

20  
22

# Annual Report



شركة جرير للتسويق  
Jarir Marketing Co.

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## About Jarir

Jarir Marketing Co. was established in Riyadh city on 1979, as joint venture, and then transferred to be a Saudi shareholding company. Then, Jarir was listed in the Saudi Financial Market since 2003, under the commercial register No.1010032264 with a capital of 1.200 million Saudi Riyals. The company works with its operational sectors in the retail, wholesale and e-commerce within the Kingdom of Saudi Arabia in addition to its entry into the Gulf Cooperation Council countries.

Jarir operates through two divisions, retail (including online sales), under the Jarir Bookstore brand, and a wholesale division. Jarir activities include selling stationary, school supplies, toys, educational aids, books, English and Arabic publications, art and craft materials, computer accessories, programs, cell phones and their accessories, visual and audio devices, photography devices, smart televisions, computers and electronic devices maintenance.

# Our Charter



## Objectives

- Maintain the leadership regarding the quality of the services provided to our customers.
- Providing our customers with products at reasonable prices and high quality.
- To be the leading company in the market of stationary, technological products and books.
- To build a superior and effective Management team.
- Encouraging the individual initiation and providing personal development chances to our employees.
- Serving the community and giving back to it, as we believe that our social responsibility lies in that.



## Values

- Exceed the customers' expectations.
- Quality.
- Integrity.
- Simplicity.
- Respect and recognition.
- Unity and cooperation.
- Loyalty.



## Mission

Empower our customers to achieve development and learning through the best products and services offered while providing an interesting experience and delivering the best value.

# Our Business Strategy

Jarir overall object is to be the first source of knowledge and entertainment and production tools for its customers. Our business strategy involves widely enhancing our position as a leading company in the field of retail through providing innovative products and services with high quality and reasonable prices. Jarir success depends on working in cooperative manners with the customers, business partners, investors, governmental and organizational authorities and other stakeholders.

Our business strategy implementation depends on an approach that revolves around the customers along with a simple organisational structure focus on investing in the competitive products and minimising costs.

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**Mohammed Bin Abdulrahman Alagil**

The Chairman



**Abdulkareem Bin Abdulrahman Alagil**

The vice chairman  
The CEO

**Dears Messrs shareholders**  
**Jarir Marketing Co.**

Peace be upon you,

It is my pleasure to welcome you through the annual report of the board of directors of the fiscal year 2022, and I would like to share with you the results Jarir achieved thanks to God then the efforts of their employees. I will start with reviewing the most significant transformations in Jarir career and its financial position during the year ended at 31/12/2022.

Thanks to God and the effort exerted by its employees, Jarir has managed to keep the same pace of development as usual; since Jarir's sales amounted to 9,391.7million riyals in 2022 against 9,088.3 million riyals it achieved last year increased by 3.3%. The increase of sales during 2022 was due to increased sales in some divisions especially, school supplies, stationery and smartphones, and in order to maintain the expansionist plans we opened (3) three showrooms during 2022.

Finally, I would like to thank you for your trust in Jarir administration, in addition I would like to thank the members of the board of directors for their persistence guidance and their efforts in drawing Jarir strategy. Moreover, I would like to thank the colleagues in the executive department and all of Jarir department a lot for their sincere efforts hoping for more success during 2023. I hope to meet you during the annual meeting of the shareholders general assembly to answer your inquiries regarding the contents of this report.

**Dear Messrs shareholders**  
**Jarir Marketing Co.**

Peace be upon you,

After greetings, I am glad to meet you through the annual report of the board of directors of the fiscal year 2022 in order to show you the most prominent transformations in Jarir's operational performance during 2022, and what it achieved of results during this year which we are going to explore throughout this report respectively.

Thanks to God and its employees efforts to maintain the growth rate, since Jarir's sales during the past year amounted to 9,391.7 million riyals against 9,088.3 million riyals it achieved last year reduced by 3.3%, whilst the net profit reached to 969.8million riyals against 991.9 million riyals during the last year with a decrease of 2.2%.

Moreover, Jarir managed to maintain its announced expansionary plans, as (3) showrooms

has been opened during the year 2022. Jarir also seeks to continue its plan of reserving its pioneering position locally and regionally as a result of the efforts and experiences of all of its employees and those who are responsible for it. In addition to the policies followed in exploiting its competitive advantage, and its powerful presence in the local and regional markets where it operates. Finally, I would like to thank the distinguished board of directors' members and all of Jarir employees and shareholders.



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About Jarir



**According to its statute, Jarir activity represented in the following:**

- Stationery and school supplies.
- Publications, books and educational means.
- Computer software.
- Selling cellular phones and their accessories.
- Selling and maintaining computers.
- Engineering, Spatial, sports, scouting, audio and visual tools and devices plus cameras.
- Papers, computer papers, embroidery tools, decoration materials, hand tools and drawing devices.
- Bags and leather crafts.
- Kids toys and journeys supplies.
- Buying residential and commercial lands, and the lands to establish buildings and invest them by buying or leasing for Jarir.
- General building, electrical and electronic works contractors, buildings and warehouses maintenance, in addition to loading, unloading, transporting, and delivering goods and buildings cleanness.
- Establishing, organizing and managing conferences and the temporary and permanent showrooms.
- E-commerce.

**Jarir practice its activities through the following sectors:**



**1. Wholesale :**

Customers of this sector are buying in order to resell what they have bought.



**2. Retail :**

This sector works through Jarir showrooms, which holds the trade name "Jarir Bookstore" with its well-known slogan. Moreover, such sector includes Jarir sales to its customers of companies and governmental sectors, which bought with the aim to use it internally not to resell it.



**3. E-commerce :**

This sector includes B2C Ecommerce, and B2B Ecommerce and EBook.

**2 - Subsidiaries**

Jarir owns many subsidiaries, and some of the ownership shares in those subsidiaries are registered under the name of entrusted, who assigned their shares to Jarir. The following is a list of those companies and their ownership shares:

Serial	Name	State of incorporation	The state of activity	Main activity	Capital	Percentage of ownership
1	United Bookstore	United Arab Emirates	United Arab Emirates	The same of Jarir activity	50,000 AED	100%
2	Jarir Trading Company LLC	United Arab Emirates	United Arab Emirates	The same of Jarir activity	150,000 AED	100%
3	Jarir International Central Market Company for non-food items	Kuwait	Kuwait	The same of Jarir activity	10,000 Kuwaiti dinars	100%
4	Jarir Egypt Real Estate	Egypt	Egypt	Real Estate investment	80,000,000 EGP	100%
5	Jarir Marketing Company Bahrain. <sup>(1)</sup>	Bahrain	Bahrain	The same of Jarir activity	30,000 (2) Bahraini dinars	100%
6	Jarir United for Office Supplies and Stationeries Jarir LLC	Qatar	Qatar	The same of Jarir activity	200,000 Qatari riyals	100%

(1) The name of Jarir Marketing Company has been changed to Jarir Marketing Company Bahrain.

(2) The capital of the company has been increased from (5,000) Bahraini dinars to (30,000) Bahraini dinars upon the statutory requirements of the State of Bahrain after changing the company's status from one person company to a limited liability company.





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**Operational  
Performance**

## Firstly, The Retail Sector (Jarir Bookstore)

Retail sector sales reached during 2022 to:

**9,094.4** Million Riyal

increased by

**2.2%** From 2021

The profits before Zakat and income tax reached to:

**918.7** Million Riyal

Decreased by

**-6%** From 2021

Following we will shed the light on the performance of the most important departments of the retail sector (Jarir Bookstore), and we summaries the work of those sections and the most important achievements and purposes as follows:

### 1 - Showrooms:

Jarir Bookstore has (68) showrooms inside and outside the Kingdom of Saudi Arabia. (3) of them opened during 2022, an exhibition on Al-Andalus Road in Al-Ruwais district in Jeddah, and its first exhibition in the Kingdom of Bahrain

on the waterfront in Manama, and an exhibition on Sultana Road in Al-Madinah Al-Munawwarah as an alternative to its exhibition on Abu Bakr Al-Siddiq Street in Al-Qiblatain District.

In the following table, we state the distribution of Jarir showrooms outside and inside the Kingdom and which of them are owned and which are leased:

	Riyadh	Buraydah	Unayzah	Ar Rass	Al-Kharj	Hail	Al Duwadimi	Al Majma'ah	Jeddah	Taif	Mecca	Medina	Yanbu	Al-Kharj	Dammam	Khobar	Dhahran	Sakaka	Najran	Jubail	Al Hofuf	Hafar Al Batin	Khamis Mushait	Jazan	Qatar	Abu Dhabi	Kuwait	Bahrain	The total (according to the owned and the leased)	
<b>Owned</b>	6	0	0	0	0	0	0	0	1	0	0	1	0	0	2	2	0	0	0	0	2	0	0	0	0	0	0	0	0	14
<b>Leased</b>	12	1	1	1	1	1	1	1	7	1	3	2	1	1	1	1	1	1	1	1	1	1	2	1	3	1	4	1	54	
<b>Total according to cities</b>	18	1	1	1	1	1	1	1	8	1	3	3	1	1	3	3	1	1	1	1	3	1	2	1	3	1	4	1	68	
<b>The total is</b>	<b>68 showrooms (inside and outside the Kingdom)</b>																													

As an extension of Jarir's real estate activity the leased property area (showrooms, offices and residential) reached to at the end of the fiscal year 2022 (94,308) Square meters, compared to the year 2021 (82,832) square metres. During the fiscal year 2023, Jarir aims to expand by opening more (4) showrooms.

### 2 - Company's sales:

With God's grace and success, and despite the many challenges in this sector in addition to the increase in operational costs, Jarir was able, through the corporate sales team, during the year 2022 to achieve a growth of 6.7% in its sales to companies compared to last year.

Jarir will work during the year 2023 to enhance sales of vouchers, continue to include new customers, and work to increase government sales and the electronic market, as Jarir worked from an early time to increase the inventory to avoid any unexpected shortage.

### 3 - Purchasing:

During 2022 and due to the continued effect of Corona Virus pandemic on the global supplies' chains, the lack of supplies continued especially the electronics supplies, which affected the launch companies of these electronics including the launch of the new iPhone in the third quarter of 2022, which has been addressed and its effects has been mitigated by the end of December 2022.

On the contrary, with Jarir's continued efforts to maintain uninterrupted supplies in an effort to meet the requirements of its customers; offers of desktop, laptop and tablet computers of various types and categories came with satisfactory results despite the low demand for them due to the low purchasing power of the consumer due to the high prices globally and locally, and the high cost of components.

And with Jarir continuing the periodic and continuous review of the stock of stationery and school supplies,

### 4 - Marketing:

Jarir Bookstore continued with its marketing approach in attracting the publics in order to visit its showrooms and website through providing the newest electronic products such as smart phones and smart watches, mobile phones and tablets such as iPhone 14, Samsung Fold and Flip, the fourth edition, laptop service pro and Apple watch among others which Jarir supported through the various advertising campaigns and promotions, in order to attract customers including pre order campaigns which supported by advertisement campaigns on social media and billboards along with a promotional support to interact with order campaigns through providing a series of benefits for Pre-order initiators.

In addition to all of the above, seasonal offers and discounts played a major role in attracting customers and increasing sales, such as the Founding Day offers, National Day offers, Ramadan offers, summer discounts, back-to-school offers, World Cup offers, Jarir Friday offers and year-end offers. These discounts included all sections of the library, including smart devices, such as phones, mobile devices, screens, phone accessories and gaming devices. The rest of the other sections also had a share of these offers, such as Arabic and English books, technical, office and school supplies.

The one-day offers, such as the exclusive Jarir online store 11/11, the World Book offer, the Mother's Day offer and the Father's Day offer, had a good impact and received excellent responses from Jarir customers.

especially after life returned to what it was before the Corona pandemic, the offer for the back-to-school campaign achieved good results. During the year 2023, Jarir expects to achieve steady growth due to the decrease in consumer purchasing power and the decrease in demand due to the increase in prices globally. However, Jarir will continue to focus on supporting supplies, and strengthening the relationship with all suppliers in an effort to obtain the largest possible number of supplies from various brands and price categories. In addition to enhancing its market share and working to increase its average price points, Jarir expects to achieve a growth rate ranging between (20% to 25%), especially in smart TVs, which played a prominent role in the market during the past two years.

Jarir also expects to achieve a growth of between (5 to 10%) in electronic games and their accessories of all kinds.

In addition to exclusive promotions for Jarir store, including those related to developing children's skills and abilities, drawing tools and hobby works, and other school supplies and stationery, and the last promotion for Arabic and English books.

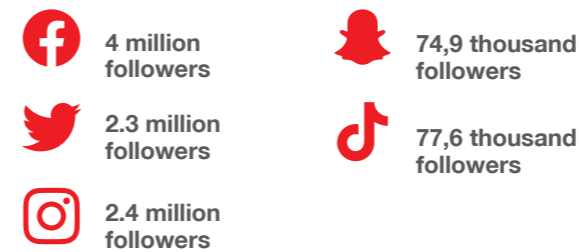
The promotional campaigns supported by environmental sustainability goals in the year 2022 also had a large share, as five campaigns were launched to replace old devices with newer ones, and they included smart phones, smart watches, computers and printers; Which contributed to preserving the environment by preventing old devices from reaching the landfill and recycling them, which benefits the company and the economy as a whole.

In the year 2022, the marketing department supported the loyalty programs at Jarir Bookstore through a series of campaigns directed to Jarir card holders, which included offering higher discount rates than the card gives on the usual days, as well as many exclusive offers for electronic devices and accessories, as well as additional benefits when pre-ordering selected products of the latest electronics.

Thus, the purchase instalment service had its share of advertising campaigns and special promotions aimed at increasing consumers' awareness of the availability of this service. As a result, sales of the instalment purchases service achieved approximately 12% of Jarir's total sales during 2022, achieving a growth of 5% compared to 2021.

With regard to the e-marketing department, which is managed by a specialized Saudi women team, Jarir has continued to update and continuously develop the pages of Jarir Bookstore on social networking sites to keep pace with the tremendous developments in the world of digital marketing, using the latest digital tools to support the sales of the Jarir e-store, and continue to activate social media platforms which led Jarir Bookstore channels on social networking sites to achieve record numbers in the number of followers and interaction rates.

This contributed to achieving record numbers in the number of followers and interaction rates, as the number of followers on the communication channels was as follows:



In addition, in 2022, e-marketing strengthened Jarir's leadership in the areas of mobile and smart devices, games and all their accessories, and expanded campaigns related to targeting customers in digital channels, using targeted re-promotion methods in order to increase Jarir's own share of total customer expenses in all Jarir divisions.

Strategic work will also continue to improve the customer base, increase direct marketing, and target specific categories of customers, in cooperation with our digital marketing partners. Joint efforts will also continue to provide an adequate supply of modern products, and work to provide them, regardless of the difficulties related to supply chains and the crisis of silicon chips.

In addition, work will be completed on Jarir's loyalty program and several strategic projects that will improve loyalty, retention and customer preference for Jarir compared to its competitors.

In addition to all Jarir's efforts during the year 2022, all Jarir openings, whether for new or alternative stores, were accompanied by exclusive advertising campaigns and opening offers targeting residents of geographically defined areas, and coordination with influencers specific to each region, and this included (3) new showrooms.

### Tickets:

Among the most prominent achievements of Jarir during the year 2022 is the launch of the Jarir platform for selling event tickets, in cooperation with Hala Yala Information Technology Company, as Jarir aims by launching the platform to benefit from the current and expected growth in the entertainment sector in the coming years. Among the most prominent events whose tickets have been sold are: the events accompanying the International Book Fair in Riyadh, the Formula 1 race in Jeddah, and the Spanish Super Cup matches in Riyadh.

### Instalment:

With the increase in the demand for instalment purchases service by Jarir customers, Jarir has been constantly improving the customer experience so that the purchase instalment process is fully automated and allows the customer to purchase products without the need to visit the branch, and as a result the number of purchase instalment service providers has been increased to three by the end 2022 in order to provide the customer with more options that suit his needs. In the framework of its relentless endeavour to develop the mechanism for submitting financing applications and obtaining approval in the shortest possible period and with an ideal customer experience, it is expected that 2 service providers will be added during the year 2023.

