Annual Report 2021

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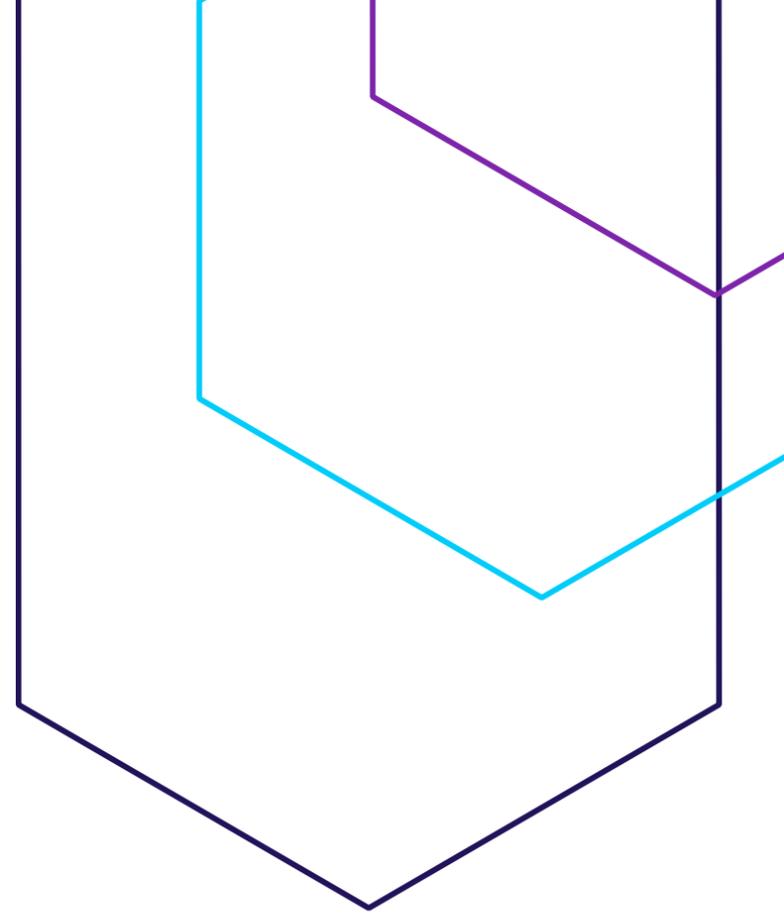
In the Name of Allah,
the Most Gracious, the Most Merciful

Elm

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Chairman's Message

Our annual performance demonstrates how we were able to respond to global and local market changes, and the highly professional and flexible attitude, which we showed in dealing with risks and instabilities.

Typical of the digital services market, we have also faced many challenges, due to fluctuations, rapid technical changes, and the development of new products, technical improvements, high-level customer requirements, and advanced industry standards. However, these were not new challenges for us. Our strategy is geared towards achieving stable long-term growth, and is designed to enable us to deal with these variables with strength and agility.

We also realize the importance of smart investment in areas that enhance the Company's competitive capabilities. In general, we focus, in all our work, on investing in projects that enable us to benefit from global digital technologies and enrich their competitive advantages.

At the same time, we intensified our efforts to contribute to the realization of the Saudi Vision 2030, which is a major factor in the significant growth witnessed by the ICT sector in the Kingdom.

At Elm, we seek, through our mission to make people's lives easier, to find solutions to the main issues facing societies now and in the future, and we will continue to provide successful solutions that add value to societies, and at the same time enhance the growth of our business.

Thanks to our strategic planning and commitment to excellence, Elm has been able to continue its successes and advance towards a better future.

Raed Abdullah Ibrahim Bin Ahmed

Chairman of the Board

Elm

CEO's Message

Since its inception, Elm has realized the importance of re-evaluating its operations and investing its capabilities on a regular basis. The current events have corroborated the importance of these strategies, and have confirmed that our early actions placed Elm at the forefront of digital businesses in the Kingdom of Saudi Arabia.

Our business model is characterized by agility, adaptability, operational efficiency, and communication with our customers and partners. We have gained these strengths thanks to the efforts and professionalism of our staff. In this context, I would like to extend my sincere thanks to the members of the Board of Directors, the leaders of the Company and its entire staff for their distinguished contributions during this year. I am proud of Elm's achievements, and the impact our values have had towards motivating our staff and inspiring the communities for whose benefit we work.

At Elm, we seek to achieve growth through the development of our human wealth, attracting talents and equipping them with all the elements of career growth and social stability. We have expectations that the Company leaders will take up the responsibility of developing the capabilities of the next generation.

Creativity and innovation are at the core of all the Company's operations. We have implemented many measures aimed at enriching the technology and innovation ecosystem to make it more focused, structured, flexible and capable of becoming one of the cornerstones of promoting growth. We will continue to support innovation through business development efforts towards becoming a pivotal factor in meeting the needs and requirements of the market.

Our 2021 outcomes confirm the importance of the resilience of our business and the robustness of our long-term growth strategies; despite external factors - including the effects of the pandemic on our markets - performance improved in sales, capital expenditures, and general and administrative expenses. In 2021, Elm achieved net profits of 567 million SAR, and total sales of 3.8 billion SAR. These results indicate our successful coping with these variables, while paving the way to success for our business with the return of the business to its natural growth.

In conclusion, we look to the future with an optimistic view, seeking, Allah willing, to maintain our successes, ramp up investment in innovation and develop our human resources, and provide our solutions according to the highest professional standards, in order to achieve long-term growth, while manifesting our mission of "inspiring the world, and making life easier."

Allah is the Grantor of all success.

Dr. Abdulrahman Saad Al-Jadhi

Chief Executive Officer (CEO
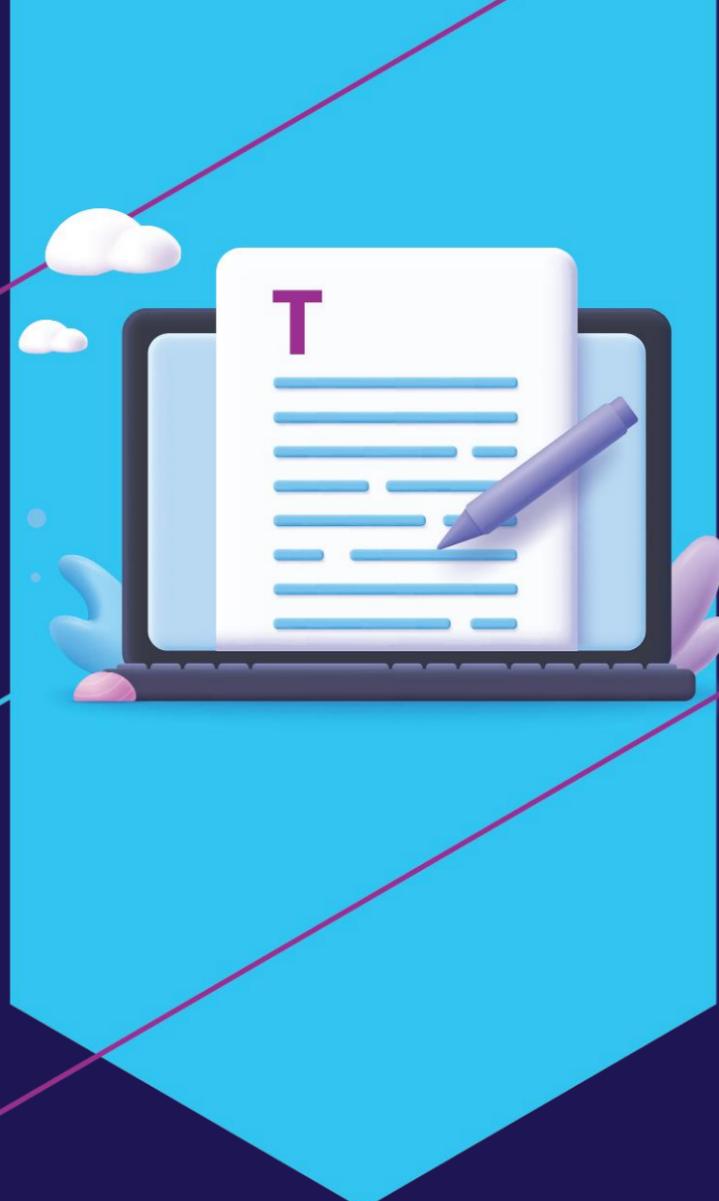
Company Overview

1. Company Overview

1.1 Inception and Growth

Elm Company was established as a limited liability company on 24/10/1408 AH (corresponding to 09/06/1988 AD) with a capital of five hundred thousand (500,000) SAR, with its main office based in Riyadh, Kingdom of Saudi Arabia. Elm has gone through stages of development during the past thirty-three years until it became a joint-stock company, listed on 10/11/1442 AH (corresponding to 16/02/2022 AD), with a capital of eight hundred million (800,000,000) SAR fully paid up, divided into eighty million (80,000,000) ordinary shares with a fully paid up nominal value of ten (10) SAR per share. The head office of the Company is located in the city of Riyadh in the Kingdom of Saudi Arabia, on Imam Muhammad bin Saud Road, Al Nakheel Neighborhood, Digital City. It carries out its operations in the Kingdom and abroad.

The following table provides a summary timeline of the most significant events since the founding of the Group:

Date	Event
1988	- The Company was incorporated as a limited liability company under the name "Al-Elm Research and Development Company", as a research company operating in the transfer and localization of technology from around the world.
2002	- The Company's name was changed to "Al-Elm Information Security Company".
2004	- The Group started providing electronic services and all services related to information security, and expanded the scope of its services to the government.
2007	- The Yakeen service for real-time documentation was launched as the first electronic documentation service in the Kingdom.
2010	- The Company was converted from a limited liability company into a closed joint stock company.
2011	- Muqeem was launched as the first integrated interactive service.
2017	- The Group operated the first model centre for government services.
2018	- The Group expanded its business activity to provide consulting and information technology services such as Hafiz and Absher as well as outsourcing and training services.
2020	- The Group launched Estihkak, the first engine to verify eligibility.
2022	- The Group became the first to be assigned inspection work in the public sector through Ejada, an electronic inspection service.

The Company is working to be the first digital enabler in the region, by building digital solutions such as platforms and products, implementing digital projects and the outsourcing of solutions related to the Company's business, while providing supportive advisory services in the digital and surrounding business fields. The Company also aspires to expand its business through partnerships and acquisitions, and by entering new markets. In addition, innovation is adopted and supported, and its sources both inside and outside the Company are encouraged. The Company's strategies have evolved according to the variables encountered and the opportunities that have arisen.

1.2 Our Solutions

Over more than twenty years of diligent work, planning and perseverance, Elm has become a model of growth and development for Saudi companies. We offer a wide range of ready-made and customized digital solutions in many fields, through diverse and flexible business models to suit the desires of each of our customers.

By ready-made solutions, we mean that our products serve a wide range of customers, where they can subscribe using various packages that suit each client and its particular needs individually.

By customized solutions, we mean that the solutions we offer to our customers are tailored to their own needs and aspirations.

1.3 Our Business Package

We combine our professionalism in creating and inventing solutions and services with high agility in the way we deal with our clients, through various professional business models tailored to client requirements. These include, for example, but are not limited to:

1.4 Integration and Harmony

Elm Is Not Just a Technology Solutions Company!

We are a large company with diverse activities and unified disciplines. In fact, each of our activities can be considered as an independent company. However, our daring equation lies not merely the fact that we are a large company, as there are numerous large companies all over the globe.

Our daring equation is our capacity to implement all services adequately harmoniously between major sectors and according to the highest international standards, governed by an integrated and innovative environment, to achieve an exemplary customer experience.

In line with this aim, we have divided the business sectors according to specializations (health, industry, transportation, interior, labor, Hajj and Umrah, justice, finance, digital transformation, urban development, investment fund, international business, and others) to ensure specialization and professionalism in the service provided across each unit.

Each business unit analyzes customer experiences and finds common opportunities with its customers, and represents the link between the Company's sectors and its customers to achieve the desired results.

Through the professional services sector, we provide our clients with many consultations in the field of analyzing opportunities, problems and obstacles and developing solutions to suit the aspirations of our clients. We also provide data analysis services for the corporate business and the future steps that the company will rely on, and help companies use their data to gain a competitive advantage.

Through the Digital Enterprise Group Sector, we implement technical solutions as and when our clients need to manage projects. We implement and manage all phases of projects in addition to technical development and quality management according to the highest standards, which include integrated technical works, eligibility engines and digital platforms, through which the package provides integrated technical business solutions, to clients from the governmental and private sectors.

We also run projects for our clients with a belief that clients are our guests, in coordination with the Outsourcing Sector.

In view of the Company's tendency to expand regionally and globally, we have established the International Business Sector, through which we seek to transfer knowledge and expand the scope of our investments abroad.

Through the Saudization and Capacity Building Sector, we seek to qualify national cadres with the highest international standards, whether they are job seekers or on-the-job employees, through tight recruitment processes, to fill vacancies available in the labor market.

In the Research and Innovation Sector, we seek continuous development and entrepreneurship in providing secure digital business services, by building a creative environment that contributes to finding innovative products and services and creative solutions to challenges through programs aimed at encouraging innovation. These programs target three (3) main categories: Group staff, community, and universities.

Elm Research has also succeeded in reaching a leading position in the field of research and innovation by applying the latest emerging technologies and innovative means to improve the quality of life in various fields and disciplines, such as healthcare, biometric-based security, education, transportation, and e-government services.

1.5 Company Activities

The main activity of Elm is to provide secure digital services according to the highest standards of privacy and information security, in addition to providing consultancy, support services, and operational and training solution.

The following are the most important activities that the Company is working on:

- Providing the services of telecommunications, information technology, information security, e-business, and credit information exchange.
- Providing electronic connectivity services across the public and private sectors.
- Managing, processing, operating and maintaining data and information centers.
- Managing, maintaining, operating and developing electronic devices and mechanisms, information systems and communication networks.
- Providing, training and developing manpower to manage, operate and develop the business and services of the public and private sectors in the field of information and communication technology and other fields.
- Providing all activities and services of development, marketing and technical investment.
- Providing and supervising the implementation of technical project management services.
- Investing, inside and outside the Kingdom, in companies and technical projects.
- Attracting local and foreign investments to participate in any of the Company's activities.
- Providing specialized consultations in information technology and security, communications, e-business and credit information exchange.

2. The Company's Vision and Mission

2.1 Vision

The Company's vision is to be the digital enabler of the governmental and business sectors in the Kingdom of Saudi Arabia and the region.

2.2 Mission

The Company's mission is to innovate to empower communities and make life easier.

3. Strategy

Elm is based on the diversity of its activities, and its competitive advantage lies in the integration and harmony between its various units. Its main pillar is to provide ready-made digital products for many sectors, supported by professional consulting solutions through the studying of opportunities, analyzing business problems, developing the best solutions and implementing them according to the latest customized technical solutions, and carrying out customized operations to achieve the highest levels of efficiency and operational excellence. It also includes the Tabadul Company, which provides innovative digital solutions for the logistics sector to raise efficiency and transparency and enhance operational performance, in addition to Emdad Al Khebrat Company, which provides specialized and non-specialized human resources services on a large scale to various governmental and private agencies, including Elm projects.

Since its inception, its supreme goal has been to make human life easier through technology and innovative solutions, and to promote well-being and sustainable solutions in society, in harmony with the environment and the world. Elm's strategy reinforces this concept, which aims, through its vision, that "Elm be the digital enabler for governmental and business sectors in the Kingdom of Saudi Arabia and the region." With this vision, it has secured important achievements that resulted in the development of commercial and internal capabilities, with the continued improvement of the Company's annual financial performance. Despite the instability of the market and economic conditions, Elm has invested in developing capabilities and new business directions, the results of which will positively reflect on the Company's financial returns in the medium and long term, while continuing to achieve short-term financial gains. However, the Company is working to be the first digital enabler in the region, by building digital solutions such as platforms and products, implementing digital projects and the outsourcing of solutions related to the Company's business, while providing supportive advisory services in the digital and surrounding business fields. The Company also aspires to expand its business through partnerships and acquisitions, and expand and by entering new markets. In addition, innovation is adopted and supported, and its sources both inside and outside the Company are encouraged.

The Company's strategy is based on five main pillars:

- **First pillar**: Client-centric by building multi-channel solutions that provide a homogeneous and comprehensive customer experience while maintaining the level of service quality across all different channels.
- **Second pillar**: Develop digital platforms and multiple digital solutions for a number of entities in the governmental and private sectors targeting multiple segments of users, ensuring the Company's growth and the sustainability of its revenues.
- **Third pillar**: Growth through strategic partnerships, by making strategic partnerships or acquisitions with specialized companies or developing partnerships with successful companies.
- **Fourth pillar**: Encourage innovation and adopt new innovative methods, by focusing on the product, client centricity and activating agility, in addition to benefiting from various sources of innovation and working with research and development companies to come up with innovative solutions and products.
- **Fifth pillar:** Expand internationally, by exporting digital solutions, platforms and other Company services to international markets, in addition to making acquisitions and strategic partnerships in target markets.

3.1 Values

The Company's values are as follows:

- **Trust**: Promote honesty, integrity and openness among employees, partners and clients.

- **Client-centric**: Putting the client journey at the heart of every product and service.

- **Innovation:** Proactivity and thinking outside the box to satisfy the Company's partners and clients.

- **Agility:** Unleashing the capabilities of employees to respond quickly to satisfying the Company's clients.

- **Reliability:** Commitment to employees and fulfilling the Company's promises to clients and partners.

3.2 Future prospects, strengths and competitive advantages

3.2.1 Future prospects

Continue the Company's strategic orientations by being the digital enabler in the Kingdom of Saudi Arabia and the region, through several factors, namely:

- Build digital platforms and solutions that enable digital transformation in the governmental and private sectors.
- Build strategic partnerships with leading entities and organizations in the digital field globally.
- Invest in technology and modern technologies enabling the Company's business, which will have a positive impact in the future, according to the requirements of clients and target markets.
- Diversify the Company's sources of income and expand its markets and clients.
- Empowering small and medium enterprises to be one of the most important partners in the implementation of projects and the building of the digital system.

3.2.2 Strengths and Competitive Advantages

a)   Depth of relationships with clients

The Company has established firm and solid relationships with its various clients from the Saudi governmental agencies, as well as with clients from the private sector, and has been keen to strengthen and maintain these relationships.

b)   Trusted brand and premium capabilities

The Company is distinguished as a reliable service provider capable of executing major projects, and its brand enjoys a prominent position in various parts of the Kingdom of Saudi Arabia. It is also known for its remarkably positive impact on society (such as: the Absher platform).

c)   Integrated comprehensive capabilities

The Company has a variety of capacities and capabilities, from the first stages of design to implementation. It has all the capabilities it needs to enable it to provide comprehensive and integrated services. Among the Company's unique capabilities are its specialized human capacity and technical capabilities that enable it to develop and run comprehensive digital platforms and solutions for clients (such as: the Absher platform, the Tamm and Yakeen services, and the Rabit application). The Company has strong relationships with a wide variety of stakeholders in the Kingdom, such as financial institutions that include banks, insurance companies, and regulatory authorities.

4. Subsidiaries

Subsidiaries of the Company, which are owned directly or indirectly by the same:

Company Name	Country of Incorporation	Capital	Actual Ownership Percentage	
			31 December 2021	31 December 2020
Emdad Al Khebrat Company	Kingdom of Saudi Arabia	SAR 500,000	100%	100%
Elm Technical Investment Company	Kingdom of Saudi Arabia	SAR 500,000	100%	100%
Future Resources Company	Kingdom of Saudi Arabia	SAR 50,000	100%	100%
Umrah Premium Services Company	Kingdom of Saudi Arabia	SAR 500,000	100%	100%
Saudi Company for Exchanging Digital Information (Tabadul)	Kingdom of Saudi Arabia	SAR 50,000,000	100%	100%
Asdam Digital Company	United Arab Emirates	AED 50,000	100%	-
Elm Arkan Information Systems Technology	Kingdom of Saudi Arabia	SAR 500,000	60%	-
Elm Digital Payments Co. Ltd. *	Kingdom of Saudi Arabia	SAR 500,000	-	100%

* On 7 June 2021, the Company canceled the Company's commercial registration, noting that it had not practiced its business.

