give these subsidiaries emanating from the Tihama investment more flexibility and independence in decision making, in conducting their operations, improving the focus on strategy, increasing competitiveness and giving the boards of directors and CEOs of these companies more support and flexibility (while retaining the majority of members in those companies' boards for Tihama). The company's strategy is also based on taking advantage of its current position in the advertising industry, knowledge sector and bookstores including entering into new sectors such as production and retail, Strategic growth has also been achieved by developing the partnership between Tihama and the Education Technology Company - Houghton Mifflin Harcourt, which is operated by Tihama Distribution Company (a subsidiary company).

Controlling Subsidiaries and activities

Subsidiaries are the businesses, where the holding 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.

3/1 Tihama International Advertising Co.

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

3/2 Tihama Modern Bookstores

With the establishment of Tihama Modern Bookstores, its initial aim was to raise awareness and culture in the domestic market, 1976 saw the publication of the first-of-a kind book (Introduction to VIPs in KSA) in English. The publications continued and a distinguished series of books was published. The company sought to improve and upgrade its business and participated in various local and global exhibitions taking national books from the local to global level. Over time a change of reading habits and the latest online developments, has led to the decline in the demand of printed books meaning the publication and bookstores sector has faced significant challenges leading to rising losses.

3/3 Tihama Distribution

The company is currently managing and operating the exclusive distribution contract for the products of Houghton Mifflin Harcourt "HMH" a leading global provider of K12- curriculum solution.

Tihama has renewed its agreement with learning technology company 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 K12- 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.

Covid19- 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 has worked during the last few years on restructuring the distribution sector from one employee serving 20 schools. Tihama's new educational services with a team of 20 employees serves more than 170 schools in KSA, 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. It has over the years participated in incorporating many companies.

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 any 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 were subsequently amended into retail trading. During the fiscal year ending on March 2021 ,31 G, the parent company acquired additional shares from Tihama Education Company representing %51 of the company's capital, to take the ownership percentage to %100 of the subsidiary's capital.

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 (Aventus Global General Trading Company) owns the exclusive rights to distribute the products in the United Arab Emirates.

Our mission in the retail sector is to transform the customer journey 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 offerings to reflect changing consumer needs through redesigned stores, new marketing channels and an enhanced management team.

Tihama Education worked through three channels:

-I Café & Sip in Riyadh

Airport branches and travel areas. During the fiscal year ending on March 2020 ,31, two retail locations were opened at King Khalid International Airport in Riyadh. During the fiscal year ending on March 2022 ,31, the subsidiary company opened 6 branches at the new King Abdulaziz International Airport in Jeddah, in addition to a branch in the Boulevard area in Riyadh and a branch in Sulaiman Al Habib Hospital in Dammam 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 Group's advertising business. The company has not started activities yet.

3/8 Integrated Production Company

Tihama believes that the local production sector will grow significantly during the coming periods, in line with the Kingdom's 2030 vision.

Tihama has recently entered into 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)

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,

The fact that Integrated Production has made positive returns since inception confirms the validity of the Tihama approach to entering into a partnership with companies that have experience, existing contracts and a network of clients in order to produce early profits.

The Company has 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, which amount to about c. 20 million

Saudi riyals and requires working capital financing of about 10 million Saudi riyals.

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

3/9 Aventus Global Trading LLC

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, confectionary 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 Terminal (Midfield) Once the airport opens these new branches will enable the company to improve sales as a whole, in addition to enabling the company to seek further expansion at the regional level in this field.

On 9 May 2022, an agreement was signed between Aventus Global Trading Company operating in the United Arab Emirates and Nextbite Trading Company in order to sell a group of assets and transfer obligations related to the commercial operations of Aventus Global Trading Company. The agreement is subject to and requires obtaining all necessary approvals from the owners The authority and related authorities to complete the transfer of concession rights and lease contracts.

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

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

Tihama has invested in a partnership with Myrkott 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 created in terms of production and content.

Tihama has a great belief that the production sector will significantly grow during the period in line with the plans under 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 trading which led the company's BOD at that time to take 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 the International Company for Advertising Services Ltd. - Intermarkets decided on November 2011 ,16 to suspend the company's activity for a period of six months, subject to renewal, and not to do any new business during the period in order to avoid additional losses

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

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

During the period ended March 31, 2022, the partners in the International Company for Advertising Services Limited – Intermarkets have issued resolutions to liquidate the company and appointed a liquidator to undertake the legal procedures in this regard.

3/12 Tihama New Media Company

During the year ended as of March 2018, 31 G, the company contributed to the establishment of Tihama New Media Company, which works in the field of digital advertising and marketing on behalf of others, with a capital of 100,000 Saudi riyals. The equity share of the company was 48% (directly and indirectly owned) as on March 2020, 31 G. During the year ending on March 2021, 31 G, the parent company acquired all of the partner's shares in Tihama New Media Company (previously an associate company), accordingly, the ownership became 100% of the company's capital and it became a subsidiary company as of March 2021, 31.

Associated Companies

Associated companies are companies that the group has significant influence 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 G 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. However, when the business started to incur losses resulting in an increase in partners support requirement this led 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, Tihama Advertising holds 50% of the Company shares. On 30 June 2021 the Parent Company has agreed with WPP plc to the creation of a new company in KSA to be called ICG Saudi Arabia, WPP will own 70% of the joint venture company and Tihama will own 30%. Post-completion Tihama will hold 30% of ICG.

Tihama's share of the results of the performance of ICG KSA will be reported in its financials as a share of results of associated company. Any financial impact arising from the transaction will be booked on completion of the transaction, based on the assets and liabilities at that date – any potential impact cannot be reliably estimated at this time. During the year ended March 31, 2022 the backstop date for completion of the transfer of legal ownerships and all other required regulatory approvals were extended to be before 31 December 2022 instead of 31st of December 2021 as per original agreement.

The shareholders' agreement between WPP (UK) Limited and Tihama includes an unconditional and irrevocable option for WPP to require Tihama to transfer all of its shares (the "Call Option") at any time after the fifth year of completing the legal title transfer and all other regulatory approvals to incorporate the new company.

The agreement also includes an unconditional and irrevocable option for Tihama to require WPP (UK) Limited to purchase all of its shares (the "Put Option") at any time after the fifth year of completing the legal title transfers and all other regulatory approvals to incorporate the new company.

The Call option or the Put option may be exercised at any time between January 1 and March 31 in any year after the fifth year after the completion of the transfers of legal title and all other regulatory approvals for incorporation of the new company (the "Option Execution Period"). Exercise of the Put or Call option is contingent upon WPP (UK) Limited or Tihama (as the case may be) giving written notice to the other party within the option window ("Notice of Exercise").

The Call option may only be exercised if the Put option has not been used and vice versa. Once notice of exercise has been given, it may not be rescinded without the written consent of the receiving party.

The consideration payable to Tihama for the Put or Call ("Option Consideration") is calculated as follows:
(a) In the case of a Call option, at the discretion of the Tihama, either on a multiple of sales revenue or a multiple of average profits (based on annual audited accounts), to be chosen at Tihama's discretion.
(b) in the case of a Put option, on a multiple of average profits based on annual audited accounts.

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. 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 plan required new financing from partners, and Tihama decided not to participate in further risk and asked the partner to hold a meeting to discuss solutions. The partner did not respond to this request. 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.

3/16 J. Walter Thompson MENA EC

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

This company represents one of the sources 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 throughout the region.

On 30 June 2021 the Parent Company agreed with WPP plc to the merger of the J Walter Thompson MENA (an associate to Tihama) business with the Wunderman MENA business to create Wunderman Thompson MENA EC (a Bahraini based holding Group), the agreement will bring together the existing Wunderman and JWT operations across the MENA region to create Wunderman Thompson MENA.

On completion of the transfer of legal ownerships and all other required regulatory approvals Tihama will hold %25 of WT MENA. Tihama's share of the results of the performance of WT MENA will be reported in its financials as a share of results of associated company. Any financial impact arising from the transaction will be booked on completion, based on the assets and liabilities at that date any potential impact cannot be reliably estimated at this time.

During the year ended 31 March 2022, the backstop date for completion of the transfer of legal ownerships and all other required regulatory approvals were extended to be before 30 June 2022 instead of 31st of December 2021 as per original agreement.

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 2017, 31 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 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 across all areas of the company's various advertising activities and to take advantage of the opportunities for growth and expansion in the Gulf region. Tihama's share is currently %40.

During the year ended March 2022, 31, the Parent company filed a compensation claim against the former company director and partner in the associate company in the United Arab Emirates, and a final judgment was issued in favor of the company by the Dubai Courts of Appeal after the appeal was rejected. The former director of the company submitted a cassation against the judgment, and no ruling has been issued for his cassation request has been issued until the date of report.

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 2017, 31, the company recorded impairment losses to the value of the investment in the company in the group consolidated balance sheet, amounting to SAR 150,000.

3/20 Qutrob audio visula Production Company

During the year ended March 2022, 31, the Group, through its subsidiary (the Integrated Production Company), contributed to the incorporation of Qutrob Audio-Visual Media Production Company with a capital of 10,000 SR.

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 of educational materials
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 movies
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
J Walter 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
Qurob Company	35%	10,000	Saudi Arabia	Saudi Arabia	Production of Films and programs



2- : Significant events on financial outcome and performance of the company

Most significant achievements and decisions

In March of the year 2022, Tihama Education Company (a subsidiary) opened out 6 retail units 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 operates 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, serving 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 year ended 31 March 2022 Tihama Education Company Opened 1 new branch in Riyadh Boulevard area and a new branch in Suliman Al Habib Hospital in Dammam.

On 30 June 2021 the Parent Company agreed with WPP plc to the merger of the J Walter Thompson MENA (an associate to Tihama) business with the Wunderman MENA business to create Wunderman Thompson MENA EC (a Bahraini based holding Group), the agreement will bring together the existing Wunderman and JWT operations across the MENA region to create Wunderman Thompson MENA.

On completion of the transfer of legal ownerships and all other required regulatory approvals Tihama will hold %25 of WT MENA. Tihama's share of the results of the performance of WT MENA will be reported in its financials as a share of results of associated company. Any financial impact arising from the transaction will be booked on completion, based on the assets and liabilities at that date any potential impact cannot be reliably estimated at this time.

On 30 June 2021 the Parent Company has agreed with WPP plc to the creation of a new company in KSA to be called ICG Saudi Arabia, WPP will own %70 of the joint venture company and Tihama will own %30, Post-completion Tihama will hold %30 of ICG.

Tihama's share of the results of the performance of ICG KSA will be reported in its financials as a share of results of associated company. Any financial impact arising from the transaction will be booked on completion of the transaction, based on the assets and liabilities at that date – any potential impact cannot be reliably estimated at this time. During the year ended March 31, 2022 the backstop date for completion of the transfer of legal ownerships and all other required regulatory approvals were extended to be before 30 June 2022 instead of 31st of December 2021 as per original agreement.

The shareholders' agreement between WPP (UK) Limited and Tihama includes an unconditional and irrevocable option for WPP to require Tihama to transfer all of its shares (the "Call Option") at any time after the fifth year of completing the legal title transfer and all other regulatory approvals to incorporate the new company.

During the year ended 31 March 2022, the backstop date for completion of the transfer of legal ownerships and all other required regulatory approvals were extended to be before 30 June 2022 instead of 31st of December 2021 as per original agreement.

On 9 May 2022 An agreement was signed between Aventus Global Trading a %100 owned subsidiary, operating in the United Arab Emirates and Nextbite Trading to sell various assets and transfer various obligations related to the transfer of the business operations on an ongoing basis of Aventus.

The value of the transaction is AED 3.7 million in cash, of which AED 0.7 million will be used to pay part of the company's obligations in accordance with the agreement with the buyer. In addition, Aventus' inventory will be sold to Nextbite at cost value at the date of completion of the transaction.

The transaction represents the transfer of assets and liabilities related to the business operations of Aventus Global Trading, which operates in the retail sector in the United Arab Emirates and operates branches in Dubai, Abu Dhabi and Sharjah for the sale of books, stationery, magazines, newspapers, entertainment products, confectionery and accessories.

The transfer to Nextbite will include franchise agreements, property and equipment for branches, projects under construction and inventory, as well as the transfer of future obligations for branch leases and the dues to contractors for assets under construction. The employees of Aventus will transfer to Nextbite together with their employment.

The carrying amount of transferred assets and liabilities depends on the actual date when the transfer of each asset or liability is executed.

The Transaction is part of the process of restructuring the group companies and exiting from the business sectors that are making losses and may generate significant financial obligations in the future. To release mortgage obligations on a property owned by Tihama which was used to guarantee a performance bond, which will lead as well to reduce the Group's non-cash facilities (contingent liability).

The financial impact of the transaction cannot be reliably determined at this time, as it depends on the actual date of executing the transfers of assets, liabilities, and inventory of the company.

The transfer is limited to assets and obligations associated with the business operations of Aventus. No shares in Aventus as owned by Tihama will be sold. The Tihama Group's ownership in Aventus will remain at %100 post completion and it will operate in non-commercial activities.

The agreement is subject to and conditional on obtaining all necessary approvals from the relevant stakeholders and authorities to complete the process of transferring the franchise rights and the lease commitment contracts.

Capital

On 1443/07/06 AH (corresponding to 2022/07/02 AD), the Board of Directors recommended decreasing its capital by an amount of (125,000) Saudi riyals, at a rate of (%71.428) from one hundred and seventy-five million (175,000,000) Saudi riyals to fifty million (50,000,000). Saudi riyals by canceling 17.5 million ordinary shares. Then, the capital was increased through the offering of rights issue shares at a value of 350 million Saudi riyals, so that the company's capital after the increase became four hundred million (400,000,000) Saudi riyals.

On 1443/07/22 AH (corresponding to 2022/02/23 AD), the company's extraordinary general assembly approved the recommendation of the Board of Directors to reduce the company's capital by (%71.43) from one hundred and seventy-five million (175,000,000) Saudi riyals to fifty million (50,000,000) Saudi riyals in order to restructure the company's capital to extinguish part of the accumulated losses, which is the cancellation of twelve million five hundred thousand (12,500,000) ordinary shares, whereby a share was canceled for (1.4) shares.