The installment purchases service had its share of advertising campaigns and special promotions aimed at increasing consumers' awareness of the availability of this service. As a result, sales of the installment purchase service grew by 106% compared to 2021.

And during the year 2023, Jarir will continue its relentless pursuit with its partners permanently in order to develop the mechanism for submitting financing applications and obtaining approval in the shortest possible period and with an ideal customer experience.

### 5 - Human resources:

Jarir attracts and employs talents, and Jarir is keen to attract Saudis and train them to improve their skills and practical capabilities and establish Jarir's values and production standards.

As the total number of employees in Jarir reached 5601 employees by the end of 2022, they are a mixture of 25 different nationalities, and the percentage of Saudis in Jarir reached about 60% of the total employees, and the percentage of Saudis in some showrooms reaches 70% of the showrooms' employees, and Jarir is classified within the platinum scope according to the program Ministry of Labour and Social Development "Nitaqat" (Scopes), and in order to implement the recent requirements of the Ministry of Human Resources, a complete shift has been made from paper contracts to electronic contracts, and the Saudization of professions has been done according to the percentages specified by the Ministry of Human Resources.

During the year 2022, (1963) employees were employed, including (1773) Saudi employees. Within the framework of Jarir's keenness to involve women in the labour market in line with the Kingdom's 2030 vision, Jarir paid attention to

### 6 - Information Technology:

like 2022, Jarir continued its path of upgrading the technological infrastructure and cybersecurity by achieving a conscious level that keeps pace with the tremendous developments in technology or cybersecurity.

During the year 2022, Jarir improved (Load Balancer) devices in order to be able to process the biggest amount of information along with activating the policy of detecting any system glitch, taking the initiative to address it, and directing it to other servers.

Programming has also been activated for (GSLB) Global Server Load Balancing to take into account the main and backup data centre and direct information to the backup data centre in the event of any malfunction or accident that requires it.

And as a continuation of Jarir's efforts in upgrading its technical infrastructure, it changed the network processor of the main data centre during the year 2022, which had

employing the female component, as the number of female employees reached (574) by the end of 2022.

In the field of training and qualifying during 2022, Jarir continued to establish a culture of customer service through the program to exceed customer expectations, where Jarir supervised (15) showroom managers under training within the future managers program, and (1196) training courses were held that benefited (13260) trainers in all Jarir showrooms. More than (3514) direct orientations for showroom staff were conducted by Jarir trainers, focused on raising the efficiency and performance of employees in serving Jarir customers.

Jarir also continued to train university students, out of its belief in the corporate social responsibility, and some trainees were recruited after graduation.

During the year 2023, Jarir aims to continue to attract distinguished Saudi cadres, intensify training courses to raise the level of Jarir employees, and focus on developing showroom managers.

a great impact on unifying the internal networks, and improving the speed of data between (firewall) and (Core switch) devices to reach (80 GB).

In the framework of enhancing cybersecurity and information protection, Jarir activated the Intrusion Prevention System during the year 2022, which aims to examine all information sent to the servers and adopt the zero trust rule. Through this system, the cybersecurity team was able to review and fully audit the policies of Firewall Policies to ensure compliance Application Network Flow and Protocols.

Jarir also separated the (Internet Proxy) system from the firewall, and activated it on an independent system, as it enabled Jarir to upgrade the policy to make access to the Internet more controlled, and enabled it to provide detailed reports in the presentation. Among the cybersecurity policies adopted by Jarir during in 2022, it adopted an Automation policy to handle security events by activating

the Security Automation system, which in turn handles most cybersecurity events automatically, which provided the Jarir cybersecurity team with enough space to focus on more serious security problems and events.

It is worth noting that Jarir's technical infrastructure is not only limited to the main and backup data centre, but also includes the cloud infrastructure, where several systems and solutions have been activated to protect the Jarir website www.Jarir.com through:

- Activating the Bot Defender system, which protects the Jarir website from bot attacks (BOT) and Prevention Automated Fraud, and protects customer information through an integrated security platform to reduce risks and improve efficiency.
- Activating the (SOC-as-a-Service), which enabled the Jarir cybersecurity team to review (WEB Application Firewall Policies) through a team that includes many experts, which led to the improvement of the system and then providing complete system protection and 24/7 monitoring of the Jarir website to ensure its toxicity from any penetration.

Jarir was also able, during the year 2022, to provide several solutions that fall within its future vision to enhance the digital infrastructure by undertaking, by the end of 2022, a digital transformation based on moving to the (Microsoft 365) system and changing the Windows operating system to another operating system that provides more protection. It reduces cyber security attacks targeting employee devices.

During 2023, Jarir aims to continue its plan to improve cybersecurity systems and introduce new solutions that enable it to better and more comprehensively protect all systems through additional applications aimed at providing more protection for servers and devices. The year 2023 will represent a major shift for Jarir, both in terms of digital transformation through Automation of the Microsoft 365 system or in relation to cybersecurity through the adoption of solutions "CSAB" Cloud Security Access Broker which will complement the system Microsoft 365, in addition to activating (Data Loss Invention) and providing comprehensive protection for Jarir's information and data from misuse or hacking attempts.

## Secondly, Wholesale Sector:

Jarir working through this sector to provide new school, technical and stationery products, in addition to meeting the needs and the requirements of the customers of this sector whose aim is to buy with the purpose of resell.

Wholesale sector sales reached during 2022 to:

**297.3** million riyal

increased by

**54.8%** from 2021.

The profits before Zakat and income tax reached to:

**51** million riyal

Increased by

**248.1%** from 2021.

### 1 - Purchasing:

After the end of the exceptional circumstances of the Corona Covid-19 pandemic, the year 2022 came with the return of full attendance, whether to schools or various workplaces, and unlike the year 2021, the year 2022 witnessed a tangible improvement in supplies, offset by a noticeable increase in product prices and an increase in freight rates. Despite this, Jarir was keen to coordinate with suppliers to obtain the best prices, and to find alternatives with the best shipping rates.

During the year 2023, Jarir will work hard to continue to monitor market changes and develop plans and products to meet the needs of its customers, especially new ones, and strive to bring the best products with high quality and competitive prices.

Inventory management will also be done with mechanisms and periodic reviews of old products and market needs, launching many offers to improve their sales, and supplying

### 2 - Sales:

Despite the continued negative effects of the Corona pandemic on product supply chains until the first quarter of 2022, Jarir, with the concerted efforts of its employees, and its relentless endeavour to provide all the necessary school supplies to meet the needs of the market after the return of schools after a two-year hiatus, achieved the target for its school product sales, achieving a growth rate of 111% compared to the previous year, while sales of stationary products were affected to some extent.

A plan was also worked out to achieve a balance between the high prices of products globally and the selling price, while maintaining the provision of incentive offers to customers and providing high quality products at competitive prices that meet the aspirations of our customers while maintaining Jarir's market share.

new products that suit the changing market needs. It will also work on marketing exclusive products for retail (Jarir Bookstore showrooms) and marketing them to wholesale customers (corporate sales), and performing periodic and continuous review in order to achieve balance and to adapt with market needs and price changes through a financial plan for the periodic review of item prices to match the fluctuations related to raw material prices and shipping prices and to maintain competitive and appropriate prices for customers.

Jarir will also work during the year 2023, in coordination with its various departments, to develop the identity of Roco's products by choosing the best quality products, updating its designs, continuing to register the company's products in intellectual protection to avoid imitation, and adjusting the pricing of some main materials to compete more in order to increase the market share of Jarir.

It also participated in the Dubai Stationery Exhibition (PAPER WORLD), and within its activities, a large group of customers from various Gulf, Arab and African countries were met.

It also participated in the Nairobi Expo in Kenya, which bore fruit, as it is expected that four new customers will be added during the year 2023, as one of the new markets for Jarir in the African Market.

Jarir will seek, in 2023, to focus on the market in a broader way through continuous follow-up with customers and reviewing the facilities provided to them (making specific growth incentives with specific goals for customers). In addition to this, the focus and expansion will be in diversifying

items with wholesale and retail customers, and focusing on the hypermarkets departments more.

Coordination will also be made with the purchasing department to study the market and supply new materials commensurate with the needs of the market.

Work will also continue to achieve a balance between the high prices of products globally and the selling price, while maintaining the provision of incentive offers to customers in periods of low sales and competitive prices that meet the aspirations of customers to maintain Jarir's market share.

With regard to exports, Jarir has a plan to double the sales achieved from exports during the past year, and work to increase the number of customers in the countries targeted for export, especially Djibouti and Somalia, while maintaining existing customers.

Jarir also intends, during the year 2023, to participate in many international exhibitions, such as the Dubai exhibition, as usual annually, as well as visit the Nairobi Expo in Kenya, in order to reach new markets in the African Market

Jarir's goals during 2023 also include automating the export procedures in the system, especially direct shipping procedures from factories to the current and target countries, so that the

### 3 - Marketing:

During the year 2022, and with the return of the study in full attendance, and the normal return of the workplaces, the Back-to-School campaign for Roco products was launched on all social media sites in order to support sales. Also, the project of Roco brand identity and development of covers and label designs has been done. In cooperation with the sales department, new sales channels for Roco products were expanded, and Roco products that were exclusive to retail showrooms (Jarir Bookstore showrooms) were circulated and added to be marketed to wholesale customers (corporate sales).

In view of the exceptional circumstances during the year 2021, when it was scheduled to work on creating marketing plans represented in launching special pages for Roco on powerful electronic stores such as (Amazon, Ali Express and Noon) to further consolidate the Roco brand in all major platforms and provide all Roco products in various markets, it was decided to postpone work on this project for a later time.

During 2023, Jarir will complete its strategic plan for the Roco brand, which includes various projects such as

department can increase productivity and focus on raising sales and opening new markets with the aim of achieving more sales opportunity, while working on restructuring Jarir's contracts with Hypermarkets, adding new incentive offers, increasing the number of items, as well as appointing representatives for Jarir in hypermarkets and marketers to follow up on the sales movement on an ongoing basis and to provide the hypermarkets with products upon completion. Jarir will also seek during 2023 to add new customers in line with Jarir products.

It will also work on marketing exclusive retail products at Jarir Bookstore showrooms and marketing them to wholesale customers.

Jarir will also add new items to them, modify the display method, and allocate space for them in the market. Furthermore, Jarir will continue to participate in international exhibitions once they are activated again, in order to find outlets in new markets and strengthen relations with existing distributors.

Also, Jarir will work during the year 2023 to continue developing export procedures to reach greater productivity and efficiency that contribute to raising Jarir sales and achieving more sales opportunities, especially direct shipping procedures from factories to the current and target countries.

establishing a new Roco website for the Roco brand update project, updating product designs, in addition to a long-term replacement plan.

During the year 2023, Jarir will continue to update Roco's brand identity, develop new designs for its current products, and work on launching new products that meet market requirements. Marketing campaigns will also be doubled for Roco's exclusive products for retail showrooms (Jarir Bookstore) and for wholesale customers.

In addition, a strategic plan will be worked on in preparation for launching new brands for Jarir, provided that they will be marketed through retail showrooms (Jarir Bookstore), and then, with success, they will be marketed to wholesale customers.

Jarir will also work on creating new sales channels to market Jarir products in general and the Roco brand in particular, such as (grocery stores and workshops) in order to achieve growth in sales.

## Thirdly, Ecommerce:

This section includes:

### 1 B2C Ecommerce      2 B2B Ecommerce      3 E-Book

#### 1. B2C Ecommerce:

During the year 2022, the e-commerce sector for individuals (B2C Ecommerce) achieved a growth in the number sales by more than 50% compared to 2021, and the growth of customers by 30%, and a remarkable development in the repurchase rate, as Jarir continued its efforts to develop the e-commerce sector in general and e-commerce for individuals (B2C Ecommerce) in particular to keep pace with the company's future plans to ensure the continuity of supporting the company's growth and expansion plans.

Jarir continued developing and improving the customer delivery experience by reducing the time required to process customer requests by 22% compared to the last year, and this was accompanied by a growth in the delivery of requests to customers' addresses on the same day (Same Day Delivery) by 45% compared to the rate Jarir achieved in 2021, which had a great impact on the growth of the proportion of requests received from Jarir Bookstore showrooms (Click & Collect) of the total requests by 80%.

As a continuation of Jarir's efforts to provide a distinguished service that exceeds the expectations of its customers, Jarir performed a lot of projects during 2022 which aimed to improve the reliability of the smartphone application, by achieving a percentage of 99% of customers who did not suffer from any problem using the application, which had a great impact on the increase the conversion rate in application by 142%.

In addition to the above, Jarir launched the new version of the e-commerce system, website and application, which guarantees high reliability, especially in seasons, speed of response and an increase in the number of requests. The new version also included greater speed in implementing projects and high ease in obtaining the newest and latest technologies.

Instalment payment methods "Tamara" was also launched as a successful experiment in online instalment payments, which contributed to a steady increase in e-commerce sales.

In support of the company's expansion plans, the website and e-sales were launched in Kuwait, Qatar and Bahrain.

And in order for Jarir to be fully prepared to face any force majeure circumstances that may arise in the future that may hinder the continuation of its business, a plan has been prepared and implemented to ensure business continuity in cases of natural disasters. In addition to working on developing internal work procedures to ensure better speed in completing projects with high quality and finding sustainable solutions to customer problems.

And during the year 2023, Jarir aims to continue working on developing the customer experience through continuous updating to personalize the experience on the site, application, and means of communication with customers through the use of programs and tools supported by artificial intelligence in order to achieve the aspirations of customers.

In addition to gradually launch the international shipping service in terms of the type of products that will be shipped outside the Kingdom and the available countries, according to the readiness of the work team and the regulations and policies related to cross-border trade, which the Jarir team was unable to launch during the year 2022 as planned, due to some logistical problems related to regulations and policies, and work is underway to remedy them.

As well as continuing to develop the experience of paying by instalments (Buy Now Pay Later) by working with a number of service providers in order to improve the customer experience at the payment stage.

#### 2 - B2B Ecommerce:

The official launch of the e-commerce system for companies that serves major companies and hundreds of branches and users in the Kingdom during the year 2018.

During the year 2022, e-commerce for companies (B2B E-commerce) achieved a remarkable development, represented in modernizing the infrastructure of the system and developing integration with other systems in Jarir, which ensures improved reliability, increased percentage of executed requests, and improved user experience by changing the search engine, making the Arabic language available for the user interface, and adding the feature of requesting a quote.

#### 3 - E-Book:

An E-Book project called (Jarir Reader) was launched during the year 2013, and during the year 2022, Jarir managed to launch new version of Jarir Reader application which participated in improving the user experience through improving search engines, browsing experience and listening to e-books. The new version also included several developments, which made (Jarir Reader E-Books) at the same level as the competing international platforms.

Several experimental marketing campaigns were also launched with the aim of studying the market, which in turn contributed to an increase in the number of new users by 13%, and an increase in the percentage of purchasing customers out of the total customer base by 33%.

In 2022, Jarir published e-books on platforms targeting public libraries and educational institutions, increasing the number of contracted publishing houses by 10%, and activating previous publishing houses, which contributed to increasing the number of books published on the Jarir Reader platform by 33%; which had a great impact on making Jarir Reader the largest platform for digital books in the Arab world.

Work will be done during 2023 to increase the growth rates achieved during the year 2022 in sales and the number of books published on the Jarir Reader platform, and publishing Jarir Bookstore books on more global platforms such as Google and Apple, and continuing to produce and launch the audio version of more than 50% of the most prominent publications of Jarir Bookstore. In addition, work will be done on the projects that were intended to be implemented during

Jarir also provided a new means of selling, which is linking with the corporate resource system (Punch-out). During the year 2022, a number of new clients were added, which contributed to an increase in the number of requests by 3%.

During the year 2023, Jarir will continue to study and implement the necessary developments to integrate and link e-commerce systems with each other to increase the compatibility and efficiency of inventory management, order preparing and delivery processes, convert more customers to the e-commerce system, and develop system features and customer experience to increase customer satisfaction and sales growth.



the year 2021, which were postponed due to the exceptional circumstances of the Corona pandemic, which is the launch of the subscription system in the Jarir Reader platform, which allows customers to subscribe for a monthly amount and read a larger number of books as well as studying and implementing a system for clients from the category of companies, schools and universities to provide the opportunity for reading and research for employees and students.