Below are the details of the subsidiaries:

4.1 Emdad Al Khebrat Co. Ltd.

A limited liability company established in the Kingdom under Commercial Registration No. 1010414975 dated 22/07/1435H (corresponding to 21/05/2014G). Emdad Al Khebrat's main activities are focused on managing call centres and service centres, providing consulting services in electronic business, operation and maintenance services, import, export and sale of hardware, equipment, software, and systems, and workforce development.

4.2 Elm Technical Investment Company

A limited liability company registered with a Commercial Registration No. 1010069210, dated 11 Ramadan 1440 AH (corresponding to 16 May 2019 AD) and wholly owned by Elm Company, headquartered in Riyadh. The Company's main business is managing call centers, service centers, computer systems programming, computer consulting activities, information technology services, data processing, web hosting, and retailing of information and communication equipment in specialized stores. It has not started its business yet.

4.3 Future Resources Co. Ltd.

A limited liability company registered with a Commercial Registration No. 1010606896, dated 8 Rabi' Al-Awwal, 1441 AH (corresponding to 5 November 2019 AD), headquartered in Riyadh, and owned by Emdad Al Khebrat Co. Ltd. by 0.02% and Elm Technical Investment Company by 99.98%. The Company's main business is financial services and expertise activities consulting in the field of management and computer programming activities. It has not started its business yet.

4.4 Umrah for Distinguished Services Company

A one-person limited liability company registered with a Commercial Registration No. 1010656805, dated 12 Safar 1442 AH (corresponding to 30 September 2020 AD), headquartered in Riyadh, and 100% owned by Elm Company. The Company's main business is transporting passengers by bus between cities, catering providers for Hajj and Umrah, monitoring and inspection of various systems and measuring their performance, providing marketing services on behalf of others, booking and marketing tourist accommodation units, reception and farewell for pilgrims. It has not started its business yet.

4.5 Saudi Company for Exchanging Digital Information (Tabadul)

On August 2, 2020, the Company acquired the Saudi Company for Information Exchange "Tabadul" by signing a share sale and purchase agreement with the Public Investment Fund (the sole shareholder in the company) to purchase all of Tabadul's shares with all their rights and obligations, without financial compensation. The net book value of Tabadul was recorded as a proposed capital increase in these consolidated financial statements, and the acquisition did not generate goodwill assets.

Tabadul is a Saudi company headquartered in Riyadh. It operates in the sectors of information and communications technology, installation, maintenance, assisting and supporting of telecommunications and information technology programs, systems and applications. It also owns, establishes, develops, operates and manages communications and information technology facilities and participates in the development, creation, operation, maintenance and management of technical areas.

4.6 Asdam Digital FZ LLC

A limited liability company incorporated in Dubai and registered under Commercial Registration No. 99019 on 09/02/1443H (corresponding to 16/09/2021G). The share capital of Asdam Digital FZ LLC is fifty thousand Emirati dirhams (AED 50,000) divided into fifty (50) shares, with a nominal value of one thousand Emirati dirhams (AED 1,000) per share. It is wholly owned by Future Resources Limited.

4.7 Elm Arkan Information Systems Technology

Incorporated and existing in the Kingdom and registered under Commercial Registration number 1010209530 dated 15/04/1426H (corresponding to 23/05/2005G), with a share capital of five hundred thousand (500,000) Saudi Riyals divided into five (5,000) cash shares with a nominal value of (100) Saudi riyal per share, of which 60% is owned by Future Resources.

5. Associate Companies

Company Name	Country of Incorporation	Actual Ownership Percentage	
		31 December 2021	31 December 2020
Sahl Al Madar Trading Company	Kingdom of Saudi Arabia	30%	30%
Smart National Solutions	Kingdom of Saudi Arabia	24%	24%
Al Dal Real Estate Services	Kingdom of Saudi Arabia	30%	–

Below are the details of the associate companies:

5.1 Sahl Al Madar Trading Company

On August 16, 2020, the Company entered into an investment agreement in Sahel Al Madar Trading Company, which was established under the Saudi Companies Law with a Commercial Registration No. 1010586820. The Company is engaged in directing freight transport vehicles, freight brokerage. The Group invested an amount of 6 million SAR, divided into 60 thousand SAR, representing an equity investment, according to which the Group obtained an ownership percentage representing 30% of the Company, and an advance payment for future ownership rights in the Company representing the remaining amount of 5.9 million SAR.

5.2 Smart National Solutions

On 1 November 2020, the Company entered into an investment agreement in Sahel Al Madar Trading Company, and was established under the Saudi Companies Law with a Commercial Registration No. 1010463892. The main business of the Company is the designing and programming of special software, software maintenance and the designing of web pages. The Group invested an amount of 4.9 million SAR, divided into 49 thousand SAR, representing an equity investment, according to which the Group obtained an ownership percentage representing 24% of the Company, and an advance payment for future ownership rights in the Company representing the remaining amount of 4.85 million SAR.

5.3 Al Dal Real Estate Services

A product launched in 2021, which helps establishments to launch and conduct auctions, while verifying the bidders' data instantly and accurately, with the possibility of payment being made manually or electronically. The product aims to facilitate the auction process for beneficiaries and governmental and private entities, which work to automatically verify the bidders' data, provide reports and performance indicators based on the information extracted from the auction, in addition to managing and monitoring the auction process completely. The Group practices the Mazadat service through Al Dal Real Estate Services Company, which is 70% owned by Itqan Real Estate Company, while the remaining 30% is owned by Future Resources Limited.

6. Company Investments

Company Name	Country of incorporation	Actual Ownership Percentage	
		31 December 2021	31 December 2020
Unifonic Company	British Virgin Islands	0.85%	1.28%
Syarah Company	British Virgin Islands	15.21%	10%
Bayzat Company	Cayman Islands	2.52%	1.75%
Healthify Me	Singapore	0.94%	1.4%
Zid Holding Limited	Abu Dhabi	14.28%	-
Alwans Technology Corp.	British Virgin Islands	1.60%	-
Curative Care	Cayman Islands	7.28%	-

Below are the details of the investments

6.1 Unifonic

Unifonic is established under the BVI Business Companies Act, under Commercial Registration No. 1887019. The Company provides the latest technology to develop robust communications by adopting a secure API defined by text messages, voice calls, two-factor authentication, and number checking to ensure reliable communication channels between companies and clients.

6.2 Syarah

Established under the BVI Business Companies Act, under Commercial Registration No. 1924624. The Company provides many services for car buyers and sellers through the "Syarah Online" platform, which is an integrated shopping platform that provides its customers with financing, marketing services, summary reports, and other services.

Elm

6.3 Bayzat

Bayzat Company is established according to the Cayman Islands Commercial Companies Law. The Company provides insurance solutions where the user can compare and choose the best option according to his/her requirements via the Bayzat platform. Through its platform, the Company also provides human resources systems and automates them safely.

6.4 Healthify Me

Healthify Me is a limited liability company incorporated and existing in the State of Singapore and registered under Commercial Registration No. 201435901. The company provides a smartphone application that helps users track their sports activity and diet and connects them with nutrition and fitness specialists, being human specialists or artificial intelligence.

6.5 Zid Holding Limited

Zed Company is incorporated under the Commercial Companies Law in Abu Dhabi, under Commercial Registration No. 000001640. The Company provides integrated technological solutions for the retail sector, where the user can set up an electronic portal and specify payment and delivery methods for its customers through an electronic platform.

6.6 Alwans Technology Corp.

Alwans Technology "Foodics" is a limited liability company incorporated in the British Virgin Islands and registered with Commercial Registration No. 1941071. The Company provides a unified cloud platform for managing restaurant services, enabling a restaurant to manage its sales and receive digital payments.

6.7 Curative Care

Curative Care is a limited liability company incorporated in the Cayman Islands. Curative Care operates a telehealth platform that provides consultations, diagnoses, prescriptions, and health treatment sessions through instant messaging and live video conferencing in the Kingdom of Bahrain.

7. Company business overview

The Company is one of the leading companies providing integrated digital solutions, especially in the field of transition to e-government. The Company offers a large number of ready-made and customized digital solutions in many fields through diverse and flexible business models that suit the desires of customers. Ready-made solutions include products that serve a wide range of customers, where they can subscribe using various packages that suit each client and its particular needs. On the other hand, customized solutions include projects that the Company offers to its clients tailored to their own needs and aspirations.

During 2021, the Company implemented many plans and studies aimed at developing its business and ensuring its expansion and continuity of growth, in line with its strategy. The most important accomplishments are:

› Completion of business plans for the Company's units and subsidiaries in relation to the future expectations of the Group

› Completing the offering procedures and the prospectus with the Saudi Capital Market Authority to offer 30% of the Group's shares in the main stock market, including all tasks such as market study, risk study, due diligence and other procedures

› Changes in the organizational structure:

- Creating a new position named CEO of Digital Products, responsible for supervising and managing the Company's digital products and platforms, which include the Product Group Sector, the Absher program, and the Hajj and Umrah program

- Establishing a new investment sector aimed at developing the Company's investment portfolio, and the desire to develop the file of acquisitions and partnerships

To enhance its position and competitive value, the Company aims, in 2022 and the subsequent years, to achieve objectives that include:

› Regional and international presence
› Expanding project work by targeting and collaborating with the private sector
› Participation in the development of smart cities and mega projects
› Expand the investment portfolio
› Expansion of digital products and platforms
› Expansion of existing and new projects
› Empowering small and medium enterprises to stimulate inclusive economic growth
› Maintaining a percentage of local content of no less than 60%

The business of Elm Company includes the following:

7.1 Digital business

In the IT industry, the Group provides leading services in accordance with the best practices and global experiences in technical solutions. It assists organizations and governmental and private sectors in identifying and analyzing problems they face to find the most appropriate solution, which contributes to the development of their business and services. The Group provides integrated technical business solutions in many fields for various public and private entities at a specific scope and cost, along with a turnkey system. Specialization in providing integrated business solutions was divided by sector, which enables the Group to provide the best services for each sector, serve, and benefit from all sectors. The main sectors to which the Group provides solutions include the Ministry of Interior and its departments, the Ministry of Human Resources and Social Development, the Ministry of Hajj and Umrah, the Ministry of Justice, the Ministry of Municipal and Rural Affairs and Housing, urban development centers, and the Ministry of Environment, Water and Agriculture. These solutions include designing the solution mechanism and work systems, implementing the solution and/or supervising its implementation, and providing the necessary support services, including:

o Providing management and technical advice;
o Developing digital portals and developing and operating systems;
o Linking governmental and non-governmental entities; and
o Equipping technical infrastructure.

Digital business includes ready-to-use solutions in the form of technical services, portals, electronic applications and related support work developed by the Company in cooperation with a large number of public and private institutions to provide integrated services that cover a large segment of society, by creating advanced services that solve an existing problem or fill an existing service gap through converting traditional procedures into electronic transactions. The products owned by the Company also include mobility products, vehicle products, business solution products, product integration products, security and safety products, real estate and utility products, and health solution products. Following, is a list of current products and services, some of which contain scalable sub-services:

7.1.1 Yakeen Product

An e-service launched in 2003, enabling financial institutions (such as banks and insurance companies) and public service institutions (such as governmental entities, health facilities, financial sectors, and aviation sectors) and other institutions to verify the data of any person with whom they have an official relationship (such as customers, auditors, employees, and

applicants) within the limits information privacy, by providing connectivity to the data of the National Information Center and Saudi Post in real time. Yakeen provides support to reduce fraud and enhance the level of data quality by keeping it up-to-date and consistent with official records onan ongoing basis. Subscription to this service is made through a variety of packages that suit each customer's needs. Yakeen includes the following services:

Basic Yakeen: Provides a one-time verification process, such as verifying the identity of residents or citizens and their data, verifying all data and sending it back to the entity within a specified timeframe.

Direct Yakeen: Provides verification on a daily basis as a basic and necessary procedure in the banking and insurance sectors. It verifies all data and immediately submits it to the entity, by linking its systems directly with the databases of the National Information Center.

Yakeen Rowad: Verifies individual customer data for entities by linking electronically with the databases of the National Information Center. This service is provided to achieve the highest levels of security and reliability at a low cost to support entrepreneurs and start-ups.

Yakeen IPO: Verifies the data and information of subscribers to shares or real estate funds. Banks and capital companies that manage IPOs mostly use this service

National Address Verification: Provides the service of verifying the national address data of customers or beneficiaries and the extent to which it matches the official and documented records of the Saudi Post. One of the features of the National Address Verification service is that it provides instant and accurate information and up-to-date data in conformity with official records.

7.1.2 Shyper Product

Launched in 2020G, this digital product links the customer with shipping companies operating in the Kingdom. Using this platform, the customer ships orders online after reviewing the shipping companies' options and prices. This platform aims to support retail companies, stores, and e-commerce platforms mainly by providing many shipping options and prices to the customer, which leads to a reduction in the material cost of searching for suitable shipping options, and managing capacity by distributing shipments among shipping companies.

One of the features of Shyper is that it improves and facilitates the shipping experience by allowing customers to compare the services and prices provided by shipping companies as well as by enabling customers to easily purchase a bill of lading online from all shipping providers through the platform.

7.1.3 Mojaz Product

A digital platform and electronic application that was launched in 2018G and provides available information on any used car since the date of its entry into the Kingdom. It helps persons looking for used cars to make a purchase decision based on information from entities such as the General Department of Traffic, insurance companies, and car agents. Mojaz aims to increase trust and transparency in the used car market and provides various reports supported by numbers, statistics, and dates to beneficiaries, such as how many times the car was maintained, the successive owners of the car, and an accident description service that shows the date of an accident, its cause, and the investigating authority, as well as other information by linking with the competent authorities (the General Department of Traffic, the Periodic Inspection Department, and some car agencies) to ensure the integrity and automation of information on a regular basis. This information is provided to help customers make an informed decision. Mojaz also provides a feature of reviewing the description of an accident recorded in the Mojaz report, which is based on input from the official authorities investigating the accident. This increases transparency and the fair evaluation by the beneficiary of the car price.

One of the aims of the service is to increase trust and transparency and reduce fraud related to buying or selling used cars. It also provides the possibility of examining a car that is displayed on websites or located in a remote region without the need to be physically present in the same place. Mojaz aims to increase trust and transparency in the used car market. To this end,

Mojaz offers a range of various services. For example, the service provides the basic report of vehicle data and specifications, maintenance record report, accident photo and estimate report, accident description service, and various packages that fulfill the beneficiary's needs, inform the beneficiary in making a decision, and enable the beneficiary to easily make payments through SADAD.

7.1.4 Ertah Platform

Launched in 2020G, this application improves the experience of car owners and car maintenance and repair centres, by increasing trust between car owners and workshops by automating all services related to maintenance and repair and providing approved payment methods in addition to evaluating workshops for the end user to enhance the quality of services.

7.1.5 Mazadat Product

A product launched in 2021, which helps establishments to launch and conduct auctions, while verifying the bidders' data momentarily and accurately, with the possibility of paying manually or electronically. The product aims to facilitate the auction process for beneficiaries and governmental and private entities, which work to automatically verify the bidders' data, provide reports and performance indicators based on the information extracted from the auction, in addition to managing and monitoring the auction process completely. The Group practices Mazadat service through Al Dal Real Estate Services Company, which is 70% owned by Itqan Real Estate Company, while the remaining 30% owned by Future Resources Limited.

7.1.6 Emdad Platform

Launched in 2020, this electronic platform aims to facilitate companies' journey to reach the appropriate supplier for their business

needs through a comprehensive network of suppliers in various business sectors. Emdad also aims to connect buyers and suppliers and meet the needs of companies in an easy and efficient manner. Emdad includes:

- Immediate registration as a supplier or buyer;
- Detailed review of the supplier's profile;
- Formation of a work group and defining competencies;
- Detailed information on the company's profile, which can be amended;
- Instant messaging between supplier and buyer;
- Management of the company's addresses; and

- Search for a supplier using different search parameters;
- Instant alerts through various channels;
- Management and display of products in the supplier's profile;
- Quotation requests and management;
- Issuance and management of purchase orders;
- Management of invoices and purchase orders.

7.1.7 Marmouq Platform

Launched in 2020G, this platform aims to gather advertising channels under one umbrella to organize marketing and advertising activities through the interaction of advertising agencies and advertisers in one place. This will facilitate the process, help find the best deals, and provide greater and better access to markets and available services. The main services provided to agencies and influencers include:

Essential services for agencies and influencers:
- Work team management;
- Managing offered packages;
- Communicating with customers and responding to their inquiries through the platform's communication channel;
- Managing campaigns through requests received;
- Managing business profiles through the control panel;
- Providing notices and reports;

Advertisers' core customer services:
- Reviewing the platform's packages by searching and filtering;
- Purchasing the appropriate advertising packages;
- Reviewing agencies and influencers and their business profiles;

- Communicating with agencies and influencers through the platform;
- Managing orders (campaigns) purchased;
- Managing business profiles through the control panel; and
- Providing notices and reports.

7.1.8 Distributor Product

Launched in 2020, this service links distributors to points of sale, monitors goods distribution lines, automates the process of ordering goods, facilitates daily operations in terms of demand, and controls inventory and return operations. The main services provided through the Distributor application include:

- **Manage products and offers**: The ability to add, delete, or change products and add offers on specific products by distributors.
- **Order goods:** Point of sale users will be able to order products from various distributors within the app.
- **Confirm the receipt of goods**: Documenting the receipt of shipments by points of sale via QR code scanned by the shipment receipt representative.
- **Return goods**: The ability to return shipments after they are received if the specified conditions are met.
- **Electronic billing**: Issuing detailed electronic invoices for each process, in addition to the ability to print invoices.
- **Manage users:** User management through suppliers' websites.

7.1.9 Natheer Product

Launched in 2018G, this service was designed to help entities and institutions update the data of persons they deal with, including customers, auditors, and employees. Natheer electronically links with official and documented records of government entities such as NIC, GOSI, and the Saudi Post. To use Natheer, entities and institutions provide the service with a list of persons to monitor for changes in their data. Natheer, in turn, sends instant updates in the event that the data of these persons changes or any changes are made to their official records such as the death of the customer, the final exit of residents, the cancellation of the final exit visa issued to residents, and the issuance of an exit and re-entry visa to residents who have not returned.

Natheer is distinguished by its effective ability to update persons' data to match the data of official authorities and improve the quality of personal data. Natheer also provides updated information when there is a change in government records, improves data quality for the customer, and eliminates defects of most databases, such as errors resulting from out-of-date information and failure to update information.

7.1.10 Dakhli Product

Launched in 2020G, this product aims to study and fulfil needs related to providing data on income and wealth for individuals, such as information on leases, real estate assets, commercial assets, and investments. It also aims to provide data regarding individuals' employment, such as the information at GOSI and the Public Pension Agency. Accordingly, Dakhli facilitates inquiries about persons' income, wealth, and employment. The service makes inquires regarding salary from the official source of this data directly without the need for the inquirer to attend, which enhances the effectiveness of the electronic services provided by the customer, in addition to preventing fraud or human errors.

In addition to income, wealth, and employment services, Dakhli aims to provide a risk analysis service and help introduce a new industry into the credit universe. Dakhli also aims to provide the solvency system service, which in turn helps reduce default in the payment of financial liabilities. Finally, Dakhli also provides a financial and consumer behavior analysis service. Dakhli provides information to companies, financial and investment institutions, as well as individuals.

7.1.11 Bayanat Tech Platform

Launched in 2021G, this platform enables customers to enter the data of vehicles to be recalled and communicate with the vehicle owner through text messages via mobile phone numbers registered with Absher to notify them of the recall order and then update the recall data if the vehicle is repaired. It also provides the service of entering vehicle repair information directly through the Bayanat Tech application on mobile phones.

Bayanat Tech aims to protect the consumer and society from the consequences of vehicle manufacturing defects, facilitate and speed up the process of providing the recall decision to the relevant beneficiaries, and organize the flow of maintenance operations to the agencies' workshops. The customer's contact number can be included in a text message.

7.1.12 Naqel Product

Launched in 2006G, Naqel is a product providing technical linking services between data and service providers and delivering the service to beneficiaries through advanced and diversified technologies that meet the various technical needs of beneficiaries. Naqel relies on operating systems and a hosting environment that gives customers high reliability in the continuity of services and information transfer. It maintains the highest standards of quality and privacy of data and information in accordance with the legislation and laws issued by SDAIA and the National Cybersecurity Authority.

