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# Annual Report



شركة جرير للتسويق  
Jarir Marketing Co.

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Jarir Marketing Co.

# About Jarir

Jarir Marketing Co. was founded in Riyadh in 1974 as a small bookstore. Then it became a Saudi joint-stock company. It has been listed on the Saudi stock exchange since 2003 with a paid-up capital of 1,200 million Saudi riyals. With its functioning retail, wholesale, and e-commerce sectors, Jarir operates in Saudi Arabia, as well as in several other Gulf markets.

## Our Business Strategy

Our overarching goal is to become the number one source of knowledge, productivity tools and entertainment to our customers. Our business strategy is to strengthen our position as a leading omni-channel retail company by providing affordable innovative and top-quality products and services. Jarir Bookstore's success depends on working collaboratively with customers, business partners, investors, government and regulatory authorities and other stakeholders.

The execution of our business strategy is based on a customer-centric approach combined with a simple organizational structure that focuses on investing in competitive products and driving down costs.



# Our Charter



## Our Objectives

- To maintain leadership in service quality of service to our customers.
- To provide affordable products of superior quality to our customers.
- To be a market leader in office supplies, IT products and books.
- To build a superior and effective management team.
- To incentivise individual initiative and provide opportunities for personal growth to our employees.
- To serve and give back to the community, as we believe it is our social responsibility.



## Our Mission

To enable our Customers to Grow and Learn through Best Products and Service delivered with pleasurable experience and Best Value.



## Our Values

- **Exceeding Customers' Expectations**  
We strive to continually exceed our customers' expectations through our ongoing commitment to providing the highest levels of service because we believe that this is what distinguishes us from others and keeps us at the forefront of the organizations that regard customers as their primary focus and priority.
- **Quality**  
We are dedicated to the highest standards of quality in everything we do, and we aim to consistently improve and develop our plans and outputs. We also work on developing the work team and use relevant means to do so.
- **Integrity**  
We are proud of our ethical commitment, integrity and transparency in all our transactions, whether with our shareholders, partners, suppliers, customers or employees.
- **Simplicity**  
We prefer simplicity and the use of logic when dealing with ideas, suggestions, and decisions, and we avoid complicating things by setting unnecessary procedures. This ensures that operations run correctly in a balanced and smooth manner, allowing us to achieve our goals.
- **Humility and Dealing with Ease**  
We sincerely care about our employees and look forward to hearing their opinions, suggestions and ideas, and we encourage them to do so by adopting an "open door" policy in all of our interactions at all levels.
- **Respect and Appreciation**  
We respect and appreciate the cultural differences of the entire work team, and we take care of the well-being and needs of the work team as part of our continuous efforts to support and strengthen family and social ties among our employees.
- **Team spirit**  
At Jarir, we encourage teamwork and believe it is essential for achieving goals at the individual and organizational levels. So, we work as one family to develop and achieve our goals together.
- **Loyalty**  
We owe loyalty to our shareholders, partners, suppliers, customers, and employees, and we work relentlessly to promote and reinforce this value among ourselves to preserve their commitment, trust, and involvement while also enriching their genuine sense of belonging.

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**Mohammed Bin Abdulrahman Al-Agil**

Chairman

**Dear respected shareholders of Jarir Marketing Co.,**

May the peace, blessings, and mercy of Allah be upon you

It is my pleasure to welcome you through the Board of Directors' annual report for fiscal year 2023 and to share with you the results that Jarir achieved, thanks to Allah and the efforts of its employees, by reviewing the most significant transformations in Jarir's journey and its financial position during the fiscal year ending on December 31, 2023.

Jarir was able to sustain its usual growth rate thanks to Allah and the efforts of its employees. Jarir's sales in 2023 were 10,594.9 million SARs, up from 9,391.7 million SARs the previous year, representing a 12.81 percent increase. The rise in sales in 2023 is a result of an increase in sales in various departments, most notably smartphones, video games, computers, and others. In order to maintain the expansion plans, Jarir opened three showrooms during the year 2023, in addition to launching the website for several Gulf countries, and this was followed by providing several new distinguished services in the fields of installments, after-sales services, and warranty.

In conclusion, I extend my sincere thanks and appreciation for your trust in Jarir's management. I also thank the fellow members of the Board of Directors for their continuous guidance and efforts in formulating Jarir's strategy, and many thanks to colleagues in the executive management and all Jarir departments for their sincere efforts. We look forward to more successes during the year 2024, and I hope to meet you during the annual meeting of the General Assembly of Shareholders to respond to your inquiries regarding the contents of this report.



**Abdul Karim Bin Abdulrahman Al-Agil**

Vice Chairman  
CEO

**Dear respected shareholders of Jarir Marketing Co.,**

May the peace, blessings, and mercy of Allah be upon you

Thanks to Allah and His help, Jarir achieved more growth and expansion during the past year, making it the first destination for customers in various departments. In addition, Jarir continues its expansion by developing new products and services and offering various opportunities as an incentive for the development and growth that the company seeks at various levels. As a result, Jarir was able, thanks to Allah and the efforts of its employees, to maintain the growth rate. Jarir also maintained its expansion plans, as three showrooms were opened during the year 2023, in addition to launching the website for several countries such as the Emirates and Bahrain. Jarir seeks to continue its plan to maintain its pioneering position locally and regionally as a result of the efforts, expertise, and competence of all its employees and those responsible for it, in addition to the policies implemented to capitalize on its competitive advantages and strong presence in the local and regional markets in which it operates.

As part of the company's expansion plans, the international book shipping service was tested in more than 30 countries around the world, and Jarir's services, such as maintenance, installments, and protection packages, were expanded in the Kingdom and the Gulf in general.

Jarir, Allah willing, will continue to achieve its goals and maintain growth and expansion. Finally, I would like to thank the respected Board members, all Jarir employees, and our esteemed shareholders.

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## About Jarir



**According to its statutes, Jarir's activity is as follows:**

- Office and school Supplies.
- Publications, books and educational materials.
- Computer programs.
- Trading mobile phone devices and accessories.
- Selling and maintaining computers.
- Engineering, surveying, sports, scouting, audio-visual, and photographic tools and devices.
- Paper, computer paper, decorative tools, decorative materials, craft tools and drawing devices.
- Bags, purses, and leather goods.
- Children's toys and travel supplies.
- Purchasing residential and commercial lands to construct buildings on them and investing them through sale and lease for Jarir.
- General contracting for buildings, electrical and electronic works, building and warehouse maintenance, loading and unloading of goods, transportation and delivery, and building cleaning.
- Establishing, organizing, and managing conferences, temporary and permanent showrooms.
- E-Commerce.

Jarir carries out its activities through the following sectors:



**1. Retail Sector (Jarir Bookstore):**

This sector operates through Jarir showrooms, which bear the trade name "Jarir Bookstore," and includes:

- Showrooms and all operations and service departments which includes: Installment programs, services, customer experience, purchasing management (supply chains), marketing, human resources, human cadre development, and the information technology department.
- Business sector (B2B).
- Jarir's brands.



**2. E-commerce Sector:**

Which includes the process of selling products and services via the Internet.



**3. Wholesale Sector:**

Clients in this sector aim to purchase for the purpose of reselling to others.



**4. Real Estate Activity:**

Which includes real estate owned by Jarir, including showrooms, offices, and residential units.

**Subsidiaries**

Jarir owns several subsidiaries, and part of the Equity shares in those companies are registered in the names of the trustees who transferred their shares to Jarir. The following is a list of those companies and the Equity shares:

No	Name	State of Incorporation	State of Activity	Main Activity	Capital	Equity Share
1	United Bookstore	UAE	UAE	Jarir's same activity	50,000 AED	%100
2	Jarir Trading Company (LLC)	UAE	UAE	Jarir's same activity	150,000 AED	%100
3	Jarir International Central Market Co. For Non-Food Items	Kuwait	Kuwait	Jarir's same activity	10,000 KWD	%100
4	Jarir Egypt Real Estate Company	Egypt	Egypt	Real estate investing	80,000,000 EGP	%100
5	Jarir Marketing Bahrain Co. LLC	Bahrain	Bahrain	Jarir's same activity	30,000 BHD	% 100
6	Jarir Bookstore - United Company for Office Supplies W.L.L	Qatar	Qatar	Jarir's same activity	200,000 QAR	%100



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## Operational Performance



## First: Retail Sector (Jarir Bookstore)

Retail sector sales reached during 2023

**10,304.7** Million SAR

With an increase of

**%13.3** From the year 2022

And the profits reached

**934.7** Million SAR

With an increase of

**%1.7** From the year 2022

Below, we shed light on the performance of the most important departments in the retail sector (Jarir Bookstore), and we outline their work, as well as their most important achievements and goals:

### 1 - Showrooms:

Jarir Bookstore has 70 showrooms inside and outside the Kingdom, of which 3 were opened during the year 2023: a showroom in the University City area in the Emirate of Sharjah in the United Arab Emirates, a showroom in the Avenues Mall in the Al-Rai area in the State of Kuwait, and a showroom in the Al-Asala neighborhood on Al-Haramain Road in the Jeddah Governorate. While the showroom located in the Al Rashid Mall complex in Al Khobar was renovated in the same complex with a larger area. The showroom located in the Dalma Mall complex in Abu Dhabi, United Arab Emirates, was closed as of 1/12/2023.

During the fiscal year 2024, Jarir aims to expand by opening 4 showrooms.

The distribution of owned and rented Jarir showrooms is shown in the two tables below:

#### Within the Kingdom:

	Riyadh	Buraidah	Unayzah	Al-rass	Al-Kharj	Hail	Dawadmi	Majmaah	Jeddah	Taif	Mecca	Al-Madina	Yanbu	Al-Kharj	Dammam	Khobar	Dhahran	Sakaka	Najran	Jubail	Al-Hofuf	Hafar Al-Batin	Khamis Mushait	Jazan	Total (Sorted into owned and rented)
<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	14
<b>Rented</b>	12	1	1	1	1	1	1	1	8	1	3	2	1	1	1	1	1	1	1	1	1	1	2	1	46
<b>Total sorted by cities</b>	18	1	1	1	1	1	1	1	9	1	3	3	1	1	3	3	1	1	1	1	3	1	2	1	60

#### Outside the Kingdom:

	Qatar	Sharjah	Kuwait	Bahrain	Total (Sorted into owned and rented)
<b>Owned</b>	0	0	0	0	0
<b>Rented</b>	3	1	5	1	10
<b>Total</b>	3	1	5	1	10

Below is a summary of the work of the other departments and all developments and plans related to operational performance, which include installment programs, services, customer experience, purchasing management (supply chains), marketing, human resources, human cadre development, and the information technology department.

### Installment and Trade-in programs

With Jarir customers' increasing demand for the purchase installment service, Jarir has been constantly improving the customer experience so that the process of purchasing installments is completely automated, allowing the customer to apply for installments digitally and receive immediate approval without having to visit the branch, and then purchase the products through the website or by visiting any of Jarir's showrooms if the customer so desires.

Jarir has supplied numerous financing solutions to pay for products in installments and enable for later purchase and payment through its website, with the possibility of comparing the solutions provided by participating finance companies, making it easier for the customer to select the most appropriate one. Several partnerships were also established with local banks to promote sales of the website and Jarir's online store through discounts. For example, cardholders from partner banks can receive installments at the cash rate.

Jarir Bookstore also launched installment services in the Gulf countries (Qatar, Kuwait, Bahrain, and the Emirates) in mid-2023, and a new service provider was added in the Kingdom of Saudi Arabia, bringing the number of installment service providers to 5 by the end of 2023.