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 advertising which is one of the fastest markets in terms of changes, emergence of modern advertising technologies. The dependency of advertising to government bids subject to municipal and governmental regulations, the risk of losing one of the auctions (whether by strong competition or expiration of the contract), authorities deciding not to re-tender, or the increase in advertising site lease pricing are significant possibilities.

Similar issues apply to the retail sector, travel restrictions and closure of locations as well as competition in the education sector. The company monitors and evaluates these risks and deals with them on an ongoing basis, sometimes resorting to use of consulting firms with expertise in the field of risk management and assessment.

Going Concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to manage liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations as they fall due under both normal and abnormal conditions. Where the Group:

- The Group's accumulated losses amounted to approximately 24.7 million Saudi riyals as on March 2022 ,31, representing %49.3 of the company's capital as on the same date.

- The Group's current liabilities exceeded its current assets by approximately 50.2 million Saudi riyals as on the same date.

The financial performance of the Group has improved during the current year, as revenues increased by approximately 16.8 million Saudi riyals as a result of the expansions in the retail sector, and last year was affected by the precautionary measures to confront the spread of the Covid19- virus, and accordingly the total profit increased by approximately 11.2 million Saudi riyals. The loss from operations decreased by approximately 17.4 million riyals, a decrease of %30.

In general, the net loss attributable to the shareholders of the parent company decreased by approximately 36.7 million Saudi riyals, or by approximately %50.8.

The Group's accumulated losses, which amounted to 24.7 million Saudi riyals, decreased by approximately %49.3 of the company's capital, as the extraordinary general assembly of the company, held on February ,23 2022, agreed to reduce the company's capital by 125 million Saudi riyals, by cancelling the number of 7.5 One million shares to extinguish part of the accumulated losses at a value of 125 million Saudi riyals, where the accumulated losses as on December 2021 ,31 amounted to approximately 141.7 million Saudi riyals, or approximately %81 of the company's capital on the same date.

The Group continues to manage its commercial and supply chain activities and collect receivables. It is also working on restructuring some of its subsidiaries and expanding the operations of the retail sector and production sector to increase revenues sufficient to cover its expenses and achieve operating profits during subsequent years. The Group expects an improvement in its commercial activities and revenue growth over the next year, driven by the full operation of new branches in the retail sector, the development of operations in the distribution sector, and the austerity plans that have been initiated to reduce expenses and raise the profit margin, especially in the production sector. In addition, the Group's ability to meet its obligations when they fall due depends on its ability to manage the current downturn in expenditures, enhance its results and cash flows, continuous improvements in its working capital, and renew or refinance the cash facilities in subsequent periods.

- When assessing continuity, the Board of Directors reviewed the plans to increase the company's capital. The Board of Directors, in its meeting held on February 2022 ,7, issued an increase in the company's capital by an amount of 350 million Saudi riyals, in order to finance the company's expansion plans and future investments, in addition to supporting the company's capital Working money and payment of financial obligations.

A financial advisor has been appointed for the capital increase process, and coordination is underway with the rest of the advisors appointed by the company to prepare the capital increase file to the Capital Market Authority for submission.

The preparation of the basic principles of the strategy, investment and business plans for the Group during the future years, which will be based on the expansion of the current main sectors of activity and the exit from the companies that make losses, has been completed. Part of this plan has been implemented by signing a contract to sell assets and liabilities. Business operations of Aventis Global Trading Company - a subsidiary. The plan is also based on the use of part of the proceeds of the proposed capital increase in settling the obligations owed by the Group companies, especially those that have issued final judgments that are obligatory to pay.

The Group's management believes that the shareholders' confidence, which was reflected in the approval of the Board of Directors' recommendation to reduce the company's capital to offset part of the accumulated losses, will continue in order to re-transform the company to profitability and adjust the structure of financial obligations and working capital.

The Board of Directors also reviewed the base case plans for future years along with a comparison of the budget with the actual results for the current year. In the normal course of business, the Group negotiates, upon maturity, with banks to renew and/or refinance its facilities (taking into account that the Group's cash facilities are secured by cash coverage or assets exceeding the value of the facilities), and the Group's success in renewing the cash facilities during the financial year Ended on March 2022 ,31.

The current obligations include a zakat provision of approximately 30 million Saudi riyals, the majority of which are still undetermined amounts owed by the company, as until the date of approval of these financial statements, no final decisions have been issued on them by the General Secretariat of the Zakat, Tax and Customs Committees, which the company objected to the amendments of the Zakat, Income and Customs Authority before it.

Also, a significant part of the Group's current obligations are owed to government agencies, as the company's management continues negotiations with those government agencies to schedule receivables. The company believes that the chances of its success are great in this matter, based on the success in reaching scheduling of receivables with trusts and government agencies during the previous years.

In view of the foregoing, cash flow projections and certain business initiatives such as higher sales forecasts, profit margin improvement, continuous effective working capital improvements and along with cost reduction initiatives, the Group expects to meet its obligations as they fall due in the normal course of operation. Based on the factors described above, the Group has a reasonable expectation that it will be able to continue as a going concern for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on the going concern basis.

Company’s performance summary, analysis and consolidated financial outcome

1/3 Financial Outcome:

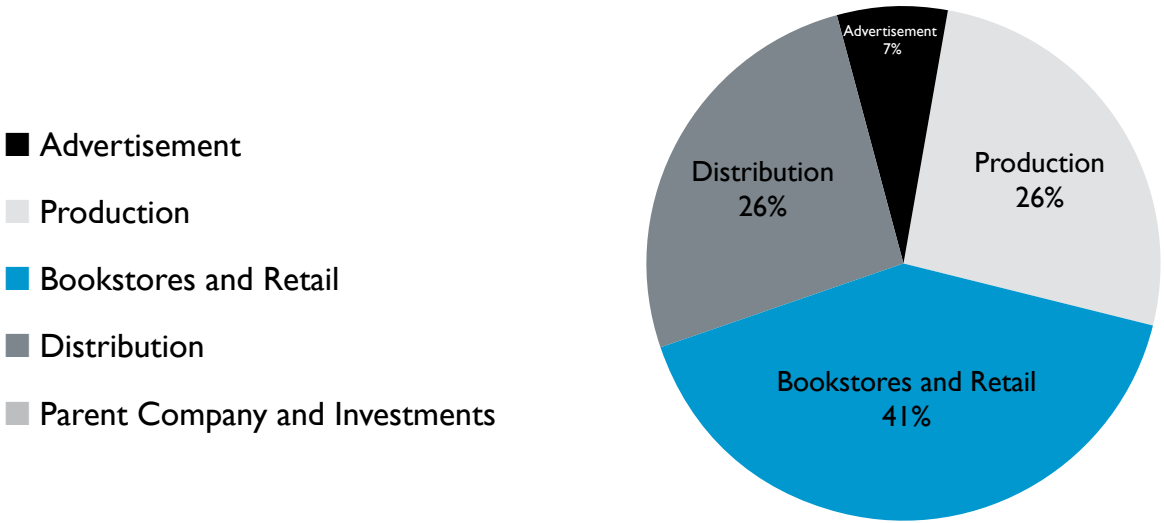
The net loss amounted to SAR 37.7 million compared to a net loss of SAR 80.3 million in the prior year with a decrease of %53, and the loss per share amounted to SAR 2.18 compared to a loss per share of 4.95 riyals in the prior year with a drop of %56. The gross profit amounted to SAR 21.9 million compared to a gross profit of SAR 10.6 million over the previous year with an increase of %107, and the loss from operations amounted to SAR 41.4 million compared to a loss from operations of SAR 58.8 million in the prior year with drop of %30.

2/3 Impact of Main Activities on Business Results:

The advertising sector achieved revenues of SAR 6.3 million compared to revenues of SAR 7.2 million for the previous year, declined by %12, and realized a net loss of SAR 3.9 million compared to a net loss of SAR 21 million for the previous year representing a drop of %81. The Production sector revenues were SAR 23.9 million compared to SAR 27 million last year with a drop of %11, and it’s net loss increased from SAR 2.1 last year to reach SAR 7.4 million representing a %252 increase. Bookstores and retail sector achieved revenues of SAR 36.8 million, compared to revenues of SAR 13.0 million for the previous year, with an increase of %183 over the previous year, The net loss of the sector amounted to SAR 18.6 million compared to the net loss over the previous year of SAR 29.1 million, with a decrease of %36. The distribution sector achieved revenues of SAR 23 million compared to revenues of SAR 26.1 million in the prior year, with a decrease of %12. The net loss amounted to SAR 4.3 million compared to a net loss of SAR 5.2 million over the previous year with a decrease of %19; the net loss of the Parent company and investment sector amounted to SAR 3.5 million, compared to a loss of SAR 22.9 million over the previous year, with a decrease of %85.

Sector	Revenue in millions	Gross Profit / (loss) in millions	Net loss in millions
Advertising	6.3	(0.8)	(3.9)
Production	23.9	(3.0)	(7.4)
Bookstores and Retail	36.8	18.3	(18.6)
Distribution	23.0	7.4	(4.3)
Parent Company and Investments	-	-	(3.5)
Total	90.0	21.9	(37.7)

Revenues by Sector

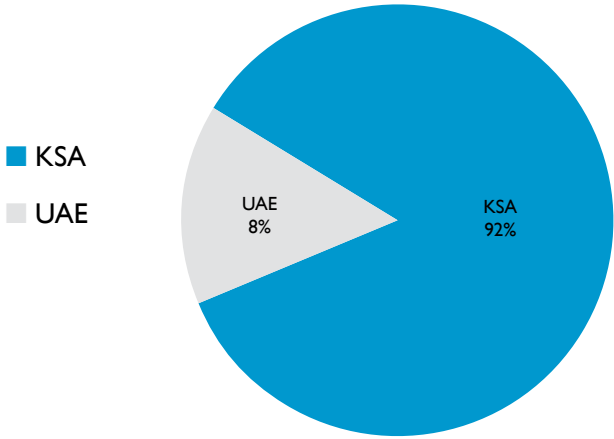


3/3 Geographical distribution of the realized revenues:

A) Geographical distribution by country:

The revenues realized from the activities in the United Arab Emirates (revenues of the Aventus Global Trading Company) which operates in the retail sector, amounted to %15 of the total revenues of the company, while the revenues realized in KSA amounted to %85 of the total revenues of the company.

Country	Amount in millions	Ratio
KSA	76.4	85%
UAE	13.6	15%
Total Revenues	90.0	100%

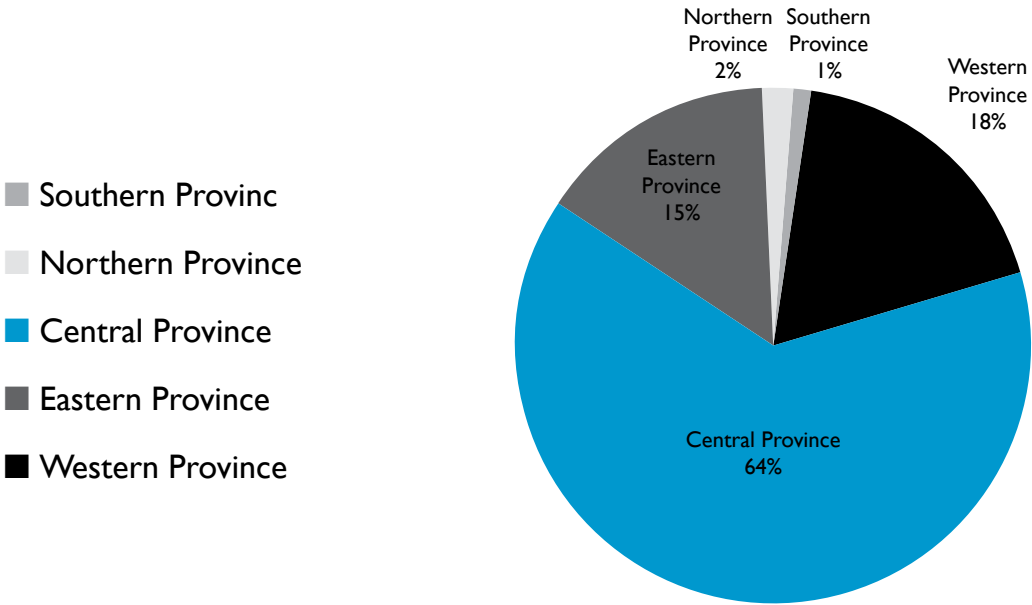


Revenues achieved by associates inside the Kingdom (United Advertising Company), amounted to 33.8 million Saudi riyals (Tihama Stake in the company is %50), and revenues achieved by associates outside the Kingdom (J Walter Thompson MENA) were around 191.4 million Saudi riyals, Tihama holds a %30 stake 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 %64 of the total revenues generated in the Kingdom, where number of retail retail stores in located and the activities of the production sector are located, in addition to the concentration of most of the revenues of the distribution company are 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, representing retail stores in Western region and the distribution company's clients from international schools in the Western Region. The revenues generated in the Eastern Region amounted to %15 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 and the retail store in Dammam city, while the revenues generated in the Southern Region amounted to %1 of the total revenues achieved in the Kingdom, which represents the distribution company in the southern region. 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	0.4	1%
Western Province	14.1	18%
Central Province	49.1	64%
Eastern Province	11.5	15%
Northern Province	1.3	2%
Total revenues inside KSA	76.4	100%



3/4 Financial Statements:

The net loss over the twelve months is SAR 37.7 million, compared to a net loss of SAR 80.3 million for the same period over the previous year with a drop of %53.

The loss per share during the twelve months is SAR 2.18, compared to a loss per share of SAR 4.95 for the same period over the previous year with a decrease of %56.