7.1.13 Kashef Product

A service that enables customers to directly verify a vehicle's data electronically by reviewing its plate with special cameras to identify the legal condition of the vehicle based on the data of government systems. Kashef displays information related to the vehicle to the security official at the establishment. This information includes the primary vehicle colour, the secondary vehicle colour, the manufacturer, and the type and model of the vehicle.

7.1.14 Tasreh Product

Launched in 2020G, this service enables a customer to issue and manage entry permits for its facilities. The permit is issued to an individual or an individual with a vehicle to enter a facility registered with Tasreh. It verifies the validity of the data, whether related to individuals or vehicles, according to the authorities' data and in accordance with the specified controls and conditions, starting from application submission to the issuance of a permit. The objectives and features of the service include the management of all permit operations, from permit creation and issuance to the registration of the permit holder's entry and exit. The service aims to provide verification processes through linking with government entities before issuing the permit, and eliminate paper and manual transactions that are subject to fraud and manipulation. Tasreh provides the following sub-services:

- **Building management service:** This service helps manage the identification processes of the entity's buildings submitted to Tasreh by the management of the entity's campus and all its affiliated buildings and the data of building officers. The service provides many characteristics through which specific conditions of the permit issuance are set. These characteristics include the identification and management of buildings, identification and data management of the building officer, identification of visiting times and daily capacity for visitors to the building, etc.
- **Permit issuance and management service:** This service provides several types of permits, including an individual permit, a permit for an individual with a vehicle, a permit for individuals with a vehicle, and individuals without a vehicle. In the process of permit issuance, the basic information of the individual and vehicle is verified by linking with government entities. The system also allows direct registration of a visitor through the receptionist or a permit application by the visitor himself, whether an individual or an establishment, by submitting the application directly to the supervisor for approval or according to the building controls.
- **Check-in and check-out service:** This service allows the entity to check in individuals and vehicles upon their arrival and exit to the security gate through the security supervisor at the reception or through a QR code reader.
- **Connection with customer systems:** This service enables the customer to connect the permit service with their own systems.

- **Facility GUI modification service:** This service allows the customer to modify the graphic interface of its facility. Through this service, the customer can add the facility's logo to be displayed in the facility's account and also modify the graphic interface of the facility's account in line with its identity.
- **Reports and statistics:** This service provides many reports on the operations carried out through the service and the data in the system to help the customer's senior management and decision makers make more accurate decisions.

7.1.15 Teras Platform

Launched in 2020G, this platform brings together all parties of a real estate transaction in one place. The platform is a specialized unified window for the offer, sale, and purchase of financeable residential real estate units. It displays financing offers provided by banks and financing companies. The features provided by Teras to individuals include diverse and comprehensive housing units to easily search for an appropriate housing unit, the provision of housing units evaluated and approved by banks, access to financing directly from banks and financing companies, and the ability to calculate financing through the financing calculator on the platform.

The features provided by Teras to real estate developers include the easy addition and display of housing units on the platform, the one-off evaluation of housing units, and marketing and sales promotion. Teras provides special features to financing agencies, including sales enhancement through quick access to individuals wishing to obtain financing and the easy display of financing options on the platform. All units are evaluated for a quick approval.

7.1.16 Efada Product

Launched in 2012G, the platform allows the verification of medical examination results. It records and transfers examination results from health centres approved by the Ministry of Health to the databases of a competent authority (such as the General Directorate of Passports and the General Directorate of Traffic and Security) electronically in an instant and secure manner, without the entity or the business owner having to approach the health centre. It also allows verifying medical licenses electronically, which helps eliminate forgery of such certificates and improves data quality. Efada has recently been made available to GCC nationals residing in the Kingdom. Efada records and transfers the results of medical examinations from health centres approved by the Ministry of Health to traffic databases, allowing them to issue driving licenses electronically, quickly and safely.

Efada's services include general medical reports, medical examination reports for expatriate workers, medical reports for new employment, examination reports for the issuance and renewal of driver's licenses, and examination reports for the renewal of Riyadh Municipality licenses. Among its features, Efada provides instant information, reduces the forgery of medical reports, and helps exclude persons with infectious diseases.

7.1.17 Tab Product

Launched in 2018, an integrated technology enables health practitioners to perform their work at the best quality and lowest cost. It also provides competitive value and healthcare services to patients without the traditional difficulties related to clinical care and the lack of equipped beds for patients (the elderly and patients with chronic diseases). This technology allows caregivers to remotely monitor the health status of their patients, without the need to visit hospitals and wait for long hours to receive treatment.

One of Tab's features is the follow-up and recording of vital indicators such as blood pressure, patient heart rate, temperature, etc., through smart devices connected to the main platform of Tab.

7.1.18 Wahed Platform (Elm for Health Informatics (HIS))

Launched in 2017G, this platform provides basic and secondary services with high technology to enhance all transactions conducted in health facilities on a daily basis, improve performance efficiency, and accelerate routine procedures (such as disease control systems, laboratory data, user and patient management and registration data, personnel affairs, necessary nursing and medical care, and a medical insurance and billing system), in line with the urgent need to develop a system that allows the exchange of patient health files in an easy and secure manner.

Wahed's key features are the consolidation of the patient's health files, follow-up on the patient's health and treatment history, documentation of all medical examinations and reports in the patient's file, provision of an easy-to-use system interface for users, operation and hosting of the system via the cloud environment for easy access anywhere, and enabling health facilities to measure actual performance. In addition, Wahed allows its customers to add and manage laboratories, pharmacies, and medicines affiliated with primary care centres. It also enables the management of health resources for primary care centres, such as registering patients, nursing and medical staff, providing different levels of authority, and monitoring procedures in order to maintain the patient privacy. Wahed also has flexible systems designed to fully suit the needs of the facility and the level of its readiness for digital transformation. It is also consistent with the majority of international systems for medical devices, such as critical data and radiology devices, to provide data to health practitioners.

7.1.19 Mostamer Platform

Launched in 2020, this is a unified platform organizing continuous professional development activities and programs in cooperation with the Saudi Commission for Health Specialties to enhance work efficiency and link the relevant authorities in one platform. Its main objectives include the following:

- Approve applications for accreditation of entities conducting continuing professional development activities;
- Enable the Saudi Commission for Health Specialties to monitor the performance of the entities so that their educational programs will be in line with international best practices;
- Enable the authorities to review the types of activities and their statistics and record the training attendance hours of health practitioners; and
- Develop performance indicators to measure the quality of training activities and the performance quality of the Continuing Professional Development Department's staff in order to assist the Saudi Commission for Health Specialties with evaluation and development processes.

7.1.20 Absher

Absher is considered the leading platform in providing electronic services in the Kingdom. In 2010G, Absher began its journey providing the services of the Ministry of Interior and its electronic sectors to the individuals sector to begin the first steps of the Kingdom's direction towards digital transformation and humanisation. As the platform has currently become one of the main pillars for achieving the Kingdom's Vision 2030, it was followed by the launch of Absher - Business to serve the private sector and Absher - Government to serve other government entities.

Absher is operated under a NIC-led system. Under the supervision of the NIC, Elm developed and operated the platform to improve work procedures and automate the services provided by the Ministry of Interior to various segments of society, including citizens, residents, and visitors, in addition to the business and government sectors.

7.1.21 Mobility Product

In a distinguished partnership with the regulatory and legislative authorities in transport and logistics, the Company developed packages of government services that provided unique and distinctive solutions that support the activity and the entities operating therein, and give the legislative and regulatory authorities the necessary tools to control business and monitor performance. These solutions are also based on regulating contractual processes and protecting the contracting parties (the service provider and customer), which provides an appropriate environment for investment and growth. The products include Wasl platform, Naql portal, Taajir portal, Hafelat portal, Bayan portal, Airport Security Permits portal, and Washaj platform.

7.1.22 Vehicle Product

The vehicle sector and services related to vehicle work and operation is an important and vital sector contributing to the development and the economy. The Company has established partnerships with a number of relevant regulatory and legislative authorities and private entities to develop and operate service packages that facilitate transportation, trade, and car rental transactions. It also enables vehicle fleet owners to access the databases of the General Department of Traffic and conduct various traffic transactions. These platforms enable entities to inquire about vehicle data, transfer ownership, renew documents, identify the actual driver or the person authorised to drive cars inside and outside the Kingdom, and obtain ownership licenses and car plates on the spot. These services also include inquiring about vehicle insurance and paid traffic violations, and obtaining and renewing driving licenses. It provides another monitoring and regulatory service, such as Basher, which aims to develop field and administrative procedures for the General Department of Traffic. It also provides products that help follow-up vehicle fleets directly. The key products include Tamm platform, Basher platform, Masarat product, and Ijaz product.

7.1.23 Business Solution Product

These provide a number of digital portals and platforms, such as Muqeem, enabling entities to review the data of their resident employees and complete their passport transactions electronically and instantly at any time and from anywhere. The business solutions group also serves industrial investors through Senai. The Group also offers Khebra, a platform that allows experts to register their data as expert parties accredited by the Ministry of Justice.

7.1.24 Product Integration

The Group serves more than one hundred and thirty (130) entities to identify individuals' identities online before public and private providers of critical services. Its importance is represented in improving the user experience by using a reliable and secure unified digital identifier. It also provides fingerprint matching services for the individual in question to ensure that the beneficiary of the service is the concerned person. The Group has the right to market these services to the private sector. The product integration group also provides information transfer services while maintaining the highest quality standards in accordance with the legislation issued by SDAIA and the National Cybersecurity Authority. The products include Unified Access, Basma, and Naqel.

7.1.25 Security and Safety Product

Digital platforms that provide the services of the General Directorate of Public Security, the General Directorate of Civil Defence, and the General Directorate of Border Guards. They enable beneficiaries to meet the requirements of these authorities online, which helps to expedite work procedures for the purpose of recruiting employees, complying with preventive measures, or obtaining the necessary permits to engage in work in ports and outlets. The products include Amn, Salamah, and Zawil platforms.

7.1.26 Real Estate and Utilities Product

The Group provides services and platforms for the real estate sector and facility management, such as the Water Tank Permit Platform. It is a unified platform for managing all sewage tank rehabilitation processes, registering all companies providing sewage tanks, issuing and renewing their licenses, and following up and regulating environmental support services in sanitation including dewatering and water transfer and discharge. The platform ensures the environmental compliance of the tanks and maintains the overall appearance within cities.

7.1.27 Integrated Business Technologies

Through integrated technology solutions, the Group manages and analyses big data, develops systems according to customers' needs, and connects and integrates infrastructure, where ideas are integrated with implementation in professional harmony. The Group provides its technology solutions to its customers within the scope and cost agreed upon with the customer. The integrated business technologies includes the following:

- **Developing solutions according to the customer's need**: The Group designs and implements technological solutions according to the needs of the customer using upscale digital technology, while using the Group's experience spanning more than 30 years in major projects.

- **Smartphone applications:** The Group helps its customers keep pace with smartphone application solutions to expand their reach to their customers and enhance the operational efficiency of their companies, separately or within major projects.

- **Business intelligence applications**: Implementing business intelligence solutions, including the collection of business requirement information, data warehouse, section data warehouse design, business modelling and online analytical processing (OLAP), designing and implementing "ETL" (extract, transform, load data), report development, data testing and automation, and reference data and performance management.

7.1.28 Estihkak Engines

The technology solutions provided by the Group include Estihkak Engines, which are integrated systems to control the level of entitlement to services provided by governmental and private entities. It works to ensure that the various forms of support reach their actual beneficiaries and the conditions of support match their real situations. This system was designed to link an entity to various relevant authorities to provide it with data that helps it facilitate the delivery of its various services to beneficiaries, including services that enhance the speed of reliable identification of each applicant, and change the process of application acceptance. Estihkak includes the following services:

- Employment support;
- Education support;
- Healthcare insurance;
- Job training; and
- Subsidized services (such as housing, electricity, etc.).

The system consists of an electronic portal, services, data linkage platform, and platform engines. Accordingly, it leads to obtaining basic data, facilitates work procedures, and enables linkage with multiple sources. In addition, there is a flexible Estihkak Engine, a technology infrastructure to process data that enables the management and modification of entitlement conditions. Technical support is also provided to manage customer service, objections, reporting features, and performance monitoring.

7.1.30 Inspection Platform

Developed by the Digital Project Group, this is a comprehensive platform that enables various sectors to carry out inspection work to easily organize and simplify inspections in line with international standards in a dynamic manner. This process includes forms, lists, management of inspection tasks, violations, payments, and other platform features.

7.1.31 Internet of Things (IoT) Platform

Developed by the Digital Project Group, this platform allows connecting "things" such as people, places, and devices to the Internet so that data can be sent and received in an easy way. This platform was developed based on open-source technologies that allow the efficient provision, management, and automation of connected devices for the purpose of managing devices and collecting and analysing data. One of the features of this platform is the ability to collect, graph, and analyse data, and manage devices and assets in a secure and efficient way.

7.1.32 Asas Platform

An integrated and advanced cloud platform for enterprise resource planning with up-to-date technologies and best practices. It includes interconnected systems that operate as an integrated system with a common database serving all divisions and departments of government and private entities. The system deals with the entity's employees as part of the work cycle to enable entities to use and manage their informational, material, and human resources with great effectiveness and efficiency. The Group established the platform based on its understanding of the needs of governmental, semi-governmental, and private sector jobs within the framework of the human resource, financial, supply chain, and other systems. In addition, it maintains best practices to provide the necessary flexibility to carry out business. Asas provides multiple options for implementation, as follows:

- A cloud system that is available as "Software as a Service";
- A cloud system that is available as "Platform as a Service"; and
- The possibility of hosting in the technical technology environment of the customer (On-premise Solution).

One of the features of Asas is to enable an entity to focus on business development aspects, give it a comprehensive and unified insight of its business reality, and provide high flexibility in setting up the system according to user preferences. In addition, Asas allows smooth performance of procedures and operations with a simple display for workflow tracking and a design compatible with smart devices. It also provides ready-made plans to deal with emergencies, a single application technology, rapid product activation, and easy linking with other systems and services.

7.2 Outsourcing

The Group seeks, through the business outsourcing segment, to enhance its competitive advantage in terms of both operation and service delivery in the specialization areas through the management and full operation or partial support of services in specific areas, and a gradual shift to digital transformation. The Group provides its services in this sector with the concept of the private sector, which helps the beneficiary government entity achieve electronic transformation successfully according to the best international specifications and standards in all fields. According to the Group's experience in government sectors in the process of transformation to e-government, the Group found that to achieve this transformation, public entities need a scope of services beyond the scope of basic technical technology services. There are many difficulties in the operational environment that must be overcome in preparation for electronic transformation. The Group provides its solutions in several areas, as follows:

7.2.1 Inspection and monitoring

Inspection and monitoring services are intended to increase efficiency and quality through operational and digital solutions. They aim to transform services from regulatory practices to economic value-added services. Inspection and monitoring services include:

- **Field inspection services, fleet management, and financial management**: building, managing, and operating governmental inspection services to ensure high levels of quality output and increase compliance. Examples include Ejada program, which conducts control and inspection activities on behalf of the Ministry of Municipal and Rural Affairs and Housing, which aims to increase the compliance of businesses;

- **Licensing**: managing and issuing licenses on behalf of a government entity through an operating model that can be converted into a digital model in the medium term. Examples include the printing centre that supports government entities in printing documents and business cards;

- **Crowd management**: providing technological or technical solutions to manage human crowds and control their pathways in open areas and spaces. Examples include providing technological crowd management solutions at the Janadriyah Festival; and

- **Questionnaire and monitoring**: providing operational and technological solutions to collect and monitor complex data to provide qualitative information. Examples include the readiness of holy sites, where it worked with the Ministry of Hajj and Umrah to ensure the readiness of the holy sites and control all facilities during the 2019G Hajj season.

7.2.2 Business Centers

Through the "Business Centres" system, the Group provides optimal solutions for service entities that deal directly with the public when providing services. Through the package of services, the Group seeks to achieve high efficiency in all stations of the customer's journey. The Group's Business Centre services include:

- **Service centres**: providing operational solutions that suit the needs of the service provider by developing and operating central service channels to ensure excellence and quality in services provided. Operational solutions are offered as a business venture with the government or on an income-sharing basis.

- **Mobile customer services**: transforming services with central channels into mobile services supported by a digital operating model that facilitates access by beneficiaries according to the place and time determined by the beneficiary.

- **Customer journey**: studying the complex and intertwined customer journey in preparation for its transformation, through an advanced operating model supported by various digital elements, into an easy, uncomplicated experience enriched with value-added services for the customer.

7.2.3 Operational business outsourcing

Assigning operational work to governmental and private entities including:

- **Meqyas:** a service that includes a set of quality standards that are provided to entities that provide direct services to their customers. It is applied through periodic visits to the beneficiary entity to ensure that the standards of Meqyas are applied. Meqyas aims to provide reports, notes, and future improvement plans in a manner that suits the beneficiary and enables it to improve its services.

- **Mehwar:** a service that allows users to record and document the operational processes of government outsourcing sectors, to be followed up and processed with the relevant departments on time. The system aims to increase efficiency and productivity, reduce the time taken to implement and submit applications, ensure adherence to quality standards, and integrate operations and sector management. Through the service, a user can be informed of the total number of applications submitted and follow up on their status and processing period. This improves the quality and accuracy of operational processes.

- **Digitisation and Archiving Service:** a service that is intended to convert paper documents into electronic documents, store electronic documents, manage and store paper documents, process and restore damaged documents, safely destroy documents, and provide mobile archiving. The service is provided to assist entities in electronic transformation while preserving their entire documentary history.

- **Printing Service:** a service for printing official and sensitive documents through an integrated technological and technical system through high quality procedures and under real-time security monitoring as the Group prints documents and other instruments. The Group also provides a delivery service to the end user with multiple options, which serves the parties it deals with and achieves the satisfaction of end users.

- **Digital platform management and operation:** Managing the quality of digital platforms, checking and auditing them to achieve service continuity. Examples include Ithra, electronic learning and training platform that is provided through the cloud science environment to efficiently manage, follow up, and evaluate the training process and easily deliver training programs by automating all activities related to training and continuing education.
- **Modern laboratories:** Providing the best expertise in laboratories to provide design, testing and measurement services for products based on modern technologies, including, but not limited to, food and soil laboratories that serve the municipalities.

7.2.4 Support with Modern Technology

The Group offers this system to employ modern technologies that support business in various fields to enable beneficiaries to achieve qualitative results to solve complex problems by investing in advanced technology. The support services that the Group provides to its customers include smart devices that are supplied and installed to help provide qualitative solutions that achieve value and benefit for the beneficiary and are used in the implementation of outsourcing operational work. Examples include the e-bracelet service.

7.2.5 Saudization and Capacity Building

The Group, through the Saudisation and Capacity Building Department, qualifies national cadres to the highest international standards, whether they are job seekers or on-the-job employees, through tight recruitment processes to fill available vacancies in the labour market. The Group rehabilitates individuals' skills and abilities, links them to their technical and functional competencies, and achieves professional sustainability. The Group performs Saudisation and capacity building work through two main models, namely upgrading skills and rehabilitating job seekers' skills through several stages, as follows:

Labour market study: This aims to analyse the current situation in the market by studying labour market supply and demand from job seekers and graduates. The Group then determines the future direction by defining the sectors, regions, and target segments and preparing a delivery plan. Finally, the Group submits recommendations and periodic reports.

Operation of recruitment processes: The Group connects employers and job seekers through the Group's employment platform. Through this platform, the Group posts vacancies, searches for candidates, and sends or receives employment applications. A job seeker also registers on the employment platform, adds skills and experiences and browses job opportunities, in addition to submitting or receiving job applications. The recruitment approach begins with the process of nominating and preparing for job interviews, managing the recruitment cycle and the incentive system for job seekers, monitoring the recruitment and sustainability cycle, and conducting the periodic evaluation and follow-up process.

7.2.6 Design, preparation and implementation of rehabilitation and training programs

These programs include six (6) phases, as follows:

- **Analysis phase:** The Group reviews the objectives, responsibilities and strategy of the beneficiary entity or employers, and reviews its organizational structure, career paths, and various job descriptions. The Group also reviews the current training programs, the mechanism to measure the impact of training, and the members of the training staff in order to analyse training needs and develop the appropriate competency framework.
- **Design phase:** The Group designs future training programs and ensures that the design of training programs is applied with the employer's strategy and operational or operating model. The Group also develops training tracks for career paths and evaluates trainers' CVs.
- **Development phase:** The Group develops practical training content and electronic training content.