In 2023, the "self-evaluation" service for the replacement service was released, allowing consumers to acquire an initial evaluation of their devices via the website and then complete the replacement procedures at Jarir Bookstore showrooms. A special discount was also offered to Jarir customers, who received an additional discount on all of the devices included in the service when replacing devices previously purchased from Jarir.

During 2024, Jarir aims to increase the number of consumer finance service providers on the website from 1 to 3 providers. Work will also be done to improve the customer experience by developing the service's operating systems and lowering the number of steps required to gain approval and purchase, which will contribute to an increase in consumer satisfaction with installment services. In terms of Gulf countries, Jarir Bookstore will cooperate with a number of local banks in each country to offer installment plans at cash prices, which will help Jarir increase its market share in each country. The "device exchange" service will also be available in the Gulf countries (Qatar, Kuwait, Bahrain, and the Emirates), and Jarir will make a number of marketing offers that will allow customers to obtain additional discounts, with the goal of lowering the cost of purchasing devices for Jarir customers.

### Services Sector

Jarir is one of the largest providers of maintenance and warranty services for smartphones and laptops in the region, as it is a certified maintenance provider for many brands such as Apple, Samsung, Huawei, Honor, Lenovo, HP, Dell, Asus, Acer and other brands.

During the year 2023, several initiatives and improvement efforts were done to develop operations and the customer experience, including:

- Opening 6 quick maintenance centers for Apple products, bringing the total number of Apple maintenance centers to 7 centers in 6 different cities.
- Developing logistical processes, which helped to reduce customer wait times by almost 20% while increasing the number of maintenance requests by 12%.
- Expanding the "After-Sales Services" section of 21 Jarir Bookstore showrooms to boost service capacity.

In addition to the services Jarir offers, and in an effort to meet its customers' expectations, many protection and warranty extension packages have been added for devices, allowing customers to extend the lifespan of their devices, including packages for smartphones, smart watches, laptops, tablets, TVs, and gaming consoles.

By the end of 2023, the "Comprehensive Protection" services had expanded to cover three products, covering

accidents and breakdowns. The coverage duration for these services spans from one to three years, and the packages include three products for the "Extended Warranty" service; that coverage period ranges from an additional year of warranty to three additional warranty years, in addition to the manufacturers' protection packages.

In 2023, many packages were launched in Saudi Arabia, allowing customers to acquire complete and special services for accidents and breakdowns. Protection and warranty extension services were also launched in other Gulf states, including Qatar, Bahrain, and Kuwait.

In 2024, it is planned to work on increasing the market share of after-sales services for Apple products, in addition to reducing customer waiting time. Jarir will also launch the "Request Spare Parts" service, which will enable customers to request spare parts for laptops and desktop computers, in addition to smart device accessories. Other than that, Jarir will develop internal processes and many systems that will contribute to developing the satisfaction rate of maintenance service customers. It will also launch comprehensive protection and warranty extension packages in the UAE, in addition to developing a system that enables Jarir customers to purchase protection and warranty extension packages after purchase, with the aim of serving the largest possible number of customers.

## Customer Experience

Since providing the best quality and ensuring customer satisfaction are Jarir's top priority, a service was created in 2023 to assess the level of consumer satisfaction following the closure of service requests. This enables clients to evaluate the quality of the services they obtain once they are finished. 97% of customers were satisfied with the services they received from the communication center.

In 2023, 91,808 emails were answered, 44,625 service requests were handled, and 93% of the cases were closed in the specified period. Additionally, policies and processes were implemented that helped lower the proportion of customer reports that were sent to the Ministry of Commerce, which in turn helped raise customer satisfaction levels. 95% of incoming calls to the call center were answered, where employees answer customer questions, inquire about orders, file complaints, etc.

Due to Jarir's keenness to provide communication with all its customers in any country, new call centers were

established for the State of Qatar and another for the UAE to answer their inquiries and provide all services to them. After launching the international shipping service, a call center was established to serve international shipping customers and to provide answers to any inquiries and provide services in this regard.

During 2024, the WhatsApp service will be activated for Gulf showrooms to send purchase invoices and a direct communication channel will be opened after each purchase, which will help in listening to feedback from customers in record time. For online orders, the option to send purchase invoices via WhatsApp will also be offered. This feature enables the consumer to peruse the invoice, monitor the order, and assess the quality of service following order delivery. Because Jarir is eager to give its clients many options for communication, email service request submission will be enabled. This will make it easier to receive attachments and expedite customer support.

## Purchasing Department (Supply Chain)

The global political climate of 2023, coupled with rising inflation and interest rates, had an impact on markets worldwide, including the Saudi market. This is demonstrated by the rise in prices accompanied by a decline in demand. According to estimates, the year 2023 witnessed a decrease in demand by a rate ranging from 16% to 17% compared to 2022.

Life reverted to its regular condition prior to the extraordinary circumstances of the Corona virus pandemic and its aftereffects on global supply chains, along with a significant restoration of shipping traffic to pre-pandemic levels. Many of this year's goals have been met as a result of things going back to how they were, including lowering prices and increasing the diversity of products.

Additionally, Jarir was able to implement a number of proactive measures as part of its strategy. In an effort to protect its sales from such dangers, Jarir has worked hard to keep an eye on market developments, create plans and products to meet the needs of its customers, especially those who are new to the company, and strive to offer the best products at competitive prices and of the highest quality. It has also consistently coordinated with suppliers to secure the best prices, found cost-effective shipping

options, and increased Jarir's market share in electronics as a whole.

Despite these challenges, Jarir was able to increase its market share of the quantities it obtained from suppliers by 8% compared to 2022.

During the year 2024, Jarir intends to continue to carefully follow market transformations and develop plans and products to meet the changing needs of its customers, with a focus on providing the best products with distinguished quality and competitive prices.

It will also work to improve inventory management through robust mechanisms, periodic reviews of existing products, and analysis of market needs, in addition to launching innovative offers to enhance its sales and supply new products that are compatible with changing market needs.

Jarir's efforts will continue to diversify the supplier base and continue to obtain the best prices, in addition to expanding the provision of more materials required in the market while monitoring the response to previous changes and the extent of their acceptance in the market, while seeking to explore opportunities to obtain incentives from some suppliers.

## Marketing

In 2023, Jarir kept drawing and attracting people to its showrooms and website by offering the newest technological products, particularly the most recent models of smartphones, smartwatches, and other electronic devices of all kinds, such as mobile phones, tablets, and handheld devices. Jarir also ran a number of pre-order campaigns, supported by social media and billboard advertising campaigns, as well as promotional support to support pre-

order campaigns by providing a range of incentives to initiators of pre-orders, such as gifts, free maintenance, etc.

In addition to everything mentioned above, seasonal promotions and sales have been crucial in drawing and attracting customers and increasing sales. These include, but are not restricted to, promotions for national day, foundation day, Ramadan, summer sales, back-to-school

sales, Jarir Friday sales, and annual end-of-year sales, which frequently occur in December.

In addition to other special offers for the Jarir online store, such as those related to school and office supplies, books in Arabic and English, sketching and hobbies, and the development of children's skills and abilities.

During the year 2023, the marketing department supported the loyalty programs at Jarir Bookstore through a group of campaigns directed at Jarir card holders. These included offering higher discounts than those offered by the card on ordinary days, in addition to many exclusive offers for electronic devices and accessories, and additional benefits for pre-orders of selected latest electronic products.

Promotional campaigns supported by sustainability goals for the year 2023 also had a large share, as many campaigns provided replacements for old devices with newer devices, and these included smartphones, smartwatches, computers, and printers. Because outdated electronics are recycled rather than ending up in landfills, this helps Jarir and the entire economy while also protecting the environment.

With regard to the electronic marketing department, Jarir continued updating and improving Jarir Bookstore's pages on social media sites to keep pace with huge developments in the digital marketing world, by using the latest digital tools to support Jarir's electronic store sales, and continuing to create renewed content and activating social media platforms. As a result, Jarir channels on social media websites reached record numbers in terms of the number of followers and the interaction rates.

As a result, Jarir channels on social media websites reached record numbers in terms of the number of followers and the interaction rates, as shown below:



With cooperation with our digital marketing partners, strategic work will also continue to improve the customer base, increase direct marketing activities, and precisely target specific categories of customers. Joint efforts will also continue to consistently provide a sufficient supply of modern products and work to provide them regardless of the difficulties related to supply chains and the electronic

chip crisis that is still continuing in light of the current global events.

In addition, Jarir's loyalty program and numerous important projects will be completed, resulting in increased customer loyalty, retention, and preference for Jarir over competitors.

In 2024, the marketing team aims to enhance Jarir's market share by maintaining the number of visitors to the website and showrooms, contributing to new customer acquisition, and launching campaigns for target groups of existing consumers. In addition, more competitive seasonal promotional campaigns will be implemented, including the use of international days and local events as promotional opportunities. Work will also continue to develop existing customers in loyalty programs and create initiatives to increase the annual business volume of each customer.

The Marketing Department will also work to increase the participation of local banks in joint promotional programs. On the other hand, work will be done on a full evaluation of the digital content policy and increased activation of the most distinguished channels, which will have an impact on the performance of the sales channels, strengthen Jarir's reputation, and keep Jarir at the top of our customers' favorite stores.

## Human Resources and Development

Jarir seeks to attract and employ qualified people. It is also keen to attract Saudis, train them to improve their practical skills and abilities, and establish Jarir's values and production standards. The total number of employees at Jarir reached 5,570 by the end of 2023. They are a mixture of 25 different nationalities, and the percentage of Saudis at Jarir reached about 57% of the total employees, and the percentage of Saudi employees in some showrooms reaches 70%, and Jarir is classified within the platinum range according to the Ministry of Human Resources "Nitaqat" program.

During the year 2023, 2140 employees were employed, including 1836 Saudi employees. In continuation of Jarir's keenness to involve women in the labour market in accordance with the Kingdom's 2030 Vision, Jarir paid attention to employing women, as the number of female employees reached 581 by the end of 2023. Jarir also continued to instruct university students as part of its commitment to corporate social responsibility. In addition, Jarir employed

some trainees after they graduated.

In the field of training and qualification, during the year 2023, Jarir continued to establish a culture of customer service through a program that exceeds customer expectations, as Jarir supervised 12 showroom managers under training within the Future Managers Program, and 928 training courses were held, which benefited 12,516 trainees from all Jarir showrooms, and 2539 direct guidance sessions were held for showroom employees by Jarir trainers, which focused on raising the efficiency and performance of employees in Jarir's customer service department.

During the year 2024, Jarir aims to continue attracting distinguished Saudi cadres, intensifying training courses to raise the level of Jarir employees, and focusing on developing showrooms managers.

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## IT Department

The year 2023 is considered an exceptional year for Jarir's Information Technology Department, and a turning point in technological infrastructure, cybersecurity, and digital transformation.

Within the framework of enhancing cybersecurity and information protection, which is an integral part of Jarir's policy to protect its data and the data of its customers; One of the most important related projects has been initiated, which aims to change the operating system for computers for employees and showrooms from Microsoft Windows to a new system with new features, including the (Read Only) feature, which cannot be hacked and which ensures that information is available only to the authorized persons.

Among the cybersecurity and confronting security risks policies that Jarir adopted during the year 2023, solutions were adopted that enable authorized employees to remotely enter the systems and have full access to their devices through the use of Jarir's own operating system, which enhances Jarir's security policy and transforms the employee device into a device completely managed by Jarir without changing the basic operating system. Through this mechanism, Jarir was able to provide the remote work feature with the same security credentials used in working from offices.