Emphasis will also be placed on producing and publishing audiobooks for Jarir Bookstore's publications, and continuing to maintain the leading position in terms of the number of published books by increasing the number of contracted publishing houses, working to speed up publishing procedures, searching for ways and studying publishing books in other languages on the Jarir Reader platform.



3

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**Sustainability  
& Corporate  
Social  
Responsibility  
(CSR)**

## Leading with purpose is Jarir approach to achieve sustainability

Jarir is aware of the importance of community service as it is one of the important pillars of life and a means of progress of societies, and stresses the responsibility of sustainability on companies, where Jarir works to create a positive social impact through social responsibility initiatives that are closely related to the growth and prosperity of society, and Jarir's commitment to community service is embodied through its programs and its regular participation in non-profit endeavours.

In order to achieve such thing, Jarir commits to the highest standards followed regarding the responsibility of the companies and the contribution in the sustainable development despite all confrontations; in its quest to achieve the growth on the long term and enhance Jarir's value and the value of the stakeholders and the whole world. We as Jarir work team seeks to interact with the main sustainability issues, which emerges through different approaches including:

- Sustainability Team-which guides Jarir's sustainability strategy and its performance, and is responsible for advancing Jarir's sustainability agenda.
- A set of policies that incorporate appropriate and relevant principles and requirements into Jarir's daily operational processes, including, but not limited to, the Jarir Code of Business Conduct.
- Corporate Strategy-which guides Jarir to the strategic direction to achieve its vision.

## Leading with purpose is Jarir approach to achieve sustainability



### Committing to the sustainability path

Jarir is well-known for its institutional transparency, so Jarir is always adhering to right things. The issue of sustainability is vital for Jarir, and it stresses on its commitment to contributing in the sustainable development.



### Responsible operations built on solid business traditions to shape the future

Jarir focuses on owning and implementing the right organizational structures, policies, and procedures to ensure that it practices good governance with a solid foundation. Jarir also focuses on upholding the highest levels of ethical behaviour to create trust and cohesion between the company and its stakeholders.



### Working together to produce knowledge and innovations

Jarir embraces the latest digital capabilities and challenges traditional business models to produce knowledge by modifying the ways in which it presents its products and services in the digital world. It also plays an active role in generating a positive social impact that contributes to the social and economic development of local communities.



### Prioritize our customers in everything we do

Jarir focuses on prioritizing the interests of customers, helping them thrive and grow and making products and services more available to them across its community, while placing the privacy of customer information at the forefront of its priorities.



### Recognizing, inspiring and rewarding talent

Jarir values the efforts of its employees and inspires them to offer their best potential and achieve strategic goals.



### Environmental Impact Management

Jarir is committed to minimizing the environmental impact of its operations and supply chains

## Engaging the stakeholders

The process of engaging Jarir's relevant stakeholders is on-going. Our stakeholder groups are determined by their ability to influence or be affected by our operational and/or decision-making processes. Accordingly, we have identified six major stakeholder groups.

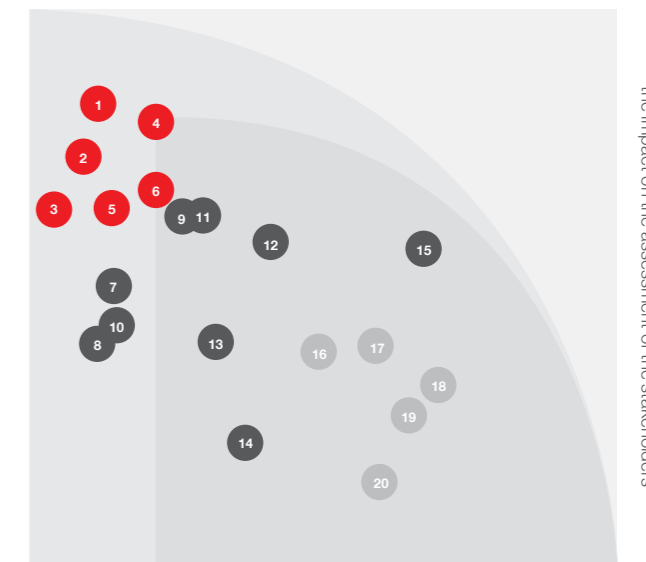


## The most crucial issues

The outbreak of the Corona pandemic had a clear impact on the local and global economy and the change in consumer behaviour and the way companies work. Therefore, the issues were reclassified and reconstructed according to what will be presented below, as issues of customer safety and employee stability were among the most important factors that correspond to the basis of Jarir's strategy, program, and communications to achieve sustainability before and after the crisis, bearing in mind that the current crisis may be prolonged. The process of assessing the core issues increased two important factors to become 20 main topics instead of 18, all 18 of which are related to environmental, social, and governance factors to measure sustainability.

- 1 Governance, work ethics and compliance.
- 2 Achieving operational and financial goals.
- 3 Quality.
- 4 Customer privacy and security.
- 5 Customers' safety.
- 6 Employees' stability.
- 7 Customers' experience.
- 8 Packing and sorting.
- 9 Energy and climate change.
- 10 The responsible relationship with the customers.
- 11 Innovation.
- 12 The responsibility of supply chain.
- 13 Attracting, developing and maintaining talents.
- 14 Recycling.
- 15 Communal investment and social-economic development.
- 16 Prohibition of anti-competitive practice.
- 17 Variation and integration.
- 18 Sustainable buying.
- 19 Sustainable technology.
- 20 The environmental effect on the operational processes.

Core issues matrix



● Very important   ● Sort of important   ● Less important



## Alignment with national and international goals

Jarir aims to measure and submit the reports regarding its environmental, social and economic performance against the pioneering standards to achieve the sustainable development and the national and international goals to ensure the achievement of the sustainable development.



**The frameworks of preparing and submitting reports.**  
Global Reporting Initiative

Preparing and presenting Jarir's non-financial reports in the annual sustainability reports in accordance with the Global Reporting Initiative-a major option.



**National Goals**  
Kingdom of Saudi Arabia  
2030 vision

Jarir seeks to support the goals of the National Vision 2030, and the three main themes underpinning the vision, a vibrant society, a thriving economy, and an ambitious nation, are closely aligned with our strategy and direction to achieve sustainability.



**National Goals**  
Corporate Social Responsibility Strategy in the Kingdom of Saudi Arabia

The implementation of the corporate social responsibility strategy in the Kingdom of Saudi Arabia is one of the goals of Jarir Bookstore, as it seeks to create a sustainable impact for the development of society, the economy and the environment.



**National Goals**  
The national standards for sustainability

In conjunction with the launch of the National Standards for Corporate Sustainability Reporting, Jarir Bookstore seeks to prepare and submit sustainability reports in accordance with these standards.



**International goals**  
Global Reporting Initiative

As a socially responsible national organization, Jarir seeks to align its sustainability endeavours with the priority sustainable development goals relevant to its work, so that it can achieve the greatest impact.

## Aspects from the 2021 Sustainability Report

\* The comprehensive sustainability report for the year 2022 will be issued in May 2023.

Jarir aims to measure and submit the reports regarding its environmental, social and economic performance against the pioneering standards to achieve the sustainable development and the national and international goals to ensure the achievement of the sustainable development. This includes the issuance of independent sustainability reports. Here are some statistics and figures related to the sustainability report:



Paper recycling increased by 378,395 kg, an increase of 6.3% compared to the previous year.



Replacing advertising media in showrooms with electronic screens to reduce the level of paper consumption by the equivalent of 3,300 billboards



19,459,976 SAR worth of electronics was recycled and prevented from reaching the landfill.



By the end of 2021, the number of female employees reached (584).



2095 male and female employees joined the Jarir family by the end of 2021.



65,734 hours of training provided to employees.



60% is the Saudization rate



10% growth in the number of localized Jarir publications compared to the previous year



Printing and publishing 3 novels and 3 stories through the Jarir Storytelling Competition initiative, which is concerned with empowering writers and enriching Arabic content.

## Corporate Social Responsibility (CSR)

In light of the increasing interest in communal responsibility in the Kingdom, the Arab world and the world as a whole, and based on Jarir's belief in the importance of the role of companies in supporting and improving the social and economic life of individuals and society, Jarir, during the year 2022 supported many community initiatives, which were represented in the following:

### • Jarir initiatives to enrich Arabic content

#### Translation

This joint initiative comes as part of linking Jarir's commercial operations with its sustainable goals of social responsibility, to support and enrich Arabic content, closely related to Jarir's activity, as Jarir has been transferring knowledge to the Arabic language by translating and publishing books in Arabic, which enabled it to gain great confidence from international publishing houses.

Jarir has a busy career in the field of translation that has resulted in the translation of more than (5,700) books, and currently, approximately (365) translated books are published annually, with one book every (24) hours, in addition to that, more than (5,700) books have been published. Under the umbrella of Jarir publications by the end of 2022, the number of publications issued by Jarir annually has reached (365), equivalent to one book published per day.

#### Translation and joint publishing

In support of Jarir to spread knowledge of the Arabic language in scientific fields, and in cooperation with the Saudi Social Studies Society, Jarir met the needs of those belonging to and interested in social studies from academics, social researchers and professionals, through a cooperation agreement between Jarir and the Society to produce selected books in the field of social studies under the scientific supervision of a specialized team formed by the Society led by the chairman of the board of directors of the Saudi Social Studies Society.

This joint initiative comes as part of Jarir's communal responsibility and one of its basic and original objectives to support and enrich Arabic content, closely related to Jarir's activity, as Jarir has been transferring knowledge to the Arabic language by translating and publishing books in Arabic, which enabled it to gain great confidence from international publishing houses.

Based on the agreement, the second translated book entitled "Research Designing" was launched, co-authored by two senior authors in research methodology, John W. Cresswell, J.; David Cresswell-which provides a comprehensive summary of research designing and research methodologies and has been scientifically scrutinized and reviewed by the Committee of Saudi Social Studies Society; It was written by Dr. Muhammad bin Suleiman Al-Wahid, Professor Dr. Badria Muhammad Al-Otaibi, and Dr. Mona bint Abdullah Al-Gharibi. It is expected that (3) other books will be launched in 2023.



### Jarir Storytelling Competition

In its quest to enrich the Arabic content and empower the junior writers; Jarir competition for storytelling launched which included two courses of storytelling, the novel's course starting from 22 thousand word and more, and the story's course starting from 12 thousand word and more. The winners of the award list included six authors from both courses.

In the novel's course, the author/ Ashwaq Omar won first place for her novel "Blue Hole," and author/ Ahmed Abdullah won second place for his novel "Aqeer Al-Ghylan," and author/ Motaaz Al-Khateeb won third place for his novel "Dusk breeze" , and author/Nada Mohammed won the fourth place for her novel "Dandelion seeds", while author Bayan Al-Shriofi came the fifth for her novel "28-year-old sagging in contradiction".

In the story course, the author / Lama Hdad won first place for the story "See through Nothingness", and the author / Aliaa Abdullah won the second place for the story "An Envoy from the Future", and the author / Aya Zein Al-Abideen won the third place for the story "Fifty Fall and Message", and author/Wael Saeed won the fourth place for his story "Shigoy", and author Yousra Gaber won the fifth place for her story "Mirror Era", and finally author Asmaa Shalby won the sixth place for her story "Raheel".

Thus, the competition provided an opportunity to publish the winning books, as the prize for the first five places in the novel's course was the printing and publishing of novels in the branches of the Jarir Bookstore, and throwing an



inauguration and signing of books ceremony, in addition to publishing them electronically on the Jarir Reader platform.

The prize for the first six places in the story course was to collect the three winning stories in one volume and publish them in the Jarir Bookstore, in addition to publishing the stories electronically on the Jarir Reader platform.

The participations were evaluated from several aspects, such as the idea, the narrative structure, and others, during stages, through specialized committees composed of many prominent names in fictional and nonfiction literature.

### The partnership between Jarir and Ministry of Culture

This year has witnessed opportunities and means of cooperation between Jarir Bookstore and Ministry of Culture including:

#### Signing an understanding memorandum with Literature, Publishing and Translation Commission:

In support of Jarir for intellectuals, and to empower readers, publishers and all organizations concerned with these fields to contribute to the development and improvement of the level of services provided to those interested and practitioners, Jarir signed a memorandum of understanding with the Literature, Publishing and Translation Commission, for joint cooperation in implementing programs, projects and initiatives concerned with the fields of literature, publishing and translation, and enriching cultural content in the Kingdom. The memorandum included the agreement of the two parties to an understanding in several areas, the most important of which are: the development and implementation of programs and initiatives dealing with the fields of literature, publishing and translation, the development and improvement of cultural content, and cooperation on the implementation of various cultural activities.

#### The project of transferring the paper books into digital to support the digital publication

Alongside with the digital publishing initiative under the auspices of the Ministry of Culture, which aims to support the e-book industry to ensure easy access to the book to beneficiaries, enhance diversity in publishing vessels, contribute to enriching Arabic content from digital books, and support and improve the business model of the Saudi publisher, Jarir had its role in this initiative through a process of transferring Books from paper to digital and handed over to publishers applying for them, as it was agreed between the authority and Jarir to convert 2,000 books from paper to digital.

### • Jarir's programs of recycling

#### Electronic devices recycling :

Jarir looks forward to maximizing the impact of many targeted programs and redoubling its efforts to save old electronic devices from landfill through electronics replacement and recycling programs, which are closely related to the growing global issue of e-waste.

Among Jarir's initiatives to address this problem, Jarir is working on an electronics-recycling program, where the program saves discarded electronic parts to be extracted by specialized recycling companies.

Commercial operations have also been linked to sustainable goals, including campaigns to replace laptops, tablets, smart phones, printers, and smart watches, which have contributed very effectively to the success of the electronic device recycling initiative.

With the launch of the Jarir Electronics Recycling Program in 2020, Jarir was able to transfer 22.3 million Saudi riyals of electronics from the landfill and return it to the economy, and in 2021, it was able to recycle electronic devices worth 19.4 million Saudi riyals.

In light of Jarir's interest in this program, the value of the electronics recycled during the year 2022 increased, reaching 22,322,500 Saudi riyals of electronics.



#### Supporting charitable organizations and institutions:

Reading is food for the soul and the mind, and through it societies elevate, and Jarir is keen to have a leading and effective role in encouraging and motivating the community to practice reading, and because the sense of responsibility is what distinguishes any party and its inspection of the needy and its exploring for their needs is what the community relies on. Therefore, Jarir is always keen to be present on these blessed occasions, and it is happy to support charitable organizations that serve in the development of society and motivate it to read.

Jarir is also determined to be always present in supporting charities, which in turn support the community with scientific and cultural books, through which it seeks to improve a healthy and educated society.





# 4 Financial Performance

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## Performance



The results of the operations and processes in Jarir was summarised as follows:

Million Riyals

Description	The year ended in (31 December 2022)		The year ended in (31 December 2021)		Variability (%)
	Amount	Sales percentage %	Amount	Sales percentage %	
Sales	9,391.7	-	9,088.3		3.3%
Gross profit	1,287.4	13.7%	1,229.3	13.5%	4.7%
The profit of the activity from the main processes	1,018.5	10.8%	1,061.4	11.7%	-4.0%
The net profit before Zakat and income tax	977.8	10.4%	1,019.0	11.2%	-4.0%
The net profit	969.8	10.3%	991.9	10.9%	-2.2%

The retail sector sales in Jarir increased during the fiscal year 2022 by about 2.2%, while wholesale sales increased by 54.8% compared to the previous year 2021.

Regarding the overall performance, Jarir's sales inside and outside Saudi Arabia decreased by 3.3% from last year, and the gross profit decreased by 4.7%, and the gross profit rate was 13.7% compared to 13.5% compared to last year.