- **Assessment and Personal Development Centre:** the Group provides job analysis and self-assessment services using various electronic tests, personal interviews and virtual scenarios. The Group then presents the results and proposed development plans.
- **Implementation phase:** The Group develops work processes for the implementation of training programs and arranges the logistical elements of training such as the place of training and the scientific material.
- **Evaluation phase:** The Group evaluates the training and measures the impact, which includes: Measuring the impression of trainees, measuring the extent to which trainees have acquired science, knowledge, and behavioural skills, measuring the ability of trainees to apply science, knowledge, and behavioural skills in the work environment, measuring the extent to which the employer benefits from training programs, and measuring the return on investment or the cost of training compared to the employer's benefit from training programs.

Past projects in which the Group provided Saudisation and capacity building management services include the operation of Taqat centres, an initiative launched by the Human Resources Development Fund to employ Saudis, train them in basic job skills, guide them before, during and after the recruitment process, and help them keep their jobs.

7.3 Professional Services

The Group's services include professional services, through which the nature of an existing problem in an entity is understood, its dimensions are discovered, the work stages used including their advantages and disadvantages are studied, future challenges are perceived, and obstacles that may impede the application of new work methods are identified. This is to develop a clear vision of the business plan and its stages and parts and define the goals to be achieved. The Group's objective is to develop the overall performance of entities and improve customer satisfaction, using experts and consultants with long experience in many disciplines. This is achieved by providing advisory services and data analysis consulting services.

Consultancy services

The Group provides integrated consulting services that cover an entity's journey from developing strategic plans to implementing such plans through programs and projects. These services are provided by a consulting panel with long experience in many digital, technological, administrative, and operational fields. Through its work in this field, the Group strives to understand the nature of the current situation of the entity and discover its dimensions, study the work methods used including their advantages and disadvantages, perceive future challenges, and identify obstacles that may impede the application of new work methods. This is to develop a clear vision of the business plan and its stages and parts and define the objectives to be achieved. Also at this stage, international best practices in the relevant field are studied for the purposes of benchmarking and devising the best practical ideas and administrative and technical methods, and to identify the internationally recognized standards in various business sectors. In this field, the Group's main services include:

- **Strategic and Management Consulting and Transformation Programs**

These consulting services are designed to work together with an entity and its teams to define the desired transformation for the entity and develop the roadmap for such transformation. This is achieved by studying the current situation, identifying positive and negative points, and identifying available resources in order to utilise the available positive factors, provide the appropriate conditions for their development, avoid risks, and explore the entity's ecosystem through proven and innovative methodologies and tools that help to shape the future vision the entity aspires to achieve. All these works are achieved in accordance with the best practices in the entity's business and the lessons learned from comparative studies. In this area, the Group's services include:

  - Strategy design: By defining the values that the entity and its employees must respect and follow, the entity's vision, mission, strategic objectives that reflect the focus pathways in the business during the period of the strategic plan, indicators to measure its performance, and a roadmap to achieve these objectives by defining strategic initiatives and programs and their priorities.

- **Design of operating models:** These are developed to be in harmony with the entity's strategy through the development of its customer's journey. This is to focus on its customer's needs and aspirations after identifying them from the different categories of customers themselves, and defining the entity's internal and external services, procedures, and organizational structures. They bring together a clear distribution of roles and the necessary flexibility, human resources and clear job descriptions, and internal and external governance.

- **Process re-engineering:** Processes are components of operating models. The Group aims to develop processes that are compatible with the entity's strategy. It focuses on processes that add value for the customer and the entity's objectives. This is to achieve the best balance between these two matters and lead to the implementation of business at a high speed. This leads to improving the quality of the services and products it provides to suit the needs of its customers and their desires and reducing costs by eliminating unnecessary operations. It should be noted that process re-engineering enables the entity to digitise and automate them.

- **Specialised offices (institutional excellence offices):** These offices are established to bring together several teams from different disciplines in one place in order to lead, achieve best practices, research, and support the entity to achieve the highest and best value and performance by designing and adopting frameworks and standards within the entity and monitoring their implementation. This is to manage services and products to achieve the aspirations of the customer as well as the ambitions of the entity. Depending on the entity's need, the Group can establish and operate offices that focus on certain areas of organizational excellence.

- **Strategy implementation**

The Group seeks to enable entities to implement their strategies according to a business mechanism. This mechanism is based on linking their plans with the strategic objectives of the Kingdom's Vision 2030, analysing and giving preference to their initiatives at the level of programs and projects. It should also identify the factors that contribute to the success of the planned strategy, and solve the obstacles facing entities in their journey to implement these strategies. The Group provides its services in this field to the Vision 2030 realisation offices and strategy support offices in entities.

- **Organizational transformation and change management consulting**

The Group's consulting cadres work with the employees of entities to achieve the transformation to the desired situation based on a successful methodology that serves the entity's transformation to a future situation in line with its strategies and aspirations towards growth and development. The Group's Change Department also prepares the entity's employees to accept new processes, regulations, values, and organizational structures. In this area, the Group's services include:

- **PMO establishment/transformation management/program management:** This service is based on the build-operate-transfer (BOT) principle by evaluating the current situation of the entity for project and program management practices, building a future vision for the desired situation, and then developing the methodology and business model, relationship governance, and internal and external information sharing mechanism. It also designs the office's administrative structure as well as the forms and templates of the relevant documents. Through this service, the Group also publishes the technology system that enables the entity's employees to carry out their daily tasks, issue reports, review control panels, and measure performance.

- **VRO establishment/strategy management:** This service is based on the build-operate-transfer (BOT) principle by evaluating the current situation of the entity to practice, monitor, and align the strategy with the Kingdom's Vision 2030, manage the initiatives of the Vision, build a future vision for the desired situation, and then develop the methodology and business model, relationship governance, and internal and external information sharing mechanism. It also designs the office's administrative structure as well as the forms and templates of the relevant documents. In addition, it publishes the technology system that enables the entity's employees to carry out their daily tasks, issue reports, review control panels, and measure performance against the entity's vision indicators.

- **Operation support and knowledge transfer:** This service is based on the BOT principle by deploying a qualified advisory team on site. This team works with the entity's employees to carry out daily operational activities and tasks related to the project follow-up and management offices, program management, transformation management, vision realization office, strategy management, and change management. In addition, it conducts a periodic examination aimed at assessing the level of maturity and the need for continuous improvement in line with the international best practices in this field (Axelos P3M3®). The Group

also seeks to ensure knowledge transfer and continuous on-the-job training during the operating period, which often lasts from one to three years. This is to enable the entity to build capabilities and receive the work upon completion.

- ▪ <u>Change management:</u> By defining the transformation objective for the entity, encouraging it to adopt a culture of change by following the best international practices in this field (Prosci ADKAR®, AXELOS® OCM), holding awareness sessions and workshops, and transferring knowledge to the change leaders to enable the entity's employees or beneficiaries to adopt and apply the change in the ordinary course of business.

- **Digitisation consulting services**

The Group develops digital transformation and information technology strategies for entities and institutions. To this end, the Group seeks the best digital and global technology practices in the field subject to research and study. This is to compare with and devise the best innovative and practical ideas to digitally develop overall performance and improve customer satisfaction through digital plans achieving digital leadership in the relevant field.

The Group aims to develop a digital and technology transformation strategy for entities and institutions and provide them with reference designs for the necessary digital and technology solutions. This contributes to raising the quality of performance and electronic services by enabling and adopting the relevant emerging technologies.

Strategic digital transformation plans will enable entities to benefit from diverse digital capabilities and emerging technologies, such as AI, IoT, blockchain, big data, and cloud computing. This will positively reflect on the development of innovative digital business models that digitally enable the entity's business and the related segment, and enhance its leading position in its field. The Group also provides services of defining the characteristics of technological systems that the entity needs to digitise its operating models. Its services include:

- ▪ developing strategies for digital transformation and information technology;
- ▪ developing data management and governance strategies and supporting data office operation implementation;
- ▪ establishing and operating corporate structure offices and supporting the operation of the corporate structure office;
- ▪ providing IT governance consulting;
- ▪ analysing and evaluating digitalisation needs and the level of digital maturity at organisations; and
- ▪ studying and designing a reference architecture for digital platforms.

- **Professional services in data analysis and artificial intelligence (AI)**

The Group offers its professional services as a strategic asset that helps its customers to efficiently and effectively achieve the desired objectives, find, and discover new targets based on data that leads to value-added products and services worth investing in. The Group's services relating to professional services in data analysis and artificial intelligence include:

- • <u>Sensing and foresight:</u> The Group provides services that enable entities to be proactive in solving problems before they occur. This greatly helps entities' decision makers and crisis management departments to minimize the difficulties of measuring problems and identifying a mechanism to measure them when they occur. The Group provides the following services in the context of sensing and foresight:

- ▪ Building interactive dashboards to support decision makers;
- ▪ Designing key performance indicators (kpis);
- ▪ Discovering patterns;
- ▪ Conducting cross comparison;
- ▪ Benchmarking;
- ▪ Discovering hidden relationships;
- ▪ Producing automated reports;
- ▪ Deducing business with data-backed insights;
- ▪ Visualising data across time and space by means of animations; and
- ▪ Providing management with multi-layered views (upside/downside).

- • <u>Advanced analytics:</u> The Group provides analyses that help decision makers predict the future, find thoughtful predictions, and answer complex future questions through the application of data mining and AI technologies. Such advanced analytics leads, for

example, to exploring the main drivers or causes behind certain phenomena, or choosing the best way to deal with a problem. The Group's advanced analytics include:

- Business analysis;
- Spending analysis;
- Social platform analysis;
- Analysis of customer categories after they are segmented;
- Demographic analysis;
- Economic analysis;
- Risk assessment and management;
- Predictive modelling and analytics;
- Fraud detection;
- Identification of product features and pricing;
- Design and testing of different policies for remedy levels; and
- Providing the management with a comprehensive view of market opportunities and challenges.

- Emtiaz Big Data Solutions Platform: To build a system for managing and analysing big data, the entity's decision maker should answer several questions related to different technologies for obtaining, storing, and processing data and technologies for analyzing or presenting results. The challenge lies in the fact that choosing the best technologies in any of those stages is associated with the objectives and rationales of the entity itself, such as the technological background of the employees, and overlaps or even contradicts with the optimal technologies at other stages. Accordingly, in the Group's Emtiaz Big Data Solutions Platform, the various stages of building a system to manage and analyses big data are supported, from communicating with various sources of data, through providing data processing and analysis technologies, to building dashboards, reporting applications, and real-time notifications. The Emtiaz Big Data Solutions Platform also provides a collaborative environment, which enables the entity's work groups to process and analyse data or build machine learning models and data applications through low code development technologies and micro services. They then share this with other teams and stakeholders according to a tight authorization and authentication system related to data sharing.

8. Major Achievements in 2021

8.1 Strategy

During 2021, the Company implemented many plans and studies aimed at developing its business and ensuring its expansion and continuity of growth, in line with Elm strategy. The most important accomplishments are:

- Completion of business plans for the Company's units and subsidiaries in relation to the future expectations of the Group
- Completing the offering procedures and the prospectus with the Saudi Capital Market Authority to offer 30% of the Group's shares in the main stock market, including all tasks such as market study, risk study, due diligence and other procedures
  - Establishing a new investment sector aimed at developing the Company's investment portfolio, and the desire to develop the file of acquisitions and partnerships.

8.2 Technology solutions

2021 Major Achievements

- The pilot launch of the Smart Hajj, which includes the electronic Hajj Route, the Smart Ritual Card, the Smart Bracelet, Smart Robots, and modern technologies on the rituals route.
- Create, support, operate and maintain an electronic platform for the energy consumption program in governmental agencies.
- Implementation of institutional development systems for a number of entities in the public and private sectors.

On the other hand, a number of new digital products and services were launched in 2021, including:

2021 Developed Services

- **Expansion of Yakeen services**
- Digital verification of health services
- Fingerprint verification of the user identity

Linking to the National Unified Access platform

- **Expansion of the services of the Absher platform**
- Mail and comprehensive report services
- Digital documents (identity, residence, license)
- Transfer of a salvage title

- **Expansion of Damin product range**

  So as to include the financial transactions of vehicle title transfer on the Tamm product

Digital solutions launched in 2021

- Khebra platform: A digital platform that connects persons who have cases in any given field with specialists in the same field, in order to benefit from them in judicial cases.
- Tawseel platform: An integrated digital platform that provides electronic services to individuals and establishments in the food and commodity transportation market. It enables the concerned authorities to control and monitor the activities of transporting foodstuffs and goods to raise the quality, integrity and safety.
- Mazadat platform: An electronic platform that helps private and governmental establishments to offer and conduct real estate auctions and empower individuals and entities wishing to participate in the auction, while verifying the bidders' data in an instant and accurate manner, in order to facilitate the auction process for beneficiaries and governmental and private agencies.
- Bayanat Tech platform: A platform that enables car agencies to communicate with vehicle owners about manufacturing defects in their vehicles and the method of repair according to the manufacturer's instructions. The platform enables the listing of defective vehicles data and update the vehicle's condition after repairing the defect. The first platform service was launched, which is the (vehicle recall) service.
- Athath platform: A platform that connects buyers with furniture stores and gathers together furniture stores in the Kingdom so that these centers can display their products and help determine the suitability of the product to the buyer's home before buying it through the feature and technology of augmented reality.
- Estaajir platform: A platform that enables the leasing, display and management of real estate units for short-term contracts and provides a set of integrated smart services that contribute to raising operational efficiency and increasing incomes for real estate unit owners.
- Ween platform: A specialized platform initially launched by Soft launch in the tourism and entertainment sector, providing beneficiaries with multi-destination options and tourism and entertainment events using technologies to display customized menus for each user to suit their personal interests.
- Tawseet platform: Tawseet platform that aims to bring together individuals and customs clearance companies in order to clear individual goods from ports.

8.3 Outsourcing

- Operation of extended inspection centers dedicated to the Formula 1 race.
- Establishing strategic partnerships with the Ministry of Justice to provide execution services and real estate services.
- Expansion of Najez centers in three major cities.
- Launching and running the Beneficiary Services Center in Al-Ula Governorate.

- **Inspection:**
- Signing the contract of the Jeddah Projects Coordination Office for excavation inspection.
- Implementation of more than one million inspection visits within the municipality agreements.
- Launching the Agricultural Services Center at the Ministry of Environment, Water and Agriculture.
- Launching the supervision and inspection work at the Ministry of Tourism and implementing 9 thousand operations.

- **Outsourcing**
  – Archiving and digitizing documents for the Ministry of Justice, where the number of digitized paper documents reached 76 million documents.
  – The processing and delivery of 2 million documents related to Elm digital services (Printing Center).
  – Launching and distributing the Pilgrim Smart Card.
  – Launching the Ethraa platform for Prince Nayef University.

  Nationalization and Upskilling
  – Employing more than 153,000 Saudi men and women in several sectors in various regions of the Kingdom, including the health sector, the communications and information technology sector, and technical engineering professions.
  – Training more than 50,000 Saudi men and women to keep pace with work needs, including technical training, electronic licenses, and vocational guidance and counseling sessions.

8.4 Professional services

  – Consultative study for the protection, management and operation of cultural heritage sites and visitor centers, and partnership with the Heritage Authority to lead the comprehensive transformation of the cultural heritage system.
  – Completing a study and an analysis to improve the beneficiary's experience with the Saudi Standards and Metrology Organization.
  – Redesigning and improving the beneficiaries' experience in the Comprehensive Service Center at the Economic Cities and Free Zones Authority.
  – Completing the re-engineering of procedures for the Comprehensive Electronic Licensing System at the Communications and Information Technology Commission, as it has been incorporated within a unified platform that includes these services.
  – The Ministry of Human Resources and Social Development has selected Elm to lead the transformation of the recruitment system through three strategic advisory projects.
  – Preparing a digital transformation strategy for the General Authority for Endowments to enable it to develop the Endowment Sector System.
  – Consulting services for studying, evaluating and automating the services of the Ministry of Transport.
  – Studying the system of the Saudi Post and designing the ideal business model to be applied through the Unified Postal Platform.
  – Developing a yachting platform business model and strategy to enable digital transformation.
  – Developing the digital transformation strategic plan for the General Authority of Endowments.

9. Financial Performance

9.1 The most important indicators from the fiscal year 2019 to 2021

Financial Indicators	2021	2020	2019
Current ratio	2.21	2.37	2.46
Cash ratio	74%	112%	65%
Receivable turnover - in days	166	211	223
Payable turnover - in days	49	78	93
Ratio of total assets to equity	186%	180%	185%
Return on equity	20%	14%	20%
Gross profit to revenue	31%	34%	32%
Net profit margin	15%	12%	15%
Earnings per share from operations	7.68	4.45	3.76
Earnings per share from net profit	7.09	3.83	3.84

9.2 Consolidated statement of profit or loss and other comprehensive income from the fiscal year 2019 to 2021, in millions (SAR)

Description	2021	2020	2019
Revenue	3,828	2.466	2,102
Cost of Revenue	(2,632)	(1,629)	(1,420)
Gross profit	**1,195**	**837**	**682**
Expenses			
Selling and marketing	(106)	(87)	(84)
Expected credit losses	(90)	(35)	-
General and administrative	(269)	(247)	(210)
Depreciation and amortization	(116)	(112)	(87)
Operational profit	615	356	301
Finance cost	**(5)**	**(6)**	**(5)**
Income from murabha Deposit	9	11	12
Share of Profit from associate	3	0.1	-
Change in fair value of investments through profit or loss	25	3	-
Other income	2	8	(1)
Net profit before Zakat	**649**	**372**	**307**
Zakat	(82)	(66)	-
Net profit	**567**	**306**	**307**
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss:			
Change in fair value of Other financial assets through other comprehensive income	16	0.8	2
Re-measurement of end of service benefits provision	(7)	0.2	(12)
Total Comprehensive Income	576	307	297

A graph of total revenues and net profit from the fiscal year 2019 to 2021, in millions (SAR)
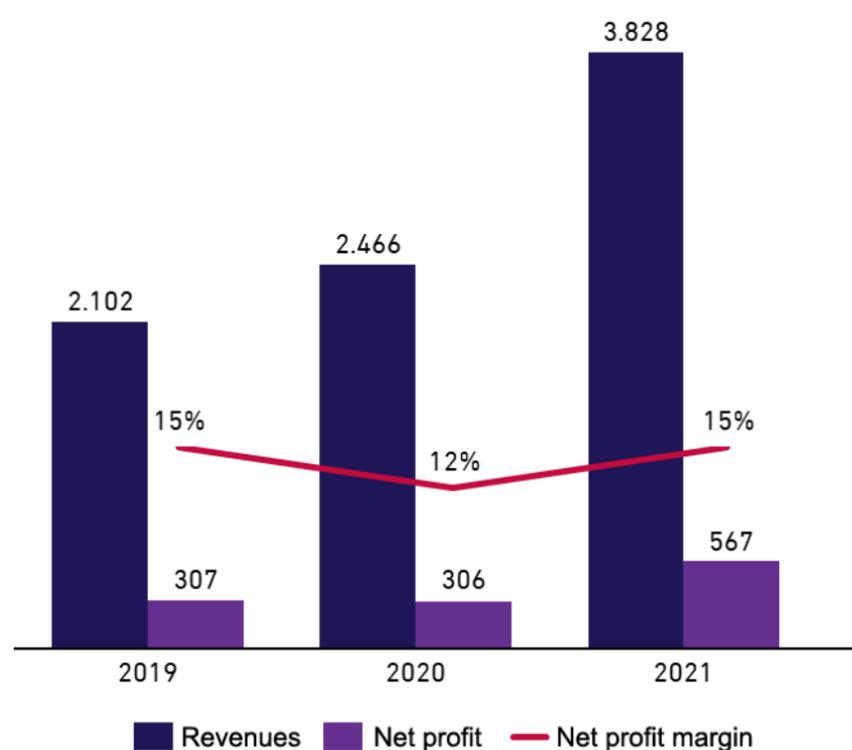
- Sectoral information, in millions (SAR):

Revenues	2021	2020
Digital business	2,102	1,727
Business Process Outsourcing	1,635	652
Professional Services	90	86
Total	**3,828**	**2,466**
Costs		
Direct cost	(2,632)	(1,629)
Operating expenses (except depreciation and amortization, ECL)	(375)	(334)
ECL	(90)	(35)
Depreciation & Amortization	(116)	(112)
Other income	34	17
Zakat	(82)	(66)
Total	**(3,261)**	**(2,159)**
Net profit	**567**	**307**

Analysis of the most significant deviations in the statement of profit or loss and other comprehensive income

▪ The revenues increased by 55% compared to 2020, bringing the total revenues to 3,828 million SAR. The rise is mainly due to the Business Process outsourcing projects, where the business unit achieved an increase of 151%, bringing the total revenues of the business unit to 1,635 million SAR, the increase in revenues resulted from the Group's obtaining new contracts to manage and operate service centers with a governmental entity, in addition to improving the performance of existing projects. The Digital Business revenues increased by 22%, bringing the business unit total revenues to 2,102 million SAR, mainly due to the launch of new services for Muqeem, Yakeen and Absher products, in addition to the recovery of some products from the impact of the Corona pandemic.