Jarir also contributed, through its accounts on social media platforms, to educating customers regarding fraud and suspicious accounts, which claim the existence of offers, gifts, or purchasing vouchers from Jarir with the aim of stealing personal information, in addition to the presence of a full team to follow up on fraudulent operations and fake accounts that claim to belong to Jarir, and closing them completely.

During the year 2024, Jarir Company aims to continue implementing and developing its policies in cybersecurity, technological infrastructure, and digital transformation, which will enable it to improve the services provided to its customers while preserving their information and privacy. The focus will also be on adopting new cybersecurity solutions that enable the application of the term Defense in depth, in addition to focusing on enhancing employee awareness.

During the year 2024, Jarir also intends to complete the efforts to develop infrastructure and information security. Work will also be done to renew and unify information technology equipment in all showrooms and offices with the aim of raising all its services to a better level.

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## Business Sector (B2B)

During the year 2023, Jarir business sector sales achieved clear growth, and the focus was also placed on the government sales sector by providing offers at competitive prices and various services through a distinguished team, which led to achieving growth in sales, which in turn was affected the overall performance of the business sector sales, which achieved a growth of 14% compared to what was achieved during the year 2022.

During the year 2024, Jarir will seek to improve performance in order to achieve growth in sales, and focus on attracting new customers from the business sector and creating new opportunities, whether through government sales or the sales service platform for small and medium enterprises.

## Jarir's Brands

During 2023, a massive back-to-school campaign for Rocco products was launched on all social media sites, in addition to many street advertisements to support sales.

During the year 2023, the designs of the Roco brand were updated and the designs of covers and stickers were developed, in addition to the expansion that took place by creating new sales channels for Roco products, and generalizing and adding more Roco products to be marketed to wholesale customers (business sector sales) in cooperation with the sales department at Jarir.

Varieties and products for games and specialized stationery have also been launched, and work has already been done to market them through retail showrooms (Jarir Bookstore), and work is underway to monitor the extent of their success in the markets in preparation for marketing them to wholesale customers.

In addition to the above, work has been done to promote and publish special pages for Rocco on the websites of local stores and promote Rocco brand more widely on major platforms, thus achieving growth in its sales. This was followed by promotional efforts to increase awareness of other Jarir products.

In conjunction with the increasing violations of intellectual property rights, and the Kingdom's interest in the systems and procedures that guarantee and protect these rights, the updated product designs were registered with the Saudi Authority for Intellectual Property, in order to protect the trademark and product designs from violation, which protects the trademark, enhances its position, and increases

consumers' confidence in it.

During 2023, Jarir participated in the "Paper World" exhibition. The Paper World exhibition in the Middle East is the largest international trade exhibition in the region for the stationery, paper, gifts and office supplies industry. Meetings were organized with a large group of customers from various Gulf, Arab and African countries.

During 2024, Jarir will continue to complete the update of the Rocco brand identity, create new designs for its current products, and work to launch new products that meet market requirements. Work will also be done to strengthen marketing campaigns for Rocco products exclusive to retail Jarir Bookstore showrooms besides the other products promoted to wholesale customers.

In addition, work will continue on a strategic plan in preparation for launching more products and brands for Jarir, provided that it meets the market's demand or need. Then, marketing them will begin through retail Jarir Bookstore showrooms, and then, when they achieve success, they will be marketed to wholesale customers.

Finally, during 2024, Jarir will work to develop more new sales channels to market the Rocco brand in particular, with the aim of achieving growth in sales.

## Second: E-Commerce Sector (B2C)

During the year 2023, the e-commerce sector achieved a growth in sales of more than 45% compared to 2022, and the e-commerce sales constituted 20% of the overall sales. This was accompanied by a high percentage of sales from non-major cities. The sector also achieved a growth in the number of customers by 31%, accompanied by a noticeable development in the repurchase rate.

Jarir also continued to develop and improve the experience of delivering orders to customers by reducing the time required to prepare customer orders by 11% compared to the year 2022, which had a great impact in increasing the percentage of customer satisfaction with the purchasing and delivery experience, and this was accompanied by maintaining the growth achieved in order delivery to customer addresses on the same day (Same Day Delivery) during the year 2023.

The efforts of the Jarir team during the year 2023 had a noticeable impact on the growth in the percentage of orders received from Jarir Bookstore showrooms (Click & Collect), achieving a growth of 80% over the year 2022, and this was accompanied by an increase in the number of orders ordered online and paid in Jarir Bookstore showrooms by 16%.

In continuation of Jarir's efforts to provide distinguished service that exceeds the expectations of its customers, Jarir has undertaken many projects during the year 2023 AD, which aimed to improve the user experience, which had an impact in increasing the conversion rate in the application by 40%, and increasing the number of purchase requests through the application. Smartphones constitute 70% of total purchase orders.

As part of supporting the company's expansion plans, the trial launch of the international book shipping service was launched to more than 30 countries around the world, and this will be followed by the launch of the service to the rest of the countries of the world, accompanied by the launch of new payment methods and a complete review of anti-fraud programs.

In an effort by 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, integration has been increased between the e-commerce systems and the company's internal systems in order to improve internal work procedures and find sustainable solutions for customers.

E-commerce also achieved remarkable development during the year 2023, represented by this year's results, as the sales service for small and medium enterprises was launched, which enabled Jarir to include a new segment of customers and reach about 5,000 companies to which Jarir products are offered through the corporate resources system (Punch-out). In addition to launching the Jarir website in Qatar, Bahrain, Kuwait, and the UAE.

During the year 2024, Jarir aims to continue working on developing the customer experience through continuous updating for personalizing the experience on the website, 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 its customers, in addition to its intention to conduct a study to unify the sales system for all its customers, whether retail or business sector customers.

During the year 2024, 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 processing and delivery processes, convert more customers to the e-commerce system, and develop system features and customer experience to increase customer satisfaction and achieve growth in sales.

During the year 2023, Jarir was able to launch a new version of the Jarir Reader application that contributed to improving the user experience through improvements to the search engine, browsing experience, and listening to audio books. The new version also included multiple developments, making Jarir Reader, for ebooks and audio books, at the same level as competing international platforms. During the year 2023, a complete integration of audio and electronic books was made on the website (jarir.com) in order to provide a unified purchasing experience and display multiple options for books to facilitate targeting a larger segment of customers.

As an extension of Jarir's efforts to spread culture, during the year 2023, it published many of its publications and those of the other cooperating publishers, in audio and electronic formats, on platforms targeting public libraries and educational institutions, where the number of audio books reached 500 audio books, and Jarir aims through this project to publish at least 30,000 books.

Jarir's efforts also continued during the year 2023 in developing e-reading applications, as many updates were made to the current version of Jarir Reader, where the new version (ver.7) was released, which contained many updates that meet the aspirations of the application users, in addition to continuing to monitor and combating websites and applications that provide pirated books from Jarir's publications.

During the year 2024, work will be done to increase the growth rates achieved during the year 2023 in sales and the number of books published on the Jarir Reader platform, and to focus on producing and publishing audio versions for the most important titles and reaching the publication of 1,000 audio books. Jarir will also work to enable publishers to publish books and manage them through a new platform that allows them to fully control the book publishing mechanism, in addition to continuing to develop the reading platform in accordance with the latest available technologies that meet the aspirations of the Arab reader.

The focus will also be on producing and publishing audio books for Jarir Library's publications and continuing to maintain the leading position in terms of the number of books published by increasing the number of contracting publishing houses, working to speed up publishing procedures, and searching for new ways and studying publishing books in other languages on the Jarir Reader platform.

## Third: Wholesale Sector

Through this sector, Jarir works to provide new school, technical and office products and meet the needs and requirements of customers in this sector who aim to purchase for the purpose of reselling to others.

**Wholesale sector sales reached during 2023**

**290.2** million SAR

**With a decrease of**

**%2.4** From the year 2022

**And the profits reached**

**38.3** million SAR

**With a decrease of**

**%24.9** From the year 2022

As a result of the consequences of the negative effects of inflation and the global political conditions witnessed in 2023 on product supply chains, Jarir's wholesale sales of school products decreased by 17.3% compared to 2022, because 2022 represents the first year for schools to return after an interruption that lasted for two consecutive years. Due to the exceptional circumstances of the Coronavirus pandemic, in addition to this, the number of brands distributed by the wholesale sector team decreased to 5 brands, compared to 6 brands in 2022. While sales of office products during 2023 witnessed a growth of 5.8% compared to 2022.

To increase growth, Jarir has contracted with several companies and major markets (hypermarkets) to expand sales, in addition to several campaigns on local applications to enhance Jarir's presence in several places and raise the level of sales.

During the year 2024, Jarir will seek to focus on the market more broadly through continuous follow-up with customers and reviewing the promotions offered to them, (creating specific growth incentives with specific goals for customers). In addition, there will

be focus and expansion on diversifying the varieties of wholesale and retail customers, and focusing more on the big markets.

Jarir also plans to conduct continuous periodic reviews in the coming period to ensure its adaptation to market changes, which contributes to keeping pace with fluctuations in commodity prices and shipping costs, and ensuring that prices are maintained competitive and appropriate for wholesale sector customers.

In addition to ensuring coordination with the purchasing department to study the market and supply new materials that suit the needs of the market.

Jarir also plans to conduct continuous periodic reviews in the coming period to ensure its adaptation to market changes, which contributes to keeping pace with fluctuations in commodity prices and shipping costs, and ensuring that prices are maintained competitive and appropriate for wholesale sector customers. In addition, Jarir will coordinate with the purchasing department to study the market and supply new materials that suit the needs of the market.

## Fourth: Real Estate Activity

As an extension of Jarir's commercial activity, which includes some real estate activities related to the buildings it owns, by the end of the fiscal year 2023, the leasing areas (showrooms and offices) amounted to (96,673.53) square meters, compared to (94,308) square meters in the year 2022.

3

## Social Responsibility



## Leading with Purpose is Jarir's Approach to 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 for societies, and it stresses the companies' responsibility to sustainability. Thus, Jarir works to create a positive social impact through social responsibility initiatives that are closely related to the growth and prosperity of society. Jarir's commitment to community service is embodied through its programs and its regular participation in non-profit endeavors.

In order to achieve this, Jarir commits to the highest standards followed regarding the company's responsibility and contribution to sustainable development, despite all confrontations. In doing so, it aims to achieve long-term growth and support the values of Jarir, stakeholders, and the whole world. We, Jarir work team, seek 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.

## Sustainability Focus Areas:



### Commitment to Sustainable Approach

Jarir is known for its corporate transparency, so Jarir is committed to always doing the right thing. For Jarir, sustainability is a vital issue, and it underlines its commitment to contribute to sustainable development.



### Responsible Operations Based on Deep-Rooted Business Traditions to Shape the Future

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



### Working Together to Produce Knowledge and Innovations

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



### Putting Our Customers As a Priority 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 maintaining the privacy of customer information at the forefront of its priorities.



### Recognizing, Inspiring, and Rewarding Talents

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

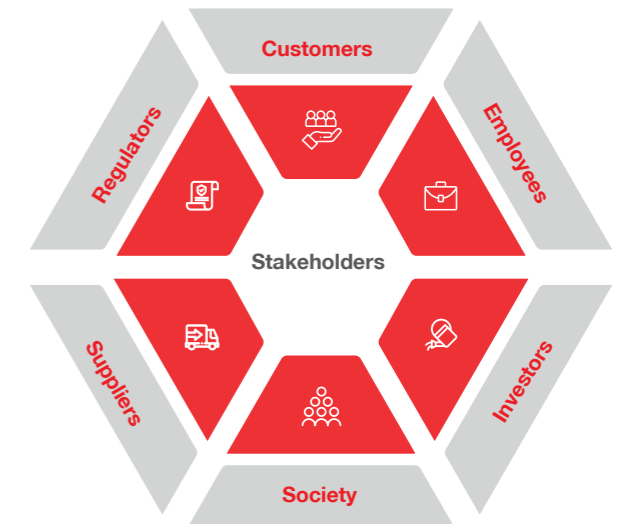


### Environmental Impact Management

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

## Engaging Stakeholders

The stakeholder engagement process at Jarir is on-going. Our stakeholder groups are defined by their ability to influence or be influenced by our operational and / or decision-making processes. Accordingly, we have identified six major groups of stakeholders.