The increase in sales is due to the increase in sales of some departments, especially the school supplies, stationary, and smart phones. Despite the increase of the total profit by 4.7% due to the increase of sales and the positive change of the for the sales mix, the net profit decreased by 2.2% and this is mainly due to:

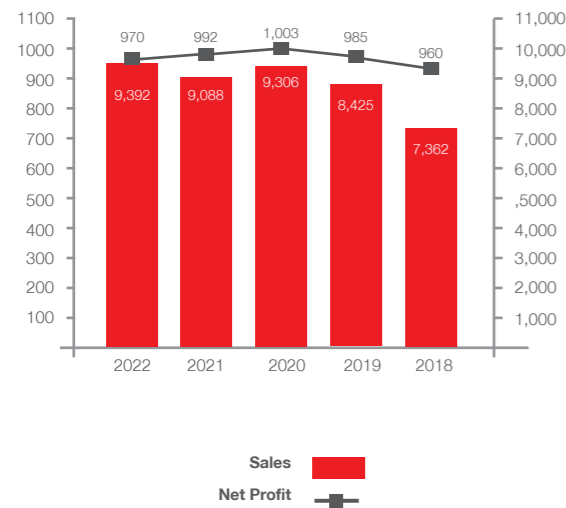
- Decrease in other revenues, which included (among other factors) a capital gain of 38 million from the sale of a plot of land.
- The increase in sales and marketing expenses due to the increase of the spending on advertising to support sales and promotions.

## 2 - Reviewing the elements of income and balances lists

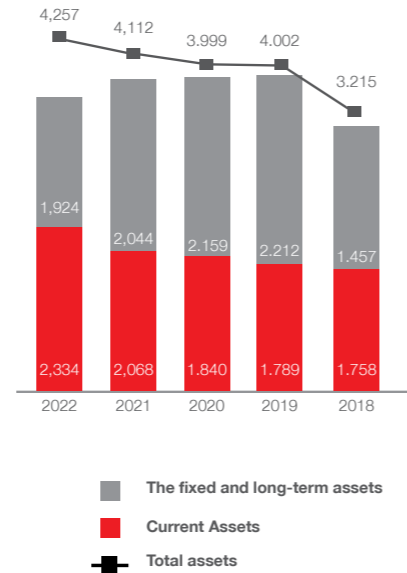
Thanks to God, the company has achieved during 2022 sales and net profit of 9,391.7 and 969.8 million riyals respectively.

Jarir's assets have grown over the past five years from 3,215 million riyals in 2018 to 4,257 million riyals in 2022.

the development of the sales and net profit (million riyals)

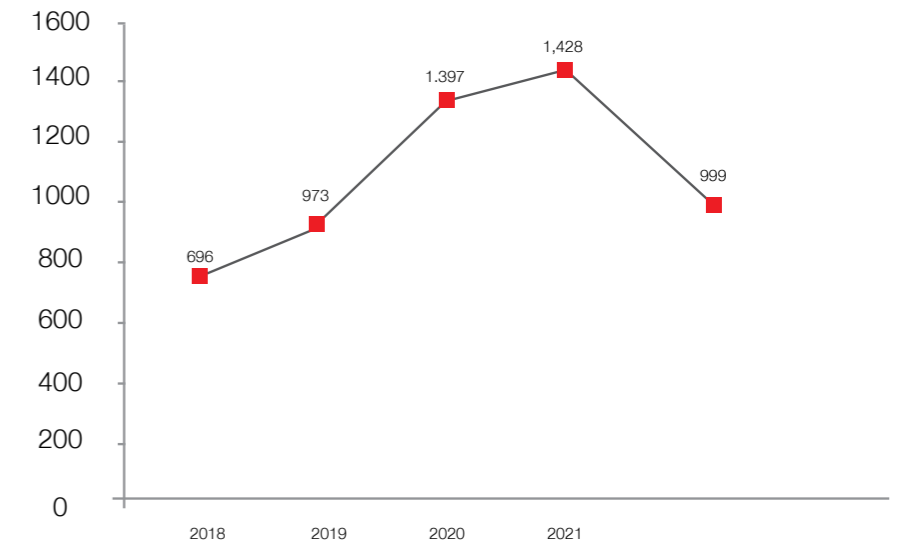


the development of the asset's growth (million riyals)



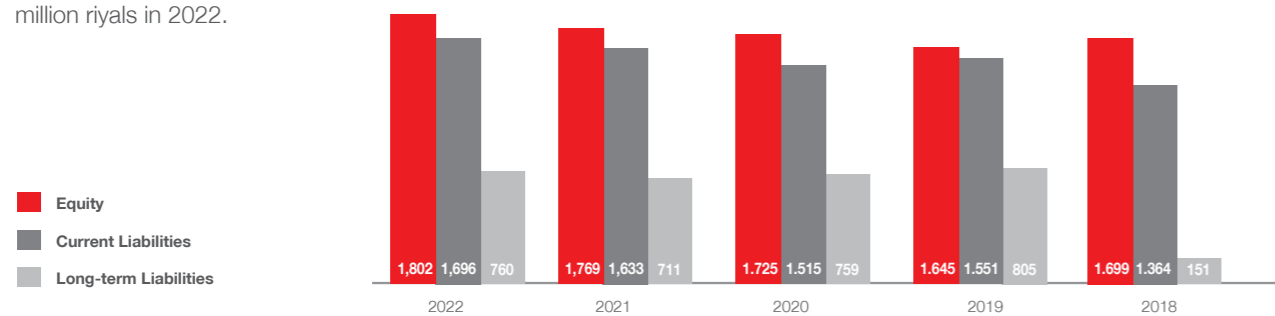
The cash generated from its operating activities amounted to 999 million riyals in 2022, which the company relies on to finance its investments and expansions, as well as to pay dividends to shareholders.

Cash generated from operating activities



Evolution of liabilities and equity (in millions of riyals)

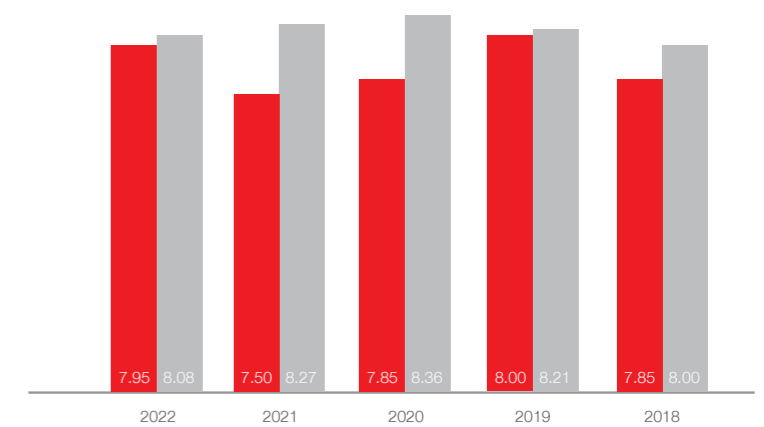
Equity also increased from 1.699 million riyals in 2018 to 1,802 million riyals in 2022.



earnings per share and dividends (riyals)

The compound growth rate of earnings per share and dividends per share over the past five years was 0.3% and 0.3%, respectively.

Dividends  
Share Profit



All earnings per share and dividend per share figures are based on the current number of shares of 120 million shares.

### 3 - The geographical analysis of Jarir`s activities



The following table shows the sales and the net profit of Jarir activity inside and outside the Kingdom:

Geographical area	2022		2021	
	Sales	Net profit	Sales	Net profit
Kingdom of Saudi Arabia	8,906.6	932.0	8,596.3	936.3
Egypt and gulf countries	485.1	37.8	492.0	55.6
<b>Total</b>	<b>9,391.7</b>	<b>969.8</b>	<b>9,088.3</b>	<b>991.9</b>

Million riyals

### 4 - Borrowing

There were no outstanding balances for loans at the beginning of the year or at the end of the current year.

### 5 - Regulatory payments, penalties and sanctions

Jarir subjects to Zakat according to the laws of Zakat and Income Authority. The outstanding Zakat amount is charged to Jarir's Consolidated income statement. Moreover, Jarir submitted and paid its zakat declaration until 31/12/2021 as well as paying the differences resulted from the final zakat assessment till the end of 2010.

For the years 2011 to 2015, the appeal decision was issued in favour of the company for most of the matters in dispute with the Authority, including the full deduction of dividends (in excess of the opening balance of retained earnings) from the adjusted net profit. In January 2023, the company received a copy of the appeal decision as it received the authority issued notices of implementation of the appeal decision and letters of amendment to the previous zakat assessments in accordance with the appeal decision, and the company has refunded the surplus zakat provision related to these zakat disputes amounting to 17 million Saudi riyals in the current year until it ended on December 31, 2022.

For the years from 2016 to 2018, the company received zakat assessments from the Authority claiming zakat differences amounting to a total of 35.9 million Saudi riyals compared to the zakat paid for these years. During the statutory period, the company objected to these assessments and paid 10% of the objected assessments according to the zakat regulations (which require payment of 10% to 25% of the value of the disputed amounts). The Authority rejected the submitted objection, so the company raised the objection to the Dispute Committee. In August 2022 The Dispute Committee rejected most of the objections submitted by the company, so the company escalated its objection to the Dispute Committee's decision to the Appeal Committee for Tax Violations and Disputes during the statutory period, and the appeal is still under consideration. The main reason for these zakat differences was that the Authority did not accept the deduction of dividends in excess of the opening balance of the retained earnings. From the company's point of view, these distributions are deductible, as they are dividends paid to shareholders during those zakat years. The company considers that the balance of the retained earnings at the beginning of the period should not represent an obstacle to deducting the declared and paid dividends in accordance with the relevant regulations.

For the years 2019 and 2020, the company received zakat assessments from the Authority, claiming zakat differences amounting to a total of 19.8 million Saudi riyals, compared to the zakat paid for those years. These zakat differences resulted from the Authority's failure to accept the deduction of the following two items from the adjusted net profit (a) additions to property, equipment and real estate investments (b) distributions in excess of the opening balance of retained earnings. The company objected to those assessments within the statutory period and paid 25% of the disputed amounts in accordance with the requirements of the Zakat regulations. The Authority rejected these objections, and the company raised the objection to the Dispute Committee within the statutory period .On January 18, 2023, the group received a copy of the Dispute Committee's decision accepting the company's objection related to deducting distributions in excess of the retained earnings at the beginning of the period, and rejecting the company's objection related to the deduction of additions to property, equipment and real estate investments from the adjusted net profit. Accordingly, the company raised its objection to the Appeal Committee within the statutory period, demanding a deduction of the additions to property, equipment and real estate investments from the adjusted profit. The objection is still under consideration.

The amounts paid for the years from 2016 to 2020 will be recoverable if the company managed to solve its dispute with the authority for the company, otherwise the payments will be deemed as a part of the settlement amount decided at the end of the dispute. The company maintains a sufficient zakat allowance balance to cover possible zakat differences for the years 2016 to 2020.

The company did not receive a zakat assessment for the year 2021.

**In the following a statement of the payments to the regulatory authorities:**

( thousand Saudi riyals )

Description	2022		A brief description of it	Reasons
	Paid	Outstanding till the end of the annual fiscal period		
Customs authority	33,221	0	Customs clearance	Import
Zakat	22,458	10,704	Zakat of income	The annual zakat declaration and the company's objections which is still under consideration
Tax	7,756	28	Deduction tax	The dividends of the non-resident shareholders as well as the foreign and non-resident services
Tax	991	0	Real estate disposal tax	For buying and selling real estate
Added value tax	1,348,394	62,678	Added value tax	Added value tax of the commodities and services supplies.
The General Organization for Social Insurance	38,700	8,994	Social insurance	The outstanding monthly insurances for the Saudi and non-Saudis employees
Passports and visas costs	238	0	Employees visas	Recruitment of labour and exit and return visas for employees
The labour office fees	17,932	0	Employees residence	Issuing and renewing employees' residence permissions.

\* The amount of zakat amounting to 10.7 thousand riyals due until the end of the annual financial period and has not been paid is the zakat provision for the year 2022 after deducting the amounts owed by the Authority to the company due to the appeal decision for the years 2011 to 2015 (and it is final decision), this is the outstanding amount except for additional provisions made during previous years to meet the potential zakat differences resulting from the dispute with the General Authority for Zakat and Income for the years after 2015.

The total fines or penalties imposed on the company during the fiscal year 2022 amounted to (282,674) riyals, and their details are as follows:

Penalty/fine/precautions/ precautionary attachment	Reasons of violation	The authority imposed the violation	Total amount (Riyals)	Treatments and ways of avoiding its occurrence in the future
Fine	Labour violations	Labour office	22,000	Following the regulatory requirements
Fine	Violations of security	Ministry of Interior-General Security	50,000	Following the regulatory requirements
Fine	Violations of traffic	Ministry of Interior-Traffic	10,950	Following the regulatory requirements
Fine	Violations of licencing requirements	Ministry of Municipal Rural Affairs & Housing	159,374	Following the regulatory requirements
Fine	Civil defence violations	The General Directorate of Civil Defence	10,000	Following the regulatory requirements
Fine	Violations to Ministry of Transport	Ministry of Transport	29,850	Following the regulatory requirements
Fine	Violations to Ministry of Commerce	Ministry of Commerce	500	Following the regulatory requirements
<b>Total</b>		<b>282,674 Riyals</b>		

**6 - Social Institutions Support**

The total value of the social, charity institutions support, the governmental initiatives reached

to **778,245** Riyals

during the year 2022.

**7 - Dividends of the fiscal year 2022**

Jarir distributed cash dividends for the fiscal year 2022 according to the following table:

Period	Dividends total (million riyals)	Share interest (Riyal)	Announcement date	Due date	Distribution date
First quarter	246	2.05	09/05/2022	16/05/2022	25/05/2022
Second quarter	174	1.45	04/08/2022	08/08/2022	17/08/2022
Third quarter	270	2.25	09/11/2022	14/11/2022	23/11/2022
Fourth quarter	264	2.20	15/03/2023	20/03/2023	29/03/2023
<b>Total</b>	<b>954</b>	<b>7.95</b>			





# 5

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## The capital, Investors and Property Notifications

## 1 - The capital

The following table briefly shows Jarir's capital:

Description	Value in riyals/shares number
Authorized capital	1,200,000,000 riyals
Number of issued shares (all of them are ordinary shares)	120,000,000 share
Paid capital	1,200,000,000 riyals
The nominal value of the share	10 riyals
The paid value of the share	10 riyals

## 2 - The main shareholders and the change in ownership shares

In the following table, a list of the names, number and percentage of ownership of the main shareholders who own 5% or more and its change during the year 2021:

Investor	Millions of shares			
	Number of shares at the beginning of 2022	Ownership percentage at the beginning of 2022	Number of shares at the end of 2022	Ownership percentage at the end of 2022
Jarir Commercial Investments Company	26,205,904	21.83%	26,205,904	21.83%

## 3 - Ownership structure for individuals and organisations at the end of 2022

The type of the investors:

type	Number of investors	Number of shares	Ownership percentage (%)
Companies and organisations	734	75,350,440	62.79
Individuals	36,711	44,649,560	37.21
<b>Total</b>	<b>37,445</b>	<b>120,000,000</b>	<b>100%</b>

Investors according to the size of the ownership:

Size of ownership (shares)	Number of investors	Number of shares	Ownership percentage
More than million	16	67,928,163	56.60
From 500 thousand: less than million	18	12,445,769	10.37
From 100 thousand: less than 500 thousand	68	14,327,962	11.94
From 50 thousand: less than 100 thousand	86	6,042,123	5.04
From 10 thousand: less than 50 thousand	458	9,517,181	7.92
From 5 thousand: less than 10 thousand	399	2,697,555	2.25
From one thousand: less than 5 thousand	1,978	4,040,068	3.37
Less than one thousand	34,422	3,001,179	2.51
<b>Total</b>	<b>37,445</b>	<b>120,000,000</b>	<b>100%</b>

• According to the investors' ownership report dated 31/12/2022.

Investors according to their categories:

Category	No.	Number of shares	Ownership percentage (%)
Saudi individual investors	34,574	44,231,364	36.859
Foreigner resident investors	1956	278,111	0.2317
Saudi companies and organisations	98	36,963,139	30.802
Governmental and semi-governmental organisations	29	8,047,443	6.7062
Saudi investment funds	58	13,294,524	11.078
Mutual agreements	95	1,640,792	1.3673
Foreigner non-resident investors	195	15,272,710	12.727
Charitable and endowment organizations	17	271,917	0.2265
<b>Total</b>	<b>37,445</b>	<b>120,000,000</b>	<b>100%</b>

• According to the investors' ownership report dated 31/12/2022.



# 6 Dividends Policy

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## Dividends Policy

The dividend distribution process in general depends on the net profits achieved, cash flows, and future expectations of capital investments, and although Jarir has been disbursing quarterly dividends to shareholders, there are no guarantees for future distributions, and the dividend policy may change from time to time depending on performance of Jarir and the vision of the Board of Directors.