▪ The Cost of revenue increased by 62% compared to 2020, bringing the total of cost of revenue to 2,632 million SAR. The increase in cost of revenue is mainly due to the increase of income sharing expenses, in addition to the increase in the outsourcing costs related to the management and operation of service centers for a number of projects. The direct staff cost has also increased, mainly due to the increase in the number of project staff to fulfill contract performance obligations.

▪ The net profit increased by 85% compared to the year 2020, bringing the net profit to 567 million SAR. The increase in net profit is due to increase in revenues compared to previous year.

Group revenue details for each company, in millions (SAR)

Company Name	Company Standalone revenue	Company consolidated revenue
Elm Company	3,470	3,469
Saudi Company for Exchanging Digital Information (Tabadul)	307	307
Emdad Al Khebrat Company	636	52
Elm Technical Investment Company	-	-
Future Resources Limited Company	-	-
Umrah for Distinguished Services Company	-	-
Asdam Digital Company	-	-
Elm Arkan Information Technology	-	-
Elm Digital Payments Co. Ltd.	-	-
Total	4,413	3,828

9.2 Consolidated statement of financial position

From the fiscal year 2019 until 2021, in millions (SAR)

Description			
Assets	**2021**	**2020**	**2019**
Non-current assets			
Property and equipment	347	374	355
Capital work in progress	58	109	48
Right-of-use assets	108	131	154
Intangible assets	165	83	19
Investments in associates	3	0.21	-
Investments in associates	120	45	16
Total non-current assets	**802**	**742**	**592**
Current assets			
Accounts receivable	1,655	1,370	1,116
Contract assets	660	274	414
Prepaid expenses and other current assets	123	87	99
Other financial assets	492	-	4
Murabaha deposits	100	538	482
Cash and cash equivalents	1,362	1,013	105
Total current assets	**4,392**	**3,282**	**2,220**
Total assets	**5,194**	**4,025**	**2,812**
Equity and liabilities			
Equity			
Share Capital	800	50	50
Proposed increase in capital	-	450	-
Statutory reserve	82	25	25
Other reserves	(27)	(35)	-
Retained earnings	1,955	1,744	1,435
Total equity	**2.809**	**2.234**	**1,510**
Liabilities			
Non-current liabilities			
Liabilities for purchasing property	50	74	98
Lease liabilities	87	102	119
End of service benefits provision	263	228	184
Total non-current liabilities	**401**	**404**	**401**
Current liabilities			
Accounts payable	249	183	169
Due to related parties	17	24	3
Contract liabilities	236	227	186
Accrued expenses and other current liabilities	1,335	835	501
Zakat	103	66	-
liabilities of purchasing property	24	23	23
Lease liabilities	19	28	19
Total current liabilities	**1,984**	**1,387**	**901**
Total liabilities	**2,384**	**1,791**	**1,302**
Total liabilities and equity	**5,194**	**4,025**	**2,812**

A graph of assets, liabilities, and equity from the fiscal year 2019 to 2021
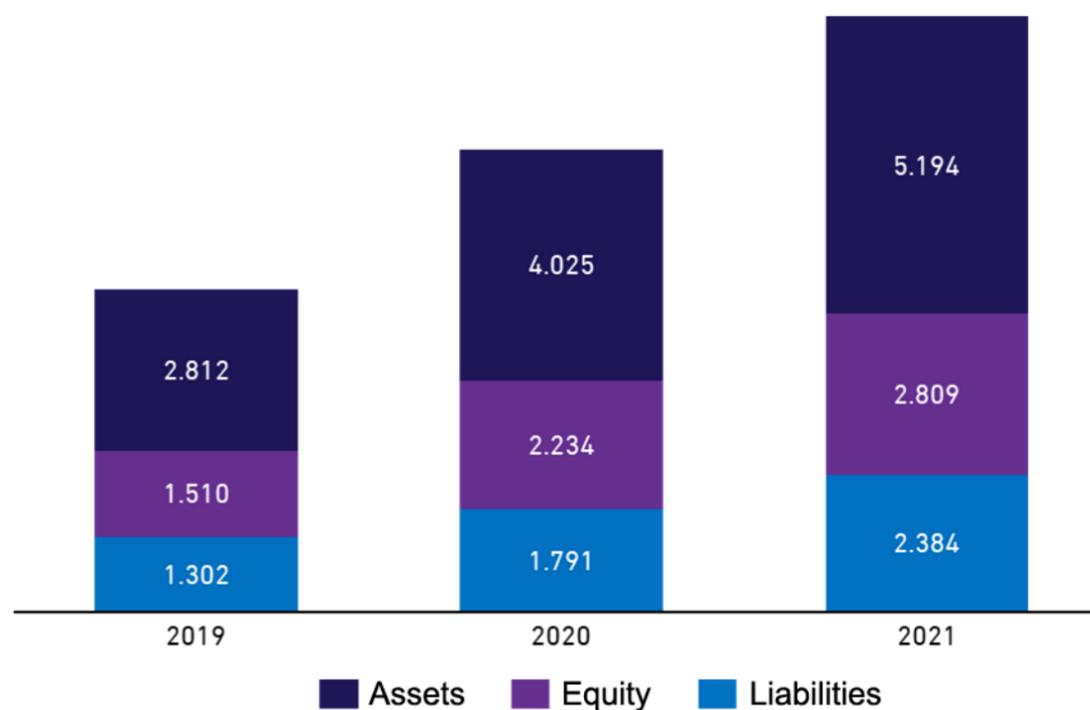
Analysis of the most significant deviations in the statement of financial position

- Non-current assets increased by 9% to reach 802 million SAR. The increase is mainly due to the increase in Other financial assets balance which consist of mainly investments in Start-up companies, that increase was driven by the revaluation gains and the additional investments made during the year.

- Current assets increased by 34% to reach 4,392 million SAR, mainly due to an increase in contract assets by 386 million SAR, and an increase in receivables by 284 million SAR, in line with the increase in the Group's revenues. The Group also invested in a money market fund "Murabaha". It is included in the item of other financial assets, amounting to 490 million SAR.

- Equity increased by 26% to reach an amount of 2,809 million SAR, resulting from increase in net income of the Group for the year.

- The Group's current liabilities increased by 40% to reach 1,984 million SAR. The increase is mainly due to the increase in the balances of accrued expenses and other current liabilities, mainly due to the increase in the balances of income sharing accruals.

9.3 Statutory payments recorded on the Group

The following is a statement of the value of the statutory amounts due and paid by the Group, with a brief description and reasons for them (in SAR):

Reason	Description	2021	Statutory institution
Statutory requirement	What is paid or charged for the period in accordance with the obligation of Zakat, the income tax law, and the fees of the SADAD system in the Kingdom	128,813,293	Zakat, Tax and Customs Authority
Statutory requirement	What is paid or charged for the period in accordance with the provisions of the Labor Law in the Kingdom	115,245,190	General Organization for Social Insurance
Statutory requirements Other	Amounts paid or imposed under other laws	851,804	Other statutory bodies
		244,910,287	**Total**

9.4 The Group's loans

A list of the loans are as follows, in millions (SAR):

Company	Granting Authority	Type of Financing	Term of Financing	Value of Financing	Paid During the year 2021	Paid During the year 2021	Remaining Amount
Tabadul Company "A Subsidary"	Public Investment Fund "Shareholder"	Interest-free financing	10 Years	145.2	14.5	14.5	-

9.5 Sanctions and Penalties

The Group was not subjected to any penalties or sanctions during the year 2021 by any supervisory, regulatory or judicial unit.

9.6 Related Parties Transactions

Related Parties in the company, associates and sister companies, managers and senior management employees of the Elm. The terms and conditions of these transactions are approved by the General Assembly.

The Group conducts transactions with related parties, including dealing with the Public Investment Fund (the main shareholder), members of the Board of Directors, executive directors, and other companies owned by the Public Investment Fund or members of the Board of Directors of those companies. All of these transactions are carried out in accordance with the terms agreed upon by the management of the Group.

During the year, the Group transacted with the following stakeholder:

Authority	Relationship
Public Investment Fund	Owner
Senior management staff	Staff
Board Members	Members
Unifonic Company	Associate company
Smart National Solutions Company	Associate company

Contracts and agreements concluded with related parties

#	Contract/ Agreement	Members who have an indirect interest
1.	Between the company and the National Information Center, in which a member of the Board of Directors, His Excellency Dr. Essam bin Abdullah Al-Wagait, has an indirect interest, which is a memorandum of understanding signed on 3/19/2015 regarding Internet applications in the amount of (6,000,000,000) Saudi riyals. This contract was concluded without preferential terms or benefits.	H.E. Dr. Issam bin Abdullah Al-Wagait.
2.	Between the company and the National Information Center, in which a member of the Board of Directors, His Excellency Dr. Essam bin Abdullah Al-Wagait, has an indirect interest, which is a memorandum of understanding signed on 1/1/2015 regarding systems operation and maintenance in the amount of (7,000,000,000) Saudi riyals. This contract was concluded without preferential terms or benefits.	H.E. Dr. Issam bin Abdullah Al-Wagait.
3.	Between the company and the National Information Center, in which a member of the Board of Directors, His Excellency Dr. Essam bin Abdullah Al-Wagait, has an indirect interest, which is an agreement for the development of data resources signed on 02/02/2008 AD, and the amendment annex signed on 04/04/2021 AD, which includes Allocating 10% of the data services income to implement development services for the center with a total annual limit of (60,000,000.00) Saudi riyals. This contract was concluded without preferential terms or benefits.	H.E. Dr. Issam bin Abdullah Al-Wagait.
4.	Between the company and the Ministry of Interior - Security Forces Hospital Program, in which the members of the Board of Directors, Mr. Raed bin Abdullah bin Ahmed, and Mr. Abdullah bin Abdulrahman Al-Rabiah, have an indirect interest, which is a contract to operate the vaccine center for Covid-19 virus in the medical city signed On 03/11/2021 AD in the amount of (9,700,000.00) Saudi riyals. This contract was concluded without preferential terms or benefits.	Mr./ Raed bin Abdullah bin Ahmed. Mr. Abdullah bin Abdulrahman Al-Rabiah.
5.	Between the company and the Saudi Authority for Data and Artificial Intelligence (National Information Center), in which a member of the Board of Directors, His Excellency Dr. Essam bin Abdullah Al-Wagait, has an indirect interest, which is a contract for the Ministry of Interior services project for individuals 2 signed on 04/01/2020 in the amount of (350,000,000) Saudi riyals. This contract was concluded without preferential terms or benefits.	H.E. Dr. Issam bin Abdullah Al-Wagait.
6.	Between the company and the Saudi Authority for Data and Artificial Intelligence, in which a member of the Board of Directors, His Excellency Dr. Essam bin Abdullah Al-Wagait, has an indirect interest, which is an agreement to operate, develop, and add value-added services to the electronic services platform (Absher) signed on 02/01/2020, which includes participation in the income of commercial services. This contract was concluded without preferential terms or benefits.	H.E. Dr. Issam bin Abdullah Al-Wagait.

Transactions with stakeholders are similar to business dealings with external parties. The following are the details of the significant transactions with stakeholders during the year (in SAR):

	2021	2020
Transactions with the owner		
Services revenue	44,278,595	26,248,524
Dividends paid	-	33,487,000
Unifonic Company		
Service costs	39,717,754	19,561,849
Smart National Solutions Company		
Service costs	8,505,614	173,250
Transactions with the Board of Directors and senior management staff		
Salaries and benefits	23,028,824	22,537.340
Bonuses and allowances	17,522,788	12.914.366
End-of-service benefits	2,625,532	1,664,641
Balances		
Due from the Public Investment Fund included in government receivables, prepaid expenses and other current assets	56,072,372	24,289,551
Due to stakeholders - current		
Public Investment Fund (1)	-	13.895.778
Unifonic Company	12,895,453	8,092,751
Smart National Solutions Company	1,913,554	129.712
Dividend payable	1,986,500	1,986,500
Total	**16,795,507**	**24,104,741**

10. Risk Management

Elm is working on studying and analyzing strategic and operational risks that may limit the implementation of the Company's future plans to be a pioneer in innovative services in the Saudi market. The Company follows up on market and operational changes and then studies and analyzes them. Accordingly, risks are identified, and related appropriate response plans are developed, with periodic reports about them being submitted to the executive management and the Audit Committee on an ongoing basis. This is done in accordance with the approved governance and policies for risk management in the Company, with the adoption of the best international practices in this domain such as ISO31000 and COSO.

The following is the list of risks that the Company may face during the implementation of its business:

10.1 Strategic Risks:

The focus of the Company's business on governmental agencies

Some of the Company's activities depend on developing digital solutions and platforms based on the data of some governmental agencies, in addition to implementing projects for other governmental agencies. It is expected that they will continue to constitute a large percentage of the Company's revenues.

To mitigate the effects of this, the Company is working on expanding partnerships with strategic government sectors, building proprietary digital platforms as well as developing revenue-sharing projects (PPP) to ensure growth and achieve financial targets. The Company is also expanding in the local and international markets by adding products that enhance its market share. The Company is also expanding in the local and international markets by adding products that enhance its market share.

Rapid technical developments and customer needs

The digital services market is characterized by rapid technical change, new product development, technical improvements, high-level client requirements, and evolving industry standards. The Company's future success depends on its ability to continue developing, marketing and providing attractive services and solutions to its current and future clients in a timely, efficient and competitive manner. This requires the Company to respond to the rapid and continuous changes in the field of technology and to keep pace with developments in the sector, and the digital services and solutions provided by new companies. This represents a challenge for the Company in the future.

Therefore, many initiatives are being implemented in Elm to create a highly flexible environment that enables the Company to keep pace with rapid changes and respond to client requirements successfully and adapt to them in a timely manner. The Company is also investing heavily in research and innovation as well as aggressive investment to consolidate its leading position in the market.

10.2 Operational Risks:

The dangers of cyber-attacks

Due to the nature of the Company's business and the financial and strategic importance of the Company's clients, it may be vulnerable to electronic attacks, including viruses, hacks, and others, which affect the confidentiality, integrity and availability of its information and data systems.

To reduce cyber-attacks, the Company applies best practices that include the latest solutions and technologies in the field of information security, which ensures that the Company's business complies with the approved standards, including compliance with the requirements of the National Cyber Security Authority (NCA) and the International Standard for Information Security (ISO27001).

Risks of disruption of information systems and data centers

Any malfunction in the Company's technical information systems may lead to the disruption of the Company's daily business, which affects the operational efficiency as well as the Company's ability to provide services to its customers with

high efficiency, which will have an impact on the Company's business, the results of its operations, its financial position and the future expectations of its clients.

Therefore, the Company has worked to develop the efficiency of its systems to provide the appropriate speed of response in the event of any failure in its systems, and the ability to provide services with high efficiency through a solid technical structure that includes all the necessary requirements to reduce the disruption of information systems and data centers and ensure business continuity.

10.3 Risks related to the sustainability of the Company's revenue growth and profitability:

The indicator of the rapid growth of the Company's revenues during the last period was due to the nature of client requirements. It may not indicate its future performance, which ensures the continuation of growth at the same pace as the past; the rate of revenue growth may decrease, and the Company may face periodic fluctuations in its revenues, which may depend on the timing of some large projects that the Company is implementing for some governmental agencies.

Therefore, the Company is implementing appropriate strategic initiatives to mitigate risks related to sustainable growth and profitability guarantee. This has resulted in an increase in the Company's net revenues, at a compound annual growth rate of 13.6% during the past three years, due to the increase in digital product revenues, mainly the Yakeen service, and the operation and development of the Absher platform. Likewise, Tabadul was acquired in 2020 based on Elm's expansion strategy, which resulted in an increase in the Group's revenues represented by Fasah services revenue.

10.4 Market Risk:

The digital service market is characterized by a high level of competition; it is a market subject to rapid changes and developments in market standards. This level of competition may lead to a decrease in the market share of the Company.

In order to raise the Company's ability to compete effectively, the Company makes additional investments in research and development, services, marketing and sales. The Company is working to raise its ability to provide distinguished and innovative services to compete in the market, by developing integrated and unified products and services in its main business areas, for example health services, identity management, logistics and other fields.

10.5 Legislative and Regulatory Risks:

The Company is subject to a set of laws and regulations in the Kingdom, which a number of governmental agencies are working to implement in accordance with government policies and directions, such as the Money Market Law, Competition Law, VAT Law, Companies Law, Labor Law, Communications Law, Tender and Government Procurement Law, Data Protection and Cyber Security laws, and other regulations, in addition to the requirements of the regulatory authorities under the umbrella of the legislative scope of which the Company is subject.

In order to ensure compliance with the various legislations, the Company has several departments that work to avoid various risks resulting from failure to follow the legislative and regulatory regulations. In addition, they ensure that the Company complies with all regulatory and legislative requirements, such as governance and compliance management, risk management and information security governance. The Company also continuously updates its internal procedures to avoid fines or penalties that may affect the Company's reputation and standing.

11. Human Resources

During 2021, the Human Capital Sector won many achievements, initiated many programs at various levels, and was able to keep pace with the set goals and strategic plans. Despite being a challenging year, new and flexible work patterns were developed, represented in the automation of a number of human resources systems and the launch and design of many distance-training programs.

In addition, the Company was able, through its awareness of its national duty towards its society, to maintain our nationalization rate, which reached 75% of the total number of employees, numbering approximately 1,350 employees.

The Group actively seeks continuous development and entrepreneurship in providing secure digital business services. Therefore, the Group is working to build a creative environment that contributes to finding innovative products and services and creative solutions to challenges, through programs aimed at encouraging innovation. These programs target three (3) main categories: Group staff, community, and universities. The following are some of the most important programs offered by the Group aiming at encouraging innovation within the Group:

- Creativity and Innovation Day: The Group annually celebrates Creativity and Innovation Day. In this day, the Group reviews its achievements in this field, presents its up-to-date technologies, and holds competitions to stimulate the spirit of research and innovation in the Group's employees.
- Creativity Forum: In this Forum, the Group provides a communicative environment among the Group's employees to present their creative ideas before other employees, discussing them and stimulating creativity and innovation.
- Innovation Pioneers: A unique five-month practical training program for the Group's employees, that is intended to develop innovators and provide them with the thinking, tools, and confidence to be ambassadors for change within the Group, and to enhance the Group through creativity and innovation.
- Idea Bank: This is to encourage employees to share their creative ideas and then analyze and develop them, and rewarding them for their creativity and innovation.
- 14 kHz: A unique program that aims to quickly scan new ideas by analyzing and prototyping them and then testing them with potential users. The Group's employees go to users where they exist, whether in a hospital, market, street, or anywhere else, to pilot a prototype with them and obtain their impressions of the proposed solution.
- Creative problem solutions: The Group considers problems and challenges as opportunities to facilitate life, put a smile on faces, and increase income. Through global innovation methodologies, the Group develops creative solutions to problems facing its customers, in record time.
- Workshop facilitation: the Group has a dedicated team with a high level of innovation and workshop facilitation. Through workshops and brainstorming workshops, the Group helps its customers reach certain decisions, agree on a specific matter, or generate creative ideas within a short period of time, and in a unique environment of entertainment and professionalism.
- Innovation culture: Innovation culture is one of the most important pillars of innovation in the Group. Therefore, the Group constantly seeks to create a unique environment and culture that stimulates innovation in all aspects of its business. Throughout the year, activities are constantly conducted to help all employees adopt an innovation mind-set and use its tools on an ongoing basis.
- Intellectual Property Accelerator Patents are critical for the Group and have a major role to play in maximizing the Group's value. Therefore, the Group developed an intellectual property accelerator to help its employees register patents in their name, though to be owned by the Group. Through a one-month process, an employee who has a creative idea can learn more about patents and conduct the necessary research and the required modifications to the idea. As such, the idea is ultimately registered as a patent.