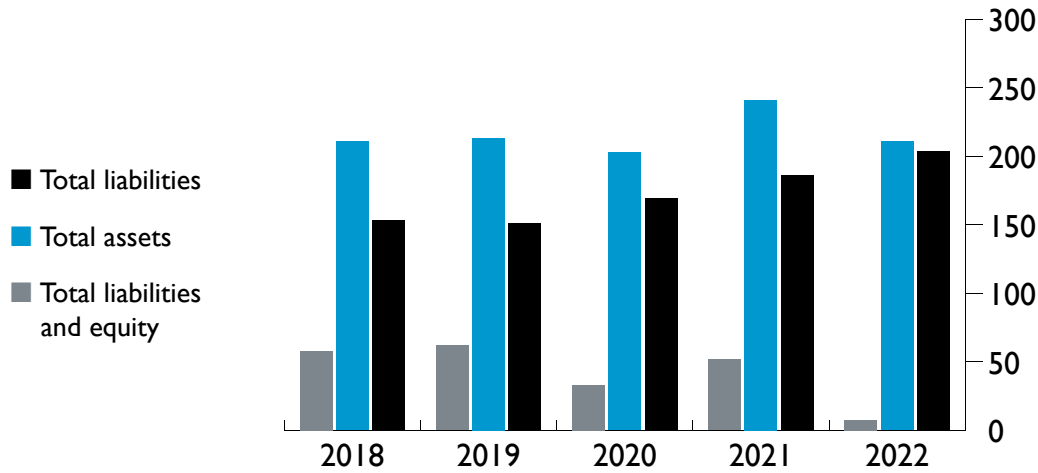
The gross profit over the twelve months is SAR 21.9 million compared to a total profit of SAR 10.6 million for the same period over the previous year, with an increase of %107.

The operations loss over the twelve months is SAR 41.4 million, compared to loss from operations loss amounting to SAR 58.8 million for the same period over the previous year representing a drop of %30.

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 of 31 March of each year:

Item	2022	2021	2020	2019	2018
Assets					
Current assets	117.369	142.284	95.682	116.988	103.635
Non-current assets	93.402	88.325	105.098	94.155	107.308
Total assets	210.771	230.609	200.78	211.143	210.943
Liabilities and Equity	0	0	0	0	0
Current liabilities	167.625	154.072	147.74	125.297	126.226
Non-current liabilities	36.782	31.928	22.475	26.059	26.945
Total liabilities	204.407	186	170.215	151.356	153.171
Equity	6.364	44.609	30.565	59.787	57.772
Total liabilities and equity	210.771	230.609	200.78	211.143	210.943



The net loss amounted to 37.7 million riyals, compared to a net loss of 80.3 million riyals in the previous year, a decrease of %53, and a loss per share of 7.1 riyals compared to a loss per share of 14.44 riyals in the previous year. With a decrease of %7.1. The total profit amounted to 21.9 million riyals, compared to a total profit of 10.6 million riyals over the previous year, an increase of %107, and the loss from operations amounted to 41.4 million riyals, compared to a loss from operations of 58.8 million riyals last year, a decrease of %30.

The reason for the decrease in losses in the current year compared to the previous year is mainly due to the increase in gross profit by approximately 11.2 million Saudi riyals, as the total profit of the advertising sector increased by approximately 5.2 million Saudi riyals mainly due to the decrease in the cost of revenue associated with the end of lease contracts for a number of advertising sites. The total profit of the retail sector increased by approximately 12.8 million Saudi riyals after opening new branches at the airports, in addition to the fact that the previous year included the closure of the branches as part of the precautionary measures to combat the spread of the Covid 19 virus, in contrast, the total profit of the production sector decreased by approximately 4.8 million. The total profit of the distribution sector decreased by approximately 1.9 million Saudi riyals as a result of the decrease in the sector's revenues compared to the previous year, and the previous year included recording impairment losses in the value of property and equipment by approximately 4.2 million Saudi riyals, in addition to recording a provision for cases and claims. During the year, an amount of approximately 5.3 million Saudi riyals, and losses from the sale of associate companies of approximately 0.9 million riyals.

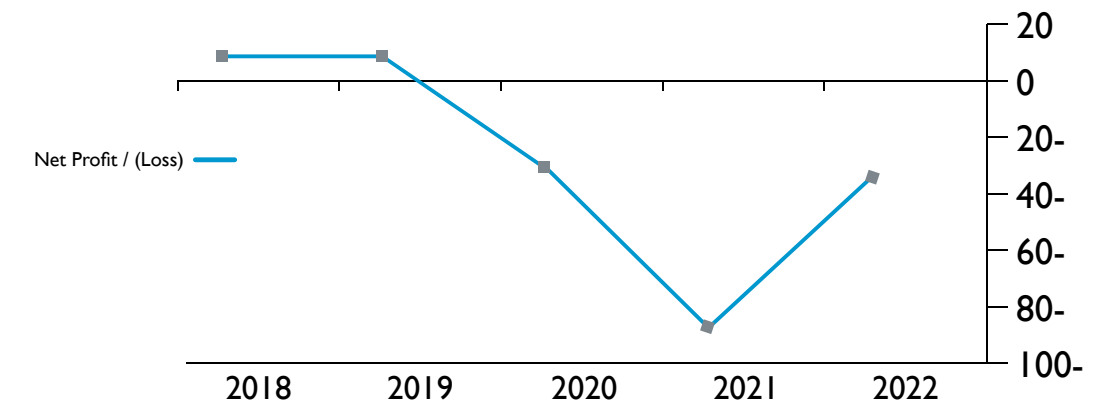
The company's share in the results of the operations of associate companies increased by approximately 14.6 million Saudi riyals compared to the previous year, and other revenues increased by approximately 5.5 million Saudi riyals, and this matter is mainly due to the increase in other revenues from the concessions of rental contracts, and the zakat provision decreased by Approximately 9.7 million Saudi riyals. During the previous year, zakat provisions were recorded based on the adjusted assessments by the Zakat, Income and Customs Authority for the group companies, which are still subject to objection to the General Secretariat of the Tax Committees.

This decrease was partially offset by an increase in selling and administrative expenses by approximately 8.8 million Saudi riyals, mainly as a result of the expansion of the retail sector operations.

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

Item / Year	2022	2021	2020	2019	2018
Revenues	90.00	73.25	96.81	80.65	71.55
Other revenues	11.60	6.07	9.72	17.94	20.54
Share of profits from associates	8.11	(6.51)	7.04	1.51	3.18
Cost and expenses	(147.07)	(143.07)	(140.56)	(94.89)	(87.34)
Net profit / (loss) before Zakat	(37.37)	(70.26)	(26.99)	5.21	7.93
Zakat	(0.35)	(10.08)	(2.13)	(1.78)	(4.97)
Net profit / (loss)	(37.72)	(80.34)	(29.12)	3.42	2.96

Net (Loss) / Profit



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

Item	2022	2021	Variance	Percentage
Total Revenue	90.0	73.2	16.7	23%
Cost of revenue	(68.1)	(62.6)	(5.5)	9%
GROSS PROFIT	21.9	10.6	11.2	106%
Selling and marketing expenses	(45.9)	(38.5)	(7.4)	19%
General and administrative expenses	(29.0)	(27.5)	(1.5)	5%
Impairment loss in Property and Equipment's	0.0	(4.2)	4.2	-100%
Provision for legal cases and claims	0.0	(5.3)	5.3	-100%
Other income	11.6	6.1	5.5	91%
Loss from Operations	(41.4)	(58.8)	17.4	-30%
Financial charges	(4.1)	(4.1)	0.0	-1%
Share of results from associate companies	8.1	(6.5)	14.6	-225%
Loss on disposal of associate	0.0	(0.9)	0.9	-100%
Net Loss For The Year Before Estimated Zakat	(37.4)	(70.3)	32.9	-47%
Estimated zakat	(0.3)	(10.1)	9.7	-97%
Net Loss For The Year	(37.7)	(80.3)	42.6	-53%

7/3 Statement of Shareholders' Rights:

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

Shareholders Equity	2022	2021	Net change
Capital	50.0	175.0	(125.0)
Accumulated losses	(24.7)	(114.2)	89.5
Employees defined benefit measurement reserve	(1.9)	(1.3)	(0.6)
Foreign Currency Translation reserve	(3.0)	(3.0)	0.1
Change in fair value reserve	(1.5)	(1.5)	0.0
Effect of acquisition of non-controlling interest	(10.7)	(10.7)	0.0
Total Owners' Equity Attribute to Shareholder in Parent Company	8.3	44.3	(36.1)
Non-controlling interest	(1.9)	0.3	(2.2)
Total Owners' Equity	6.4	44.6	(38.3)

3/8 Payments to Government Agencies

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 2022 ,31: (In thousands)

Statement	Balance as of March 31, 2021	Accrued during the period	Paid during the period	Adjustments	Balance as of March 31, 2022
General Authority of Zakat and Income	30,193	2,444	(702)	(2,096)	29,906
General Organization for Social Insurance	125	427	(397)	-	155
Municipalities and other government agencies	58,742	23,148	(4,485)	(7,446)	69,959
Total amounts due to government agencies	89,127	26,019	(5,584)	(9,542)	100,020

9/3 Accounting Standards

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

- During the fiscal year ending on March 2021 ,31, the parent company received the adjusted zakat assessments from the Zakat, Income and Customs Authority for the years ending on March 2015 ,31 until March 2019 ,31, and a provision against the adjusted assessment differences was recorded in the consolidated statement of profit or loss for the year The financial statements ended on March 2021 ,31, and the parent company also objected to those assessments before the General Secretariat of the Zakat, Tax and Customs Committees after the company's objection was rejected by the Zakat, Income and Customs Authority.

During the year ending on March 2022 ,31, the General Secretariat of Zakat, Tax and Customs issued a decision to revoke Zakat, Income and Customs Authority revised assessment to amend the company's declaration for the financial year ending on March 2015 ,31. Accordingly, the company reversed the provision booked against the adjusted assessment for the year, which amounted to 2,096,SR in the consolidated statement of profit or loss for the fiscal year ending on March 2022 ,31. The Zakat, Income and Customs Authority has submitted an appeal against the decision, and no decision was issued on the appeal by the General Secretariat of the Zakat, Tax and Customs Committees until the date of approval of these consolidated financial statements. No decision was issued regarding the company's objection to the adjusted assessments for the years ending on March 2016 ,31 until March 2019 ,31 until the date of approval of these consolidated financial statements.

- During the year ending on March 2022 ,31, the parent company received the amended zakat assessment by the Zakat, Income and Customs Authority for the year ending on March 2020 ,31, the difference between the revised assessment and the company's declaration is an amount of 429,609 SR fully provided for in the books. The company has objected before the General Secretariat of the Zakat, Tax and Customs Committees on the items that were not accepted by the Zakat, Income and Customs Authority in the company's objection, and no decision was issued in the company's objection by the General Secretariat of Zakat, Tax and Customs until the date of approving these consolidated financial statements.

Material subsidiaries that are subject to the regulations issued by the Zakat, Income and Customs Authority:

Tihama Modern Bookstores Company

- 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 2011 ,31, until December 2019 ,31. 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 ended March 2021 ,31, 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.

- During the year ending on March 2022 ,31, a decision was issued by the General Secretariat of the Zakat, Tax and Customs Committees rejecting the company’s objection to the amended assessment for the years ending on December 2018 ,2017 ,31, and the company submitted an appeal against the committee’s decision and no decision was issued on the appeal by the Secretariat The general zakat, tax and customs duties up to the date of approval of these consolidated financial statements.

- Subsequent to the date of the financial position, a decision was issued by the General Secretariat of the Zakat,Tax and Customs Committees rejecting the company’s objection to the amended assessments for the years ending on December 2011 ,31 until 2017, and the financial year ending on December 2019 ,31, and the company is in the process of submitting an appeal against the decision before the Secretariat General for Zakat,Tax and Customs Committees.

Tihama Distribution Company:

The company submitted its zakat returns until the fiscal year ended on December 2020 ,31 to the Zakat,Tax and Customs Authority and paid the zakat due from the reality of its zakat returns.

- During the fiscal year ending on March 2022 ,31,Tihama Distribution Company received the revised zakat assessment by the Zakat,Tax and Customs Authority for the year ended December 2015 ,31.The total value of the differences based on the revised assessment amounted to 357,242 SR, and a provision for it has been recorded in the consolidated statement of profit or loss for the year ended on March 2021 ,31.The company also objected to the assessment before the General Secretariat of the Zakat,Tax and Customs Committees after the company’s objection was rejected by the Zakat, Tax and Customs Authority. No decision has been issued regarding the company’s objection by the General Secretariat of the Zakat, Tax and Customs Committees until the date of approving these consolidated financial statements.

- During the year ending on March 2022 ,31, Tihama Distribution Company received the amended zakat assessment from the Zakat,Tax and Customs Authority for the years ending on December 2017 ,2016 ,31. The total value of the differences based on the revised assessment amounted to 564,653 SR, and a provision against it has been recorded in the consolidated statement of profit or loss for the year ended March ,31 2022.The company also objected to these assessments before the General Secretariat of the Zakat,Tax and Customs Committees after the company’s objection was rejected by the Zakat,Tax and Customs Authority. No decision has been issued regarding the company’s objection by the General Secretariat of Zakat,Tax and Customs until the date of approving these consolidated financial statements.

Tihama Education Company

The company submitted the zakat declaration for the years since its establishment until December 2020 ,31, and paid the zakat due from the reality of the zakat declaration submitted by the company.The company received the zakat certificate for the fiscal year ending on December 2020 ,31, and the Zakat, Income and Customs Authority did not issue any assessments Amended on the company up to the date of approval of these consolidated financial statements.

Integrated production company for audio-visual media production

The company submitted the Zakat declaration for the years since its establishment until December 2021 ,31 and paid the due Zakat from the reality of the Zakat declaration submitted by the company.The company received Zakat certificates for these years. The Zakat, Income and Customs Authority has not issued any modified assessments on the company until the date Approval of these consolidated financial statements.

The movement in zakat provision for the year is as follows:

	31 March 2022	31 March 2021 (Restated)
Balance as at the beginning of the year	30,259,701	21,713,874
Provision:		
Provision for current year	347,952	10,078,924
Paid during the year	(701,831)	(1,533,097)
Balance as at the end of the year	29,905,822	30,259,701



IV: Loans.

The group has cash and non-cash credit facilities with local and foreign banks in Saudi riyals and UAE dirhams. These facilities were obtained for the purpose of restructuring the financial obligations of the parent company and providing non-cash facilities to issue guarantees and finance the purchase of cars. These facilities bear financing fees in accordance with the relevant agreements. These agreements are subject to the terms and conditions of bank facilities that apply to all types of facilities offered by banks to their clients. Some of these agreements are secured against promissory notes, pledge of group assets, and other guarantees.

- During the year ending on March 2021 ,31, the parent company obtained credit facilities from a local bank in the amount of 20 million SR, as a general 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 letter of credit).