According to Article (44) of Jarir's Bylaw, the annual net profits are distributed after deducting all public expenses and other costs as follows:

- Saving 10% of the net profits to form a statutory reserve, bearing in mind that the Ordinary General Assembly may stop this saving when the reserve reaches the statutory ratio.
- The Ordinary General Assembly may, based on a proposal from the Board of Directors, set aside a percentage not exceeding 20% of the net profits to form a consensual reserve and allocate it for a specific purpose or purposes.
- After that, a down payment to shareholders equivalent to at least 5% of the paid up capital shall be distributed.
- After the foregoing, a percentage not exceeding 10% of the remainder shall be allocated to the remuneration of the Board of Directors, provided that it does not, in all cases, exceed the maximum permissible limits in accordance with the official decisions and instructions issued by the competent authorities in this regard.
- The Ordinary General Assembly may deduct 10% of the net profits to establish social institutions for Jarir employees or to use it to grant Jarir employees shares in Jarir as a reward to them.
- The rest is then distributed to the shareholders as an additional share of the profits.

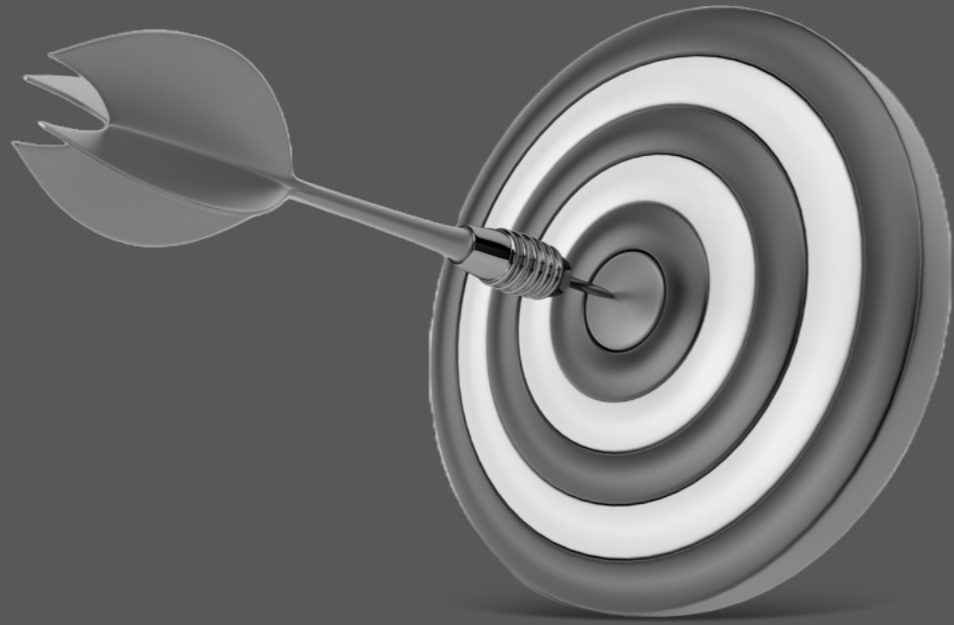
Jarir expects that the distribution ratio will be between 80% - 100% of the net profit, unless this contradicts the financial, operational and investment needs.

A separate item is included in the agenda of the annual general assembly, which states: "Approval of authorizing the Board of Directors to distribute quarterly dividends to shareholders, with defining the eligibility and distribution date, taking into account the relevant regulations."

The following table shows the historical development of the cash dividends of Jarir till now:

Year	Net profit	Share profitability (riyals)	Distributed profit (riyals)	The total amount of distribution	The percentage of the distributed amount from the net profit (%)
2018	The capital was increased from 900 million to 1200 million by granting one bonus share for every three shares.				
	960	8,0	7,85	942	98.1 %
2019	985	8.21	8,00	960	97.5 %
2020	1,003	8.36	7.85	942	93.9 %
2021	992	8.27	7.50	900	90.7 %
2022	970	8.08	7.95	954	98.4 %





7

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**Risks &  
Future  
Vision**

## 1 - The Risks face Jarir

Risk management in Jarir is carried out by senior management in accordance with policies approved by the Board of Directors, where the board identifies and evaluates risks, and takes precautions against them through close cooperation between Jarir's departments. In addition to, evaluating the possibilities of risks occurrence and estimating the effects that may result from them, and then the necessary measures are taken to reduce these risks, avoid them and contain them as much as possible to avoid any damage they may cause in the event their occurrence.

**There are many of risks related to Jarir's activities, including:**

### **Economic risks:**

The risks to which the economy is exposed in general, whether inside or outside the Kingdom, which have an impact on spending for individuals and institutions, and what have an impact on suppliers and manufacturers.

### **Strategic risks:**

Not being aware of the economic variables, making the wrong strategic decisions, or applying the strategies incorrectly, and Jarir is keen to be aware of the economic variables through studying the market and the economic situation, and using distinguished expertise to avoid any strategic risks.

### **Operational risks:**

All of errors and defects facing the operational processes and the ability to work in a competitive environment. These risks include:

#### **1 - Currency risks:**

It is the risk of change in the value of financial instruments due to the change in currency exchange rates, as most of Jarir's transactions are in Saudi riyals, US dollars and euros, and subsidiaries are exposed to currency conversion risks.

#### **2 - Credit risks:**

It is the inability of one party of a financial instrument to meet its obligations, which leads to the other party incurring a financial loss. To avoid credit risks, cash is deposited with banks with a high credit rating, and receivables are restricted after deducting the provision for doubtful debts.

#### **3 - Cash risks:**

It is the risk of difficulty in securing the cash necessary to meet its obligations, and cash risk is managed by ensuring periodically that sufficient cash is available to meet any future obligations.

#### **4 - Human resources risks:**

The ability to attract and retain qualified and distinguished human cadres, and Jarir continuously recruits and trains national cadres, and develops an incentive reward to support the continuity and efficiency of its employees.

#### **5 - Legal risks:**

Risks related to legislative and legal changes in the Kingdom or the countries in which Jarir operates, whether from taxes, labour laws, and others.

#### **6 - Technical risks:**

Risks of the continuity of operational processes associated with technical programs in the event of a technical defect, Jarir continues to develop and support its technical programs and alternative technical infrastructure.

## 2 - The Future Vision



Upon the foregoing, and what the world witnessed especially in the Kingdom, during the last years of exceptional circumstances, which gradually improved but left its impact on the societies' behaviours, and since Jarir is a part of the society which is naturally part of the world, Jarir followed a new strategy based on reducing the profit margin sometimes to gain a larger market share in the light of these economic conditions, and seeking to obtain competitive prices from suppliers, Jarir will continue on the same strategy, and will maintain its expansion plans, and expansion plans will include new areas in Saudi Arabia, Kuwait, the UAE, and Bahrain, and studying expansion in other countries.

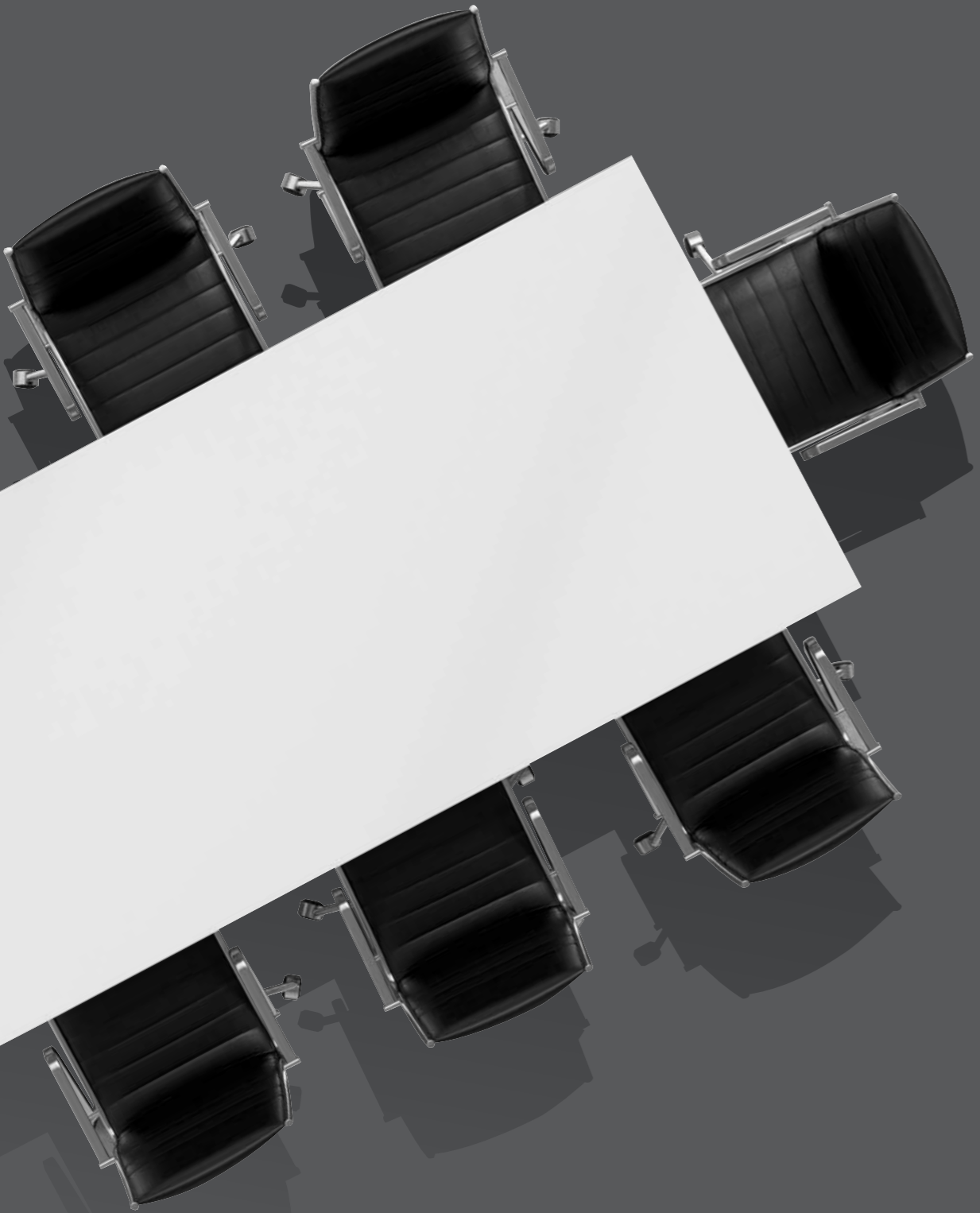
During the year 2022, Jarir opened three showrooms, as the number of Jarir Bookstores became (68) showrooms inside and outside the Kingdom. Jarir intends to open four showrooms during 2023, and to continue developing the Jarir website. The wholesale and distribution sector will continue to grow by doubling existing distribution network and entering new markets.

The future of Jarir looks promising in light of our continuous quest to reach the largest possible segment of customers and serve them in new ways and methods. We are committed to improving Jarir's performance and achieving the desired growth, improving product display services in addition to providing the highest levels of customer service and the best value.

Jarir is fully aware that achieving these goals depends on a strong and qualified team, and therefore it continues to invest in human capital and attract qualified human cadres to provide the best value to its customers and investors.

Based on these data and plans, and in light of the current and expected market conditions, and in light of the challenges surrounding the sector in which we operate, Jarir expects to achieve positive growth in the range of 5% in the fiscal year 2022 compared to the fiscal year 2021.





8

Governance

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## 1 - The Board of directors' formation

The board of directors consists of eight members according to the Article No. (16) Of the bylaw of Jarir. Moreover, the board of directors' formation complies with the instructions stated in Article (17) of the companies' governance regulations issued by the Capital Market Authority.



**Mohammed Bin Abdulrahman Alagil**  
Chairman (1) (non-executive)

### Current jobs

The chairman of Jarir Marketing Co.

### Qualifications

- Master degree in engineering form University of California/ Berkeley.
- A bachelor in Civil Engineering from King Fahd University of Petroleum & Minerals.
- The certificate of OPM from University of Harvard.

### Experiences

- The chairman of Jarir Marketing Co. since its foundation until now.
- The foundation of Jarir Marketing Co.
- The foundation and the management of Jarir Investments.
- A former member of the board of directors in a number of companies.
- A former member of Centennial Board of Trustees
- A member of the executive committee of the National Centre of Family Businesses (in the board of the chambers).
- A former member in the Duke University Middle East Advisory Board.
- A former member in the committee of Board of Trustees of King Abdul Aziz and his men for the care of the gifted.



**Abdulkareem Bin Abdulrahman Alagil**  
CEO  
The vice chairman (executive)

### Current jobs

- The Vice Chairman of Jarir Marketing
- CEO

### Former jobs

- Assigned lecturer in Institute of Public Administration.

### Qualification

- The certificate of OPM from University of Harvard.
- Joined many programs of management development.

### Experiences

- Jarir Bookstore foundation.
- One of Jarir Marketing Co. founders.
- A member of the board of director of Jarir Marketing Co. since its foundation until now.
- The head of retail sector (Jarir bookstore) and the CEO of the company.
- The vice chairman of Jarir Marketing Co, since 2019 until now.



**Abdullah Bin Abdulrahman Alagil**  
Managing Director (executive)

### Current jobs

The head of the wholesale sector of Jarir Marketing Co., the managing director of the company.

### Qualifications

Bachelor of management from King Saud University.

### Experiences

- One of Jarir Marketing Co. founders.
- A member of the board of director of Jarir Marketing Co. since its foundation until now.
- Establishing the wholesale processes in Jarir.
- The head of the wholesale in Jarir Marketing Co., the vice chairman and the managing director of the company



**Nasser Bin Abdulaziz Alagil**  
chief operating officer (executive)

### Current jobs

chief operating officer

### Former jobs

Worked in the information technology department in the Saline Water Conversion Corporation.

### Qualifications

- Bachelor of Computer Science from Eastern Washington University
- Joined many programs of management development.

### Experiences

- Worked in the information technology department in the Saline Water Conversion Corporation.
- A former member of many of board of directors in a number of companies.
- A member of the board of director of Jarir Marketing Co. since its foundation until now.
- Chief operating officer in Jarir Marketing Co.



**Fahad Bin Abdullah Al-Qasem** (5)  
(non-executive)

### Current jobs

A member in many of companies' boards.

### Former jobs

- The CEO of Amwal Financial (2001:2011).
- The general manager of Al Othaim Trading Establishment (2000:2001)
- A partner and manager in KPMG International (1995:1999).
- The executive manager of Dallah Hospitals (1991:1995).
- A partner in ALKassim CPA's and Consultants (1990-1991).

### Qualifications

- Bachelor of Administrative Science, Accounting department from King Saud University.
- AMLP program for management and advanced leadership from Oxford University.

### Experiences

- Financial and administrative advices and auditing (25 years).
- Executive management- Health Foundation (5 years).
- Executive management-Wholesale and retail (one year).
- A member of the board of directors in a number of companies.
- A member in many committees (investment-auditing-governance-recommendations and rewards).



**Abdul Rahman Bin Ismail Trabzoni.** (6)  
(Independent)

### Current jobs

The founder and the CEO of STV

### Former jobs

- The head of business development internationally in Google-Andriod

### Qualifications

- MA of Engineering from Massachusetts Institute of Technology-Cambridge.
- Bachelor of Engineering from Massachusetts Institute of Technology-Cambridge.

### Experiences

- He previously held executive positions at Google leading its regional and then new global businesses at the company's California headquarters.
- He worked before that in several major companies in the banking sectors, technical and consulting in the United States.
- Member of a number of boards of directors and executive and investment committees.



**Muhammed Bin Dahesh Al-Dahesh.** (7)  
(Independent)

### Current job

Portfolio manager in local stock management - Hassana Investment Company.

### Former jobs

- Analyst at The Saudi British Bank.

### Qualifications

- Bachelor's degree in Economics from the University of Southern California.

### Experiences

- Analyst at The Saudi British Bank.



**Asmaa Bint Talal Hamdan.** (8)  
(Independent)

### Current jobs

Chief Executive Officer, Shared Services, flynas.

### Former jobs

- Chief Executive Officer (Project Management, Human Resources, Information Technology, Purchasing Department).
- Project management, sales planning and operations Hewlett-Packard..
- Paper House Company (strategic business planning).