The Group seeks to encourage innovation outside the Group, to include society and universities. Selected programs are stated below:

- Technology training camps: This program is intended to solve business and technology challenges related to new strategies in the Group and find innovative outputs with benefit to the market.
- Idea incubators: This program supports academic ideas and ways to transform them into realistic services and products by providing financial and advisory services.
- Innovation Center: This program provides an attractive environment for academic competencies that includes all the services and laboratories that make it an appropriate place for research related to IoT, robotics, 3D printing, augmented reality, virtual reality, and drones. The Innovation Center is fully prepared for student visits.
- Hackathon: The Group holds an annual 'Elm Hackathon' competition to organize professional competitions that encourage innovation, enhance the efficiency of male and female students in the Kingdom's universities in computer majors, increase their expertise, highlight their skills, and stimulate their spirit of innovation by presenting technical problems and inviting participants to solve them.
- Joint Research Agreement Program: This program is intended to provide financing to universities for many types of research. This includes considering problems, challenges, and opportunities for new and technical ideas.
- Cooperative Training: This program is intended to train male and female students, in majors related to the business and technology industries, in creativity management. This requires them to provide solutions to challenges presented to them before they enter the training program. After they are admitted, they address challenges facing the Group to recognize the importance of training and the value that they will add to themselves and their community.

The most important performance management and talent development programs are:

- Launching Your Career Adviser Program: It aims to support the professional development of Elm staff and help them discover their strengths, whether in their current career path or in another career path.
- Succession Project: In it, 85 individual development plans were built for approved candidates in 9 sectors, in addition to conducting a Heat Map Risk Analysis study for 9 sectors with the aim of finding alternative solutions to job succession.
- Basic and Leadership Competencies Development Project: In it, 10 different awareness campaigns were launched for employees, aimed at recognizing the competencies and testing the behaviors implicit in the competencies.
- Leadership Guidance Program: It was held for all managers in the Company. The counseling sessions in it amounted to 3 sessions, in addition to the induction session. This contributes to the development of their leadership capabilities, knowledge of strengths and development with the partner 'The Leadership Circle'.
- Wamda: It is a monthly bulletin addressed to Elm leaders concerned with developing the leadership behavior of Elm leaders.
- Elm Presentation Center: An initiative to develop presentations in Elm in terms of the presenter, presentation content, and design, under the supervision of a group of specialists in this field. Thirty-five Elm staff participated during the year 2020, with a satisfaction rate of 95%.
- 92% of employee performance goals and indicators are smart: 10 introductory lectures were given to employees, on the importance of setting goals and the way to enter them into the system. In addition, 12,000 goals and performance indicators were evaluated based on the SMART criteria.

Elm culture and work environment

The Company aims to provide an environment that stimulates creativity, initiative, and ideas, the exchange of opinions, experience, and knowledge among both existing and future employees and that achieves a high level of support, development, and continuous training for employees by providing various training programs. These programs are provided by accredited institutes and held on a continuous basis inside and outside the Kingdom to improve skills and capabilities. The Company aims to enhance the skills of its employees by providing a range of programs that include group training, international courses, and leadership programs, executive training, access to learning management systems (LMS), specialized training plans, higher education completion, graduate programs, and language learning programs.

The Company also pays great attention to all matters that contribute to maintaining the work environment that distinguishes the Group from many of its competitors. This interest is based on a strong belief that employees are the true capital of the Company. As an entity is characterized by its own identity and culture, the Company develops and improves the employees' experience to provide a work environment that stimulates creativity and innovation and operates as an integrated system to achieve a distinct experience for employees. The Company believes that the work culture is felt on a daily basis and that the Group's organizational design, advantages, and internal policies are an integral part of this environment. Therefore, the Company applies a range of policies, programs, and initiatives that contribute to achieving a distinguished employee experience, including, but not limited to, the following initiatives:

- **Housing Loan Support:**

  The Company supports its employees in acquiring suitable housing for them and their families, bearing the interest on housing loans for a period of up to ten years.

- **Healthcare:**

  The Company is concerned with the health of its employees, bearing a portion of the costs of their personal health initiatives such as costs related to joining fitness clubs, purchasing sports equipment, and subscribing to healthy meals.

- **Family care:**

  The Company is concerned with the families of its employees, bearing part of the costs related to memberships in health clubs for the wife, children and parents of employees, training courses for the employee's family members, and fees for nurseries for employees' children.

- **Interest in technology and distance education:**

  Due to rapid changes in technology and the Company's belief in the importance of keeping pace with such changes, the Company bears a portion of the costs related to the purchase of a computer or mobile phone for its employees. As continuous learning has benefits at the level of both the individual and society, the Company encourages its employees to learn about every new and beneficial development to continuously improve their skills. The Company bears for its employees part of the costs related to subscriptions to electronic and audio libraries and professional websites.

- **Safety concerns:**

  Under the slogan of safety first, the Group is concerned with safety and bears part of the car insurance costs for its employees.

- **Leader and employee development:**

  The Group is keen to develop and improve the skills of its employees to be leaders, through various initiatives, including the following:

  - Provision of training courses:

    The Company believes in the continuous pursuit of learning. To this end, the Group uses several tools including training courses, whereby it provides training in an innovative way, whether in specialized training tracks, internal and external training programs, or executive and leader programs.

  - Attention to academic certificates:

    The Company urges its employees to obtain a bachelor's degree, by paying employees' tuition costs.

- Attention to professional certificates:

The Company encourages its employees to constantly learn new things in their specialties, by rewarding them when they obtain a professional certificate.

- **Competitions and events:**

The Company is keen to value and celebrate its employees. The Group also motivates its employees to exercise healthy habits, by holding annual competitions.

- **Employee voice:**

One of the key roles of the Group's Human Resources Committee is to improve the work environment. This committee may be chaired by any employee. Employee Voice is a program of the Human Resources Committee, which is a channel for following up on suggestions and observations to be addressed by the concerned departments. The program aims to convey the voice of employees to senior management, present their key observations, have it contribute to solutions, and help create a comfortable and positive work environment.

12. Social Responsibility

In its broad sense, the concept of corporate social responsibility or corporate social initiatives includes many aspects in various spheres of life, including health, social, environmental, developmental, or other areas. Accordingly, the Group is required to fulfill this responsibility. There is no doubt that the Group has participated in these efforts to achieve its objectives in this field through a specific

and clear strategy based on its national duty and in response to the Kingdom's Vision 2030, which aims to build a vibrant society, a thriving economy, and an ambitious nation.

Elm has spared no effort to support community service programs and implement sustainable programs that benefit all segments of society. Sensing the importance of its integration with the people of the community, the Company has exceeded its role, proceeding from profitability, to paying attention to workers and providing the best services to clients, to contributing to the development of the community, which will have a positive impact on the country and the citizen, believing that its success depends on the extent to which it plays an active role in supporting the various activities and programs of the community. Hence, its participation was varied and diverse in many sectors and fields, covering different groups of society, including:

- Donation to Ehsan Charity Platform with the amount of 5,000,000 (five million) SAR.
- Implementation of the cooperative training program for 68 male and female students.
- Activating the summer training for 28 male and female students.
- Implementation of the first professional simulation day program with the Misk Foundation (visiting a number of high school students for science, and spending a full day with the counselors in Elm).
- Activating the 20-seat bridging program (students and males).

13. Board of Directors

13.1 Composition of the Board of Directors and its committees, classification of its members and Executive Management

Based on Article Eighteen of the Company's Articles of Association, the Board of Directors is composed of nine members, who are elected by the Ordinary General Assembly of shareholders for a period not exceeding three years. The Ordinary General Assembly may re-elect the members of the Board of Directors for a similar term, and each shareholder may nominate themselves or one or more persons for membership on the Board of Directors, in proportion to their shareholding in the Company's capital. The Board appoints from among its members a chairman and a vice-chairman. and may specify the powers and responsibilities of each in a manner that does not conflict with the Company's Bylaws and other related regulations. It is prohibited to hold, at the same time, the position of chairman and any other executive position in the Company. The Company's Board of Directors also formed two standing committees: The Nominations and Remunerations Committee, and the Investment Committee. The General Assembly formed the Audit Committee. Also, all members of the Company's Board of Directors are non-executive, since the Company was not listed in 2021, so there were no independent members of the Board of Directors. However, the Company pledged, in the prospectus, to open the door for candidacy to elect independent members of the Company's Board of Directors to complete the current session and to appoint independent members to Board committees to comply with the requirements stipulated in the corporate governance regulations.

13.1.1 Members of the Board of Directors and its Committees and Their Membership Classification

Member's name	Raed Abdullah Ibrahim bin Ahmed
Membership	Chairman of Board of Directors
Academic qualifications	- Higher Diploma in Financial Planning, Dalhousie University and Institute of Banking, Canada, 2002. - Bachelor's degree in Accounting, King Saud University, Saudi Arabia, 1991.
Membership of other companies	Member of the Board of Directors of the Quality of Life Program.

Member's name	Raid Abdullah Ismail
Membership	- Vice-Chairman of Board of Directors - Member of the Nominations and Remunerations Committee
Academic Qualifications	- Master of Business Administration, London Business School, United Kingdom, 2008. - Bachelor's degree in Finance, George Mason University, USA, 2001.
Experience	- Senior Director, Head of MENA Direct Investments, Head of OVCG, Public Investment Fund 2018-Present - Founder/Managing Partner of House of Retail LLC. 2014-2017 - CEO, Saudi Tadawi Health Care Group 2011-2013 - General Manager, Olayan Food Services Co. 2010-2011 - Director of Finance and Strategy,Olayan Food Services Co. 2009-2011 - Secondee, Corporate Finance Department, Saudi Capital Market Authority 2006 - Senior Manager, Global Investment Banking Advisory, HSBC 2003-2006
Other	- Chairman, GDC Middle East - Chairman, Tahakom Investments - Chairman, The Helicopter Company (THC) - Board Member, The National Shipping Company of Saudi Arabia (BAHRI) - Board Member, Elm company - Board Member, Cruise Saudi - Board Member, The National Unified Procurement Company (NUPCO) - Board Member, The Kuwait Food Company (Americana)

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Member's name	His Excellency Dr. Issam Abdullah Al-Waqit
Membership	- Board Member - Member of the Nominations and Remunerations Committee
Academic Qualifications	- Ph.D. in Computer Science, Valencia Polytechnic University, Kingdom of Spain, 2011.
Membership of other companies	

Member's name	Al-Shayhana Saleh Al-Azzaz
Membership	- Board Member
Academic Qualifications	- Bachelor of Laws, Durham University, United Kingdom, 2008
Membership of other companies	- Chairman of the Board of Directors of Silah Sports Company, a Saudi closed joint-stock company, working in the field of organizing and managing sports, entertainment and cultural events, from 2020 to date. - Member of the Board of Directors of Tabadul Company, a Saudi closed joint-stock company, working in the field of technology, from 2019 to date. - Chairman of the Nominations and Remunerations Committee at Exchange Company, a closed Saudi joint-stock company, working in the field of technology, from 2019 to date. - Member of the Board of Directors of the Diplomatic Quarter Holding Company, a Saudi closed joint-stock company, working in the field of real estate, from 2019 to date. - Member of the Nominations and Remunerations Committee of the Diplomatic Quarter Holding Company, a Saudi closed joint-stock company, working in the field of real estate, from 2019 to date. - Secretary-General of the Board of Directors of the Public Investment Fund, a Saudi government sovereign fund, working in the field of investment, from 2018 to date.

Member's name	Abdullah bin Abdulrahman bin Abdulmohsin Al-Rabiah
Membership	- Board Member - Member of the Nominations and Remunerations Committee
Academic Qualifications	- Master's degree in Electrical Engineering, King Saud University, Kingdom of Saudi Arabia, 2006. - Bachelor's degree in Electrical Engineering, King Saud University, Saudi Arabia, in 1999.
Membership of other companies	

Member's name	Abdullah bin Saad bin Mohammed Al-Salem
Membership	- Board Member - Chairman of the Investment Committee - Member of the Nominations and Remunerations Committee
Academic Qualifications	- Master of Business Administration, University of Portsmouth, United Kingdom, 2010. - Bachelor's degree in Information Systems, King Saud University, Kingdom of Saudi Arabia, 2007.
Membership of other companies	- Member of the Board of Directors of the Saudi Artificial Intelligence Company, a limited liability company, working in the field of artificial intelligence, from 2021 to date. - Member of the Board of Directors of Jasara Company, a closed joint-stock company, working in the field of managing social infrastructure programs, from 2019 to date. - Member of the Board of Directors of Saudi Boutique Company, a closed joint-stock company, working in the field of real estate asset management (heritage tourism), from 2019 to date. - Member of the Executive Committee of Saudi Boutique Company, a closed joint-stock company, working in the field of real estate asset management (heritage tourism), from 2019 to date. - Member of the Nominations and Remunerations Committee of Saudi Boutique Company, a closed joint-stock company, working in the field of real estate asset management (heritage tourism), from 2019 to date.

13.1.2 Outgoing Board Committee Members

Member's name	Membership	Practical qualifications
Dr. Abdul Rahman bin Muhammad bin Abdul Aziz Al-Barrak	Chairman of the Audit Committee	Ph.D. in Finance, University of Newcastle, United Kingdom, 2005
Mr. Firas bin Salah Al-Din bin Abdul Hamid Akkad Al-Qurashi	Member of the Audit Committee	Master's degree in Banking and Finance, University of Sydney, Australia, 2010
Mr. Turki bin Abdul Mohsen bin Faleh Al-Luhaid	Member of the Audit Committee	Bachelor's degree in Accounting, King Saud University, Kingdom of Saudi Arabia, 2003
Mr. Marwan bin Hamad bin Abdullah Al-Luhaidan	Member of the Audit Committee	MSc in Computer Systems Security, University of Glamorgan, United Kingdom, 2010
Dr. Abdulrahman bin Saad bin Saadan Al-Jadhi	Member of the Investment Committee	Ph.D. in Computer Science, University of Pittsburgh, Pennsylvania, USA, 1999

13.1.3 Executive Management

Name	Dr. Abdulrahman bin Saad bin Saadan Al-Jadhi
Position	Chief Executive Officer (CEO)
Academic Qualifications	Ph.D. in Computer Science, University of Pittsburgh, Pennsylvania, USA, 1999
Experience	CEO of the Company from 2012 to date. Member of the Board of Directors of the Wadi Taiba Company. Member of the Board of Directors of the National Real Estate Registration Services Company. Assistant Professor at the Technical College, from 1999 to 2002. Infrastructure Manager at the Saudi Telecom Company, a listed joint-stock company, working in the telecommunications field, from 2002 until 2005.

Name	Dr. Muhammad Abdul Karim bin Abdul Rahman Al Muhaimid
Position	Vice-President of Digital Projects Group
Academic Qualifications	Ph.D. in Electrical and Computer Engineering, University of Pittsburgh, USA, 1997
Experience	- Member of the Board of Trustees of Al-Maarefa University, a private Saudi university, working in the field of higher education, from 2013 to date. - Member of the Advisory Board of the College of Computer at Qassim University, a Saudi public university, working in the field of higher education, from 2014 to date. - Executive Director of the Startups Unit in the Company from 2014 to 2016. - Executive Director of the Electronic Services Business Unit in the Company from 2010 to 2014. - Member of the Board of Directors of Obeikan Company Ltd., a Saudi-Emirati company working in the field of e-learning, from 2009 to 2011. - Director of Technology at Obeikan Education Company, a Saudi-Emirati company working in the field of education, in 2010. - General Manager of Technology at Obeikan Research and Development Company, a Saudi-Emirati company working in the field of research and development, from 2009 to 2010. - Assistant Professor at the College of Computer and Information Sciences at King Saud University, a Saudi public university, working in the field of higher education, from 1997 to 2005. - Chairman of the Advisory Committee of the Saudi Computer Society, a Saudi association, working in the field of computer engineering, from 2001 to 2005. - Head of the Academic Guidance Team at Jeddah International Training Institute, a Saudi private educational institution, working in the field of training, from 2003 to 2005. - Head of the Employment Committee at the College of Computer and Information Sciences at King Saud University, a Saudi public university, working in the field of higher education, from 2004 to 2005. - Vice-President of the Signal Processing Association, Saudi Branch, affiliated with the Institute of Electrical Engineers, headquartered in New Jersey, USA, from 2004 to 2005. - Member of the Technical Committee for the establishment of Qassim University, a public university, working in the field of higher education, from 2003 to 2004.

	- Consultant in the National Information Technology Plan project, a Saudi project, working in the field of information technology, from 2002 until 2003.
	- Supervisor of the urgent plan in the National Information Technology Plan project, a Saudi project, working in the field of information technology, from 2002 to 2003.
	- Chairman of the Long-Term Vision Committee of the National Information Technology Plan, a Saudi project, working in the field of information technology, in 2003.
	- Chairman of the Five-Year Plan Committee in the draft National Information Technology Plan, a Saudi project, working in the field of information technology, in 2003.
	- Vice-Dean of the College of Computer and Information Sciences at King Saud University, a Saudi public university, working in the field of higher education, from 2000 to 2002.

Name	Dr. Nasser bin Zaid bin Abdulrahman Al-Mashari
Position	Vice-President for Business Sectors
Academic Qualifications	Ph.D. in Information Security, Florida Tech University, USA, 2004
Experience	- Member of the Board of Directors of Al-Watan Solutions Company, a Saudi limited liability company, working in the field of information technology, from 2020 to date. - Member of the Board of Directors of Sahel Al Madar Trading Company, a Saudi limited liability company, working in the field of information technology, from 2020 to date. - Member of the Steering Council on the strategic direction of Princess Nourah University, a Saudi public university, working in the field of education, from 2020 to date. - Member of the Advisory Board of Majmaah University, a Saudi public university, working in the field of education, from 2019 to date. - Member of the Advisory Council at Al Yamamah University, a Saudi private university, working in the field of education, from 2019 to date. - Vice-President of Training Solutions Sector in the Company from 2013 to 2020. - Business development advisor at Axier Health Systems, a private Saudi company, working in the field of health technologies, from 2011 to 2013. - Chief Technical Director and Advisor to His Highness the Undersecretary for Technical Affairs at the Ministry of Foreign Affairs, a Saudi ministry, working in the field of foreign affairs for the Kingdom, from 2009 to 2011. - Team Leader of the Command, Control, Communications, Computer and Intelligence Project at the Ministry of Defense, a Saudi ministry, working in the defense field, from 2008 to 2010. - Privacy and Information Security Officer in the Company, from 2006 to 2010. - Information security advisor in the Saudi CERT program at the Communications and Information Technology Commission, a Saudi authority, working in the field of communications and information technology, from 2006 to 2009. - Assistant Professor at the Institute of Public Administration, a Saudi educational institution, working in the field of education and training, from 2004 to 2008. - Technical advisor at King Fahd Medical City, a Saudi government hospital, working in the health field, from 2004 to 2008. - Technical advisor in the Yosr program at the Ministry of Communications and Information Technology, a Saudi ministry, working in the field of communications and information technology, from 2006 to 2007.

Name	Dr. Abdulaziz bin Saad bin Abdulaziz Al-Tamami
Position	Vice-President of Company Development
Academic Qualifications	Ph.D. in Computer Engineering, University of Bradford, United Kingdom, 1995
Experience	- Vice-President of Corporate Relations, from 2012 to 2017. - Chief Technologist in the Company, from 2010 to 2012. - General Manager of Business Administration Technology at Saudi Telecom Company, a Saudi listed joint-stock company, working in the field of telecommunications, from 2008 to 2010. - Director General of Resource Planning and Electronic Services at Saudi Telecom Company, a Saudi listed joint-stock company, working in the field of telecommunications, from 2006 to 2007. - Director General of Planning and Resources at the Saudi Telecom Company, a Saudi listed joint-stock company, working in the telecommunications field, from 2005 to 2006.