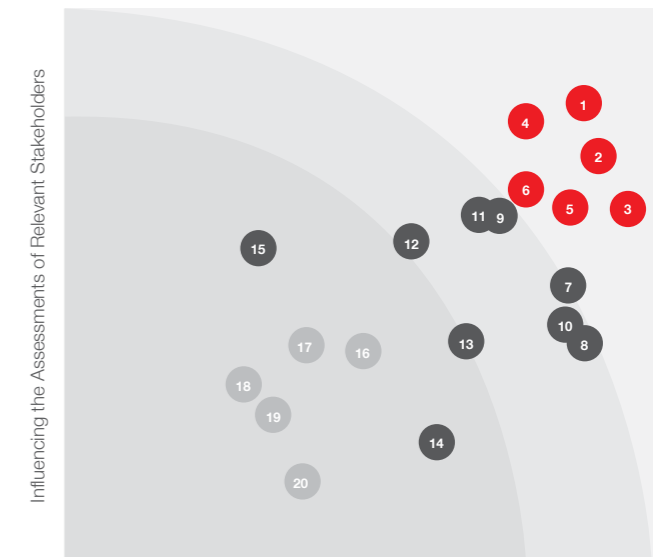


## Most Important Issue

The outbreak of the Corona pandemic had a clear impact on the local and global economy, changing consumer behavior and the way companies operate. Therefore, the issues were reclassified and reconstructed according to what will be presented below, where the issues of customer safety and employee stability were among the most important factors that are consistent with Jarir's strategy, program, and communications to achieve sustainability before and after the crisis, taking into account that the current crisis may last for a long time. The process of evaluating the core issues led to an increase in two important factors to become 20 key topics instead of 18, all of them relate to environmental, social, and governance factors for measuring sustainability.

- 1 Governance, Business Ethics, and Compliance
- 2 Achieving Operational and Financial Goals
- 3 Quality
- 4 Customer Privacy and Security
- 5 Customer safety
- 6 Employee Stability
- 7 Customer Experience
- 8 Packing and Classification
- 9 Energy and Climate Change
- 10 Responsible Relationship with Customers
- 11 Innovation
- 12 Supply Chain Responsibility
- 13 Attracting, Developing and Retaining talents
- 14 Recycling
- 15 Social Investment and Socio-economic Development
- 16 Prevention of Anti-competitive Practice
- 17 Diversity and Inclusion
- 18 Sustainable Procurement
- 19 Sustainable Technology
- 20 Environmental Impact of Operations

### Matrix of Material Issues



● Very important    ● Relatively important    ● Less important

## Alignment With National and International Goals

Jarir aims to measure and report on its environmental, social and economic performance according to leading standards to achieve sustainable development, and national and international goals to ensure sustainable development.

	<b>Frameworks of Preparing and Presenting Reports</b> <b>Global Reporting Intuitive</b>	Preparing and presenting Jarir's nonfinancial reports in the annual sustainability reports according to the Global Reporting Initiative is a major option.
	<b>National Goals</b> <b>Vision of KSA 2030</b>	Jarir seeks to support the goals of the national vision 2030, and the three main themes that underpin the vision - a vibrant society, a thriving economy, and an ambitious nation - are closely aligned with our strategy and direction to achieve sustainability.
	<b>National Goals</b> <b>The corporate Social Responsibility Strategy in KSA</b>	Implementing the corporate social responsibility strategy in KSA is one of the goals of Jarir Bookstore, as it seeks to create a sustainable impact on the development of society, the economy and the environment.
	<b>National Goals</b> <b>National Standards for Sustainability</b>	With the launch of National Standards for Corporate Sustainability Reporting, Jarir Bookstore seeks to prepare and submit sustainability reports in accordance with these standards.
	<b>International Goals</b> <b>Global Reporting Intuitive</b>	As a socially responsible national institution, Jarir seeks to align its endeavors for achieving sustainability with the goals of sustainable development which have the priority and relevant to its work, so that it can achieve the greatest impact.

## Results from 2022 Sustainability Report

\* The comprehensive 2022 Sustainability Report will be issued in the second quarter of 2023.

Jarir aims to measure and report on its environmental, social and economic performance according to leading standards to achieve sustainable development, and national and international goals to ensure sustainable development. This includes the issuance of independent sustainability reports. Here are some statistics and figures related to the Sustainability Report:

38,172,546 SAR worth of electronics was recycled and prevented from reaching the landfill.	145,401 devices have been recycled through the replacement program.	27.775 kg of plastic was recycled in 2022. 418.410 kg of cardboard was recycled in 2022.
The year 2023 witnessed the launch of the e-invoice service via WhatsApp.	59% is the Saudization rate 88% of new employees are between 18 and 30 years old.	51,152 hours of training provided to employees

Believing in the importance of the role of companies in supporting and improving the social and economic lives of individuals and society, and in light of the increasing interest in social responsibility in the Kingdom, the Arab world, and the whole world, during the year 2022, Jarir supported many community initiatives, which were represented in the following:

### Jarir Initiatives to Enrich Arabic Content

#### Translation

This joint initiative comes as a part of linking Jarir's commercial process to its social responsibility sustainable goal of supporting and enriching the Arabic content, which is closely related to Jarir's core activity, as Jarir has been transferring knowledge into Arabic by translating and publishing books in Arabic, which enabled it to gain the confidence of the greatest world's publishers.

Since its foundation, transferring knowledge and culture from all over the world into Arabic has been one of Jarir's

most important goals. During its impressive journey, Jarir has translated over 6,770 books and currently publishes nearly 365 books a year, i.e., one book every 24 hours. In 2023, the total number of translated books was 377. This underlines Jarir's tireless efforts to enrich the Arabic library.

#### Joint Translation and Publishing

Because of its keenness to spread knowledge in Arabic in scientific fields and through its cooperation with the Saudi Society for Social Studies, Jarir continues to meet the needs of those affiliated with and interested in social studies, including academicians, 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 and led by its Chairman.

This joint initiative comes as part of Jarir's social responsibility and its main and genuine goal of supporting and enriching Arabic content. Thus, Jarir has been transferring knowledge into Arabic by translating and publishing books in Arabic, which has enabled it to gain the confidence of the greatest world's publishers.

Under the agreement, a third book titled The Practice of Generalist Social Work was issued. It is co-authored by two of the greatest authors on research approaches: Julie Birkenmaier and Marla Berg-Weger. The book provides a comprehensive brief on the practical practice of social workers' necessary skills. It was reviewed and scientifically checked by a committee of the Saudi Society for Social Studies, composed of: Khalid Bin Youssef Al Barqawy, PHD and Professor Lana Bint Hassan Bin Said, PHD. In addition, two further books were published near the end of 2023. Kin Brown wrote the first title, An Introduction to Sociology. It is

an excellent resource for anyone who wants to learn more about sociology. Additionally, it is appropriate for students of various ages, interests, and skills. The importance of this book lies in its comprehensiveness in terms of understanding sociology without oversimplifying or ignoring the important and exciting ideas presented by sociology. It was scientifically checked and reviewed by a committee composed of Hana bent Abdulaziz Al Musalat, PHD, Mona Bent Ibrahim Farah, PHD, and Noura Bent Ibrahim, PHD. The other book is entitled The Modern Theory of Social Work, written by Malcolm Payne. This book comes at the forefront of books related to the scientific material needed by those working in the social work profession, as it provides them with an overview of the social theories that guide the practice of social work. The author, Malcolm Payne, reviewed the theory and how to apply it and put it into practice. He also addresses, through the chapters of this book, the social construction of social service theory, its structure, and how to apply it, in addition to his review of the basic groups of social work theories, their analysis, and knowledge of the distinctive features of the theory through a brief presentation that helps to understand the direct basis of each theory as well as his distinctive efforts to put theory into practice and make it accessible to practice. The book was scientifically checked and reviewed by Abdul Aziz bin Abdullah Al-Dakhil, PHD.

#### Jarir writing Competition

At the end of 2023, Jarir ended round two of the Jarir Storytelling Competition. The winners' works have been printed and distributed all over the world. They were also electronically published on the Jarir Reader platform.





## Partnership with Ministry of Culture

In continuation of Jarir's efforts regarding converting paper books into digital ones, this year witnessed renewed cooperation between Jarir Bookstore and the Ministry of Culture in the project to convert paper books into digital ones, which began in conjunction with the digital publishing initiative sponsored by the Ministry of Culture, which aims to support the e-book industry to ensure easy access of the

book by the beneficiaries, enhance diversity in publishing outlets, contribute to enriching the Arabic content of digital books, and support and improve the business model of the Saudi publisher. Jarir played a role in this initiative through the process of converting books from paper to digital and delivering them to publishers. The work is being done between the Ministry and Jarir Bookstore to convert 2000 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 doubling its efforts to save old electronic devices from landfills 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.

Also, the commercial processes have been linked to sustainable goals, including replacing laptops, tablets, smartphones, printers, and smartwatches. This effectively contributed to the success of the Electronic Devices' Recycling initiative.

With the launch of the Jarir Electronics Recycling Program in 2020, Jarir was able to transfer 22.3 million SAR of

electronics from landfills and return them to the economy, and in 2021, it was able to recycle 19.4 million SAR of electronic devices.

In light of Jarir's interest in this program, the value of recycled electronics during the year 2022 increased, reaching 38,172,546 Saudi riyals of electronics.

In recognition of Jarir's efforts and distinguished commitment to preserving the environment through its contribution to electronic devices' recycling, Jarir was awarded a recognition certificate from the Irtiqaa company for its efforts to support the environment and recycle electronic devices. Jarir participated in recycling 347 electronic devices, which significantly reduced their environmental impact.

## Supporting School Bag Project:

For the third consecutive year, the Takaful Charity Foundation launched the "Back to School" initiative, which includes projects that support the targeted students, as an incentive for them to embark on a new stage in their academic lives, in cooperation between the Takaful Foundation and the Ministry of Education and with support from Jarir, which in turn contributed to supporting the initiative and it successful.

The project aims to support over 400,000 students across the Kingdom at various stages. Jarir managed, through the initiative, to secure 35 thousand full school bags, supporting and encouraging the students in the primary stage in the villages and remote districts in all the educational departments. This support included direct in-kind support by providing 5,000 full school bags, worth over one million SAR, in addition to offering a special discount on 30,000 bags, with value equals to over 3.9 million SAR.



**Mohammed Bin  
Abdulrahman Al-Agil**  
Chairman  
(Non-executive)



# 4

## Financial Performance



## 1- Summary of Processes and Operating Results

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

Million SAR

Statement	Year Ended on (31 December 2023)		Year Ended on (31 December 2021)		Change (%)
	Amount	Percentage of Sales	Amount	Percentage of Sales	
Sales	10,594.9	-	9,391.7		12.8 %
Gross Profit	1,275.9	12.0 %	1,287.4	13.7 %	-0.9 %
Operating Profit From Main Activities	1,045.1	9.9 %	1,018.5	10.8 %	2.6 %
Net Profit Before Zakat and Income Tax	1,002.2	9.5 %	977.8	10.4 %	2.5 %
Net Profit	973.0	9.2 %	969.8	10.3 %	0.3 %

Regarding the overall performance, Jarir's sales inside and outside Saudi Arabia increased by 12.8% over last year, while the gross profit decreased slightly by around 0.9%, and the gross profit percentage reached 12.0% compared to 13.7% for last year. Net profit amounted to 973.0 million SAR, an increase of 0.3% over last year.