### Qualifications

- Master of Business Administration from Prince Sultan University.
- Bachelor of Business Administration, King Saud University.
- The Art of Negotiation Program from Harvard University.
- Digital Transformation Program from the University of Virginia.
- Leadership Communication Program INSEAD.

### Experiences

- Chief Executive Officer (Project Management, Human Resources, Information Technology, Purchasing Department).
- Project management, sales planning and operations Hewlett-Packard..
- Paper House Company (strategic business planning).

(1) Mr. Abdullah bin Abdul Rahman Alagil submitted his resignation from the membership of the Board of Directors on 12/18/2022, to be effective as of 12/31/2022.

(2) The membership of Mr. Nasser bin Abdul Rahman Alagil expired at the end of the Council's session on 03/08/2022.

(3) The membership status of Mr. Fahd Bin Abdullah Al Qassem has been changed, starting from the session of the Council, which begins on 03/09/2022.

(4) The membership of Mr. Badr bin Hamed Al-Aujan expired at the end of the Council's session on 03/08/2022.

(5) The membership of Mr. Basil bin Muhammad bin Jaber expired at the end of the council session on 03/08/2022.

(6) The membership of Mr. Abdul Rahman bin Ismail Trabzoni started with the Council session, which starts on 03/09/2022.

(7) The membership of Mr. Muhammed bin Dahesh Al-Dahesh began with the Council's session, which begins on 03/09/2022.

(8) The membership of Mrs. Asmaa bint Talal Hamdan started with the Council session, which starts on 03/09/2022.



the following table is a list of the companies in which a member of the company's board of directors is a member of its current and previous boards of directors or one of its managers

Member	Companies in which a board member is a member of their current board of directors or one of their managers			Companies in which a board member is a member of their previous board of directors or one of their managers		
	Company	Legal entity	Inside/ outside the Kingdom	Company	Legal entity	Inside/outside the Kingdom
Mohammed Bin Abdulrahman Alagil	Alkhorayef Group	Unlisted Joint stock	Inside the Kingdom	Al-Andalus Property Company SJSC	Listed joint stock	Inside the Kingdom
				Al Faisaliah Group	Unlisted Joint stock	
				Company For Cooperative		
				Riyadh Najed Schools		
				NAFFCO		
				Jarir Trading LLC		
				Horma International Company		
				Horma National Company		
				Nourah National Company		
				Sanabel Saudi Company		
				Hamat Holding		
				Imtiaz Al Arabia Co		
				Middle East TV. "mbc"		
Abdullah Bin Abdulrahman Alagil	Jarir Real Estate Company	Unlisted joint stock	Inside the Kingdom	Horma Projects Company	Unlisted joint stock	Inside the Kingdom
				Horma National Company		
				Nourah National Company		
				Horma International Company		
				Imtiaz Al Arabia Co		
				Jarir Real Estate Company		
Abdulkarim Bin Abdulrahman Alagil	Kite Arabia Co	Unlisted joint stock	Inside the Kingdom	Horma National Company	Listed joint stock	Inside the Kingdom
				Horma Projects Company		
				Factor Car Outlet (American Company)F.C.O	Listed joint stock	
				Nourah National Company		
				Riyadh Najd National Schools Company		
Nasser Bin Abdulaziz Alagil	Sanabel Horma Company	Unlisted joint stock	Inside the Kingdom			

Member	Companies in which a board member is a member of their current board of directors or one of their managers			Companies in which a board member is a member of their previous board of directors or one of their managers		
	Company	Legal entity	Inside/ outside the Kingdom	Company	Legal entity	Inside/outside the Kingdom
Fahd Bin Abdullah Al Qassem	Savola Group	Listed joint stock	Inside the Kingdom	Albilad Bank	Listed joint stock	Inside the Kingdom
	Dur Hospitality Company					
	Dallah Healthcare Company					
	Riyadh Development Company					
	Dr. Mohammad Bin Rashed Al Faqih & Cos Company	Unlisted joint stock				
	Alrajhi united investments holding (executive)			Unlisted joint stock		
	Argan Projects company					
	Fahd Bin Abdullah bin Abdula ziz Al Qasim & Sons for Trading & Investment Company	Limited liability				
	Areez Commercial Investment, Ltd.					
	Abdullah bin Ibrahim Al-Subaie Holding Company (AIMS)					
	Gulf Baseqat Group					
	Twenty First Century company & its partner for real estate evaluation					
	Rakeen Najd International Company					
	Fincorp Investment Holding Company			Egyptian Closed shareholding	Outside the Kingdom	
Abdul Rahman Bin Ismail Trabzoni	Bank of Riyadh	Listed joint stock	Inside the Kingdom	STC Pay		Inside the Kingdom
				Saudi Company of Development and Technical Investment (Taqrnia)		
				Careem		
				Akia Saudi Company		
				Integral		
Muhammed Bin Dahesh Al-Dahesh	Jubail United Petrochemical Company	Limited liability	Inside the Kingdom			
	Aramco					
Asmaa Bint Talal Hamdan	MOBI Industry Co	Listed joint stock	Inside the Kingdom	Paper House Company	Limited liability	Inside Kingdom

**The names and data of the members of the executive management are as follows:**

Serial No.	Member	Current positions	Previous positions	Qualifications	Experience
1	Abdullah bin Abdulrahman Alagil		Previously defined as a member of the board of directors		
2	Abdulkarim bin Abdulrahman Alagil		Previously defined as a member of the board of directors		
3	Nasser bin Abdulaziz Alagil		Previously defined as a member of the board of directors		
4	Abdulaziz bin Nasser Alagil	Delegated Financial Manager	<ul style="list-style-type: none"> <li>• Founder and Managing Director, Shawermix (Kingdom of Saudi Arabia)</li> <li>• Director of Operations at Imtiaz Arabia Company (Kingdom of Saudi Arabia) fashion and clothing</li> <li>• Senior Relationship Manager HSBC (Kingdom of Saudi Arabia).</li> <li>• Credit Suisse Analyst (London, UK)</li> </ul>	<ul style="list-style-type: none"> <li>• Business Administration (Finance and Marketing) from the American University of Sharjah</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Board of Directors of Gulf Finance House (Kingdom of Saudi Arabia), Investment Bank, April 2021 to date.</li> <li>• Founder and Managing Director of Shawermix (Kingdom of Saudi Arabia) April 2016 - November 2019.</li> <li>• Director of Operations at Imtiaz Arabia Company (Kingdom of Saudi Arabia), Fashion and Apparel, October 2011 - January 2016.</li> <li>• Senior Relationship Manager HSBC (Kingdom of Saudi Arabia) October 2008 - September 2011.</li> <li>• Credit Suisse Analyst (London, UK) January 2008 - September 2008</li> </ul>

(1) Mr. Faisal bin Anbar Al-Anbar submitted his resignation from the position of Financial Director on 12/31/2021.

(2) Mr. Abdulaziz bin Nasser Alagil was appointed as the Acting Financial Director on 01/01/2022.

(3) The current internal audit manager has been appointed (according to Paragraph 11 of Article 87 of the Governance Regulations).

**2 - Board of directors' meetings attendance record for the fiscal year 2022**

Record of the attendance of board meetings for the fiscal year 2022. The following are their dates and the record of attendance of board members:

	Name	The date of the board of directors meeting							Total of attendance
		29/03/2022	09/05/2022	04/08/2022	04/10/2022	08/11/2022	30/01/2023	15/03/2023	
1	Mohammed Bin Abdulrahman Alagil.	√	√	√	√	√	√	√	7
2	Abdullah Bin Abdulrahman Alagil.	√	√	√	XX	√	His membership ends on 31/12/2022		4
3	Abdulkarim Bin Abdulrahman Alagil.	√	√	√	√	√	√	√	7
4	Nasser bin Abdulaziz Alagil.	√	√	√	√	√	√	√	7
5	Fahd bin Abdullah Al Qassem.	√	√	√	√	√	√	√	7
6	Abdul Rahman bin Ismail Trabzoni.	√	XX	√	√	X	√	√	6
7	Muhammed bin Dahesh Al-Dahesh	√	√	√	√	√	√	√	7
8	Asmaa bint Talal Hamdan	√	√	√	√	√	√	√	7
9	Muhammad bin Abdullah Alagi	His membership begins on 01/01/2023					√	√	2
<b>The date of the last meeting of the General Assembly 10/05/2022</b>									
√ - in person      X - by proxy by another board member      XX - absence									

**3 - The general assembly of shareholders meetings attendance record**

Record of the attendance of assembly meetings for the fiscal year 2022. The following are their dates and the record of attendance of board members:

	name	Attendance record	
		ordinary general assembly 01/03/2022	extraordinary general assembly 10/05/2022
1	Mohammed Bin Abdulrahman Alagil.	XX	√
2	Abdullah Bin Abdulrahman Alagil.	XX	√
3	Nasser Bin Abdulrahman Alagil.	√	His membership ended on 08/03/2022
4	Abdulkarim Bin Abdulrahman Alagil.	√	√
5	Nasser bin Abdulaziz Alagil	√	√
6	Fahd bin Abdullah Al Qassem.	√	XX
7	Badr bin Hamed Al-Aujan	√	His membership ended on 08/03/2022
8	Basil bin Mohammed bin Jabr.	√	His membership ended on 08/03/2022
9	Abdul Rahman bin Ismail Trabzoni	His membership started on 09/03/2022	
10	Muhammed bin Dahesh Al-Dahesh	His membership started on 09/03/2022	
11	Asmaa bint Talal Hamdan	Her membership started on 09/03/2022	
√ - attendance      XX- absence			

**4 - Company's applications for the register of shareholders**

Statement of the number of Jarir applications for the shareholders register during 2022:

Number of the Jarir application for shareholders register	Date of application	Reasons for application
1	21/02/2022	Company procedures
1	24/02/2022	others

## 5 - Committees

### 1 - Audit Committee:

The audit committee was established in accordance with Article (54) of the Corporate Governance Regulations issued by the Capital Market Authority, and in accordance with Article (2) and the work regulations of the audit committee approved by the ordinary general assembly at its meeting on 25/12/2017 and amended by the extraordinary general meeting on 28/10/2018, and the ordinary general assembly meeting dated: 26/05/2021.

The committee shall study the subjects that are assigned to it or referred to it by the board of directors, submit its recommendations to the board for decision, or take decisions if authorized by the board. The committee shall inform the board of its findings, decisions or recommendations.

The committee is also responsible for monitoring the Jarir's operations and verifying the validity and integrity of the reports, financial statements and internal control systems. The committee's functions include the following:

#### Financial Reports:

1. Studying the annual and annual financial statements of the company prior to presenting them to the board of directors, and providing its opinion and recommendation on them in order to ensure their integrity, fairness and transparency.
2. At the request of the board of directors, providing the technical opinion on whether the board 's report and the financial statements of the Company are fair, balanced and understandable, and include information that enables shareholders and investors to evaluate the Company's financial position, performance, work model and strategy.
3. Studying any important or unusual issues at financial reports.
4. Thorough investigation of any matters raised by Jarir's CFO, or their deputies, the Compliance Officer of the Company or the auditor.
5. Verification of accounting estimates on principal issues in the financial reports.
6. Studying the accounting policies followed in the company, and providing the board with opinions and recommendations on them.

#### Internal Audit:

1. Studying and reviewing the internal control, financial and risk management systems of Jarir.
2. Studying the internal audit reports, and following up the implementation of corrective measures of the notes contained therein.
3. Supervising and controlling the performance and activities of the internal auditor and the internal audit department of the company, in order to verify the availability of the necessary resources and their effectiveness in the performance of the tasks and tasks entrusted to them.
4. Recommending to the board of directors to appoint the director of the internal audit unit or department or the internal auditor, and proposing their remuneration.

#### Auditor:

1. Recommending to the board of directors the nomination and dismissal of auditors, determining their fees and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
2. Verifying the independence, objectivity and fairness of the auditor, and the effectiveness of the audit, taking into account the relevant rules and standards.
3. Reviewing the plan and work of company's auditor, making sure that they don't provide technical or administrative works beyond the scope of the audit work, and making comments thereon.
4. Answering the inquiries of the company auditor.
5. Making sure that the auditor is able to perform their work, and that information is not withheld from them.
6. Studying the auditor's reports and observations on the financial statements, and following up on actions taken on them.

#### Commitment Guarantee:

1. Reviewing the results of the reports of the regulatory bodies, and verifying that the company has taken the required procedures upon them.
2. Verifying the company's compliance with relevant systems, regulations, policies and instructions.
3. Reviewing the contracts and transactions proposed by the company with the related parties, and submitting their views thereon to the board of directors.
4. Referring the issues it deems necessary to the board of directors to take action on them, and recommending the actions to be taken.

The names and date of the members of the Committee are as follows:

no	name	current positions	previous positions	qualifications	experience
1	<b>Abdulsalam bin Abdulrahman Alagil</b> Chairman of Committee	<ul style="list-style-type: none"> <li>Chairman of of Asala Holding Company, Imtiaz Al Arabia Co, Riyadh Najid school, Horma national Company).</li> <li>Managing Director of Jarir Company for Commercial Investments, Jarir Trading Development Company).</li> <li>CEO of Jarir Company for Commercial Investments.</li> <li>General Manager of Burooj International Co Ltd., Future Markets Co Ltd., Advanced Markets Co Ltd., Afrass arabia Co Ltd., Jarir Union Company).</li> <li>Chairman of Future Houses Company.</li> <li>Chairman of the Investment Committee at Kinan International for Real Estate Development).</li> <li>Member of the Audit Committee at the General Authority for Investment.</li> <li>Chairman of the Audit Committee at Jarir Markeing Company).</li> </ul>	<ul style="list-style-type: none"> <li>Financial analyst at Cresscot Inc -New York -USA. (1989-1990 )</li> <li>Facilities official for major companies at Banque Saudi Fransi- Saudi Arabia (1991-1993).</li> <li>Member of the Advisory Committee - Capital Market Authority (2013- 2016).</li> <li>Board member of the General Authority for Investment (2015-2018).</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science in Industrial Management from King Fahd University of Petroleum and Minerals - Kingdom of Saudi Arabia.</li> <li>CPE course from the Family Establishments Office - United States of America.</li> <li>Certificate in Strategic Finance from Harvard University - USA</li> <li>Certificate in Private Wealth Management - Wharton Education Program - Pennsylvania, USA.</li> <li>Certificate of passing the CME test from the Institute of Banking - Riyadh.</li> <li>A course in Corporate Governance, Compliance, Anti-Money Laundering and Combating Terrorism from Al-Jazira Bank in Riyadh.</li> </ul>	<ul style="list-style-type: none"> <li>(Former) Member of the Advisory Committee at Capital Market Authority.</li> <li>(Former) board member of Malath Insurance and Reinsurance Company.</li> <li>Board member of Herfy Food Services Company.</li> <li>(Former) member of Jarir Holding Company (liquidated).</li> </ul>
2	<b>Fahd bin Abdullah Al Qassem</b>	He has already been identified in the names and data of the members of the board of directors			
3	<b>Medhat Farid Abbas Tawfik</b>	Executive partner at Irsaa Al Jazira Group for Business Solutions.	<ul style="list-style-type: none"> <li>Samba Financial Group</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science majoring in Chemistry from Belmont University, Tennessee.</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Audit Committee of the Saudi Telecom Company Stc.</li> <li>Chairman of the Audit Committee of AWJ Holding Company. d</li> <li>Independent Boar Member of Rana Investment Company. Establishment of an outsourced firm, IRSAA Business Solutions, with responsibility for risk management and internal audit.</li> </ul>

Four meetings of the Committee were held in 2022. The attendance record is as follows:

Serial No.	Name	Position	Date of meeting				Total of attend-ances
			08/05/2022	03/08/2022	07/11/2022	14/03/2023	
1	<b>Abdulsalam bin Abdulrahman Alagil</b>	Committee Chairman	√	√	√	√	4
2	<b>Muhammed bin Dahesh Al-Dahesh</b>	Member	√	√	√	√	4
3	<b>Medhat Farid Abbas Tawfik</b>	Member	√	√	√	√	4

√ - in person

✕ - by proxy by another Audit Committee member

XX- absence

In the light of the work done by the committee during 2022 the audit committee considers that there is no material deficiency or change in the internal control systems, that they are effective to prevent and detect material errors, and that there has been no material breach of the internal control systems during 2022.