During the year ending on March 2021 ,31, part of the above-mentioned facility was used to obtain a medium-term loan for a period of two years, amounting to 17 million Saudi riyals. On early settlement of the existing Islamic Murabaha with White door Holding Company, whereby, 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 2021 ,31, part of the above-mentioned facility was used to obtain a short-term loan for a period of one year, amounting to 3 million Saudi riyals, as part of the restructuring of the company’s financial obligations. The full amount of the short-term loan was repaid during the year ending March 2022 ,31.

- During the year ending on March 2022 ,31, the parent company signed a renewal and amendment of the bank facilities agreement with the National Bank of Saudi Arabia for a period of one year, amounting to 20 million riyals as a comprehensive limit that can be used for several sub-limits in accordance with the provisions of Islamic Sharia.

- The financing charges are paid with the original financing on the due date, and the above facilities bear financial expenses according to the rates prevailing in the Kingdom of Saudi Arabia plus the agreed upon margin.

- During the fiscal year ending on March 2022 ,31, the parent company signed a non-cash bank facility agreement with Riyadh Bank for a period of three years, amounting to 591,000 SR, to issue guarantees and letters of credit.

- The subsidiary company (Aventus Global Trading) has financing from an external bank for the purchase of cars with a book value as on March 2022 ,31, , amounting to 194,438 Saudi riyals, (345,223 Saudi riyals as on March 2021 ,31 AD), the financing is paid in monthly instalments for 48 months against the car mortgage in favor of the bank.

- Aventus Global Trading Company has a non-cash facility from an external bank to issue letters of performance guarantee amounting to 4,935,053 SR as on March 4,935,053) 2022 ,31 SR as of March 2021 ,31).

Contingent liabilities and pledged assets as collateral and insurance

The guarantees provided by the company under the facility agreement with the Saudi National Bank are as follows:

- Promissory note worth 22,000,000 SR.
- Mortgaging a deposit of 20,000,000 SR with the Saudi National Bank

The guarantees provided by the company under the agreement with Riyadh Bank are as follows:

- Promissory note of 591,000 SR.
- A cash margin with the bank of 88,704 SR at Riyadh Bank

The guarantees provided by Aventus Global Trading Company in return for facilitating the purchase of vehicles are:

- The value of the vehicles was mortgaged in favor of the bank. The net book value of the vehicles shown under property and equipment, net , amounted to 232,988 SR as on March 411,717) 2022 ,31 SR as on March 2021 ,31).

The key terms and guarantees of the non-cash facility obtained by Aventus Global Trading includes:

- Promissory note of 4,935,053 SR.

Mortgaging the buildings owned by the Tihama Education Company in the United Arab Emirates in favor of the bank.

Mortgaging the investment property owned by Tihama Education Company in the United Arab Emirates in favor of the bank.

Assigning the right in rental income for real estate investments to the bank, with a value of no less than 600,000 SR.

- Mortgage over Aventus Global Trading Company inventory .

- Maintaining a cash balance in the company's bank accounts with the bank of no less than 1,442,070 SRs.

Other terms

- The agreement with Riyadh Bank includes a condition that allows the bank to deduct any amounts held by the company with the bank in fulfilment of the non-cash facility. March 2021), these balances appear under cash and cash equivalents without clearing, in addition to 88,704 Saudi riyals as on March 2022 ,31 (nil as on March 2021 ,31), these balances appear within trade receivables and balances Other city, net of net offsetting

- The agreement with Ras Al-Khaimah Bank includes a condition allowing the bank to deduct any amounts held by the subsidiary company with the bank in fulfilment of the non-cash facility. On March 2021 ,31, these balances appear under cash and cash equivalents and without offsetting

Below the existing bank loans as of :

Cash loans	31 March 2022	31 March 2021 (Restated)
Short term loans – Saudi National Bank	20,222,331	-
Long term loans- Emirates NBD	194,438	20,345,223
Total cash loans	20,416,769	20,345,223
Less: Current portion	(20,378,311)	(3,202,584)
Non-current portion of long term loans	38,458	17,142,639

Below the movement in cash loans during the year as of :	31 March 2022	31 March 2021 (Restated)
Balance as of 1 April 2021	20,345,223	18,075,611
Proceeds from loans	3,000,000	20,000,000
Payments of loans	(3,150,875)	(17,730,388)
Finance charges	1,092,771	2,041,023
Finance charges paid	(870,440)	(2,041,023)
Balances at end of year	20,416,769	20,345,223

-Non-cash facilities to issue LG's (Contingent liabilities)	31 March 2022	31 March 2021 (Restated)
Non-cash facility - RAK Bank	4,935,053	4,935,053
Non-cash facility - Riyadh Bank	591,160	-
Total non-cash facilities	5,526,213	4,935,053

Contingent liabilbites

Contingent legal claims

There are some cases filed against the parent company and some of the group’s subsidiaries, during the normal course of business and are currently being litigated.

During the year ending on March 2022 ,31, a lawsuit was filed by the General Authority for Competition, which included accusing the company of violating the competition law.The company believes, based on the opinion of its legal advisor, that the case should be dismissed due to insufficient evidence of the violation.

Contingent zakat claims

During the year ending on March 2022 ,31, the General Secretariat of Zakat,Tax and Customs issued a decision to cancel the decision of the Zakat, Income and Customs Authority to amend the company’s declaration for the financial year ending on March 2015 ,31 and accordingly the company reversed the provision formed against the adjusted assessment for the year, which amounted to 2,096,038 SR In the consolidated statement of profit or loss for the fiscal year ending on March 2022 ,31. The Zakat, Income and Customs Authority has submitted an appeal against the decision, and no decision has been issued in the appeal by the General Secretariat of the Zakat, Tax and Customs Committees until the date of approval of these consolidated financial statements.

Contingent liabilbities from Letter of Guarantees :

The contingent liabilities and commitments outstanding for the group as at 31 March 2020 ,2021 comprise the following:

	31 March 2021	31 March 2020 (Adjusted)
Letters of guarantee *	15,193,505	8,105,470

* Cash margin for letters of guarantee as on March 2022 ,31, amounting to 9,757,161 SR is included in trade receivables and other debit balances - Note 10 (March 2021 ,31 amounting to SAR 9,735,796).

The Cash Margin for letters of guarantee include a cash margin with a local bank of 88,704 SR as on March 2022 ,31, as part of a non-cash facilities agreement to issue guarantees and credits (note 14).



During the year ending in 2022, the company filed a lawsuit with the General Secretariat of Committees for Resolution of Securities Disputes regarding the company’s private right against some members of the previous board of directors who ran the company during the period from September 2009 ,26 to September 2015 ,25, and no decision was issued by the dismissal committees In securities disputes in the company’s lawsuit until the date of approval of these consolidated financial statements.

During the fiscal year ended March 2021 ,31, a preliminary judgment was issued in favour of a municipality, amounting to 11.7 million Saudi Riyals for the lease of advertising sites (Trade payables and other credit balances included provision for the total amount of the verdictduring the year ending on March 2022 ,31, the Company’s appeal was rejected by the Administrative Court of Appeal In Riyadh.Accordingly the judgment became enforceable against the company.

During the year ending on March 2022 ,31, the parent company filed a lawsuit before the Administrative Court against the Riyadh Municipality, to claim compensation for Tihama Advertising, Public Relations and Marketing Company in the amount of 15,637,910 Saudi riyals in addition to the amount of %10 of the value of what is required as attorney fees, the company By filing a lawsuit against the Riyadh Municipality to claim compensation for the damage caused to the advertising columns owned by it and which were removed by the defendant in a way that led to the occurrence of damage to it. A preliminary ruling was issued by the Administrative Court rejecting the company’s claim for compensation, and the company has submitted an appeal against the initial ruling before the Administrative Court of Appeal, and no judgment has been issued in the company’s appeal until the date of the approval of these consolidated financial statements (Note 4)

During the fiscal year ending on March 2021 ,31, a final judgment was issued against the company in two lawsuits from one of the clients of a subsidiary company (Tihama Distribution Company). And other credit balances (note 16), during the year ending March 2022 ,31, the company filed a petition against the judgment with the Court of Appeal, which rejected the company’s petition, and the judgment became enforceable on the company. The plaintiff submitted a request for execution of the judgment before the Court of Execution, which imposed restriction on the units in a local Murabaha fund owned by the company was recorded at a value of 3,589,829 SR as on March 2022 ,31

During the fiscal year ending on March 2022 ,31, the company’s appeal was rejected in a lawsuit before the Court of Appeal demanding the company to pay approximately 13.9 million Saudi riyals in favor of one of the individuals, and accordingly the judgment became enforceable on the company. The amount represents the assignment of a debt right 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 years before September 2015 ,30, bearing in mind that the accrual is restricted to the same amount within the item of trade and other credit balances The plaintiff submitted a request to execute the judgment issued in his favor against the company before the Execution Court

During the year ending March 2022 ,31, a judgment was issued in favor of one of the trusts to seize the funds of the Tihama Advertising, Public Relations and Marketing Company and implement it within the limits of the amount of indebtedness claimed by the trust, amounting to 1,820,621 SR for lease contracts for advertising sites (noting that it is restricted to maturity With the same amount within the item of trade and other credit balances , the company has submitted an application to criticize the judgment, and no decision has been issued by the Supreme Administrative Court in the request to set aside the judgment until the date of this report.

During the year ending March 2022 ,31, the parent company filed a compensation claim against the former company manager and partner in the associate company in the United Arab Emirates, and a preliminary ruling was issued in favor of the company by the Dubai Courts of First Instance to obligate Mr. Nasser bin Saleh Al Sarami to lead Tihama Advertising and Relations General and Marketing AED 3,825,733 in addition to the legal interest at the rate of %5 from the date of the judicial claim until full payment, and obligating the Kenaen General Trading Company to lead to Tihama Advertising, Public Relations and Marketing an amount of AED 1,217,925 in addition to the legal interest of AED %5 1,217,925 from the date of the legal claim until full payment. A final judgment was issued in favor of the company by the Dubai Courts of Appeal after the appeal was rejected. The former director of the company submitted a request to set aside the judgment, and his request has not been decided upon until the date of this report.

The previous cases do not include a contingent liability on the group, as it has recorded in the books liabilities against these cases.

Legal cases involving a contingent liability were disclosed in Contingent liabilities and commitments

VI: Social Responsibility

Through a wide participation in covering awareness, national and social campaigns, the company is continues to engage in social responsibility by providing free banner advertisements.

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 simply a charitable act limited to the support and financial donations provided by some companies.

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

Staff and training

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

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

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

General Assemblies of Shareholders:

During the fiscal year ending on March 2022 ,31, the following general assemblies were held:

Board of Directors session that ended on 2021/10/13:

Member name	Ordinary General Assembly meeting held on 03/10/2021
I - Eng. Sari bin Ibrahim Al-Mayouf	X
Eng. Abdul Karim bin Ibrahim Al-Mayouf	X
Mr. Reda bin Mohammed Al-Haidar	X
Mr. Ibrahim bin Mohammed Al-Shabib	X
Mr. Badr Hassan Al-Mady	X
Mr. Khalid bin Fahd Al-Abdul-Jabbar	

Board of Directors session that started on 2021/10/14:

Member name	Extra Ordinary General Assembly including change in Capital meeting held on 23/02/2022	Ordinary General Assembly meeting held on 09/02/2022
Mr. Sultan Salah al-Din bin Qasem AlAbdulatheem (Chairman).	X	X
Mr. Ibrahim Mohammed Ibrahim Al-Shabib (Vice Chairman).	X	X
Mr. Salman bin Mohammed Bin Nasser Al-Asmari	X	X
Ms. Asma Ahmad Mohammed Zayn Fattani		X
Dr. AlMutasmbilla Bin Zaki Bin Mohammed Abduljawad Allam	X	X
Mr. Abdulaziz bin Njib Bin Abdulaziz Alsuwalim	X	X
Eng. Sari Ibrahim AlMaayouf	X	X

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

#	Request Date	Request Reason
1	16/08/2021	Company's procedures
2	03/10/2021	General Assembly
3	4/1/2022	Company's procedures
4	9/2/2022	General Assembly
5	16/2/2022	General Assembly
6	23/2/2022	General Assembly



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 1437/01/28 H.

Procedures are maintained ensuring that the company respects laws and regulations, including compliance with the requirements for disclosure of material information, adhering to the requirements of 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 between stakeholders and the company.

The company, in line with the Corporate Governance Regulations and the new Companies Law, maintains the following documents:

Charter for the Audit Committee.

Charter for Remuneration and Nominations Committee.

Code of Conduct Policy.

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.

Communication with Shareholders

Tihama pays close attention to implementing 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 a shareholder relations unit whose main objective is to ensure that the company implements the mechanisms and requirements for communication with shareholders.

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 the statutory and other reserves to the shareholders up to 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 remaining reserves 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.

Board of Directors and Classification of Membership.

The Company's BOD shall be formed of 7 members appointed by the Shareholders in 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 held on 2018/10/14G for the new session, which starts from 2021/10/14G and ends on 2024/10/13G.

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 as stipulated in the Corporate Governance Regulations issued by CMA shall apply. Tihama obliges the independent member to adhere 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 affect 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 be a relative of any of the BOD members in the company or in another company of its group.
They shall not be a relative of 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 have 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 not spend 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 as 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:

Board of Directors for the period from 2021/4/1 until the end of the session on 2021/10/13

	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	Chairman of the Board	Non-Executive	BOD Member of Thimar development holding	Bachelor's 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/ Abdulkarim 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. SA 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	Independent	BOD Member of Thimar development holding (Mr. resigned on 9/2/2022)	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.
4	Mr / Badr Hassan Al-Mady	BOD Member	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).