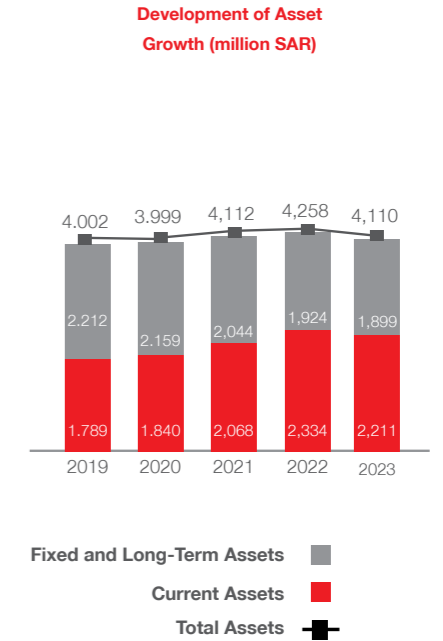
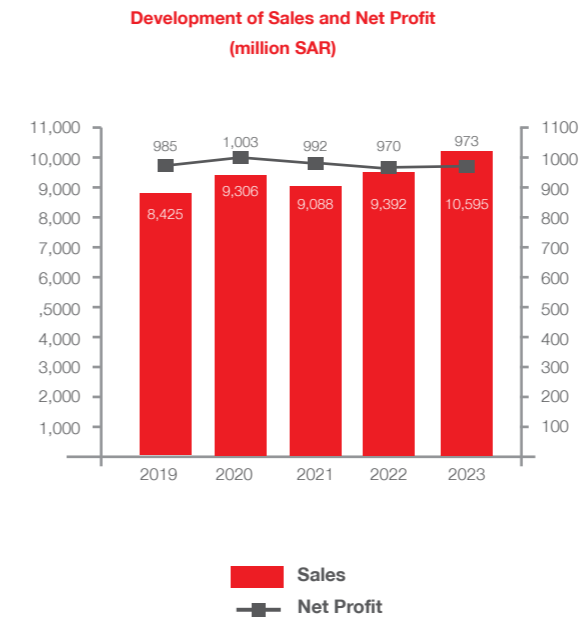
The increase in sales is due to the increase in several sections led by smartphones, video games, and computers. Despite the increase in sales by 12.8%, the gross profit witnessed a slight decrease of less than 1% due to the relative decline in the profit margin for several sections, especially smartphones, and due to the change in the sales mix towards the relatively less profitable sections.

Despite this slight decrease in gross profit, operating profit increased by 2.6% due to a decrease in selling and marketing expenses and an increase in other revenues. Despite this increase in operating profit by 2.6%, net profit increased by only 0.3% due to the increase in financing costs and the increase in zakat expenses compared to last year, which witnessed reversal of zakat provision of 17 million SAR following the zakat Appeal Committee Ruling in favor of the company related to the years 2011 to 2015.

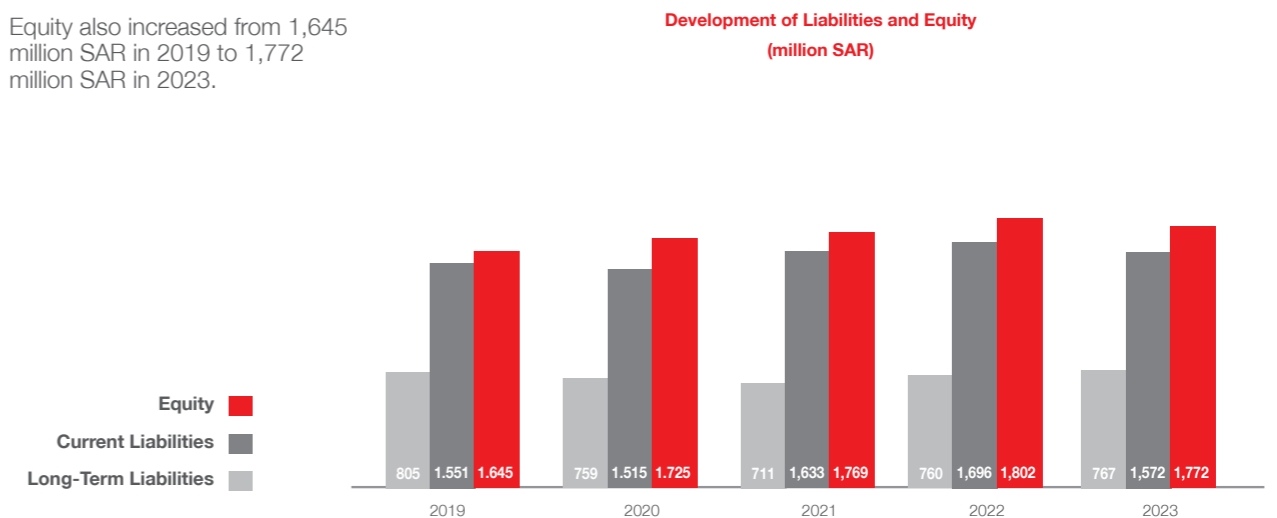
## 2- Reviewing Elements of Income and Budgets Lists

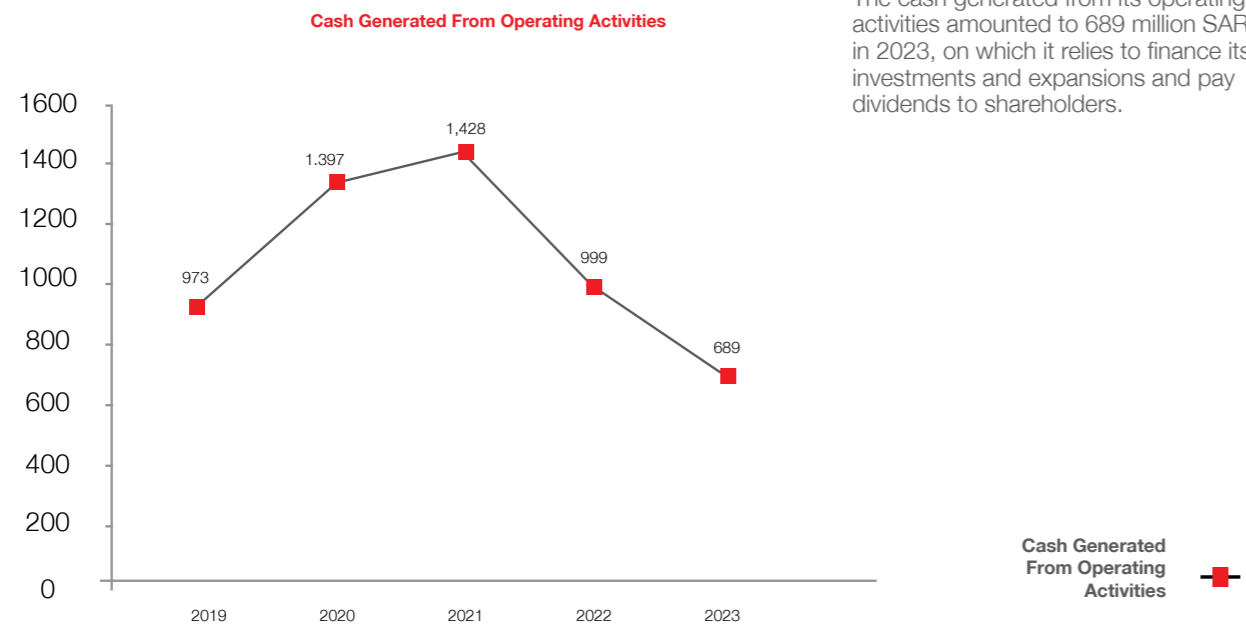
With the Grace of Allah, during 2023, the company achieved the highest annual sales ever, exceeding ten billion for the first time, reaching 10,594.9 million SAR, and achieved a net profit of 973.0 million SAR.

Jarir's assets have grown over the past five years from 4,002 million SAR in 2019 to 4,110 million SAR in 2023.



Equity also increased from 1,645 million SAR in 2019 to 1,772 million SAR in 2023.

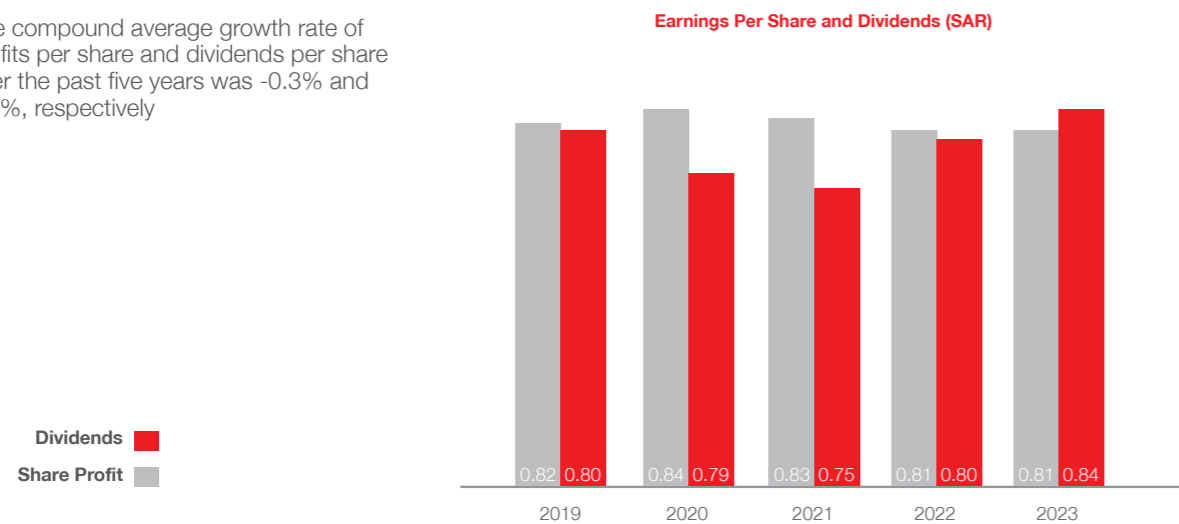




The cash generated from its operating activities amounted to 689 million SAR in 2023, on which it relies to finance its investments and expansions and pay dividends to shareholders.

The relative decrease in cash generated from operational activities in 2023 (compared to previous years included in the above graph) is mainly due to the increase in inventory and the decrease in suppliers balances with the payments made.

The compound average growth rate of profits per share and dividends per share over the past five years was -0.3% and 1.1%, respectively



Profits per share and dividends per share have been rounded to the nearest Halala. All earnings per share and dividends per share figures are based on the current share number of 1,200 million shares after share split during 2023.

### 3- Geographical Analysis of Jarir's Activity



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

Geographical Region	2023		2022	
	Sales	Net Profit	Sales	Net Profit
<b>KSA</b>	10,074.2	949.9	8,906.6	932.0
<b>Egypt and Other GCC Countries</b>	520.7	23.1	485.1	37.8
<b>Total</b>	<b>10,594.9</b>	<b>973.0</b>	<b>9,391.7</b>	<b>969.8</b>

Million SAR

## 4- Lending

There were no outstanding loan balances at the beginning of the year or the end of the current year, but there was a temporary overdraft balance of 5.4 million SAR at the end of 2023.