- Advisor to the Vice-President and Director of Information Technology Engineering and Integration, at the Saudi Telecom Company, a Saudi listed joint-stock company, working in the field of telecommunications, from 2003 to 2005.
- Director of the Information Technology Engineering and Integration Department at Saudi Telecom Company, a listed Saudi joint-stock company, working in the telecommunications field, from 2001 to 2003.
- Director of the Information Technology Consulting and Studies Department, at the Saudi Telecom Company, a listed Saudi joint-stock company, working in the telecommunications field, from 2000 to 2001.
- Assistant Director of the Information Technology Consulting and Studies Department, at the Saudi Telecom Company, a Saudi listed joint-stock company, working in the field of communications, from 1999 to 2000.
- Director of the Technical Training and Technology Transfer Program at the Saudi Telecom Company, a listed Saudi joint-stock company, working in the telecommunications field, from 1998 to 1999.
- Head of the Computer Department, at the Technical College in Riyadh, a Saudi educational institution, working in the field of technical and vocational education, from 1996 to 1998.
- Assistant Professor of Computer Engineering, at the Technical College in Riyadh, a Saudi educational institution, working in the field of technical and vocational education, from 1995 to 1996.
- Teaching Assistant, at the Technical College in Riyadh, a Saudi educational institution, working in the field of technical and vocational education, from 1987 to 1988.

Name	Mr. Majid bin Saad bin Muhammad Al-Arefi
Position	Vice-President of Marketing
Academic Qualifications	Bachelor of Business Administration, King Saud University, Kingdom of Saudi Arabia, 1997
Experience	- Director of the Marketing Department in the Company, from 2010 to 2018. - Assistant General Manager of Leasing at Mohammed Al Habib Real Estate Company, a Saudi limited liability company, working in the field of real estate development, from 2007 to 2010. - Director of Services Development (Saudinet) at Saudi Telecom Company, a Saudi listed joint-stock company, working in the field of telecommunications and the provision of Internet services, from 2001 to 2007. - Deputy Managing Director of General Electric Company, a US listed joint-stock company, working in the field of industry and energy, from 1997 to 2001.

Name	Mr. Bassam bin Nasser bin Ali Al Muhaidib
Position	Vice-President of Outsourcing Sector
Academic Qualifications	- Diploma of Leaders Program, General Electric University, Italy, 2012 - Bachelor's degree in Mechanical Engineering, King Saud University, Kingdom of Saudi Arabia, 2007
Experience	- Executive Vice-President at Imdad Expertise Company, a limited liability company, working in the field of human resources, from 2018 to 2020. - Director of Projects and Portfolio Management in the Company, from 2019 to 2020. - Director of the Operations Department in the Outsourcing Sector of the Company, from 2015 until 2017. - Program Manager in the Company, from 2013 to 2015. Director of Projects and Services Department at Saudi General Electric Company, Al-Tamimi, a Saudi limited liability company, working in the field of industry, from 2007 to 2013.

Name	Mr. Munir bin Owais bin Rahim Al Fahidi
Position	Vice-President of Human Capital Sector
Academic Qualifications	Master's degree in Human Resources, Colleges of the Arab East, Kingdom of Saudi Arabia, 2018
Experience	- Vice-President of the Human Capital Sector in the Company, from 2010 to date. - Director of Human Resources at Al-Afdal Company (a member of the Abdul Latif Al-Essa Automotive Group), from 2004 to 2010. - Human Resources Supervisor at Jarir Marketing Company, from 2000 until 2004.

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Name	Mr. Faris Bin Hamad Bin Faris Al Faris
Position	Vice-President of Common Services Sector
Academic Qualifications	Master of Laws, Nottingham Trent University, United Kingdom, 2005
Experience	- Director of the Company's Legal Affairs Department from 2006 to 2015. - Director of the Common Services Department from 2015 to 2018. - Vice-President of Common Services since 2018, which includes the Legal Department, Administrative Affairs Department, Engineering Department, Maintenance and Procurement Department. - Secretary of the Board of Directors since 2020.

Name	Mr. Muhammad bin Abdulaziz bin Ibrahim Al-Omair
Position	CEO of Digital Products
Academic qualifications	Bachelor's degree in Systems Analysis, King Saud University, Saudi Arabia, 2000
Experience	- Executive Director of Electronic Services in the Company, from 2012 to 2016. - Director of Electronic Services Sales in the Company, from 2011 to 2012. - Director of Marketing and Business Solutions in the Company, from 2008 to 2011. - Marketing Director of the Company, from 2005 to 2008. - Executive Marketing Officer in the Company, from 2002 until 2005.

Name	Mr. Othman bin Muhammad bin Abdullah Al-Tuwaijri
Position	Vice-President of Finance
Academic Qualifications	Bachelor's degree in Accounting, King Saud University, Kingdom of Saudi Arabia, 2007
Experience	• Member of the Audit Committee of the Red Sea Cruise Ship Company, from 2021 to date. • Executive Director of Financial Operations in the Company from 2018 until 2019. • Audit Manager and licensed partner in Ernst & Young (Chartered Accountants), a Saudi professional company, working in the field of providing accounting and financial advisory services, from 2016 to 2018.

Name	Mr. Riad Souissi
Position	Vice-President of Research and Innovation Sector
Academic Qualifications	Master's degree in Communication and Information Systems, (Ecole Centrale Paris), France, 1996
Experience	- Information Manager at Axis, an Indonesian company, working in the telecommunications field, from 2008 to date. - General Director of Research in the Company from 2018 to 2020. - General Manager for Development in the Company from 2010 to 2018. - Director of Integration Development at Saudi Telecom Company, a listed joint-stock company, working in the telecommunications field, from 2004 to 2008.

Name	Mr. Abdulaziz bin Abdullah bin Muhammad Al-Haidari
Position	Head of Internal Audit
Academic Qualifications	- Master's degree in Information Technology Management, California State University, USA, 2016 - Master's degree in Professional Accounting, King Saud University, Kingdom of Saudi Arabia, 2012
Experience	- Chief Executive Officer of Internal Audit in the Company from 2017 to date. - Member of the Audit Committee of National Bonds Corporation, a closed joint-stock company, working in the field of finance and investment from 2021 to date. - Member of the Audit Committee of the Saudi Information Technology Company (SITE), a closed joint-stock company, working in the field of information technology and security, from 2020 to date. - Chairman of the Audit Committee of Mask Logistics Company, a limited liability company, working in the field of logistics solutions for the workforce, from 2018 to date.

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	- Member of the Internal Audit Committee at Maharah Human Resources Company, a Saudi listed joint-stock company, working in the field of human resources, from 2018 to date.
	- Member of the Internal Audit Committee of Leejam Sports Company, a Saudi listed joint-stock company, working in the field of sports equipment and clubs, from 2018 AD to date.

Name	Eng. Salem bin Saud bin Ibrahim Al-Ghaslan
Position	Vice-President of Technology
Academic Qualifications	Bachelor's degree in Computer Science, Indiana State University, USA, 1985
Experience	- Senior Adviser to the Chief Technology Officer of the Company, from 2017 to 2020. - Executive Director of Absher for Electronic Services in the Company, from 2014 to 2017. - Leading the Technical Partnership Advisory Team in the Company, from 2012 to 2014. - Director of the General Database Program, Phase Two, at the National Information Center, from 2011 to 2012. - Cooperating Director delegated by Elm for the Information Center to manage the Comprehensive Cases Project at the National Information Center, from 2011 to 2012. - Director of Information Technology Services and Consultations in the Company, from 2011 to 2012. - Senior Technical Advisor in the Company, from 2007 to 2011. - Director of Information Technology in the Company, from 2003 to 2007. - Director of the Public Database Program at the National Information Center, a Saudi government center, working in the field of information, from 2001 to 2003.

Name	Mr. Fahd bin Issa bin Ibrahim Al-Shathri
Position	Vice-President for Investment and Acting Vice-President for Professional Services
Academic Qualifications	Bachelor's degree in Software Engineering, College of Business and Information Technology, United Kingdom, 2003
Experience	- General Manager of the Finance and Digital Transformation Sector in the Company in 2021. - General Manager of the Public Investment Fund Sector in the Company for a year 2018 until 2020. - Director of Business Development and Sales in the Company from 2011 to 2018. - Deputy Director of Government Solutions in the Company from 2010 to 2011. - Vice-President of Sales and Marketing at Security Technology Company, a private Saudi company, working in the field of information technology, from 2007 to 2010. - Sales Manager at Security Technology Company, a private Saudi company, working in the field of information technology, from 2004 to 2006. - Sales Manager for the Government Sector at the Security Technology Company, a private Saudi company, working in the field of information technology, from 2003 to 2004. - Director of Marketing and Sales at Al Mutabrit Computer Systems Company, a private Saudi company, working in the field of information technology, from 2002 until 2003. - Executive Director of Arasov Company, a private Saudi company, working in the software field, from 1998 to 2002. - Analyst and Programming Specialist in the Royal Saudi Air Force, from 1995 to 2002. - Programmer and System Analyst at Al-Rajhi Banking Company, a Saudi joint-stock company, working in the field of providing banking services, from 1993 to 1995. - Computer Systems Trainer at Al-Rajhi Banking Company, a Saudi joint-stock company, working in the field of providing banking services, from 1992 to 1993.

13.2 Statement of General Assembly Meetings

Ordinary General Assembly No. (12) on 08/06/2021

The twelfth meeting was held via video conferencing, on Tuesday 27/10/1442 AH, corresponding to 08/06/2021 AD, after the quorum was completed.

The members of the Assembly are:

Member's name	Position
Mr. Raed bin Abdullah bin Ahmed	Chairman of Board of Directors Chairman of the Assembly Meeting
Mr. Abdullah bin Abdul Rahman Al-Rabiah	Representative of the Ministry of the Interior
Mr. Ahmed bin Saleh Al-Hussaini	Representative of the Public Investment Fund

Extraordinary General Assembly No. (5) on 20/06/2021

The twelfth meeting was held via video conferencing, on Sunday 10/11/1442 AH, corresponding to 20/06/2021 AD, after the quorum was completed.

The members of the Assembly are:

Member's name	Position
Mr. Raed bin Abdullah bin Ahmed	Chairman of Board of Directors Chairman of the Assembly Meeting
Mr. Abdullah bin Abdul Rahman Al-Rabiah	Representative of the Ministry of the Interior
Mr. Ahmed bin Saleh Al-Hussaini	Representative of the Public Investment Fund

Extraordinary General Assembly No. (6) on 23/06/2021

The twelfth meeting was held via video conferencing, on Wednesday 13/11/1442 AH, corresponding to 23/06/2021 AD, after the quorum was completed.

The members of the Assembly are:

Member's name	Position
Mr. Raed bin Abdullah bin Ahmed	Chairman of Board of Directors Chairman of the Assembly Meeting
Mr. Abdullah bin Abdul Rahman Al-Rabiah	Representative of the Ministry of the Interior
Mr. Ahmed bin Saleh Al-Hussaini	Representative of the Public Investment Fund

Ordinary General Assembly No. (13) on 18/10/2021

The twelfth meeting was held via video conferencing, on Monday 12/03/1443 AH, corresponding to 18/10/2021, after the quorum was completed.

The members of the Assembly are:

Member's name	Position
Mr. Raed bin Abdullah bin Ahmed	Chairman of Board of Directors Chairman of the Assembly Meeting
Mr. Abdullah bin Abdul Rahman Al-Rabiah	Representative of the Ministry of the Interior
Mr. Abdullah bin Ali Al Duhami	Representative of the Public Investment Fund

Extraordinary General Assembly No. (7) on 25/11/2021

The twelfth meeting was held via video conferencing, on Thursday 20/04/1443 AH, corresponding to 25/11/2021, after the quorum was completed.

The members of the Assembly are:

Member's name	Position
Mr. Raed bin Abdullah bin Ahmed	Chairman of Board of Directors Chairman of the Assembly Meeting
Mr. Abdullah bin Abdul Rahman Al-Rabiah	Representative of the Ministry of the Interior
Mr. Abdullah bin Ali Al Duhami	Representative of the Public Investment Fund

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a. Participation in Board and committee meetings

The following tables show the number of meetings of the Board of Directors and its committees for the year ending on 31 December 2021, as follows:

14.1 Board Meetings

Member's name	Title	23/3/2021	8/6/2021	21/9/2021	31/10/2021	25/11/2021	14/12/2021	29/12/2021	Total
Mr. Raed bin Abdullah bin Ahmed	Chairman of Board of Directors	✓	✓	✓	✓	✓	✓	✓	7
Mr. Raed bin Abdullah bin Ismail	Vice-Chairman of Board of Directors	✓	✓	✓	✓	✓	✓	✗	6
Mrs. Al-Shayhana bint Saleh Al-Azzaz	Board Member	✓	✓	✓	✓	✗	✓	✓	6
His Excellency Dr. Issam bin Abdullah bin Khalaf Al-Waqit	Board Member	✓	✓	✓	✓	✓	✓	✓	7
Mr. Abdullah bin Abdulrahman Al-Rabiah	Board Member	✓	✓	✗	✓	✓	✓	✓	6
Mr. Yazid bin Ibrahim Al-Hammad (*)	Board Member	✓	✓	✗	✗	✗	✗	✗	2
Mr. Abdullah bin Saad Al-Salem (*)	Board Member	✗	✗	✓	✓	✓	✓	✓	5
Mr. Fahd bin Ibrahim Al Zara'a (**)	Board Member	✓	✓	✓	✓	✗	✗	✗	4

(*) The resignation of Mr. Yazid bin Ibrahim Al-Hammad from the membership of the Board was accepted, and Mr. Abdullah bin Saad Al-Salem was appointed as his replacement on 24/06/2021, pursuant to Board Resolution No. (444/66/2021), dated 25/06/2021.

(**) The decision of the Extraordinary General Assembly (7) was issued to form the new Board of Directors as of 25/11/2021, to form the new Board with the same members as in the previous session, with the exception of Mr. Fahd bin Ibrahim Al Zaraa.

14.2 Board Committee Meetings

14.2.1 Nominations and Remunerations Committee

The Nominations and Remunerations Committee aims to assist the Board of Directors in performing its regulatory and supervisory duties efficiently and effectively, on top of which are: Recommending and supervising the process of nominating Board members, committees and the CEO; supervising succession plans for key positions such as the CEO and Financial Manager; recommending the Board of Directors to update policies related to the Board of Directors and its committees; periodically reviewing the performance, capabilities and qualifications the members of the Board and committees; periodically verifying the independence of the members of the Board and committees; setting clear policies for the compensation and remuneration of the Board of Directors, committees, senior executives; remuneration programs and policies related to the Company's human capital.

The names of the members of the Nominations and Remunerations Committee and the number of meetings of each member during the year are as follows:

Member's name	Title	28/2/2021	23/5/2021	5/9/2021	16/9/2021	12/12/2021	Total
Mrs. Al-Shayhana bint Saleh Al-Azzaz (*)	Committee president	✓	✓	✓	✗	✗	3
His Excellency Dr. Issam bin Abdullah bin Khalaf Al-Waqit	Board member	✓	✓	✓	✓	✓	5
Mr. Abdullah bin Saad Al-Salem (**)	Board member	✗	✗	✓	✓	✓	3
Mr. Abdullah bin Abdulrahman Al-Rabiah (**)	Board member	✗	✗	✓	✓	✓	3
Dr. Abdul Rahman Saad Al Jadhai (*)	Board member	✓	✓	✓	✓	✗	4
Mr. Raed bin Abdullah bin Ismail (***)	Board member	✗	✗	✗	✗	✓	1
Mr. Yazid bin Ibrahim Al-Hammad (****)	Board member	✓	✓	✗	✗	✗	2

(*) The Committee will be re-formed according to Board Resolution No. (469/68/2021 BD) and dated (25/11/2021), so that the (Executive of the Company) would not be among its members. The Chairman of the Committee will be appointed upon the appointment of an independent member of the Committee, in line with the Corporate Governance Regulations for Listed Companies.

(**) Mr. Abdullah bin Saad Al-Salem and Mr. Abdullah bin Abdul-Rahman Al-Rabiah were appointed as members of the Committee, pursuant to Board Resolution No. (444/66/2021 BD), dated 24/08/2021.

(***) Mr. Raed bin Abdullah Ismail was appointed as a member of the Committee, pursuant to Board Resolution No. (469/68/2021 BD), dated 25/11/2021.

(****) The resignation of Mr. Yazid bin Ibrahim Al-Hammad from the Committee's membership was accepted as of 24/06/2021, pursuant to Board Resolution No. (444/66/2021 BD), dated 25/06/2021.

14.2.2 Investment Committee

The duties and responsibilities of the Investment Committee include supervision of the management of the Company's cash allocated for investment or funds that are borrowed for the purpose of investment in order to generate the maximum possible returns; definition of investment strategy and policies; reviewing the proposed investments and submitting to the Board of Directors for approval; supervision of the performance of investment operations; reviewing recommendations to establish or acquire companies wholly or partly owned by the Company and recommending to the Board any observations or recommendations regarding them; periodically reviewing any investment criteria or other standard devices employed by the Company to monitor the performance of its investments; reviewing and addressing issues related to zakat/tax compliance as regards investment transactions and ensuring that the investments made by the Company are in compliance with Shariah controls.

The names of the members of the Investment Committee and the number of meetings of each member during the year are as follows:

Member's name	Title	1/3/2021	14/3/2021	6/9/2021	Total
Mr. Fahd bin Ibrahim Al Zara'a (*)	Committee president	✓	✓	✓	3
Mr. Raed bin Abdullah bin Ismail (*)	Board member	✓	✓	✗	2
Mr. Abdullah bin Saad Al-Salem (**)	Committee member (formerly) (Chairman of the Committee for the current session)	✗	✗	✓	1
Mr. Nawaf bin Dawood Al-Hoshan	Board member	✓	✓	✓	3
Dr. Abdul Rahman Saad Al Jadhai	Board member	✗	✓	✓	2
Ms. Shahad bint Abdulrahman Attar (*)	Board member	✗	✗	✗	0
Mr. Fahd bin Khaled Al-Saud (*)	Board member	✗	✗	✗	0
Mr. Yazid bin Ibrahim Al-Hammad (**)	Board member	✓	✗	✗	1

(*) The Investment Committee was reconstituted pursuant to Board Resolution No. (470/68/2021 BD), dated 25/11/2021, headed by Mr. Abdullah Al-Salem, and the addition of Mr. Fahd bin Khaled Al-Saud and Ms. Shahd Bint Abdul Rahman Attar; the membership of Mr. Raed bin Abdullah Ismail and Mr. Fahd Al Zara'a ended accordingly.

(**) The resignation of Mr. Yazid Al-Hammad and the addition of Mr. Abdullah Al-Salem as a member of the Committee was approved pursuant to Board Resolution No. (455/66/2021 BD), dated 24/08/2021, as of its date.

14.2.3 Audit Committee

The most important objectives of the Committee are to assist the Board of Directors in verifying the adequacy of the Company's Internal Control System and its effective implementation, and to make any recommendations to the Board that would activate and develop the Internal Control System, in order to achieve the Company's goals and protect the interests of shareholders. The Committee also assists the Board to fulfill its oversight responsibilities of the financial, operational and information systems of the Company.

The Committee's competences and tasks include studying the initial and annual financial statements; studying and reviewing the internal and financial control system and risk management; verifying the effectiveness and adequacy of internal control in the "Company"; recommending the appointment of the external auditor; and ensuring compliance with the relevant laws, regulations, policies and instructions. The Committee also recommends to the Board of Directors to appoint chartered accountants, follow up their work, study the audit plan, follow up on its implementation, and ensure their independence.