	Member Name	Function	Classification	Membership of BODs of other joint stock companies during the fiscal year	Qualifications & Experiences
5	Mr / Khalid bin Fahd Al-Abdul-Jabbar	BOD Member	Independent		<p>Holds a Bachelor's degree in Public Relations from King Saud University</p> <p>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.</p>
6	Mr / Reda bin Mohammed Al-Haidar	BOD Member	Independent		<p>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.</p> <p>Previously, he has worked for the Capital Market Authority (CMA), the General Investment Authority, and other governmental agencies.</p> <p>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.</p> <p>Until recently, he served as Chairman of the General Commission for Audiovisual Media.</p>

Board of Directors for the session started on 2021/10/14 :

	Member Name	Function	Classification	Membership of BODs of other joint stock companies during the fiscal year	Qualifications & Experiences
1	Mr. Sultan Salah al-Din bin Qasem AlAbdulatheem	Chairman of the Board	Independant		Sultan holds BA in Business Administration from King Abdulaziz Universtay and has an experience inAdvertising and Marketing - he has also worked for Samba Financial Group for 10 years .
2	Mr. Ibrahim Mohammed Ibrahim Al-Shabib **	Vice chairman – Designated Managing Director	Executive	BOD Member of Thimar development holding (Mr. resigned on 9/2/2022)	<p>He holds a BA and MA in Media and Public Relations with honors from King Saud University.</p> <p>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.</p>
3	Mr.Salman bin Mohammed Bin Nasser Al-Asmari	Board Memeber	Non-Executive		He holds a Bachelor's degree in Management Information Systems from King Fahd University of Petroleum, and has extensive experience that has completed for more than 19 years in working with financial institutions, managing portfolios and investment funds, and is currently working as CEO of Adeem Financial Company, and previously worked as Vice President in Al-Mashreq Real Estate Company And Director of Business Development at The Investor Securities Company and Vice President of the Saudi Federation of Arrows from 2016 to 2020
4	Ms. Asma Ahmad Mohammed Zayn Fattani *	Board Memeber	Independent		She holds a BA in English from Umm Al-Qura University and is a member of the Makkah Chamber of Commerce and the National Committee of Saudi Chambers. She has experience working with a connection to the Riyadh season and a marketing consultant and rebuilding the identity of the health cluster in Makkah and has experience in the areas of digital marketing with companies in the region

	Member Name	Function	Classification	Membership of BODs of other joint stock companies during the fiscal year	Qualifications & Experiences
5	Dr. AlMutasmilla Bin Zaki Bin Mohammed Abduljawad Allam	Board Memeber	Independent	Board Member in Tabuk Agricultural Development Company	<p>Dr. Almutasmbillah holds BSc Business Administration - Financial 2007 King Abdul-Aziz University Pass with Honors, Dissertation: The Real Estate investments in Saudi.</p> <p>Dr. Almutasmbillah holds as well PhD Banking & Finance from University of Bangor MSc Islamic Banking & Finance from University of Bangor.</p> <p>MSc Financial Economics from University of Essex</p> <p>He is a Board Member Tabuk Agriculture Company (Joint Stock Company) since 7/2021 and member of the Executive Committee .</p> <p>He is working as Assistant Professor King Abdul-Aziz University 10/2020 Assistant professor at the Islamic Economics Institute. As well as Financial Consultant for number of companies.</p>
6	Mr. Abdulaziz bin Njib Bin Abdulaziz Alsuwalim	Board Memeber	Non-Executive		<p>Holds a Bachelor's degree in Marketing and Communications from Imam Ibn Saud University - and previously worked as CEO of a number of companies in the field of media production and has experience as a director and producer in the media production sector</p>
7	Mr. Sari Ibrahim AlMaayouf	Board Memeber	Independent	BOD Member Thimar development holding	<p>Bachelor's degree of Electrical Engineering, California State University</p> <p>15 years of experience in senior positions in KSA and internationally, including 7 years in the financial services sector after working for ING</p>

* On 2022-03-09, the Board of Directors approved the acceptance of the resignation of Mrs. Asmaa Fattani, a member of the Board of Directors (independent member), provided that it is effective as of 1443-08-06 H corresponding to 2022-03-09.

** On 2022-01-02, the Board of Directors approved the acceptance of the resignation of Mr. Ibrahim Al-Shabib from the membership of the Nomination and Remuneration Committee, and he was appointed to the position of the designated Managing Director.

Senior Executives

Serial	Name	Current Job	Previous Job	Qualifications and Experince
1-	Abdulkarim Ibrahim Al Maayouf		Managing Director	<p>Holds a BA with Honors in Electrical Engineering and a Masters degree in Engineering Management from the University of Southern California.</p> <p>Held several positions in Bina Puri Saudi Co. Ltd., Riyadh, K. SA including Director of Business Development and BOD Member.</p> <p>Previously, he was a member of BOD of Bank Al-Jazira</p>
2-	Ibrahim Mohamed Al shabib	Designated Managing Director		<p>He holds a BA and MA in Media and Public Relations with honors from King Saud University.</p> <p>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.</p>
3-	Mazen Mohamed Al Asmari	Chief Executive Officer	Vice president	<p>Mazen began his working career in Public Relations at the Royal Clinic before joining Standard Chartered Bank as Head of HR and PR. He headed up HR and Government Relations in international engineering consultancy groups before joining Tihama.</p> <p>Mazen Joined Tihama on 2015 and the last position held before being appointed was Executive Vice President.</p>
4-	James Grahame Murray	Senior Executive Vice Presedent	Chief Operating Officer	<p>Grahame has held senior finance and operational positions internationally within a number of blue-chip groups including, Pearson and Time Warner, as well as having worked for private equity owned businesses in the Middle East.</p> <p>He is a founder of a new free school in London, the Fulham Boys School.</p> <p>Education: BA Economics, University of Leeds. Chartered Accountant (ICAEW).</p>
5-	Ehab Abdullah Rajab	Vice Prisedent	Vice president support	<p>Ehab has 30 years of business experience, 20 years in a private company working in international brands for home appliances, 6 years as a Director of Human Resources in ELECTRO retail electronics company and Tihama Holding combined with 4 years as VP for support and services.</p> <p>Education: Bachelor's Degree in Business Administration from King Abdelaziz University</p>
6-	Ayman Mohamed Soliman	Financial Director	Financial Director	<p>Ayman has 22 years' work experience starting his career in 2000 in Deloitte (Egypt and Kuwait) as an external auditor and worked he there till 2005. In 2005 he joined Investment Dar Company (Kuwait) as Assistant Internal Audit Manager becoming Senior Financial Controller in 2008.</p> <p>Education: Bachelor's Degree from faculty of Commerce and Business Administration from Cairo University in Egypt and Certified Internal Auditor (CIA).</p>
7-	Abdullah Hamad Al Majed	Head Of HR and Administration	Head Of HR and Administration	<p>Before joining Tihama as Head of HR and Administration, Abdullah gained 18 years' experience in human resources starting his career in Alkhorayef Group as an HR specialist eventually becoming the Head of HR.</p> <p>Education: Bachelor's Degree from King Saud university</p>

on 13 October 2021, the previuos Board term ended, accoringly the previous Managing director term has ended on the same date

BOD Meeting Attendance Record

First: The period from the beginning of the fiscal year on 2021/4/1 AD until the end of the previous council session on October 2021 ,13 AD

The company's board of directors held from the beginning of the fiscal year 2020/4/1 to 2) 2021/13/10) meetings.

... The table below shows the attendance record of the members of the Board of Directors at the Board meetings.

Member Name	Meeting 1 held on 29/6/2021	Meeting 2 held on 18/08/2020
Eng/ Sari bin Ibrahim Al-Mayouf	X	X
Eng/ Abdulkarim 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

Second: The period from the beginning of the Council's session on 2021/14/10AD until 2022/03/31AD

The company's board of directors, from the beginning of the board's term on 2021/14/10 to 2022/31/3, held (6) meetings.

... The table below shows the attendance record of the members of the Board of Directors at the Board meeting

Member Name	Meeting 1 held on 17/10/2021	Meeting 2 held on 08/11/2021	Meeting 1 held on 22/11/2021	Meeting 2 held on 02/01/2022	Meeting 1 held on 07/02/2022	Meeting 2 held on 17/03/2022
Mr. Sultan Salah al-Din bin Qasem AlAbdulatheem (Chairman).	X	X	X	X	X	X
Mr. Ibrahim Mohammed Ibrahim Al-Shabib (Vice Chairman).	X	X	X	X	X	X
Mr.Salman bin Mohammed Bin Nasser Al-Asmari	X	X	X	X	X	X
Ms.Asma Ahmad Mohammed Zayn Fattani	X	X	X	X	X	
Dr.AIMutasmbilla Bin Zaki Bin Mohammed Abduljawad Allam	X	X	X	X	X	X
Mr.Abdulaziz bin Njib Bin Abdulaziz Alsuwalim	X	X	X	X	X	X
Eng. Sari Ibrahim AlMaayouf	X	X	X	X	X	X

* On 2022-03-09, the Board of Directors approved the acceptance of the resignation of Mrs.Asmaa Fattani,

a member of the Board of Directors (independent member), provided that it is effective as of 1443-08-06 H corresponding to 2022-03-09.

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

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

Policy for Remunerations of Board Members, Committee Members and Executive Management

Regulations:

The remunerations policy for members of the Board, its committees and Executive Management in Tihama is prepared to comply with Paragraph (1),Article (61) of Corporate Governance Regulations issued by the Board of Capital Market Authority (CMA). This Paragraph provides that the competencies of the Remuneration Committee shall include "preparing a clear policy for the remunerations of the Board members and its committees and Executive Management, in addition to presenting such policy to the Board in preparation for approval by the General Assembly".

Purpose:

Determination of clear standards for the remunerations of the Board members and its committees and senior executives in accordance with the requirements of Companies Law and CMA's Laws and Regulations. Attracting personnel with high capacity and talent to work in the Board, its committees and Executive Management. Maintaining such personnel by adopting remuneration- encouraging and performance-related plans and programs. This will improve Company's performance, and achieve shareholders' interests and expectations.

Remuneration Policy:

The Remuneration and Nomination Committee shall refer necessary recommendations to the Board on the remunerations of the Board members, its committees and senior executives in the Company according to the approved standards as follows:

Company shall consider the consistency of remunerations with its strategy, objectives, magnitude, nature and level of risks.

Remunerations shall be proportional to Company's business and necessary skills to manage thereof; taking into consideration the sector where the Company works in and its size, and experience of the Board and senior executives.

Remunerations shall be provided with the aim of encouraging the Board members and its committees and Executive Management to develop the Company on the long-term. The variable part of the remuneration shall be determined based on the long-term performance.

Remunerations shall be determined based on position level, duties, responsibilities, academic qualifications, experience, skills and level of performance.

Remunerations shall be fair and in pro rata basis with competencies, works and responsibilities of, and borne by, Board members and Executive Management, in addition to the objectives determined by the Board to be achieved within the fiscal year.

The Company shall consider the practices of other companies and the applicable procedures in Labor Market in respect of the determination of remunerations, and avoid unjustifiable increases in remunerations and compensations.

Remunerations shall be reasonably sufficient to attract talented personnel and expert Board members, retain and motivate them without exaggeration.

Remunerations shall be prepared in coordination with the Remuneration and Nomination Committee in respect of new appointments.

Remunerations shall be suspended or reclaimed if determined that such remunerations were set based on inaccurate information provided by a member of the Board or the Executive Management, in order to prevent abuse of power to obtain unmerited remunerations.

The grant of Company's shares to the Board members and the Executive Management may be regulated, whether newly issued or purchased by the Company.

Board remunerations may reflect a certain amount, attendance allowance for meetings, in-kind benefits or a share of net profits. Two or more of such benefits may be combined.

Committee Members' Remunerations

The Committee members' remunerations shall generally be subject to the attestation of the General Assembly's shareholders, subject to the following:

The remunerations of Tihama Committee members shall include determined amounts, attendance allowance for meetings, expenditure allowance, in-kind benefits, or a share of the profits. Two or more of these remunerations may be combined, without prejudice to the Companies' Laws. The Board shall annually determine the remunerations of the members thereof in conformity with the recommendations of the Remuneration and Nomination Committee, without prejudice to the provisions set out in this regard in the Companies' Articles of Association or any other laws issued through competent authorities.

Any board member shall be paid an attendance allowance, for any meetings held by the Board or the committees thereof, amounting to (500) Saudi Riyals. In addition, any Board member resided outside the headquarter city shall be paid travel allowance, accommodation allowance, as well as the costs of the airline tickets and transportation.

Through a recommendation issued by the Remuneration Committee, the Board shall determine extra in-kind or monetary remunerations as deemed suitable. These remunerations acquired by the Board member, including cash or in-kind benefits and remunerations, shall not exceed (500,000) Saudi Riyals, in accordance with the constraints imposed by the competent authority.

The Board member shall be paid a remuneration for its membership in the Audit Committee or for any works or executive, technical, administrative, or advisory positions (under a professional license), in addition to a remuneration for its membership in the Board or the Committees thereof.

The Remuneration of independent Board members shall not be a share of the profits that are realized by the Company, nor shall it be based directly or indirectly on the Company's profitability.

The Board of Directors' Report to the General Assembly shall include a comprehensive statement of all the amounts received by the Board members during the fiscal year, including remunerations, expense allowance and other benefits, as well as all amounts received by the Board members in their capacity as employees or directors, or in consideration of such technical, administrative, or advisory services. Such report shall also include a statement of the number of the Board meetings and the number of meetings attended by each member beginning from the date of the last meeting of the General Assembly.

Remuneration of the Board's committee's members :

The Board of Directors shall determine and approve the remuneration of the membership of its committees, except the Audit Committee, attendance allowance, and other benefits based on recommendation of the Remuneration and Nomination Committee.

The remuneration of committee's membership of the Board of Directors shall consist of annual bonuses (lump sum), allowance for attending meetings and other benefits. The labour regulations of each Committee shall include its members' remuneration.

For The remuneration of the membership of the Audit Committee, it shall be determined by the Shareholders' General Assembly based on a recommendation from The Board of Directors as per the article of association. Upon the formation of the membership of the Committee of the Board of directors, the number of committees

that a member may serve shall be taken into consideration n, as the total amount paid for membership in the Board of Directors and committees shall not exceed the limit stipulated and provided for in the regulations.

Remuneration of the Executive Management:

The Remuneration and Nomination Committee shall periodically review the remuneration, programs, and incentive plans for the senior executives and make recommendations thereon to the board of directors. The remuneration of the executive management shall include the following:

A basic salary (to be paid monthly).

Allowances, including, but not but not limited to: housing allowance, transfer allowance, telephone allowance, education allowance for children.

Medical insurance benefits for them and their families.

Short-term incentive plans linked to the performance of the individual and the Company, and long-term incentive plans such as share options and others.

Another benefits, including, but not but not limited to: annual leave, travel ticket, travel allowance, and end-of-service gratuity.

Authority Competent to this policy:

The Remuneration and Nomination Committee is competent to undertake a periodic audit of this policy and assess its efficiency in achieving its intended objectives. This policy is a document that will need to be updated and audited to respond to and keep in line with changes in labor market, in order to promote company's development and expansion.