## 2 - Rewards and Nominations Committee:

The Committee for Rewards and Nominations was established in accordance with Article (60), Article (64) and Article (50) of the Corporate Governance Regulations issued by the Capital Market Authority. In accordance with Article (2) of the work regulations of the Rewards and Nominations Committee approved by the ordinary general assembly at its meeting on 25/12/2017.

The committee shall study the subjects that are assigned to it or referred to it by the board of directors, and submit its recommendations to the board for decision or take decisions if authorized by the board. The Committee shall inform the board of its findings, decisions or recommendations.

### In respect of rewards, the Committee shall:

1. Clarify the relationship between the granted rewards and the applicable rewards policy, and indicate any significant deviation.
2. Conduct a periodic review of the reward policy, and evaluate its effectiveness in achieving its objectives.
3. Recommend to the board of directors the rewards of the members of the board, its subordinate committees and senior executives in accordance with the approved policy.

### In relation to nominations, the Committee shall:

1. Propose clear policies and criteria for membership in the board of directors and executive management.
2. Recommend to the board of directors to nominate and re-nominate members in accordance with the approved policies and standards.
3. Prepare a description of the abilities and qualifications required for membership of the board of directors and occupying the jobs of executive management.
4. Determine the time a member should allocate to the work of the board of directors.
5. Conduct an annual review of the necessary skills or experience for board membership and executive management jobs.
6. Review the structure of the board and executive management, and make recommendations on possible changes.
7. Annually verify the independence of independent members and the absence of any conflict of interest if the member is a board member of another company.
8. Develop a functional description for executive members, non-executive members, independent members and senior executives.
9. Establish special procedures in case of a vacancy in the board of directors or senior executives.
10. Evaluate the performance of the board of directors, its committees and executive management annually, and submit its findings to the board of directors, recommending a plan to address the aspects that need to be developed.
11. Identify weaknesses and strengths in the board of directors, and propose solutions to address them in line with the company's interests.

The following is a list of the names and record of the attendance of the members of the Committee during the fiscal year 2021:

Serial No.	Name	Current positions	Previous positions	Qualifications	Experiences
1	Abdul Rahman bin Ismail Trabzoni	He has already been identified in the names and data of the members of the board of directors			
2	Mohammed Bin Abdulrahman Alagil	He has already been identified in the names and data of the members of the board of directors			
3	Fahd bin Abdullah Al Qassem	He has already been identified in the names and data of the members of the board of directors			

Two meetings of the Committee were held in 2022. The attendance record is as follows:

Serial No.	Name	Position	Date of meeting		Total of attendances
			06/06/2022	25/12/2022	
1	Abdul Rahman bin Ismail Trabzoni	Committee Chairman	√	√	2
2	Mohammed Bin Abdulrahman Alagil	Member	√	XX	1
3	Fahd bin Abdullah Al Qassem	Member	√	√	2

√ - in person      X - by proxy by another Audit Committee member      XX- absence

## 3 - Governance Committee:

The Governance Committee was formed in accordance with Articles (94), (95) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority under Resolution No. (8-16-2017) and dated 5/16/1438 AH, corresponding to 2/13/2017, as amended by the resolution of the board of The Capital Market Authority on 9/15/1440 AH, corresponding to 2/13/2017, as amended by Resolution of the Capital Market Authority Board No. (3 - 57 - 2019), dated 9/15/1440 AH, corresponding to 5/20/2019, and by the decision of the Board of Directors at its meeting held on 7/3/1440 AH, corresponding to 10/3/2019.

In accordance with Article (2) of the Corporate Governance Regulations, which is approved by the Board of Directors in its decision dated 3/9/1441 AH, corresponding to 11/6/2019, the committee studies matters that are pertaining to it or referred to it by the board of directors, and submits its recommendations to the board to take a decision regarding them, or it takes decisions if the board delegates to it to do so. The committee informs the board of directors of the results it reaches or the decisions it takes or recommends.

### The committee is responsible for the following:

1. Verifying that the company adheres to the governance rules stipulated in the Corporate Law, the Corporate Governance Regulations and other regulations issued by the Authority or by the competent authorities
2. Reviewing and updating the rules in accordance with legal requirements and best practices.
3. Reviewing and developing the rules of professional conduct that represent the company's values, and other internal policies and procedures to meet the company's needs and conform to best practices.
4. Informing members of the board of directors of developments in the field of corporate governance and best followed practices.

The following is a list of the names and record of the attendance of the members of the Committee during the fiscal year 2022:

Serial No.	Name	Current positions	Previous positions	Qualifications	Experiences
1	Fahd bin Abdullah Al Qassem	He has already been identified in the names and data of the members of the board of directors			
2	Mohammed Bin Abdulrahman Alagil	He has already been identified in the names and data of the members of the board of directors			
3	Anas bin Dawood Al-Asafi	He has already been identified in the names and data of the members of the Audit Committee.			

Two meetings of the Committee were held in 2022. The attendance record is as follows:

Serial No.	Name	Position	Date of meeting		Total of attendances
			25/09/2022	14/12/2022	
1	Fahd bin Abdullah Al Qassem	Committee Chairman	√	√	2
2	Mohammed Bin Abdulrahman Alagil	Member	√	√	2
3	Anas bin Dawood Al-Asafi	Member	√	√	2

√ - in person      X - by proxy by another Audit Committee member      XX- absence

## 6 - Remuneration Disclosure

Jarir has prepared "The reward policy of the members of Jarir Marketing Company's board, its subordinate committees and executive management" pursuant to the provisions of paragraph (1) of Article (61) of the Corporate Governance Regulations issued by the Capital Market Authority Board and approved by the general assembly of the Company on 25/12/2017, and had been amended by the Ordinary General Assembly on 26/05/2021. The rewards granted to directors and senior executives is consistent with the approved policy. The Company also affirms that there is no significant deviation from this policy.

**Hereinafter we state the mechanic of the reward policy of the members of board of directors, its subordinate committees and executive management as per policy is as follows:**

### General criteria for rewards:

1. Their consistency with the company's strategic plans; long-term and short-term objectives; its activities; the sector in which it operates; the skills required to manage it; and the size, nature and degree of risk in the company.
2. Urging members of the board, its committees and executive management to ensure the company's success and long-term development, and linking the variable segment of rewards with long-term performance.
3. Rewards should be determined based on the level of the job, the tasks and responsibilities assigned to the employer; and the level of performance, in addition to the objectives set by the board to be achieved during the fiscal year.
4. Taking into account the practices of other companies in determining rewards, while avoiding any unnecessary rise of rewards and compensation arising out of that.
5. The reward should be reasonably sufficient to attract, retain and motivate professional talent, without exaggerating it.
6. The remuneration of the members of the Board of Directors may vary in amount to reflect the member's experience, competencies and tasks entrusted to him.
7. To be Prepared in coordination with the Rewards and Nominations Committee in the company upon the new appointments.
8. Suspension or refund of the rewards if it turned out that it has been determined on the basis of inaccurate information provided by a member of the board or executive management; in order to prevent the exploitation of the career status to obtain undue rewards.

**The policy stipulates that the rewards of the members of the board and its subordinate committees shall be as follows:**

Session attendance allowance of (3000) three thousand riyals per session for each member either in the or The rewards of the members of the board and its subordinate committees shall consist of a certain amount and attendance allowance for meetings or expenses, not exceeding the provisions of the Corporate Law, its regulations and the company's statute, as follows:

- An annual bonus of (300,000) three hundred thousand Riyals for each member of the board.
- In addition to the rewards to be paid to the board members, an additional annual bonus shall be paid to the Chairman of the board, which amounts to (250,000) Two hundred and fifty thousand riyals.
- An annual bonus of (50,000) fifty thousand riyals for each member of the subordinate committees of the board.
- Session attendance allowance of (3000) three thousand riyals per session for each member either in the board or in one of its subordinate committees.

**The policy also stipulates that the rewards of executive management shall be as follows:**

The policy also stipulates that the remuneration of the executive management shall be according to the following: The Remuneration and Nomination Committee reviews the salaries of senior executives and incentive programs and plans on an ongoing basis and approves them, based on the recommendation of the executive management.

### Executive management rewards include:

- Annual bonus determined according to performance according to the annual evaluation in this regard.
- short-term incentive plans related to the extraordinary performance and long-term incentive plans.

**Following is a breakdown of the rewards paid to board members and senior executives during fiscal year 2022:**

### Rewards for Board Members:

A breakdown of rewards paid to board members during fiscal year 2022 (in their capacity as board members):

(In thousand Saudi riyals)

	Fixed rewards					Variable rewards					Grand total	expenses
	Certain amount	Attendance allowance for board sessions	Total of Attendance allowance for board sessions	In-kind benefits	Technical, administrative and consulting reward of the chairman of the board, the managing	Grand total	percentage of profits	Periodic bonuses	Short - term incentive plans	long - term incentive plans		
<b>First: independent members</b>												
Abdul Rahman bin Ismail Trabzoni	300	9				309						309
Muhammed bin Dahesh Al-Dahesh	300	15				315						315
Asmaa bint Talal Hamdan	300	15				315						315
Bader bin Hamed Al-Aujan*	-	6				6						6
Basil bin Mohammed bin Jabr*	-	6				6						6
<b>total</b>	<b>900</b>	<b>51</b>				<b>951</b>						<b>951</b>
<b>Second: non-executive members</b>												
Mohammed Bin Abdulrahman Alagil	300	21			250	571						571
Fahd bin Abdullah Al Qassem	300	21				321						321
Nasser Bin Abdulrahman Alagil	-	6				6						6
<b>total</b>	<b>600</b>	<b>48</b>			<b>250</b>	<b>898</b>						<b>898</b>
<b>Third: executive members</b>												
Abdullah Bin Abdulrahman Alagil	300	18				318						318
Abdulkarim Bin Abdulrahman Alagil	300	21				321						321
Nasser Bin Abdulaziz Alagil	300	21				321						321
<b>total</b>	<b>900</b>	<b>60</b>				<b>960</b>						<b>960</b>

\* Members of the Board of Directors whose membership in the Board has ended with the re-formation of the Board for the new cycle.

In this regard, the company affirms the following:

- There is no arrangement or agreement whereby a board member or a senior executive waives any salary or compensation.
- There are no arrangements or agreements whereby a shareholder of Jarir waives any rights in profits.
- There are no other investments or reserves created for Jarir's employees.

### Senior Executive Rewards

Following is a breakdown of rewards paid to five senior executives who received the highest rewards, including the CEO and the chief financial officer during the fiscal year 2022:

thousand Saudi riyals	
Fixed rewards	
Salaries	10,406
Allowances	3,085
In-kind benefits	267
<b>Total</b>	<b>13,758</b>
Variable rewards	
Periodic rewards	18,764
Profits	0
Short-term incentive plans	0
Long-term incentive plans	0
Granted shares (value)	0
<b>Total</b>	<b>18,764</b>
Severance pay	4,447
<b>Total of executives' rewards</b>	<b>900</b>
<b>Grand total</b>	<b>37,869</b>

Jarir is committed to disclosing the incentives granted to senior executives in total according to the statutory requirements contained in subparagraph (4/b) of Paragraph (a) of Article No. (93) of the Corporate Governance Regulations, without disclosing them in detail. To protect the interests of the company and prevent the damages that may befall the company if it is mentioned in detail, which is the creation of a climate of competition and job instability, and might reflect on the performance of the company and consequently on the shareholders.

### Rewards of members of committees

Following is a breakdown of rewards paid to members of committees during the fiscal year 2022:

thousand Saudi riyals			
	Fixed rewards (except for session attendance allowance)	Session attendance allowance	Total
Members of Audit Committee			
Abdelsallam bin Abdulrahman Alagil	180	12	192
Muhammed bin Daresh Al-Daresh	130	9	139
Medhat Farid Abbas Tawfik	180	12	192
Fahd bin Abdullah Al Qassem*	-	3	3
<b>Total</b>	<b>490</b>	<b>36</b>	<b>526</b>
Members of Rewards and Nominations Committee			
Fahd bin Abdullah Al Qassem	50	9	59
Mohammed bin Abdulrahman Alagil	50	6	56
Abdul Rahman bin Ismail Trabzoni	50	6	56
Basil bin Mohammed bin Jabr*		3	3
<b>Total</b>	<b>150</b>	<b>24</b>	<b>174</b>
Members of Governance Committee			
Fahd bin Abdullah Al Qassem	50	6	56
Mohammed bin Abdulrahman Alagil	50	6	56
Anas bin Dawood Al-Asafi	50	6	56
<b>Total</b>	<b>150</b>	<b>18</b>	<b>168</b>

\*Committee members whose membership in the committees ended with the re-formation of the committees.

## 7 -Employee Incentive Programs

Jarir established a number of employee incentive programs. The following is a summary of these programs:



#### Employee Incentive Programs:

According to this program, Jarir Management grants its senior employees the right to receive cash incentive compensation at the end of the maturity period if specific conditions are met. The calculation of these rewards is linked to the growth achieved by Jarir in its annual profits, which is determined in accordance with the Company's preliminary consolidated financial statements.



#### Housing Finance Program

It's granted to Saudi employees under certain terms and conditions. Jarir grants good loan to its Saudi employees with outstanding performance to buy their own homes through loans repayable in installments for ten years, with the aim of enhancing loyalty for national competencies as well as attracting new Saudi competencies.



#### Sales Staff Rewards

They include annual rewards and sales bounces, and are largely related to performance.



#### Rewards of Employees

It is an incentive annual reward, which is linked to employee performance during the year according to an annual assessment.

## 8 - Equity Share and its Change for Board Members and Senior Executives, and their Spouses and Minor Children in 2022

### Board members, their spouses and minor children

The following table shows the number of shares of Jarir owned by the board of directors in 2022:

	Members	Beginning of 2022	End of 2022	Change during the year	Percentage of change	Debt tools
1	Mohammed Bin Abdulrahman Alagil	2,688,338	2,643,568	(44,770)	(0.03)%	None
2	Abdulkarim Bin Abdulrahman Alagil	3,840,000	3,840,000	0	0%	None
3	Abdullah Bin Abdulrahman Alagil	2,657,844	2,657,844	0	0%	None
4	Nasser bin Abdulaziz Alagil	481,237	481,237	0	0%	None
5	Fahd bin Abdullah Al Qassem	2,000	2,000	0	0%	None
6	Abdul Rahman bin Ismail Trabzoni.	0	0	0	0%	None
7	Muhammed bin Daresh Al-Daresh	0	0	0	0%	None
8	Asmaa bint Talal Hamdan	531	556	25	%4.7	None

### Senior executives, their spouses and minor children:

The following table shows the number of shares of Jarir owned by senior executives in 2022:

	Members	Beginning of 2022	End of 2022	Change during the year	Percentage of change	Debt tools
1	Abdulaziz Bin Nasser Alagil	0	0	0	0%	None

## 9 - The Related Parties Transactions

During the fiscal year 2022, some of the contracts in which Jarir was a party and from which some board members benefit, continued. Some of these contracts were agreed upon from previous years and are an extension of the continuous relations that started before the fiscal year 2022.