The names of the members of the Audit Committee and the number of meetings of each member during the year are as follows:

Member's name	Title	5/1/2021	14/3/2021	25/5/2021	11/7/2021	1/9/2021	28/11/2021	26/12/2021	Total
Dr. Abdul Rahman bin Muhammad Al-Barrak	Committee president	✓	✓	✓	✓	✓	✓	✓	7
Mr. Omar bin Abdulrahman Aba Al-Khail (*)	Member	✓	✓	✓	✓	✓	✗	✗	5
Mr. Turki bin Musaed Al Mubarak (*)	Member	✓	✓	✓	✓	✓	✗	✗	5
Mr. Turki bin Abdul Mohsen Al-Luhaid	Member	✓	✓	✓	✓	✓	✓	✓	7
Mr. Marwan bin Hamad Al-Luhaidan	Member	✓	✓	✓	✓	✓	✓	✓	7
Mr. Firas bin Abdul Hamid Qurashi (*)	Member	✗	✗	✗	✗	✗	✓	✓	2

(*) The committee was re-formed pursuant to the Extraordinary General Assembly Resolution (7) No. (02/07/2021 EGA). dated 25/11/2021, by adding Mr. Firas bin Abdul Hamid Qurashi and the termination of the membership of Mr. Omar bin Abdul Rahman Aba Al-Khail and Mr. Turki bin Musaed Al-Mubarak as of the date of the decision.

15. Governance and Internal Audit Committee

The Audit Committee of Elm Company aims to assist the Board of Directors in verifying the adequacy of the Company's Internal Control System and its effective implementation, and to make any recommendations to the Board of Directors that would strengthen and develop the Internal Control System in order to achieve the Company's objectives and protect the interests of shareholders. The Committee also assists the Board of Directors in fulfilling its supervisory responsibility over the Company's financial, operational and information systems.

The Audit Committee has supervised the work of the Internal Audit, which periodically checks the adequacy and effectiveness of the Internal Control System and procedures in order to provide a continuous evaluation of the Internal Control System and its effectiveness. This comes within the objectives of the Board of Directors to obtain reasonable conviction about the soundness of the design and the effectiveness of the performance of the Company's Internal Control System. During the fiscal year 2021, the Audit Committee carried out the following in this regard: Holding seven meetings, during which they discussed a number of issues related to the Committee's work, in the presence of the Company's Auditor, the Internal Audit Team and the relevant sectors in the Company, including, for example:

- Studying the preliminary and annual financial statements before presenting them to the Board of Directors.
- Recommending the appointment of the Auditor of the Company.
- Reviewing the schedule of financial and administrative powers of Elm Company.
- Approving the Internal Audit plan, and discussing the Internal Audit reports.
- Discussing the report of the communications and the measures taken in respect of them.
- Discussing the duties and responsibilities of the Company's risk management.
- Discussing financial, operational and business risks.
- Discussing the results of the report of the Cybersecurity Authority.
- A feasibility study and proposals for establishing a compliance department to verify the Company's compliance with the relevant regulations and rules.
- Presenting to the Board a perception of the need to establish an independent risk committee.

Based on the foregoing, it was not clear to the Committee the existence of substantial observations on the adequacy of the Company's Internal Control System. Attached is the most important work of the Audit Committee for the year 2021:

The Internal Audit operations during the year 2021 included eight sectors within the Company in its various departments, and the observations were distributed as follows:
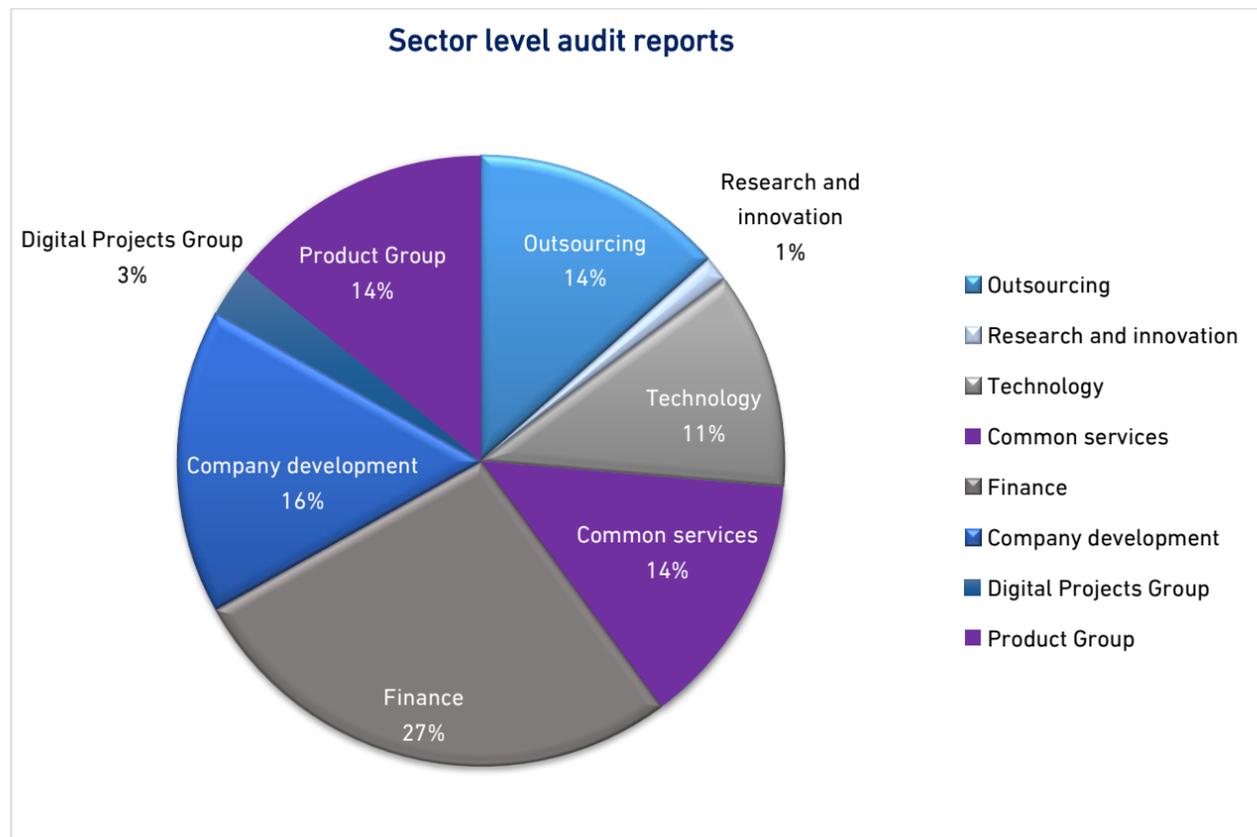
The number of observations related to these reports and the level of risk for each of them are as follows:
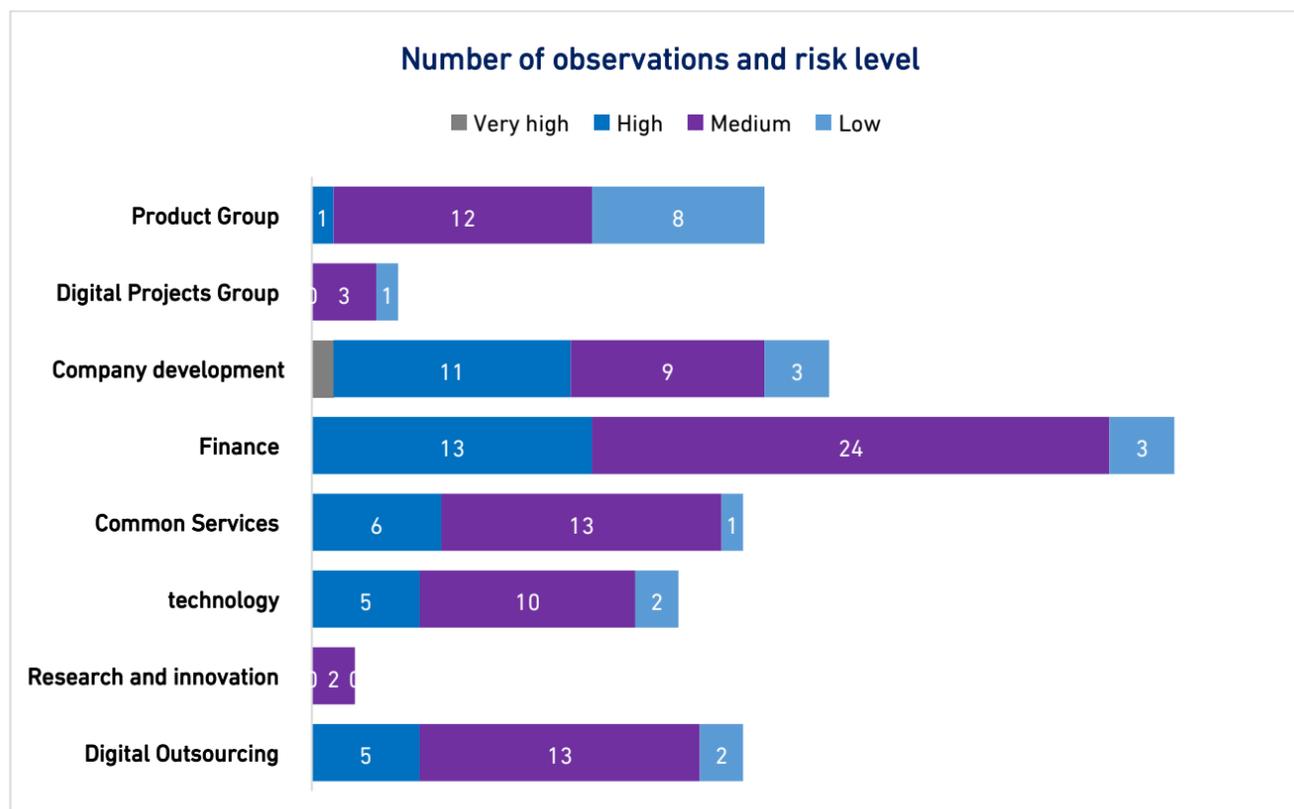
The current status of observations and corrective actions is as follows:

Corrective action status

■ Closed   ■ In progress   ■ Open

625

221

28
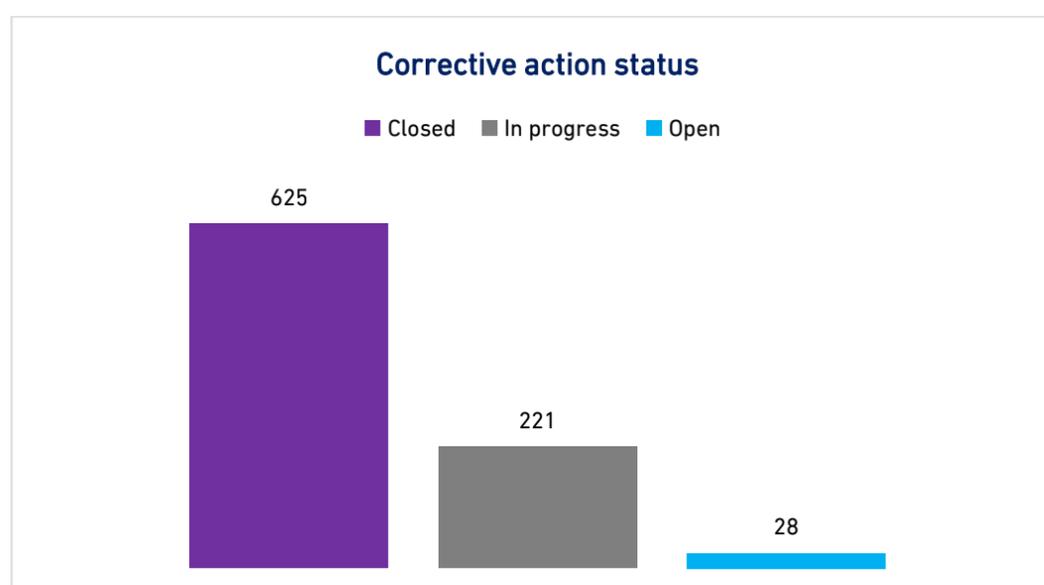
The most important annual Internal Audit Reports that were discussed were as follows:

Sector	Report name
Technology	- Technical Operation – IP Telephony
	- IT asset management and software licensing
	- Incident Management Process
	- Technical Operation – Virtual Environment
Product Group	- Real estate
	- Vehicles – Tamm
	- Health, Safety – Salamah
	- Vehicles – Wasl
Finance	- Receivable operations
	- Collection management
	- Revenue recognition
	- Financial Control Department
	- Revenue recognition
	- Receivable Operations
	- Collection management
Digital Outsourcing	- Ejadah Project
	- Vaccine Project
Research and innovation	- Research
Company development	- IT Governance
	- Risk Management
	- Agility and Governance
	- Information Security Governance and Risk Management – Information Security Management System
Common services	- Board secretariat
	- Engineering and maintenance services
	- Procurement processes for Engineering and Maintenance Services Department

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Digital Projects Group	- Finance and Urban Development

Based on the Internal Audit reports, it was found that there are some areas of development, for which corrective measures have been identified, and their implementation is followed up by the Internal Audit.

Recommendation of the Board of Directors to change the Auditor before the end of the period for which he/she was appointed:

The Board of Directors issued Resolution No. (447/66/2021 BD), dated 21/09/2021, based on the Audit Committee's recommendation No. (321/75/2021 AC) to suspend the appointment of Deloitte & Touche and associates - Accountants and Certified Auditors, for the auditing of annual financial statements, and to appoint them only to examine the interim condensed consolidated financial statements of the Company for the financial period ending on 30 June, 2021, due to their failure to obtain the license of the Capital Market Authority in the required time, and appointing Dr. Muhammad Al-Omari & Co. (Chartered Accountants) to audit the consolidated financial statements of Elm Company for the fiscal year ending on 31/12/2021, as well as examining the Company's consolidated interim condensed financial statements for the financial periods ending on September 30, 2021 and March 31, 2022, and examining the report of transactions with stakeholders.

The Ordinary General Assembly Resolution No. (13/01/2021 OGA) was issued in its meeting No. (13), held on Monday 12/03/1443 AH, corresponding to 18/10/2021 AD, approving the Board's recommendation.

16. Distribution of dividends

16.1 Dividend distribution

Subject to the provisions of other relevant laws, the annual net profits of the Company shall be distributed as follows:

1. 10% of the net profits shall be set aside to form the statutory reserve of the Company, and the Ordinary General Assembly may decide to discontinue this setting aside when the said reserve reaches 30% of the paid-up capital.

2. The Ordinary General Assembly may, upon a proposal from the Board of Directors, set aside a certain portion of the net profits to create an agreed reserve allocated for specific purposes.

3. When determining the earnings per share, the Ordinary General Assembly may decide to form other reserves, as may achieve the Company's interest or ensure distribution of fixed and regular profits, as much as possible, to the shareholders. The General Assembly may also deduct amounts from the net profits to establish social institutions or funds for the Company's employees or to support the already-existing institutions or funds.

4. The General Assembly, based on the proposal of the Board of Directors, may distribute profits from the rest to shareholders in accordance with the provisions of the dividend policy and the Company's Articles of Association.

5. The Company may distribute dividends or interim dividends to its shareholders after fulfilling the legal requirements in this respect.

6. Subject to the provisions stipulated in Article 22 of the Articles of Association and Article 76 of the Companies Law, the General Assembly may allocate, after the above, a remuneration to the members of the Board of Directors, provided that, in the event that the remuneration is a percentage of the profits, the entitlement to this remuneration is proportional to the number of sessions attended by the member.

The following table shows a summary of the profits that the Company and its core subsidiaries distributed from the fiscal years 2019-2021

In SAR	2021	2020	2019
Net income	566,891,419	306,579,136	307,181,556
Profits declared for the period	-	-	-
Dividends distributed during the period *	-	33,487,000	26,142,756
Declared profit to net income ratio (%)	-	-	-

A description of any interest, contractual papers and subscription rights belonging to the members of the Board of Directors and their relatives in the Company's shares or debt instruments:

None

A description of any interest, contractual papers and subscription rights belonging to the members of the Board of Directors and their relatives in the associate companies' shares or debt instruments:

None

A description of any interest, contractual papers and subscription rights belonging to the senior executives and their relatives in the Company's shares or debt instruments:

None

A description of any interest, contractual papers and subscription rights belonging to the senior executives and their relatives in the associate companies' shares or debt instruments:

None

16.2 Remuneration of Board Members and Executive Management

16.2.1 Board Members' Remuneration

The policy of remuneration for members of the Board of Directors, members of its committees, and the Executive Management included the controls for the remuneration of members of the Board of Directors and members of the committees, taking into account the rules and regulations issued by the relevant authorities.

The following table shows attendance bonuses and allowances for members of the Board of Directors until 31 December 2021:

Member	Fixed Remuneration (Excluding the allowance for attending sessions)	Allowance for attending sessions	Total
Mr. Raed bin Abdullah bin Ahmed	300,000	21,000	321,000
Mr. Raed bin Abdullah bin Ismail	200,000	18,000	218,000
His Excellency Dr. Issam bin Abdullah bin Khalaf Al-Waqit	200,000	21,000	221,000
Mrs. Al-Shayhana bint Saleh Al-Azzaz	195,000	18,000	213,000
Mr. Abdullah bin Saad Al-Salem (*)	200,000	6,000	206,000
Mr. Abdullah bin Abdulrahman Al-Rabiah	80,000	18,000	98,000
Mr. Yazid bin Ibrahim Al-Hammad (*)	–	15,000	15,000
Mr. Fahd bin Abdul Rahman Al Zarah (**)	200,000	12,000	212,000
Total (SAR)	1,399,284	129,000	1,528,284

16.2.2 Remuneration of Committee Members

The following table shows the rewards of committee members for the year ending on 31 December 2021, which were disbursed during the year 2021:

Member	Fixed Remuneration (Excluding the allowance for attending sessions)	Allowance for attending sessions	Total
Audit Committee members			
Dr. Abdul Rahman bin Muhammad Al-Barrak	150,000	21,000	171,000
Mr. Omar bin Abdulrahman Aba Al-Khail	107,142	15,000	122,142
Mr. Turki bin Musaed Al Mubarak	107,142	15,000	122,142
Mr. Turki bin Abdul Mohsen Al-Luhaid	150,000	21,000	171,000
Mr. Firas bin Abdul Hamid Qurashi	42,857	6,000	48,857
Mr. Marwan bin Hamad Al-Luhaidan	150,000	21,000	171,000
Total (SAR)	707,141	99,000	806,141
Member of the Nominations and Remunerations Committee			
Mrs. Al-Shayhana bint Saleh Al-Azzaz	75,000	9,000	84,000
His Excellency Dr. Issam bin Abdullah bin Khalaf Al-Waqit	100,000	15,000	115,000
Mr. Abdullah bin Abdulrahman Al-Rabiah	60,000	9,000	69,000
Mr. Abdullah bin Saad Al-Salem	60,000	9,000	69,000
Mr. Raed bin Abdullah bin Ismail	20,000	3,000	23,000
Dr. Abdul Rahman Saad Al Jadhai	80,000	12,000	92,000
Mr. Yazid bin Ibrahim Al-Hammad	40,000	6,000	46,000
Total (SAR)	435,000	63,000	498,000

Member of the Investment Committee			
Mr. Fahd bin Ibrahim Al Zara'a	120,000	9,000	129,000
Mr. Raed bin Abdullah bin Ismail	115,000	6,000	121,000
Dr. Abdul Rahman Saad Al Jadhai	115,000	6,000	121,000
Mr. Nawaf bin Dawood Al-Hoshan	120,000	9,000	129,000
Mr. Abdullah bin Saad Al-Salem	40,000	3,000	43,000
Mr. Yazid bin Ibrahim Al-Hammad	75,000	3,000	78,000
Total (SAR)	585,000	36,000	621,000

16.3 The rewards of five senior executives, including the CEO and the Executive Vice-President of Finance, during the year 2021

Fixed remuneration (SAR)	2021
Salaries	8,082,837
Allowances	2,951,168
Total fixed remuneration	11,034,005
Rewards	
Variable remuneration	3,123,376
Periodic remuneration	3,332,806
Total Rewards	6,456,182
End-of-service benefits	
Provision for end-of-service benefits	9,793,703
Cost for end-of-service benefits	1,226,188
Total end-of-service benefits	11,019,891
Grand total	28,510,078

17. Declarations

The Company's Board of Directors declares the following:

- The account records are properly prepared.
- The Internal Control System was prepared on sound foundations and implemented effectively.
- There is no doubt about the Company's ability to continue its activity.
- Some requirements of Corporate Governance Regulations have not been applied because the company was listed in Q1 2022 and the company is working to fulfill them going forward.

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