Accreditation:

The company shall apply and comply with this policy as of the date of policy approval by the Shareholders' General Assembly. In addition, it shall be published on the company's website in order to enable the shareholders, the public and stakeholders to have access to it. Furthermore, the component of these regulations shall be audited, as required, upon the recommendation of the Board, as these amendments should be presented to the Shareholders' General Assembly in preparation for approval at its meeting as soon as possible.

* On 2021-09-06, the Board of Directors issued a decision approving the remuneration policy for the members of the Board of Directors, its committees, and the executive management, and recommending that the policy be presented to the general assembly of shareholders for approval.

* * On 2021-09-09, the same decision was issued by the Board of Directors to include in the agenda of the Ordinary General Assembly a vote on the adoption of remuneration policies for members of the Board of Directors, its committees, and the executive management.

*** On 2021-3/10, the Ordinary General Assembly refused to approve the remuneration policy for members of the Board of Directors, its committees, and the executive management.

**** On February 2022 ,09, the Ordinary General Assembly refused to approve the remuneration policy for members of the Board of Directors, its committees, and the executive management.

The following are details of salaries, compensation and related expenses for the Board of Directors and Senior executives during the year ending 31 March 2022:

Board Remuneration																
Board Remuneration for the period from 1 April 2021 to end of previous Board session on 13 October 2021:																
specific amount		fixed remunerations							Variable remunerations					End-of-service award	Aggregate amount	expenses Allowance
		Allowance for attending Board meetings**	Total Allowance for attending committee meetings	In-Kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, is 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2-	Ibrahim bin Mohamed Al Shabib	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3-	Khaled Bin Fahd Al Abduljabar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4-	Bader Bin Hassan Madi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Second : Non-executive Directors																
1-	Sari bin Ibrahim Al Maayouf	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Third : Executive Directors																
1-	Abdulkarim Bin Ibrahim Al Maayouf	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Board Remuneration for the period from start of Board session on 14 October 2021 to 31 March 2022:																
specific amount		fixed remunerations							Variable remunerations					End-of-service award	Aggregate amount	expenses Allowance
		Allowance for attending Board meetings**	Total Allowance for attending committee meetings	In-Kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, is 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-	Sultan Saladin Abdul Azim	-	-	-	-	-	-	-	-	-	-	-	-	-	-	112,507
2-	Sari Ibrahim Al-Mayouf	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3-	Asmaa Ahmed Mohamed Zain Fatani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4-	Al-Mu'tasim Billah Zaki Allam	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,575
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	119,082
Second : Non-executive Directors																
1-	Salman Mohammed Nasser Al-Asmari	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,896
2	Abdul Aziz Najib Al-Suwailem															14,286
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,182
Third : Executive Directors																
1-	Ibrahim Muhammad Ibrahim Al-Shabib	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Committee Members' Remuneration				
a)	For the period from 1 April 2021 to end of committee session on 13 October 2021:			
		Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
Audit Committee members				
1-	Ibrahim Bin Mohamed Al Shabib	-	-	-
2-	Rayan Bin Yousef Al Ajaji	-	-	-
3-	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	-	-	-

B)	For the period from start of committee session on 14 October 2021 to 31 March 2022:			
		Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
Audit Committee members				
1-	Al-Mu'tasim Billah Zaki Allam	-	-	-
2-	Abdulaziz Awgan Al Rashidi	-	-	-
3-	Karim Abdulaziz Cheniour	-	-	-
4-	Abdulsalam Maged Abulsalam			
5-	Sultan Saladin Abdul Azim			
	Total	-	-	-
Nomination and Remuneration Committee members				
1-	Sari bin Ibrahim Al Maayouf	-	-	-
2-	Sultan Saladin Abdul Azim	-	-	-
3-	Salman Mohammed Nasser Al-Asmari	-	-	-
4-	Ibrahim Bin Mohamed Al Shabib			
5-	Asmaa Ahmed Mohamed Zain Fatani			
	Total	-	-	-
Executive Committee members				
	Sari bin Ibrahim Al Maayouf	-	-	-
	Salman Mohammed Nasser Al-Asmari	-	-	-
	Al-Mu'tasim Billah Zaki Allam	-	-	-
	Total	-	-	-

*The Ordinary General Assembly, in its meeting held on 1443/02/26 AH (corresponding to 2021/10/03 AD), approved the formation of the Audit Committee, defining its tasks, working controls, and remunerations for its members for the new term starting from 2021/10/14 until the end of the session on 2024/10/13

**On 2021-10-17, the Board of Directors approved the resignation of Mr. Sultan Salah El-Din Abdul-Azim from his duties as Chairman of the Audit Committee due to his election as Chairman of the Board of Directors, and the resignation will take effect on 2021-10-17 corresponding to 1443/11/03

**** On 2021-10-17, the Board of Directors approved the appointment of Mr. Mutasim Billah Zaki Allam as Chairman of the Audit Committee, and the Ordinary General Assembly, in its meeting held on 1443-07-08 AH corresponding to 2022-02-09, approved the decision of the Board of Directors By appointing Mr. Al-Mu'tasim Billah Zaki Allam as a member of the Audit Committee instead of the previous committee member, Mr. Sultan Salah Al-Din Abdul-Azim, and this appointment shall take effect from the date of the decision issued on 2021/10/17 until the end of the current committee's work period on 2024/10/13.

On 2021-17-10, the Board of Directors approved the formation of the Nominations and Remunerations Committee from the members of the Board of Directors, Mr. Ibrahim bin Muhammad Al-Shabib, Mr. Sultan Salah El-Din Abdul-Azim, and Mrs. Asmaa Ahmed Fatani.

*** On 2022-02/01, the Board of Directors approved the acceptance of the resignation of Mr. Ibrahim Al-Shabib from the membership of the Nomination and Remuneration Committee, and he was appointed to the position of the designated Managing Director.

**** On 2022-09-03 the Board of Directors approved the acceptance of the resignation of Mrs. Asmaa Fattani, Board Member (independent member), provided that it is effective as of 1443-08-06 AH corresponding to 2022-09-03.

***** On 2022-10-02, the Board of Directors approved the appointment of Eng. Sari bin Ibrahim Al-Mayouf as Chairman of the Nomination and Remuneration Committee.

***** On March 2022 ,17, the Board of Directors approved the appointment of Mr. Salman bin Muhammad Al-Asmari as a member of the Nomination and Remuneration Committee

On October 2021-17, the Board of Directors decided to form the Executive Committee, the Committee has not held any meetings since formation and has not recommended a committee charter for the Board to approve yet.

Remuneration of Senior Executives														
Salaries		Fixed remuneration				Variable remuneration						End-of-service award	Total remuneration for Board executives, if any	Aggregate amount
		Allowance	In-Kind benefits	Total	Periodic remuneration**	Profits	short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total				
1-	Previous Managing Director	1,219,677	-	175,754	1,395,432	-	-	-	-	-	-	102,027	-	1,497,459
2-	Designated Managing Director	375,000	-	30,500	405,500	-	-	-	-	-	-	15,240	-	420,740
3-	Chief Executive Officer	753,871	203,239	253,335	1,210,445	-	-	-	-	-	-	336,675	-	1,547,120
4-	Senior Executive Vice President	648,000	226,800	165,760	1,040,560	-	-	-	-	-	-	99,025	-	1,139,585
5-	Vice President	388,620	97,155	186,480	672,255	-	-	-	-	-	-	102,894	-	775,149
6-	Financial Director	444,444	155,556	103,809	703,809	-	-	-	-	-	-	50,000	-	753,809
7-	Head Of HR and Administration	357,717	125,200	151,348	634,264	-	-	-	-	-	-	33,356	-	667,620
	Total	4,187,329	807,949	1,066,987	6,062,265	-	-	-	-	-	0	739,217	-	6,801,483

* on 13 October 2021, the previous Board term ended, accordingly the previous Managing director term has ended on the same date

BOD members shareholdings and relevant variation during the fiscal year ending on March 2022 ,31:

for the period from 1 April 2021 to end of previous Board session on 13 October 2021:

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/ Abdelkarim 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	-	-	-	00.0%	-	-	-	-
Mr / Khalid bin Fahd Al-Abdul-Jabbar	-	-	-	00.0%	-	-	-	-

for the period from start of Board session on 14 October 2021 to 31 March 2022:

Name	Shares	Net variation	Number of shares at the end of the year	Shareholdings % at the end of the year	Percentage of variation	Debt Instruments		
	Number of shares at the beginning of the period					Beginning of the year	End of the year	Variation
Mr. Sultan Salah al-Din bin Qasem AlAbdulatheem (Chairman).	-	-	-	0.00%	-	-	-	-
Mr. Ibrahim Mohammed Ibrahim Al-Shabib (Vice Chairman).	-	-	-	000%	-	-	-	-
Mr.Salman bin Mohammed Bin Nasser Al-Asmari	-	-	-	0.00%	-	-	-	-
Ms.Asma Ahmad Mohammed Zayn Fattani	-	-	-	00.0%	-	-	-	-
Dr.AIMutasmbilla Bin Zaki Bin Mohammed Abduljawad Allam	-	-	-	00.0%	-	-	-	-
Mr.Abdulaziz bin Njib Bin Abdulaziz Alsuwalim								
Eng. Sari Ibrahim AlMaayouf	-	-	-	00.0%	-	-	-	-

Shareholdings of first-degree relatives or BOD members and its variation during the fiscal year ending on March 2022 ,31:

for the period from 1 April 2021 to end of previous Board session on 13 October 2021:

Name	Shares	Net variation	Number of shares at the end of the year	shareholdings % at the end of the year	Percentage of variation	Debt Instruments		
	Number of shares at the beginning of the year					Beginning of the year	End of the year	variation
Eng/ Sari bin Ibrahim Al-Mayouf	-	-	-	-	-	-	-	-
Eng/ Abdulkarim 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	-	-	-	-	-	-	-	-

for the period from start of Board session on 14 October 2021 to 31 March 2022:

Name	Shares	Net variation	Number of shares at the end of the year	shareholdings % at the end of the year	Percentage of variation	Debt Instruments		
	Number of shares at the beginning of the year					Beginning of the year	End of the year	variation
Mr. Sultan Salah al-Din bin Qasem AlAbdulatheem (Chairman).	-	-	-	-	-	-	-	-
Mr. Ibrahim Mohammed Ibrahim Al-Shabib (Vice Chairman).	-	-	-	-	-	-	-	-
Mr.Salman bin Mohammed Bin Nasser Al-Asmari	-	-	-	-	-	-	-	-
Ms.Asma Ahmad Mohammed Zayn Fattani	-	-	-	-	-	-	-	-
Dr.AIMutasmbilla Bin Zaki Bin Mohammed Abduljawad Allam								
Mr.Abdulaziz bin Njib Bin Abdulaziz Alsuwalim	-	-	-	-	-	-	-	-
Eng. Sari Ibrahim AlMaayouf	-	-	-	-	-	-	-	-

A statement of the interests and relevant change of senior executives and their first-degree relatives during the fiscal year ending on March 2022 ,31:

	Executive Name	Number of shares at the beginning of the year	Number of shares at the end of 2022	Net variation in the number of shares during the year	Cash dividends for the year 2022	shareholdings and its variation of first-class relatives
1	Abdulkarim Ibrahim Al Maayouf	0	0	0	0	0
2	Ibrahim Mohamed Al shabib	0	0	0	0	0
3	Mazen Mohamed Al Asmari	0	0	0	0	0
4	James Grahame Murray	0	0	0	0	0
5	Ehab Abdullah Rajab	0	0	0	0	0
6	Ayman Mohamed Soliman	0	0	0	0	0
7	Abdullah Hamad Al Majed	0	0	0	0	0

on 13 October 2021, the previous Board term ended, accordingly the previous Managing director term has ended on the same date

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.

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.

1/8 Audit Committee

The Ordinary General Assembly, in its meeting held on 1443/02/26 AH (corresponding to 2021/10/03), approved the formation of the Audit Committee, defining its tasks, working controls, and remunerations for its members for the new term starting from 2021/10/14 until the end of the session on 2024/10/13.

Below are the current Audit Committee members for the session started on 2021/10/14:

Name	Title	Current Job	Previous Job	Qualifications and Experience
Al-Mu'tasim Billah Zaki Allam	Chairman – Member from the Board	Assistant Professor King Abdul-Aziz University	Lecturer at the Institute of Islamic Economics	Dr. Almutasmbillah holds BSc Business Administration - Financial 2007 King Abdul-Aziz University Pass with Honors, Dissertation: The Real Estate investments in Saudi. Dr. Almutasmbillah holds as well PhD Banking & Finance from University of Bangor MSc Islamic Banking & Finance from University of Bangor. MSc Financial Economics from University of Essex He is a Board Member Tabuk Agriculture Company (Joint Stock Company) since 7/2021 and member of the Executive Committee. He is working as Assistant Professor King Abdul-Aziz University 10/2020 Assistant professor at the Islamic Economics Institute. As well as Financial Consultant for number of companies.
Abdulaziz Awgan Al Rashidi	Member from outside of the Board	Chief financial officer for Ladun Invetment Company	Assisstant finance Manager – National Finance Company	Abulaziz Holds BA in accounting from King Saud University and he is Certified Management Accountant (CMA) from the Institute of Management accountants and certified member from SOCPA and CME-I. Abdulaziz has 25 years experience in Finance, Accounting and Risk Management and in number of finance and investment company. Currently he is the Chief financial officer for Ladun Invetment Company (A company listed in the Saudi Exchange's Nomu – Parallel Market).
Karim Abdulaziz Cheniour	Member from outside of the Board	Head of Internal Audit in the Saudi specialized laboratories Company (Motabacah)	Internal Audit services in Private professional services office	Karim has BA in accounting from Faculty of Economic Sciences and Master in Bussines Administration (MBA), he carries more than 22 years experience in number of international audit firms and has worked as financial advisor for number of companies in finace and restructuring
Abdulsalam Maged Abulsalam	Member from outside of the Board	Financial controller in Al-Masader International for Environment & Quality System Co. (AMAD)	Cief Financial Officer for Al Argaan Company	Abdulsalam Holds BA in accounting and carries more than 25 years of experience in Accounting and finance in number of companies in Egypt and Gulf Region

***On 2021-17-10, the Board of Directors approved the resignation of Mr. Sultan Salah El-Din Abdul-Azim from his duties as Chairman of the Audit Committee due to his election as Chairman of the Board of Directors, and the resignation will take effect on 2021-10-17 corresponding to 1443/11/03

*** On 2021-17-10, the Board of Directors approved the appointment of Mr. Mutasim Billah Zaki Allam as Chairman of the Audit Committee, and the Ordinary General Assembly, in its meeting held on 1443-07-08 AH corresponding to 2022-09-02, approved the decision of the Board of Directors By appointing Mr. Al-Mu'tasim Billah Zaki Allam as a member of the Audit Committee instead of the previous committee member, Mr. Sultan Salah Al-Din Abdul-Azim, and this appointment shall take effect from the date of the decision issued on 2021/17/10 until the end of the current committee's work period on 2024/13/10.