These contracts are summarized in the table below:

	The contract parties	Contract nature	The amount of transaction during the year (Riyals)	Contract term (annual)	Contract conditions	Member/senior executives or any party related to them
1	Kite Arabia Co.	Business contract Implementation, design and technical consultation for the company, which started on 01/01/2011	26,578,408	Five years, automatically renewed	No special terms	Mohammed bin Abdulrahman Alagil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Alagil Abdulkarim bin Abdulrahman Alagil
2	Kite Arabia Co.	Office lease contract that was held at Jarir Building (Riyadh), and started on 15/11/2012	196,020	Five years, automatically renewed	No special terms	Mohammed bin Abdulrahman Alagil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Alagil Abdulkarim bin Abdulrahman Alagil
3	Jarir Company for Commercial Investments	office Lease contract in Jarir Building (Riyadh), which started on 15/11/2012	444,840	Five years, automatically renewed	No special terms	Mohammed bin Abdulrahman Alagil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Alagil Abdulkarim bin Abdulrahman Alagil
4	Jarir Company for Commercial Investments	office Lease contract in Jarir Building (Riyadh), which started on 15/11/2012	145,860	Five years, automatically renewed	No special terms	Mohammed bin Abdulrahman Alagil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Alagil Abdulkarim bin Abdulrahman Alagil
5	Amwaj Dhahran Company Limited	Showroom Lease contract in Dhahran, which started on 15/12/2008	1,653,750	Twenty two years	No special terms	Mohammed bin Abdulrahman Alagil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Alagil Abdulkarim bin Abdulrahman Alagil
6	Future Markets Company for Trading	Showroom Lease contract in Riyadh Panorama (Al-takhosisi St), which started on 01/12/2005	2,556,696	Twenty-two years	No special terms	Mohammed bin Abdulrahman Alagil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Alagil Abdulkarim bin Abdulrahman Alagil
7	Jarir Real Estate Company	office Lease contract in Jarir Building (Riyadh), which started on 14/10/2015	171,625	Two years, automatically renewed	No special terms	Mohammed bin Abdulrahman Alagil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Alagil Abdulkarim bin Abdulrahman Alagil
8	Robin Arabia Co.	showroom lease contract in Riyadh - Northern Ring Road (Rubin Plaza Complex) which started at 01/05/2017	2,368,800	Twenty-five years renewable	No special terms	Mohammed bin Abdulrahman Alagil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Alagil Abdulkarim bin Abdulrahman Alagil
9	Reef Tabuk Limited	showroom lease contract in Tabuk (Tabuk Plaza Complex) which started at 10/04/2018	1,803,600	Twenty years	No special terms	Mohammed bin Abdulrahman Alagil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Alagil Abdulkarim bin Abdulrahman Alagil
10	East Medical Company Ltd.	The lease contract for the residential building located in Al-Rakah Al- Janoubia district in Khobar Governorate which began on 01/09/2019	2,816,458	Twenty years	No special terms	Mohammed bin Abdulrahman Alagil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Alagil Abdulkarim bin Abdulrahman Alagil
11	Robin Arabia Co.	Contract to provide management operation and maintenance services (not including rental-relation services) in Rubin Plaza Complex which started from 01/07/2019	761,000	One year renewable	No special terms	Mohammed bin Abdulrahman Alagil Nasser bin Abdulrahman Al- Agil Abdullah bin Abdulrahman Alagil Abdulkarim bin Abdulrahman Alagil

## 10 - Jarir Auditors

Jarir asserts that the financial statements were prepared in the fiscal year 2022 according to the International Accounting Standards for financial reporting approved by the board of directors of the Saudi Organization for Certified Public Accountants.

Proposals had been received from major auditing offices for auditing Jarir during the fiscal year 2023, which were presented to the Audit Committee. After discussion, the Committee settled on the nominations that are to be presented to the next general assembly for shareholders to consider the selection of Jarir auditor for the 2023 fiscal year.

## 11 - Board of Directors' Acknowledgements

The board of Jarir acknowledges the following:

- The accounting records have been prepared correctly.
- The internal control system has been properly prepared and implemented effectively.
- There is no doubt about the company's ability to continue its activity.

Jarir's Board also affirms:

- There is no penalty, sanction or reserve imposed on Jarir by the Capital Market Authority or any supervisory, regulatory or judicial body – except as mentioned in this report.
- There are significant differences in operating results from the results of the previous year or any projections previously announced by Jarir, as indicated in the financial results.
- There is no difference from the international accounting standards. There are no material observations from the chartered accountant on the annual financial statements of Jarir during 2021. The board of directors is obliged to provide the Capital Market Authority with any additional information required at any time, in the event that the auditor makes any reservations About Jarir's annual financial statements.

## 12 - Company Governance

Jarir issued the company's bylaw, which some of its Articles has been amended and approved by the ordinary general assembly dated 28/10/2018 in order to be in conformity with the last amendments of the companies' statute and the regulations of Capital Market Authority and (ISIC4).

Jarir issued its company governance rules, which were approved by the general assembly held on 10/03/2008 and re-approved by the general assembly held on 13/03/2012, then some of them were re-approved by the General Assembly on 03/13/2012, then some of them were re-approved by the General Assembly on 28/02/2019 following some modifications of some of its provisions in line with the new regulations promulgated by the Capital Market Authority.

### The Company continuously reviews and updates these policies in accordance with relevant rules and regulations, which they are:

1. Regulations of the Audit Committee.
2. Regulations of the Rewards and Nominations Committee.
3. Regulations of the governance Committee.
4. Policies, criteria and procedures for membership in the board of directors.
5. The reward policy of the member of the board, its subordinate committees and executive management.
6. Jarir governance guide.
7. Dividend Policy.
8. Policy of the working procedures of the board of directors.
9. Policies and procedures regulating the discharge of Jarir debtors (Debt Execution).
10. Disclosure policy and procedures.
11. Policy to address conflicts of interest.
12. Policy and procedures for regulating relationship with stakeholders.
13. Policy of professional conduct and ethical values.

The company's policies and regulations are reviewed annually.

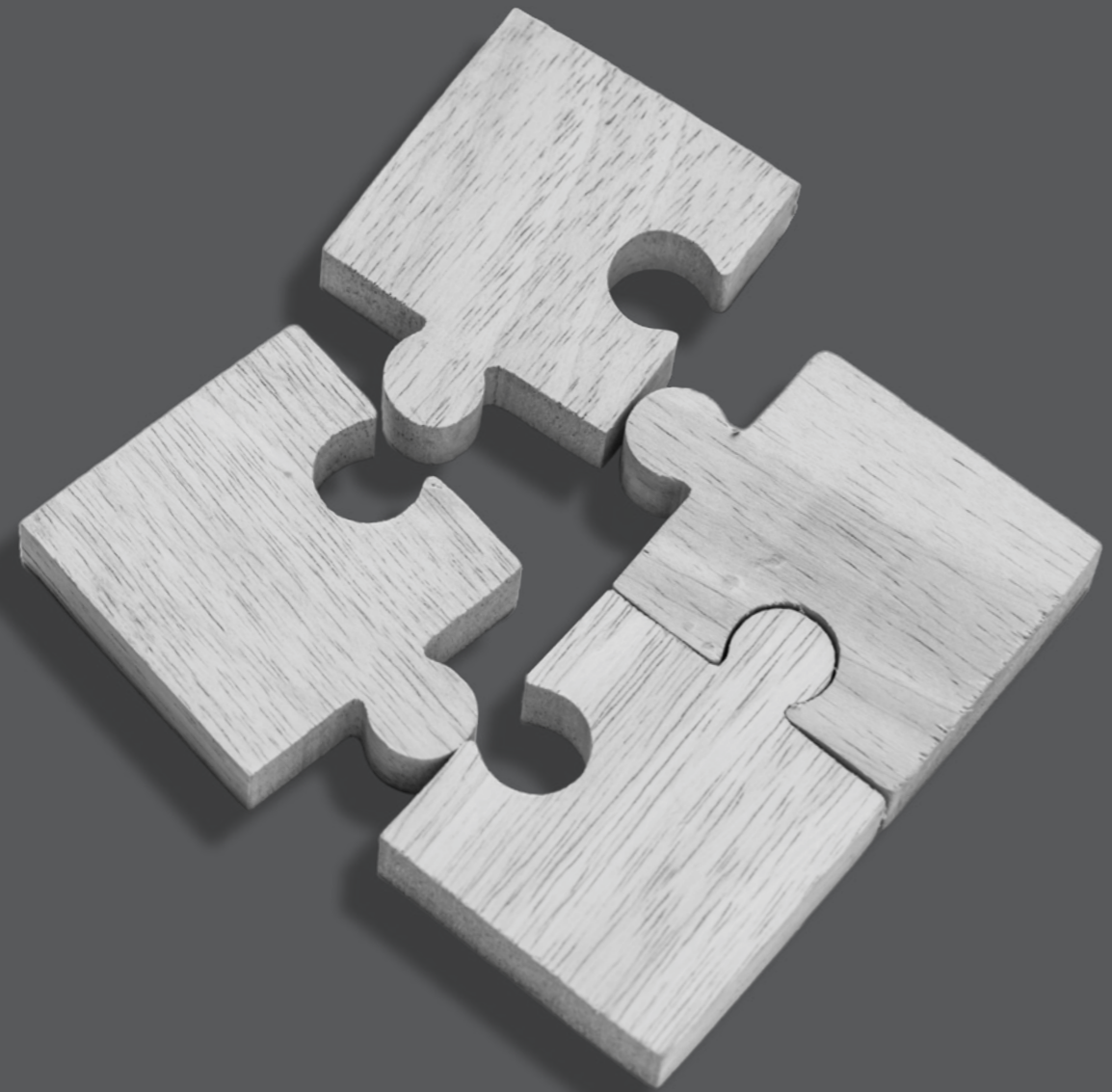
### It is worth mentioning that some items do not apply to Jarir and include the following:

- that a member of its board held with others.
- Jarir does not have convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by Jarir during 2022.
- No rights of transfer or subscription under convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by Jarir in 2022.
- Jarir has no redemption, purchase or cancellation of any redeemable debt instruments.
- Jarir has no preference shares or shares of special interest, especially in voting, whether for shareholders or directors. All Jarir shares are ordinary shares of equal nominal value, equal voting rights and other equal rights according to the statute.
- Jarir is subject to zakat according to the regulations of the General Authority for Zakat and Income in the Kingdom of Saudi Arabia. Jarir registers the annually due Zakat allocation, and charges it to the income statement. The modifications that occur during the final assessment of zakat – if any - are recorded in the period in which the assessment is made.
- During the fiscal year 2022, the company's external auditor did not provide any advisory services to the Company and received no fees in this respect.

### The company applies all the provisions of the Company Governance Regulations issued by the Capital Market Authority, except as follows:

Article/ Paragraph No.	Article/ Paragraph provision	Reasons for non-application
Forty-one	<b>Evaluation</b>	Guidance article. The board considers available options for selecting an independent body to develop mechanisms for evaluating the board, its members, committees and executive management.
	The board of directors shall, upon the proposal of the Nominations Committee, establish the necessary mechanisms to evaluate the performance of the board, its members, committees and executive management annually through appropriate performance indicators related to the achievement of the company's strategic objectives, quality of risk management, adequacy of internal control systems and others. They shall determine strengths and weaknesses, and propose addressing them in line with the Jarir's interests.	
Seventy	<b>Staff motivation</b>	Guidance article. The company believes that it does not need an independent risk management committee and that its work is entrusted to other committees and Departments.
	Formation of the Risk Management Committee.	
Eighty-five	<b>Social work initiatives</b>	Guidance article. The company has incentive programs (already mentioned in the report).
	Jarir establishes programs to develop and motivate participation and performance of the company's employees, including, in particular, the following: 1. Forming committees or holding specialized workshops to listen to the opinions of the employees of the company and discuss them in matters and topics related to important decisions. 2. Programs to grant employees shares in the company or a portion of the profits achieved by it, retirement programs, and an independent fund to finance those programs. 3. Establishing social institutions for the company staff.	
Eighty-eight	<b>Social work initiatives</b>	Guidance article. The company has some initiatives, but it hasn't developed specific programs or benchmarks, Etc.(Review the social responsibility at the Report)
	The board of directors sets out the programs and identifies the means to launch the company's social work initiatives including the following: 1. Developing measurement indicators that link the performance of the company to its social work initiatives, and comparing that to other companies with similar activity. 2. Disclosing the social responsibility objectives adopted by the company to its employees and, and raising their awareness and knowledge of them. 3. Disclosing the plans to achieve social responsibility in periodic reports related to the activities of the company. 4. Developing awareness programs for the community to order to clarify corporate social responsibility.	





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**Shareholders  
Rights and the  
Communication  
Mechanism**

## 1 - Shareholders' suggestions and their observations regarding the company and its performance

The board approved the policy and procedures of disclosure, which included procedures that guarantee shareholders the right to inquire, request information and get answers to their inquiries in a manner that does not harm the interests of the company. The board also confirms that during 2022, its members, especially non-executive members, were informed of all inquiries received from shareholders. No proposals were received from shareholders about the company's performance.

## 2 - Communication mechanism with our shareholders

In line with Jarir's concern and interest in the rights of its shareholders, Jarir has incorporated all the rights to shareholders and stakeholders in the Company's statute. These rights have been highlighted in detail in the principles and policies of Jarir's governance and procedures, and all these documents are found on [www.jarir.com](http://www.jarir.com). In addition, there is a special department at Jarir to follow up the affairs of the shareholders, which is dedicated to Jarir shareholders through continuous communication, response to queries and follow-up of any potential problems that may face shareholders regarding the distribution of dividends among other things. Shareholders affairs department can be contacted directly through:

The company's website  
[www.jarir.com/contactinvestor](http://www.jarir.com/contactinvestor)

Or by email  
[jmir@jarirbookstore.com](mailto:jmir@jarirbookstore.com)

Or by Phone  
**+966114626000** Ext. 1613

## 3 - The most important events and developments during the year 2022

During 2022, Jarir witnessed a number of events and developments that are illustrated in the following table:

Date	Event or development
03/01/2022	Jarir Marketing Company announces the closure of its showroom on Corniche Road, Nation Galleria Complex, Abu Dhabi
21/02/2022	Jarir Marketing Company announces the opening of a new showroom in Jeddah
15/03/2022	Jarir Marketing Company announces the appointment of the Chairman of the Board of Directors, Vice President and Managing Director, and the formation of committees emanating from the Board of Directors
11/05/2022	Jarir Marketing Company announces the sale of the residential, commercial and office building owned by it, located in Al-Rakah Al-Janubiyah neighbourhood in Al-Khobar Governorate, at a value of 178,000,000 Riyals.
12/05/2022	Jarir Marketing Company announces the closure of its showroom located on Palestine Street in Jeddah Governorate
08/09/2022	Jarir Marketing Company announces the opening of a new showroom in the Kingdom of Bahrain
05/12/2022	Jarir Marketing Company announces the opening of a new showroom to replace its showroom located in Al-Qiblatain neighbourhood in Madinah
19/12/2022	Jarir Marketing Co. Announces Resignation of a Board Member

## 4 - Dates of interest to shareholders

The following table shows the expected dates for the most crucial events and occasions, which are important to the shareholders during 2023:

Expected date	Event
08/05/2023	The meeting of the board of directors for the first quarter.
08/05/2023	Publishing the results of the first quarter.
08/05/2023	Declaring the resolution of the board regarding the dividend of the first quarter, due date and disbursement of profits.
30/05/2023	The General Meeting of the fiscal year 2022.
03/08/2023	The meeting of the board of directors for the second quarter.
03/08/2023	Publication of the results of the second quarter.
03/08/2023	Declaring the resolution of the board regarding the dividend of the second quarter, due date and disbursement of profits.
02/11/2023	The meeting of the board of directors for the third quarter
02/11/2023	Publication of the results of the third quarter.
02/11/2023	Declaring the resolution of the board regarding the dividend of the third quarter, due date and disbursement of profits.
28/01/2024	Board of directors meeting in order to discuss the estimated annual budget.
07/03/2024	The meeting of the board of directors for the fourth quarter
07/03/2024	Publish the annual results for the year 2023 and issue the Board of Directors report for the fiscal year 2023.
07/03/2024	Declaring the resolution of the board regarding the dividend of the fourth quarter, due date and disbursement of profits.
30/0/25023	The meeting of the general assembly for the fiscal year 2023.

- The proposed dates for the meetings are initial and not final and may be changed as required by the concerned authorities and the engagements of the members of the Board of Directors.

## **Closing Statement**

In accordance with the results reviewed in this report and in the final accounts for the fiscal year 2022, which were published at Local newspapers, your company has continued to achieve remarkable growth and development in its activities and the results of its work. This has been accompanied by financial and administrative steps taken to reduce operating costs, adding and developing Jarir products while maintaining their quality and competitive prices, as well as continue to strengthen Jarir's management with competent staff.

In conclusion, Jarir's board members thank Jarir's staff, suppliers, shareholders, customers, banks and government agencies for their continued support and cooperation. Your company will continue to achieve its goals and plans to expand and grow sales.

**Abdullah bin  
Abdulrahman Alagil**

Managing Director

**Abdulkarim bin  
Abdulrahman Alagil**

Vice Chairman, CEO

**Mohammed bin Abdulrahman Alagil**

Chairman



شركة جرير للتسويق  
Jarir Marketing Co.