## 5- Regulatory Payments, Penalties, and Sanctions

The following is a statement of the most important payments to regulatory authorities:

(1,000 SAR)

Statement	2023		Brief Description	Reason Statement
	Paid	Due Until End of Annual Financial Period and Not Paid		
Customs	38,141	0	Customs Clearance	Import
Zakat	26,803	29,000	Zakat on Income	Annual Zakat Declaration
Tax	7,728	44	Withholding Tax	On dividends to shareholders other than residents as well as foreign and non-resident service providers
Value-Added Tax	1,569,620	44,721	Value-Added Tax	Value-Added Tax on Goods and Services Supplies of
General Organization for Social Insurance	50,138	2,041	Social Security	Monthly Insurances Due for Saudi and Non-Saudi Workers
Visas and Passports Costs	252	0	Employee Visas	Recruitment of Workers and Exit and Return Visas for Workers
Labor Office Fees	19,105	0	Employee Residencies	Extracting and Renewing Employee Residency Permits

During the year, an amount of 15.9 million Saudi SAR was refunded from the Zakat, Tax, and Customs Authority (ZATCA) (not deducted from the amount paid shown in the table above) out of an amount of 16.8 million SAR related to the appeal decision issued in October 2022 by the Appeal Committee for Tax Violations and Disputes for the years 2011 to 2015, which was issued in favor of the company in most of the items disputed with the ZATCA, including accepting the deduction of the full dividends in excess of the opening balance of retained earnings from the adjusted net income, and refunding the remaining zakat amount of SAR 0.9 million is underway.

The total fines or penalties imposed on the company during the fiscal year 2023 amounted to (1,464,339) SAR and are explained as follows:

Penalty/Sanction/Precautionary Measure/Provision	Violation Reasons	Authority Imposed the Violation	Total Amount (SAR)	Treatments and Ways of Avoiding its Occurrence in Future
Fine	Labour violations	Labour Office	75,000	Following Regulatory Requirements
Fine	Security Guarding Violations	Ministry of Interior - General Security	6,000	Following Regulatory Requirements
Fine	Traffic violations	Ministry of Interior - Traffic	9,050	Following Regulatory Requirements
Fine	Violations of Licensing Requirements	Ministry of Municipal and Rural Affairs	1,279,190	Following Regulatory Requirements
Fine	Transport Authority violations	Ministry of Transport	30,500	Following Regulatory Requirements
Fine	Ministry of Commerce Violations	Ministry of Commerce	64,599	Following Regulatory Requirements
<b>Total</b>			<b>1,464,339</b>	

## 6- Social Institutions Support

The total value of the social, charity institutions support, and the governmental initiatives reached to 1,194,160 SAR during 2023.

## 7- Dividends for Fiscal Year 2023

Jarir distributed cash dividends for the fiscal year 2023 according to the following table:

Period	Dividends Total (million SAR)	Per Share (SAR)	Announcement Date	Due Date	Dividend Date
First Quarter	246	0.21	08/05/2023	15/05/2023	24/05/2023
Second Quarter	180	0.15	03/08/2023	07/08/2023	16/08/2023
Third Quarter	300	0.25	02/11/2023	06/11/2023	15/11/2023
Fourth Quarter	276	0.23	07/03/2024	11/03/2024	20/03/2024
<b>Total</b>	<b>1,002</b>	<b>0.84</b>			

Dividends per share have been rounded to the nearest Halala

All dividends per share figures are based on the current share number of 1,200 million shares after share splitting during 2023.

# 5

## Capital, Investors and Equity Notifications



## 1- Capital

The following table summarizes Jarir's capital:

Statement	Value in SAR/Share Number
Authorized Capital	SAR 1,200,000,000
(Number of Issued Shares (all are ordinary shares	Shares 1200,000,000
Paid Capital	SAR 1,200,000,000
Share Nominal Value	SAR 1
Share Paid Value	SAR 1

- The share was split by decision of the extraordinary general assembly held on 052023/30/.

## 2- Main Shareholders and Change in Equity Shares

In the following table, a list of the names, numbers and percentage of Equity of main shareholders who own 5% or more and its change during the year 2023:

Investor Name	Number of Shares at the Beginning of 2023	Equity Percentage at the Beginning of 2023	Million Shares	
			Number of Shares at the End of 2023*	Equity Percentage at the End of 2023
Jarir Commercial Investments Company	26,205,904	%21.83	0262,059,04	%21.83

\*Number of shares after splitting the nominal value of the share from 10 SAR to 1 SAR.

## 3- Equity Structure for Individuals and Organizations by the End of 2023

Type of Investors:

Type	Investors Number	Shares Number	Equity Percentage (%)
Companies and Organizations	757	693,413,417	57.78
Individuals	94,609	506,586,583	42.22
<b>Total</b>	<b>95,366</b>	<b>1,200,000,000</b>	<b>%100</b>

\*Number of shares after splitting the nominal value of the share from 10 SAR to 1 SAR, is 1,200 million.

Investors According to Equity Proportion:

Equity Size (Share)	Investors Number	Shares Number	Equity Percentage (%)
More than one million	99	886,895,731	73.91
From 500,000: Less than one million	94	64,083,563	5.35
From 100,000: Less than 500,000	474	94,660,419	7.89
From 50,000: Less than 100,000	519	35,034,275	2.92
From 10,000: Less than 50,000	2,970	59,479,700	4.95
From 5,000: Less than 10,000	2,726	17,887,504	1.49
From 1,000: Less than 5,000	14,384	28,969,569	2.41
Less than 1,000	74,101	12,989,239	1.08
<b>Total</b>	<b>95,367</b>	<b>1,200,000,000</b>	<b>%100</b>

\* Based on the investor equity report on 312023/12/.

Investors According to Category:

Category	Number	Shares Number	Equity Percentage (%)
Saudi Individual Investors	89,092	499,878,676	41.66
Foreigner Resident Investors	5387	5,974,327	0.50
Saudi Companies and Organizations	132	363,429,473	30.28
Governmental and Semi-Governmental Organizations	389	188,767,121	15.73
Saudi Investing Funds	43	108,682,435	9.06
Barter Agreements	180	29,889,952	2.49
Foreigner Non-Resident Investors	128	930,295	0.08
Charitable and Endowment Organizations	16	2,447,721	0.20
<b>Total</b>	<b>95,367</b>	<b>1,200,000,000</b>	<b>%100</b>

\* Based on the investor equity report on 312023/12/.

# 6

## Dividend Policy





## Dividend Policy

The dividend distribution process in general depends on the net profits achieved, cash flows, and future expectations of capital investments. 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 the performance of Jarir and the vision of the Board of Directors.

According to Article (39) of Jarir's Statute, the annual net profits are distributed after deducting all public expenses

- and other costs as follows:
- The Ordinary General Assembly may decide to form other reserves, to the extent that serves the interest of the company or ensures the distribution of fixed profits - as much as possible - to shareholders.
- The General Assembly may deduct a certain percentage of net profits to achieve social purposes for the company's employees.
- The General Assembly determines the percentage that must be distributed to shareholders from the net profits after deducting reserves, if any.
- The shareholder is entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard. The decision indicates the date of entitlement and the date of distribution. Entitlement to the profits goes to the owners of shares and those registered with the Securities Depository Center Company (Depository Center) at the end of the second trading day following the date of entitlement.
- The General Assembly may decide to distribute profits on an annual, semi-annual or quarterly basis, and the General Assembly may authorize the Board of Directors to do so.

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 (Million SAR)	Earnings Per Share (SAR)	Dividends Per Share (SAR)	Total Dividend Amount (Million SAR)	Dividend Payout Ratio (%)
2019	985	0.82	0.80	960	97.5 %
2020	1,003	0.84	0.79	942	93.9 %
2021	992	0.83	0.75	900	90.7 %
2022	970	0.81	0.80	954	98.4 %
2023	973	0.81	0.84	1,002	103 %



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## Risks & Future Outlook



## 1- Risks Jarir Might Face

Risk management in Jarir is run by senior management in accordance with policies approved by the board of directors. The management identifies, assesses and take precautions against risks through close collaboration among Jarir departments. It assesses the probabilities of their occurrence, estimates their potential impact, and takes the necessary actions to minimize, prevent and contain such risks; and to avoid any damage they may cause as they occur.

**There are many risks associated with 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:**

These may include not being aware of the economic variables, making the wrong strategic decisions, or applying the strategies incorrectly. 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:**

These are the risks of change in the value of financial instruments due to the change in currency exchange rates, as most of Jarir's transactions are in SAR, USD and Euros, and subsidiaries are exposed to currency conversion risks.

#### **2- Credit Risks:**

These occur when one party of a financial instrument cannot 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- Liquidity 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 - Future Outlook



Based on the above and the changes in consumer behavior witnessed by the world as a whole and the Saudi market in particular, due to current inflation and the global political conditions of 2023, Jarir followed its same approach based on reducing the profit margin sometimes to gain a larger share in the market in light of these economic conditions and the pursuit of competitive prices from suppliers. Jarir will continue with the same strategy and will maintain its expansion plans. The expansion plans will include new regions in Saudi Arabia, Kuwait, the Emirates, and Bahrain, as well as studying expansion in other countries.

During the year 2023, Jarir opened three showrooms, as the number of Jarir Bookstore showrooms increased to 71 inside and outside the Kingdom. Jarir intends to open five showrooms during the year 2024 and to continue developing the Jarir website. The wholesale sales and distribution sector will continue to grow by doubling the current distribution network and entering new markets. Jarir's future looks promising in light of our continuous endeavor to reach the largest possible segment of customers and serve them in new ways and methods.

We are committed to improving Jarir's performance, achieving the desired growth, improving product display services, in addition to providing the highest levels of customer service at the best value.

Jarir is fully aware that achieving these goals depends on a strong and qualified work 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 givens 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 of in 2024 compared to the fiscal year 2023.

8

# Governance



## 1- Board of Directors' Formation

The board of directors consists of eight members according to Article No. (15) of the bylaw of Jarir. Moreover, the board of directors' formation complies with the instructions stated in Article (17) of Corporate Governance Bylaw issued by the Capital Market Authority.



**Mohammed Bin Abdulrahman Al-Agil**  
Chairman (non-executive)

### Current Positions

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 Harvard University.

### Experience

- Chairman of the board of director of Jarir Marketing Co. since its foundation until now.
- Founding Jarir Marketing Company
- Founding and managing Jarir Company for Commercial Investments.
- A former member of the boards of directors of 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 chambers board).
- 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.



**Abdul Karim Bin Abdulrahman Al-Agil**  
CEO Vice Chairman (executive)

### Current Positions

Vice Chairman of Jarir Marketing Co.  
CEO

### Past Positions

- Assigned lecturer in Institute of Public Administration in Riyadh.

### Qualifications

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

### Experience

- Founding Jarir Bookstore.
- A founder of Jarir Marketing Co.
- 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.
- Chairman of the board of director of Jarir Marketing Co. since 2019 till now.



**Nasser Bin Abdulaziz Al-Agil**  
Chief Operating Officer  
(Executive)

### Current Positions

Chief Operating Officer.

### Past Positions

He worked in the information technology department at the General Water Desalination Corporation.

### Qualifications

- Bachelor's degree in computer science from Eastern Washington University.
- Take several courses on business development.

### Experience

- He worked in the information technology department at the General Water Desalination Corporation.
- A former member of the boards of directors of a number of companies.
- A member of the board of director of Jarir Marketing Co. since its foundation until now.
- The CEO of Jarir Marketing Co.



**Fahd bin Abdullah Al Qassem**  
(Non-executive)

### Current Positions

- Member of Boards of Directors of a number of companies

### Past Positions

- CEO of Amwal Financial Consulting Company (2001 - 2011).
- CEO of Al-Othaim Commercial Group (2000: 2001).
- Partner and director of KPMG International (1995 - 1999).
- Executive Director of Dallah Hospital (1991 - 1995).
- Partner in Al Qasim Certified Public Accountants (1990 AD : 1991 AD).