Below are the Audit Committee members from 1 April 2021 till end of Committee session on 2021 /10/ 13:

Name	Title	Current Job	Previous Job	Qualifications and Experience
Ibrahim Ibn Mohammed Al-Shabeb	Chairman – Member from the Board	Designated Managing Director	Vice chairman of the Board	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.
Rayan Youssef Al-Agagy	Member from outside of the Board	Lamar Capital – Partner	Bank of America – International Markets analysit	Rayan holds Ba in Electrical and electronics engineering from Bermingham universtay and Master in business administration from IISI universtay and he is currently working as partner in Lamar Capital , he has extensive experience in investment, market analysis and finance.
Mr. Mohammed Fahd Al-Otaiby	Member from outside of the Board	Chief Financial Officer in Thimar Development Holding	AL Riyad Capital	Mohamed holds BA in accounting from King Saud university and holds more tha 25 years experience in accoitning and finance – he is currently the chief Financial officer of Thimar Development Company (listed in Tadawul) and has previously was in Riyadh Capital,Al Ainma Investment and STC

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 for 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 current Audit Committee consists of four members.
The Committee held 2 meetings during period from 1 April 2021 to end of previous committee session on 13 October 2021
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 28/6/2021	Second Meeting 18/8/2021
1	Mr. Ibrahim Ibn Mohammed Al-Shabeb (Committee Chairman)	X	X
2	Mr. Rayan Ibn Youssef Al-Agagy (Technical member)	X	X
3	Mr. Mohammed Ibn Fahd Al-Otaiby (Committee member)	X	X

The Committee held 3 meetings during period from start of committee session on 13 October 2021 till 31 March 2022:
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 07/11/2021	Second Meeting 19/01/2022	Third Meeting 06/02/2022
1	Al-Mu'tasim Billah Zaki Allam	X	X	X
2	Abdulaziz Awgan Al Rashidi	X	X	X
3	Karim Abdulaziz Cheniour	X	X	X
4	Abdulsalam Maged Abulsalam	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 to form the Remuneration and Nomination Committee, as follows:

Below are the current Remuneration and Nomination Committee members from start of Committee session on 2021 /10/ 17:

Name	Title	Current Job	Previous Job	Qualifications and Experience
Sari bin Ibrahim Al Maayouf	Chairman – Member from the Board	Board Member in Tihama Advertising	Chairman of Board of Directors – Tihama Advertising – Managing Director of Thimar Development Company	Bachelor's 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 MSc Financial Economics from University of Essex
Sultan Saladin Abdul Azim	Member - Chairman of Board	Director - One Up Advertising Agency	Samba Financial Group	Sultan holds BA in Business Administration from King Abdulaziz Universtay and has an experience in Advertising and Marketing - he has also worked for Samba Financial Group for 10 years .
Salman Mohammed Nasser Al-Asmari	Member	Chief Executive Officer – Adeem Capital	Vice president – Al Mashreq Real Estate	He holds a Bachelor's degree in Management Information Systems from King Fahd University of Petroleum, and has extensive experience that has completed for more than 19 years in working with financial institutions, managing portfolios and investment funds, and is currently working as CEO of Adeem Financial Company, and previously worked as Vice President in Al-Mashreq Real Estate Company And Director of Business Development at The Investor Securities Company and Vice President of the Saudi Federation of Arrows from 2016 to 2020

** On 2021-10-17 AD, the Board of Directors approved the formation of the Nominations and Remunerations Committee from the members of the Board of Directors, Mr. Ibrahim bin Muhammad Al-Shabib, Mr. Sultan Salah El-Din Abdul-Azim, and Mrs. Asmaa Ahmed Fatani.

*** On 2022-02/01, the Board of Directors approved the acceptance of the resignation of Mr. Ibrahim Al-Shabib from the membership of the Nomination and Remuneration Committee, and he was appointed to the position of the designated Managing Director.

**** On 2022-03-09 the Board of Directors approved the acceptance of the resignation of Mrs. Asmaa Fattani, Board Member (independent member), provided that it is effective as of 1443-08-06 AH corresponding to 2022-09-03 CE.

***** On 2022-02-10 AD, the Board of Directors approved the appointment of Eng. Sari bin Ibrahim Al-Mayouf as Chairman of the Nomination and Remuneration Committee.

***** On March 2022, 17 AD, the Board of Directors approved the appointment of Mr. Salman bin Muhammad Al-Asmari as a member of the Nomination and Remuneration Committee

***** The charter of the Nominations and Remunerations Committee was approved by the Board of Directors of the company on 2022/1/2, but to date it has not been approved by the General Assembly, as the General Assembly rejected it in its meeting held on 2022 - 02-09 AD Board of Directors decision to amend the work regulations of the Remuneration and Nominations Committee.

The current charter of the committee, responsibilities, and rewards for its members was approved by the General Shareholders Assembly held on July 2017 ,16 .

Below are the Nomination and Remuneration Committee members from 1 April 2021 till end of Committee session on 2021 /10/ 13:

Name	Title	Current Job	Previous Job	Qualifications and Experience
Badr Hassan Al-Mady	Chairman		Chairman of Remuneration and Nomination Committee – Member of Board	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).
Sari bin Ibrahim Al Maayouf	Member	Memembr of Remuneration and Nomination Committee – Memembr of Board	Memembr of Remuneration and Nomination Committee – chairman of Board	Bachelor's 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 MSc Financial Economics from University of Essex
Khaled Fahd Al-Abd Al-Jabbar	Member		Memembr of Remuneration and Nomination Committee – Member of Board	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.

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 an increase in 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 2 meetings during period from 1 April 2021 to end of previous committee session on 13 October 2021

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 on 20/6/2021	Second meeting on 6/9/2021
1	Mr. Badr Hassan Al-Mady	X	X
2	Eng. Sari Ibrahim Al-Mayouf	X	X
3	Mr. Khaled Fahd Al-Abd Al-Jabbar	X	X

The Committee held 2 meetings during period from start of committee session on 17 October 2021 till 31 March 2022:

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 on 29/12/2021	Second meeting on 30/03/2022
1	Sari bin Ibrahim Al Maayouf		X
2	Sultan Saladin Abdul Azim	X	X
3	Salman Mohammed Nasser Al-Asmari		X
4	Asma Ahmed Fatani	X	
5	Ibrahim Mohamd Al Shabib	X	

2/8 Executive Committee:

On October 2021-17, the Board of Directors decided to form the Executive Committee, the Committee has not held any meetings since formation and has not recommended a committee charter for the Board to approve yet.

The Committee consists of 3 Board members .

Below are the current executive Committee members from start of Committee session on 2021 /10/ 17:

Name	Title	Current Job	Previous Job	Qualifications and Experience
Sari bin Ibrahim Al Maayouf	Chairman – Member from the Board	Board Member in Tihama Advertising	Chairman of Board of Directors – Tihama Advertising – Managing Director of Thimar Development Company	Bachelor's 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 MSc Financial Economics from University of Essex
Al-Mu'tasim Billah Zaki Allam	Chairman – Member from the Board	Assistant Professor King Abdul-Aziz University	Lecturer at the Institute of Islamic Economics	Dr.Almutasmbillah holds BSc Business Administration - Financial 2007 King Abdul-Aziz University Pass with Honors, Dissertation: The Real Estate investments in Saudi. Dr. Almutasmbillah holds as well PhD Banking & Finance from University of Bangor MSc Islamic Banking & Finance from University of Bangor. MSc Financial Economics from University of Essex He is a Board Member Tabuk Agriculture Company (Joint Stock Company) since 7/2021 and member of the Executive Committee. He is working as Assistant Professor King Abdul-Aziz University 10/2020 Assistant professor at the Islamic Economics Institute. As well as Financial Consultant for number of companies.
Salman Mohammed Nasser Al-Asmari	Member	Chief Executive Officer – Adeem Capital	Vice president – Al Mashreq Real Estate	He holds a Bachelor's degree in Management Information Systems from King Fahd University of Petroleum, and has extensive experience that has completed for more than 19 years in working with financial institutions, managing portfolios and investment funds, and is currently working as CEO of Adeem Financial Company, and previously worked as Vice President in Al-Mashreq Real Estate Company And Director of Business Development at The Investor Securities Company and Vice President of the Saudi Federation of Arrows from 2016 to 2020

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

During the fiscal year ended 2021/03/31G, 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 2021/31/3G, 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.

Related-Party Transactions:

Related parties to the group consist of companies in which the shareholders and key management personnel have control, joint control or significant influence.

Salaries, compensation and related expenses for the Board of Directors and Senior Executives:

The following are details of salaries, compensation and related expenses for the Board of Directors and Senior executives during the year ended March 2022 ,31 and 2021:

	31 March 2022	31 March 2021 (Restated)
Salaries	4,187,329	2,947,770
Bonus*	-	596,429
Allowances	807,949	366,737
Board of Directors meetings attendance allowance*	-	129,000
compensation and other benefits	1,806,204	1,377,498
Board of directors and committees' expenses	140,264	-
	6,941,747	5,417,434

* Represent provisions made during the financial year ended March 2021 ,31 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.

Related party transactions

During the year, some transactions were conducted with related parties in accordance with the terms and commercial principles followed with third parties. Pricing policies and terms of these transactions are approved by the Group's management.

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

	Nature of relation	Nature of transaction	Net amount of transactions	
			31 March 2022	31 March 2021 (Restated)
Tihama Contemporary Media	Associate	Current account	-	1,663,311
Qutrob Company for Production	Associate	Current account	387,058	-
Tihama New Media	Associate	Current account	-	878,712
J Walter Thompson MENA	Associate	Production Contracts	717,654	-
United Advertising Company	Associate	Current account	3,315,164	6,000

*During the year ending on March 2021, 31, some transactions were made with Tihama New Media Company as an associate company, before the company acquired %100 of its capital shares during the same year.

Related parties' balances

Due from related parties

	31 March 2022	31 March 2021 (Restated)
Qutrob Company for Production	299,323	-
J Walter Thompson MENA	717,654	-
	1,016,976	-

-2/2/18 Due to a related party

	31 March 2022	31 March 2021 (Restated)
United Advertising Company	4,385,179	1,076,015
	1,070,015	1,076,015

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 2022/2021 G

The company's board of directors would like to point out that the company has disclosed in this report the requirements that apply to it and implemented them from the Corporate Governance Regulations, and the following are the non-implemented articles of the Corporate Governance Regulations and the reasons for non-application:

On 2022/01/02, the updated Nomination and Remuneration Committee bylaw was approved by the Board, and the remuneration policy for the members of the Board of Directors, the sub-committees and the executive management was approved, but to date they have not been approved by the General Assembly of Shareholders, as the General Assembly refused to approve These decisions were made in its meeting held on 1443-07-08 H corresponding to 2022-02-09.

The work regulation of the Nominations and Remunerations Committee approved by the Company's General Assembly on 2017/07/16 did not include the remunerations of its members, and the General Assembly did not approve the remuneration policy for the Board of Directors, the committees emanating from the Board and the Executive Management approved by the Board of Directors; Violating some of the requirements of Paragraph (B) of Article Sixty, Paragraph (B) of Article Sixty-four, and Paragraph (I) of Article Sixty-first of the Corporate Governance Regulations.

Article No.	Text of Non-applicable Article	Reasons for non-application
60 – Para B	The Company's General Assembly, as per the Board recommendation, issues a regulation for the remuneration committee including its procedure, duties and rules for selecting its members, the term of their membership and their remunerations	On 02/01/2022, the updated Nomination and Remuneration Committee bylaw was approved by the Board, and the remuneration policy for the members of the Board of Directors, the sub-committees and the executive management was approved, but to date they have not been approved by the General Assembly of Shareholders, as the General Assembly refused to approve These decisions were made in its meeting held on 08-07-1443 H corresponding to 09-02-2022.
61- Para I	The competences of the remuneration committee are: I) preparing a clear policy for the remunerations of the Board members and its committees and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that linked to performance, and disclosing and ensuring the implementation of such policy;	On 02/01/2022, the updated Nomination and Remuneration Committee bylaw was approved by the Board, and the remuneration policy for the members of the Board of Directors, the sub-committees and the executive management was approved, but to date they have not been approved by the General Assembly of Shareholders, as the General Assembly refused to approve These decisions were made in its meeting held on 08-07-1443 H corresponding to 09-02-2022.
64 – Para B	The Company's General Assembly, as per the Board recommendation, issues a regulation for the nomination committee including its procedures, duties and rules for selecting its members, the term of their membership and their remunerations	On 02/01/2022, the updated Nomination and Remuneration Committee bylaw was approved by the Board, and the remuneration policy for the members of the Board of Directors, the sub-committees and the executive management was approved, but to date they have not been approved by the General Assembly of Shareholders, as the General Assembly refused to approve These decisions were made in its meeting held on 08-07-1443 H corresponding to 09-02-2022.
39	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: The company's strategy and objectives. Financial and operational aspects of the company's activities. Board members' obligations, duties, responsibilities and rights. The duties and terms of reference of the company's committees. 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.	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	Terms of reference of Risk Management Committee The Risk Management Committee shall be competent to: 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.	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	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: Forming committees or specialized workshops to listen to and discuss the views of company's employees. Programs granting employees shares in the company or a share of profits and retirement programs. Establishing social institutions for the company's employees.	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 is a noble objective.
88	Social Work Initiatives.	The company's BOD is studying it, since it is a noble objective
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	Formation of the Corporate Governance Committee: 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.	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.

CMA Penalties:

On 2022/2/28 Capital Market Authority (CMA) Imposed a fine of (80,000) Eighty Thousand Saudi Riyals on Tihama Advertising and Public Relations Co., due to its violation of Article (30) of the Listing Rules, and paragraph (d) of the Part “General Instructions” of the Instructions for Companies announcements, and paragraph (6) of Article (63) of the Rules on the Offer of Securities and Continuing Obligations Amended by the CMA’s Board Resolution Number (3-45-2018) Dated 1439/08/07H., Corresponding to 2018/04/23G. and paragraph (26) of Article (62) of the Rules on the Offer of Securities and Continuing Obligations, Where the Company did not disclose of two new material developments regarding the previously announced material development on the Saudi Stock Exchange (Tadawul)’s website on 2017/03/21G. as soon as possible and before the trading period following the occurrence of the relevant events, where a judgment was issued by the Commercial Court in Riyadh on 1439/08/29H., Corresponding to 2018/05/15G. and a judgment was issued by the Court of Appeal in Riyadh on 1440/04/09H., Corresponding to 2018/12/16G. and the company did not disclose that on the Saudi Stock Exchange (Tadawul)’s website until 2021/05/10G. In addition, the company did not disclose to the Authority (CMA) and the public, immediately and without delay, of a Lawsuit was filed against it before the General Court in Riyadh on 1441/01/06H., Corresponding to 2019/09/05G. And about a judgment was issued against it by the General Court on 1442/06/07H., Corresponding to 2021/01/20G. Also about a judgment was issued by the Court of Appeal on 1442/10/07H., Corresponding to 2021/05/19G. and the company did not disclose that on the Saudi Stock Exchange (Tadawul)’s website until to date

Future and Ambitions:

The group continues to manage its commercial and supply chain activities and collect receivables. It is also working on restructuring some of its subsidiaries and expanding the operations of the retail sector and production sector to increase revenues sufficient to cover its expenses and achieve operating profits during subsequent years. The group expects an improvement in its commercial activities and revenue growth over the next year, driven by the full operation of new branches in the retail sector, the development of operations in the distribution sector, and the austerity plans that have been initiated to reduce expenses and raise the profit margin, especially in the production sector. In addition, the group’s ability to meet its obligations when they fall due depends on its ability to manage the current downturn in expenditures, enhance its results and cash flows, continuous improvements in its working capital, and renew or refinance the cash facilities in subsequent periods.

- When assessing continuity, the Board of Directors reviewed the plans to increase the company’s capital. The Board of Directors, in its meeting held on February 2022 ,7, issued an increase in the company’s capital by an amount of 350 million Saudi riyals, in order to finance the company’s expansion plans and future investments, in addition to supporting the company’s capital Working money and payment of financial obligations

A financial advisor has been appointed for the capital increase process, and coordination is underway with the rest of the advisors appointed by the company to prepare the capital increase file to the Capital Market Authority for submission.

The preparation of the basic principles of the strategy, investment and business plans for the group during the future years, which will be based on the expansion of the current main sectors of activity and the exit from the companies that make losses, has been completed. Part of this plan has been implemented by signing a contract to sell assets and liabilities. Business operations of Aventis Global Trading Company - a subsidiary. The plan is also based on the use of part of the proceeds of the proposed capital increase in settling the obligations owed by the group companies, especially those that have issued final judgments that are obligatory to pay.

Financial Instruments – Fair value and Risk Management

Financial instruments – fair value

This note provides information about the Group’s financial instruments, including:

An overview of all financial instruments held by the Group;
Specific information about each type of financial instruments.

Financial assets

Financial assets are measured at amortized cost, or fair value through other comprehensive income (“FVOCI”). The decision to classify these financial assets into appropriate categories depends on:

The business model for managing the financial assets; and
the contractual cash flow characteristics of the financial asset.

All financial assets owned by the Group are measured at amortized cost, with the fair values being not materially different from their carrying amounts due to their short-term nature.

Financial liabilities

The fair values of financial liabilities are not materially different from their carrying amounts, since the interest payable on those liabilities is either close to current market rates or the liabilities are of a short-term nature.

Financial instruments – Risk Management

The Group has exposure to the following risks arising from financial instruments:

Credit risk.
Market risk; and
Liquidity risk.

Risk management framework

The Parent Company’s Board of Directors is responsible for developing and monitoring the Group’s risk management framework. The Board of Directors is responsible for developing and monitoring the Group’s risk management policies.

The Group’s overall risk management program focuses on the unexpected financial market fluctuations and the search for possibilities to minimize potential negative effects on the Group’s consolidated financial performance.

Risk management is carried out by senior management in accordance with policies approved by the Board of Directors. Senior management identifies and assesses financial risks in close cooperation with the company’s operating units.

Credit risk

The Group is exposed to credit risk as a result of the counterparty's failure to meet its contractual obligations when due, in respect of:

Trade receivables and other debit balances
Cash and cash equivalents

In monitoring customer credit risk, customers are grouped according to their credit characteristic existence of previous financial difficulties.

The Group is closely monitoring the economic environment in taking actions to limit its exposure to customers in industry experiencing particular economic volatility. Purchase limits are monitored, all group customers dealing with credit are operating in Kingdom of Saudi Arabia, the Group's experience has a role in monitoring economic volatility.

Credit risk is the risk that the Group will incur a financial loss as a result of the failure of the customer or counterparty to a financial instrument to fulfil its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure. Impairment losses on financial assets recognized in consolidated statement of profit or loss and other comprehensive income amounted to 999,333 SR (March, :2021 ,31 4,634,097 SR).

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. management also considers the factors that may influence the credit risk of its customers base, including the default risk of the industry.

For accounts receivable, the group has developed a policy according to which customers who wish to deal in credit are analysed before presenting the basic terms and conditions of payment and delivery to the group, and it includes information about the business and sometimes bank references. Credit limits are set for each customer and are checked periodically. The Group limits its exposure to credit risk by providing credit terms that do not usually exceed three months on average, except in limited cases.

Receivables are short-term and usually less than 12 months, so the provision for credit loss is calculated in a way that does not differ from the -12month period, which is the expected life of the receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The group uses past and historical experiences and loss rates based on the basis of the past 36 months, where historical loss rates are adjusted to reflect information on current conditions and future expectations of future economic conditions. The loss rates differ based on the age of the receivables and are usually higher the older th receivables.

Factors impacting ECL model

Trade receivables collections.

-2 Forward looking information of the economic conditions of the customers business industry
The Group has assessed other receivables as underperforming receivables and as the expected lifetime of related financial assets for less than 12 months the Group has applied the expected loss measurement over the life of the assets. The expected losses of other receivables as at March 2022 ,31 are 1,159,215 SR (March 1,159,215 :31,2021 SR).

The Group has kept cash and cash equivalents in reputable banks and financial institutions, so the expected credit losses of cash and cash equivalents as at March 2022 ,31 is insignificant (March 2021 ,31: insignificant).

Market risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates, commission rates and goods prices, will affect the Group 's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of a financial instrument is subject to fluctuations as a result of changes in foreign exchange rates. The Group's business transactions are mainly in the currencies of Saudi riyal, UAE dirham and US dollar.

- The group also has investments in foreign associate companies where its net assets are exposed to currency conversion risk. These risks are currently mainly related to the movement of the conversion rate between the Saudi riyal against the UAE dirham. The impact of these exposures is recorded in a separate item in the shareholders' equity in the accompanying consolidated financial statements. The Group's management monitors fluctuations in the foreign exchange rate and believes that these risks are insignificant as the exchange currencies are regularly fixed in Saudi Riyals.

Cash borrowings other than the Saudi riyal are also immaterial.

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.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group seeks continuously to comply with its legal obligations, including any, relating to its financing agreements.

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Group's future commitments.

The management monitors the rolling forecasts of liquidity and expected cash flows at the group level. In addition, the liquidity management policy of the group includes forecasting cash flows and considering the level of liquid assets necessary to meet them, monitoring liquidity rates in the financial position and debt financing plans.

- The Group's current liabilities exceeded its current assets by approximately 50.2 million Saudi riyals as on the same date.

The financial performance of the Group has improved during the current year, as revenues increased by approximately 16.8 million Saudi riyals as a result of the expansions in the retail sector, and last year was affected by the precautionary measures to confront the spread of the Covid19- virus, and accordingly the total profit increased by approximately 11.2 million Saudi riyals. The loss from operations decreased by approximately 17.4 million riyals, a decrease of %30.

In general, the net loss attributable to the shareholders of the parent company decreased by approximately 36.7 million Saudi riyals, or by approximately %50.8.

The Group's accumulated losses, which amounted to 24.7 million Saudi riyals, decreased by approximately %49.3 of the company's capital, as the extraordinary general assembly of the company, held on February ,23 2022, agreed to reduce the company's capital by 125 million Saudi riyals, by cancelling the number of 7.5 One million shares to extinguish part of the accumulated losses at a value of 125 million Saudi riyals, where the accumulated losses as on December 2021 ,31 amounted to approximately 141.7 million Saudi riyals, or approximately %81 of the company's capital on the same date.

The Group continues to manage its commercial and supply chain activities and collect receivables. It is also working on restructuring some of its subsidiaries and expanding the operations of the retail sector and production sector to increase revenues sufficient to cover its expenses and achieve operating profits during subsequent years. The Group expects an improvement in its commercial activities and revenue growth over the next year, driven by the full operation of new branches in the retail sector, the development of operations in the distribution sector, and the austerity plans that have been initiated to reduce expenses and raise the profit margin, especially in the production sector. In addition, the Group's ability to meet its obligations when they fall due depends on its ability to manage the current downturn in expenditures, enhance its results and cash flows, continuous improvements in its working capital, and renew or refinance the cash facilities in subsequent periods.

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The plan is also based on the use of part of the proceeds of the proposed capital increase in settling the obligations owed by the Group companies, especially those that have issued final judgments that are obligatory to pay.

The Group's management believes that the shareholders' confidence, which was reflected in the approval of the Board of Directors' recommendation to reduce the company's capital to offset part of the accumulated losses, will continue in order to re-transform the company to profitability and adjust the structure of financial obligations and working capital.

The Board of Directors also reviewed the base case plans for future years along with a comparison of the budget with the actual results for the current year. In the normal course of business, the Group negotiates, upon maturity, with banks to renew and/or refinance its facilities (taking into account that the Group's cash facilities are secured by cash coverage or assets exceeding the value of the facilities), and the Group's success in renewing the cash facilities during the financial year Ended on March 2022 ,31.

The current obligations include a zakat provision of approximately 30 million Saudi riyals, the majority of which are still undetermined amounts owed by the company, as until the date of approval of these financial statements, no final decisions have been issued on them by the General Secretariat of the Zakat, Tax and Customs Committees, which the company objected to the amendments of the Zakat, Income and Customs Authority before it.

Also, a significant part of the Group's current obligations are owed to government agencies, as the company's management continues negotiations with those government agencies to schedule receivables. The company believes that the chances of its success are great in this matter, based on the success in reaching scheduling of receivables with trusts and government agencies during the previous years.

In view of the foregoing, cash flow projections and certain business initiatives such as higher sales forecasts, profit margin improvement, continuous effective working capital improvements and along with cost reduction initiatives, the Group expects to meet its obligations as they fall due in the normal course of operation. Based on the factors described above, the Group has a reasonable expectation that it will be able to continue as a going concern for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on the going concern basis.

The Group seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position,

The Group monitors capital using a ratio of adjusted net debt' to 'adjusted equity". For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash, and cash equivalents. Adjusted equity comprises all components of equity attributable to shareholders of parent company.

-I3 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.

-I4 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 spouses and their children in the company's shares or debt instruments or any of its affiliates.

There is no change during the last fiscal year.

15.Acknowledgments of BOD:

That the company's records have been duly 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 fully prepared for the fiscal year ending March 2022 31G, 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 appropriate 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 except as disclosed.

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 2022 ,31G, and disclosed in its report submitted to the shareholders.

No one has informed the company of any interest in the share 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 of March 31, 2022, the external auditor of Aventus Global Trading Company, a wholly owned subsidiary of the company, was unable to attend the physical inventory count and was unable to take alternative procedures to ensure the existence, completeness and presentation of inventory balances. Inventory was valued by Aventus Global Trading Company's Management "Subsidiary" according to its records at SAR 1,449,838 as on March 31, 2022

As disclosed in note (1/6) investments in associates in the accompanying consolidated financial statements, which indicates that the group recorded investment in the United Advertising Company Limited and J.Walter Thompson MENA, which are associate companies acquired in prior years, and they are accounted for using the equity method, based on financial statements prepared by the two companies' management amounted to Saudi Riyals 7,112,247 and Saudi Riyals 29,679,749 respectively, in the group's consolidated statement of financial position as at March 31, 2022, the group's share of the comprehensive income of the above two companies, based on the financial statements prepared by the management of the companies, amounting to a profit of Saudi Riyals 3,406,967 and a profit of Saudi Riyals 4,794,564 respectively, were included in the group's consolidated statement of profit or loss for the year then ended, which amounted to zero and other comprehensive income of Saudi Riyals 76,926 in the group's consolidated statement of comprehensive loss for the year then ended. We were unable to obtain sufficient audit evidence directly or through alternative audit procedures regarding the investment balances of the group in the above tow companies as at March ,31 2022, as well as the group's share in the net comprehensive loss of the above companies for the same period, and accordingly we were not able to determine whether it was necessary to make any adjustments to these amounts.

We draw attention to note (4/2) to the consolidated financial statements, which indicates that the group's accumulated losses amounted to approximately Saudi Riyals 24.7 million with a percentage of %49 of the share capital as of March 2022 ,31. Further, the Group's current liabilities exceeded its current assets by approximately Saudi Riyals 50.3 million as at the same date. Also, the Company has a negative operating cash flows amounting to Saudi Riyals 18.4 million. These circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. As disclosed in note (4/2), management has made an assessment of 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 on this matter has not been modified.

15. Recommendations of BOD:

After reviewing with you the balance sheet and final accounts for the period as at 21/04/01 until 2022/03/31, the Board recommends the following to your esteemed association:

Approval of the report of BOD for the fiscal year ending 2022/03/31.

Approval of the financial statements for the fiscal year ending 2022/03/31.

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

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

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 year end of the fiscal year ending 2023/03/31, 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 2022/2021.

God Bless,,,

Company's Board of Directors