### Qualifications

- Bachelor of Administrative Sciences, specializing in Accounting, from King Saud University.
- AMLP Advanced Management and Leadership Program from Oxford University.

### Experience

- Financial and administrative consulting and auditing (25 years).
- Executive management - health institution (5 years).
- Executive management - retail and wholesale trade (one year).
- Member of the Board of Directors of a number of companies.
- Member of many committees (investment - audit - governance - nominations and rewards).



**Mohammed Bin Abdullah Al-Agil (1)**  
(non-executive)

### Current Positions

CEO of Jarir Real Estate Company.

### Past Positions

- Investment Analyst - Director of the Real Estate Investment Department - Jarir Investment Company.
- Relationship Manager – Saudi British Bank.
- Membership in boards of directors, committees and the board of directors of a number of companies

### Qualifications

- Bachelor of Science (Management Information Systems) from Syracuse University in New York - USA.

### Experience

- Investment Analyst - Director of the Real Estate Investment Department - Jarir Investment Company.
- Relationship Manager – Saudi British Bank.
- Membership in boards of directors, committees and the board of directors of a number of companies.



**Abdulrahman Bin Ismail Trabzony**  
(Independent)

### Current Positions

Founder and CEO STV

### Past Positions

Head of Global Business Development at Google - Android.

### Qualifications

- Master of Engineering from the Massachusetts Institute of Technology - Cambridge.
- Bachelor of Engineering from the Massachusetts Institute of Technology - Cambridge.

### Experience

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



**Mohamed Bin Dahsh Al Dahsh**  
(Independent)

### Current Positions

Portfolio manager managing local stocks - Hassana Investment Company.

### Past Positions

- Analyst at the Saudi British Bank.

### Qualifications

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

### Experience

- Analyst at the Saudi British Bank



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

### Current Positions

Chief Executive Officer of Shared Services, Flynas.

### Past Positions

- CEO (Project Management, Human Resources, Information Technology, Purchasing Department).
- Project management, planning and sales operations for Hewlett-Packard.
- Dar Al-Warq 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.
- INSEAD Leadership Communication Program.

### Experience

- CEO (Project Management, Human Resources, Information Technology, Purchasing Department)
- Project management, planning and sales operations for Hewlett-Packard.
- Dar Al-Warq Company (strategic business planning).

(1) Mr. Mohammed bin Abdullah Al-Agil's membership began as of 01/01/2023.

In 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 Name	Companies in which the board member is a director or a member of their current boards			Companies in which the board member was a director or a member of their previous boards			
	Company Name	Legal Entity	Inside/Outside KSA	Company Name	Legal Entity	Inside/Outside KSA	
Mohammed Bin Abdulrahman Al-Agil	Alkhorayef Group	Unlisted Joint-Stock	Inside KSA	Al-Andalus Property Company	Listed Joint-Stock	Inside KSA	
				Al Faisaliah Group	Unlisted Joint-Stock		
				Tawuniya for Insurance			
				Riyadh Najd Schools			
				NAFFCO			
				Jarir Trading LLC			
				Horma International Company			
				Horma National Company			
				Nourah National Company			
				Sanabel Saudi Company			
				Hamat Holding			
				Imtiaz Al Arabia			
				Middle East TV Company			Outside KSA
				Abdulkarim Bin Abdulrahman Al-Agil			Jarir Real Estate Company
Horma Projects Company							
Kite Arabia Co.	Listed Joint-Stock	Outside KSA					
Labab Horma Company							
Horma National Company							
Nourah National Company							
Nasser Bin Abdulaziz Al-Agil	Riyadh Najd National Schools Company	Unlisted Joint-Stock	Inside KSA				
	Sanabel Horma Company						
Abdulrahman Bin Ismail Trabzony	Riyad Bank	Listed Joint-Stock	Inside KSA	Saudi Digital Payments Company (STC Pay)		Inside KSA	
				Saudi Technology Development And Investment Company (Taqnia)			
				Careem co.			
				Akia Saudi Company			
				Intigral			
				Saudi Telecom Company (Jawwy)			
Mohamed Bin Dahsh Al Dahsh	Jubail United Petrochemical Company	WLL	Inside KSA				
	Aramco for Crude Oil Supplies						
Asmaa Bint Talal Hamdan	MOBI Industry Company	Listed Joint-Stock	Inside KSA	Paper House Trading Co.	WLL	Inside KSA	

Member Name	Companies in which the board member is a director or a member of their current boards			Companies in which the board member was a director or a member of their previous boards				
	Company Name	Legal Entity	Inside/Outside KSA	Company Name	Legal Entity	Inside/Outside KSA		
Fahd bin Abdullah Al Qassem	Savola Group	Listed Joint-Stock	Inside KSA	Bank Albilad	Listed Joint-Stock	Inside KSA		
	Tiba Investment Company							
	Dallah Healthcare Company							
	Riyadh Construction Company							
	Company of Dr. Mohammed Rashid Al-Faqih and Partners	Unlisted Joint-Stock		Unlisted Joint-Stock	Abdullatif Alissa Holding Group		Unlisted Joint-Stock	
	Alargan Projects company				NAQEL Company			
	Al Rajhi Union Investment Holding Company (Executive)			Fahd Abdullah Abdulaziz Al-Qasim and his sons Company for Trade and Investment				
	Mohammed Abdul Aziz Al Habib and Sons Holding Company			Saudi Heritage Hospitality Co.				
	Abdullah bin Ibrahim Al Subaie Holding Company (AIMS)			Al Rajhi Alfa Investment Holding Company				
	Rakeen Najd International Company			Raj Real Estate Company				
	Jarir Commercial Investments Company			WLL	Amwal Financial Consulting Company			
	Areez Commercial Investment Company LLC				Twenty-First Century and Partner Real Estate Assessment Company			
	Gulf Basqat Company				National General Automobile Company			
	Fincorp Investment Holding Company			Egyptian Closed Joint-Stock	Outside KSA		Al Qasim Fund Company for Investment and Commercial Development	Governmental Institution
	Jarir Marketing Company	Listed Joint-Stock		Inside KSA	General Corporation of Saudi Post			
	Jarir Commercial Investments Company	Closed Joint-Stock			Bayan Real Estate Company		Closed Joint-Stock	Inside KSA
	Hamat Holding Company				Imtiaz Arabia Company			
	Jarir Real Estate Company							
Sisters' Entity Company								
Future Summit Company								
Jawaher Oraib Company								
International Real Estate Investment Company								
Kite Arabia Co.								
Al Imtiaz Al Riyadi Company								
Business Park Fund								
Capital Investment Fund								
Osoul Horma Company	Simplified Joint-Stock	Inside KSA						
Labab Harmah Company	WLL							
High Arrow Investment Company (one person)								
Future Homes Development and Real Estate Investment Company								
Aoun Al-Ashqaa Investment Company								
Fahira Najd Trading Company								
Akal National Investment Company								
Jarir Union Company (one person)								
Afras Arabia Company								
East Health Medical Company								
Al Wusta Medical Company								
Areez Commercial Investment Company								
Twenty-First Century and Partner Real Estate Assessment Company								
Al Dahia Al Methalia Company								

The names and data of the members of the Executive Management are as follows:

No	Member Name	Current Positions	Past Positions	Qualifications	Experience
1	<b>Abdul Karim Bin Abdulrahman Al-Agil</b>		He has previously been identified within the names and information of the members of the Board of Directors.		
2	<b>Nasser Bin Abdulaziz Al-Agil</b>		He has previously been identified within the names and information of the members of the Board of Directors.		
3	<b>Abdulaziz bin Nasser Al-Agil</b>	Acting Financial Director	<ul style="list-style-type: none"> <li>• Founder and Managing Director of Shawarmix (KSA).</li> <li>• Director of Operations at Imtiaz Arabia (KSA) Fashion and Clothes Company.</li> <li>• Senior Relationship Manager, HSBC (KSA).</li> <li>• Analyst, Credit Suisse (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 (KSA), Investment Bank, April 2021 to present.</li> <li>• Founder and Managing Director, Shawarmix (KSA) April 2016 - November 2019.</li> <li>• Director of Operations at Imtiaz Arabia Company (KSA), Fashion and Clothes, October 2011 - January 2016.</li> <li>• Senior Relationship Manager, HSBC (Saudi Arabia) October 2008 - September 2011.</li> <li>• Analyst, Credit Suisse (London, UK) January 2008 – September 2008.</li> </ul>
4	<b>Hossam Al Din Rashad Al Husseiny Tuballa</b>	Internal Audit Manager	<ul style="list-style-type: none"> <li>• 2019 – 2022: Director of Internal Audit and Corporate Governance - AIH Group.</li> <li>• 2018 – 2019: Internal audit leader for a group of hospitals including; Nile Badrawi, Al-Shorouk, Al-Khatib and Cleopatra - Egypt.</li> <li>• 2003 – 2017: Executive Director of Internal Audit - Americana Group.</li> <li>• 2000 - 2003: Acting Partner - KPMG, Cairo, Egypt.</li> <li>• 1998 -2000: Director/Senior Director - KPMG, Cairo, Egypt.</li> <li>• 1994 – 1998: Auditor/Senior Supervisor - Deloitte &amp; Touche - KSA.</li> <li>• 1988 – 1994: Senior Auditor - KPMG, Cairo, Egypt.</li> <li>• 1987 - 1988: Management Accountant - Egyptian Kuwaiti Polyvinyl Chloride (PVC), Islon.</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the American Institute of Certified Public Accountants (AICPA), USA.</li> <li>• Member of the American Institute of Certified Internal Auditors (IIA), USA.</li> <li>• Member of the Egyptian Society of Accountants and Auditors, Cairo, Egypt.</li> <li>• Bachelor of Commerce and Business Administration, Accounting, Helwan University, Egypt.</li> </ul>	<ul style="list-style-type: none"> <li>• Experience in accounting, auditing and internal control since 1987 in a number of companies and audit offices.</li> </ul>

## 2-Board and General Assembly Meetings Attendance Record for the Fiscal year 2023

Five board meetings were held during 2023. Their dates and attendance record are below:

	Name	Board Meeting Date					Total of Attendants
		08/05/2023	07/06/2023	02/11/2023	28/01/2024	07/03/2024	
1	<b>Mohammed Bin Abdulrahman Al-Agil</b>	√	√	√	√	√	5
2	<b>Abdul Karim Bin Abdulrahman Al-Agil</b>	√	√	√	√	√	5
3	<b>Nasser Bin Abdulaziz Al-Agil</b>	√	√	√	√	√	5
4	<b>Asmaa Bint Talal Hamdan</b>	√	√	√	√	√	5
5	<b>Abdulrahman Bin Ismail Trabzony</b>	√	√	√	√	√	5
6	<b>Fahd bin Abdullah Al Qassem</b>	√	√	√	√	√	5
7	<b>Mohamed Bin Dahsh Al Dahsh</b>	√	√	√	√	√	5
8	<b>Mohammed Bin Abdullah Al-Agil</b>	√	√	√	√	√	5

Last General Assembly Meeting was held on 30/2023/05/

√ - in person    X – by proxy by another Board member    XX- absence

## 3- General Assembly Meetings Attendance Record for Shareholders

In 2023, an Extraordinary shareholders' general assembly meeting was held. The date and board members' attendance records are below:

	Name	Attendance Record
		exceptional general assembly 30/5/2023
1	<b>Mohammed Bin Abdulrahman Al-Agil</b>	√
2	<b>Abdul Karim Bin Abdulrahman Al-Agil</b>	√
3	<b>Nasser Bin Abdulaziz Al-Agil</b>	√
4	<b>Asmaa Bint Talal Hamdan</b>	√
5	<b>Abdulrahman Bin Ismail Trabzony</b>	√
6	<b>Fahd bin Abdullah Al Qassem</b>	√
7	<b>Mohamed Bin Dahsh Al Dahsh</b>	√
8	<b>Mohammed Bin Abdullah Al-Agil</b>	√

√ - in person    XX- absence

## 4- Company Applications for Shareholders

Statement of the number of Jarir applications for the shareholders register during 2023:

Number of Jarir Application for Shareholders Register	Application Date	Reasons for Application
1	2023/01/09	Company's Procedures
1	2023/01/11	Company's Procedures
1	2023/01/11	Company's Procedures
1	2023/04/11	Other
1	2023/04/13	Company's Procedures
1	2024/1/1	Other

## 5- Committees

### 1- Audit Committee:

The audit committee was established in accordance with Article (51) of the Corporate Governance Bylaw issued by the Capital Market Authority on 251444/06/ AH corresponding to 182023/01/ AD, and in accordance with Article (2) and the bylaw of the Audit Committee approved by the ordinary general assembly at its meeting on 252017/12/ that amended by the extraordinary general assembly meeting on 282018/10/, and the ordinary general assembly meeting on 262021/05/.

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 preliminary 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, 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 included in the financial reports.
4. Thorough investigation of any matters raised by Jarir's CFO, or their deputies, Jarir Compliance Officer, or the auditor.
5. Verification of accounting estimates on principal issues in the financial reports.
6. Studying the accounting policies followed in Jarir, 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 Jarir, in order to verify the availability of the necessary resources and their effectiveness in the performance of the works and tasks entrusted to them.
4. Recommending to the board of directors to appoint the director of the internal audit unit or department of 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 data of the members of the Committee are as follows:

No	Name	Current Positions	Past Positions	Qualifications	Experience
1	<b>Medhat Farid Abbas Tawfik</b>	Executive partner at Irsaa Al Jazira Group for Business Solutions.	<ul style="list-style-type: none"> <li>Working with Samba Financial Group for 24 years in several positions as head of the money transfer department, compliance manager, and internal audit manager.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science majoring in Chemistry from Belmont University, Tennessee.</li> <li>Technical Qualification Program (Citibank Asia Pacific Program) – Citibank.</li> <li>Anti-Money Laundering Certificate (ACAMS).</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Audit Committee of the Saudi Telecom STC.</li> <li>Head of the Audit Committee at JAWJ Holding Company.</li> <li>Independent Board Member of Rana Investment Company.</li> <li>Establishing an outsourcing company, IRSAA Business Solutions, responsible for risk management and internal audit.</li> </ul>
2	<b>Abdulsallam Bin Abdulrahman Al-Agil Head of Committee</b>	<ul style="list-style-type: none"> <li>Chairman of Asala Holding Company, Intiaz Al Arabia Co, Riyadh Najd 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>Head 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>Head 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 - KSA.</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>
3	<b>Mohamed Bin Dahsh Al Dahsh</b>	He has previously been identified within the names and information of the members of the Board of Directors.			

(1) Mr. Medhat Farid Abbas Tawfik assumed the presidency of the committee, succeeding Mr. Abdulsallam Al-Agil, starting from 142023/03/.

(2) Mr. Abdulsallam Al-Agil resigned from the presidency of the committee on 142023/03/, yet he is still a member of it.

Five meetings of the Committee were held in 2023. The attendance record is as follows:

No	Name	Position	Meeting Date					Total of Attendants
			7/5/2023	2/8/2023	5/9/2023	1/11/2023	6/3/2024	
1	<b>Medhat Farid Abbas Tawfik</b>	Head of Committee	√	√	√	√	√	5
2	<b>Abdulsallam Bin Abdulrahman Al-Agil</b>	Member	√	√	√	√	√	5
3	<b>Mohamed Bin Dahsh Al Dahsh</b>	Member	√	√	√	√	√	5

√ - in person    X – by proxy by another Board member    XX- absence

In light of the work done by the committee during 2023, the audit committee considers that there is no material deficiency in the internal control, financial, and risk management systems, that hinder achieving their intended goals.



## 2 - Rewards and Nominations Committee:

The Committee for Rewards and Nominations was established in accordance with Article (57), Article (51) and Paragraph (7) of Article (47) of the Corporate Governance Bylaw issued by the Capital Market Authority on 10/09/1440, 25/06/1444 AH corresponding to 13/02/2017, 18/01/2023. In accordance with Article (2) of the bylaw of the Rewards and Nominations Committee approved by the ordinary general assembly at its meeting on 25/12/2017.

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.

### 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 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 board and executive management membership.
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 job 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 Jarir'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 2023:

No	Name	Current Positions	Past Positions	Qualifications	Experience
1	<b>Abdulrahman Bin Ismail Trabzony</b>	He has previously been identified within the names and information of the members of the Board of Directors.			
2	<b>Mohammed Bin Abdulrahman Al-Agil</b>	He has previously been identified within the names and information of the members of the Board of Directors.			
3	<b>Fahd bin Abdullah Al Qassem</b>	He has previously been identified within the names and information of the members of the Board of Directors.			

### Three meetings was held by the committee in 2023. The attendance record is as follows:

Total of Attendants	Meeting Date			Position	Name	
	10/17/2023	06/06/2023	13/03/2023			
3	√	√	√	Head of Committee	<b>Abdulrahman Bin Ismail Trabzony</b>	1
3	√	√	√	Member	<b>Mohammed Bin Abdulrahman Al-Agil</b>	2
3	√	√	√	Member	<b>Fahd bin Abdullah Al Qassem</b>	3

√ - in person      X – by proxy by another Board member      XX- absence

## 3- Governance Committee:

The Governance Committee was formed in accordance with Articles (91), (92) of the Corporate Governance Bylaw issued by the Board of the Capital Market Authority under Resolution No. (8-16-2017) on 16/5/1438 AH, corresponding to 13/2/2017, as amended by the resolution of the board of The Capital Market Authority on 25/06/1444 AH, corresponding to 18/01/2023.

In accordance with Article (2) of the Corporate Governance Bylaw, 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 Bylaw and other bulaws 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 Jarir'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 2023:

No	Name	Current Positions	Past Positions	Qualifications	Experience
1	<b>Fahd bin Abdullah Al Qassem</b>	He has previously been identified within the names and information of the members of the Board of Directors.			
2	<b>Mohammed Bin Abdulrahman Al-Agil</b>	He has previously been identified within the names and information of the members of the Board of Directors.			
3	<b>Anas Bin Dawod Al Asfany</b>	<ul style="list-style-type: none"> <li>• Head of the Governance Management Sector and Secretary of the Board of Directors of the Royal Commission for AIUla Governorate.</li> <li>• Member of the Governance Committee at Jarir Marketing Company.</li> <li>• Head of the Governance Committee at Jarir Investment Company.</li> <li>• Member of the Audit Committee at Al Sulaiman Real Estate Company.</li> <li>• Member of the Nominations and Rewards Committee at the National Center for Performance Measurement of Public Agencies.</li> </ul>	Investor Relations Manager Secretary of the Board of Directors Saudi Stock Exchange Company (Tadawul)	Master's degree in Corporate Law from the University of Nottingham UK.	

### One meeting of the Committee was held in 2023. The attendance record is as follows:

	Name	Position	Meeting Date	Total of Attendants
			11/12/2023	
1	<b>Fahd bin Abdullah Al Qassem</b>		√	1
2	<b>Mohammed Bin Abdulrahman Al-Agil</b>	Member	√	1
3	<b>Anas Bin Dawod Al Asfany</b>	Member	√	1

√ - in person      X – by proxy by another Board member      XX- absence

## 6- Rewards 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 (58) of the Corporate Governance Bylaw issued by the Capital Market Authority Board on 251444/06/ AH corresponding to 262021/05/ AD and amended by the Ordinary General Assembly on 262021/05/. The rewards granted to directors and senior executives is consistent with the approved policy. Jarir also affirms that there is no significant deviation from this policy.

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

### 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 at Jarir.
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 employee; 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. They aim at attracting, maintaining and motivating professional competencies, yet they shall not exceed the acceptable limits.
6. To be Prepared in coordination with the Rewards and Nominations Committee at Jarir upon the new appointments.
7. 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:**

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, detailed as follows:

- An annual reward of (300,000) three hundred thousand SAR for each board member.
- Addition annual reward to the chairman, which amounts to (250,000) Two hundred and fifty thousand SAR.
- An annual reward of (50,000) fifty thousand SAR for each member of the subordinate committees of the board.
- Session attendance allowance of (3000) three thousand SAR per session for each member either in the board or in one of its subordinate committees.
- Other allowances and benefits such as travel expenses and others are added as per Jarir's policy.

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

The company gives senior executives financial advantages based on the salary scale and policy adopted in this regard.

**Executive management rewards include:**

- Annual Bonus Determined According to Performance.
- Long-term Incentive Reward

**Following is a breakdown of the rewards paid to board members and senior executives during fiscal year 2023:**

### Board Members Rewards:

A breakdown of rewards paid to board members during fiscal year 2023 (in their capacity as board members):

1,000 SAR

	Fixed Rewards					Variable Rewards					Grand Total	Expenses Allowance	
	Certain Amount	Board Session Attendance Allowance	Total Committee Session Attendance Allowance	In-kind benefits	Technical, Administrative and consulting Rewards	Reward of the Chairman, the Managing Director, or Secretary if they were a Member	Percentage of Profits	Regular Rewards	Short-term Incentive Plans	Long-term Incentive Plans			Granted Shares
<b>First: Independent Members</b>													
<b>Abdulrahman Bin Ismail Trabzony</b>	300	15				315							<b>315</b>
<b>Mohamed Bin Dahsh Al Dahsh</b>	300	15				315							<b>315</b>
<b>Asmaa Bint Talal Hamdan</b>	300	15				315							<b>315</b>
<b>Total</b>	900	45				945							<b>945</b>
<b>Second: Non-Executive Members</b>													
<b>Mohamed Bin Abdulrahman Al-Agil</b>	300	15			250	565							<b>565</b>
<b>Fahd bin Abdullah Al Qassem</b>	300	15				315							<b>315</b>
<b>Mohamed Bin Abdullah Al-Agil</b>	300	15				315							<b>315</b>
<b>Total</b>	900	45			250	1195							<b>1195</b>
<b>Second: Executive Members</b>													
<b>Abdul Karim Bin Abdulrahman Al-Agil</b>	300	15				315							<b>315</b>
<b>Nasser Bin Abdulaziz Al-Agil</b>	300	15				315							<b>315</b>
<b>Total</b>	600	30				630							<b>630</b>

**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 Jarir's shareholder 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 2023:

1,000 SAR

Fixed Rewards	
Salaries	11,265
Allowances	3,319
In-kind benefits	261
<b>Total</b>	<b>14,845</b>
Variable Rewards	
Periodic Rewards	15,296
Profits	0
Short-term Incentive Plans	0
Long-term Incentive Plans	0
Granted Shares	0
<b>Total</b>	<b>15,296</b>
<b>Total of Executives' Rewards</b>	<b>0</b>
<b>Grand Total</b>	<b>630</b>
<b>المجموع الكلي</b>	<b>30,771</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 Bylaw, without disclosing them in detail to protect the company's interests and prevent damages that may befall the company if they are mentioned in detail. These damages may include the creation of a climate of competition and job instability, probably affecting the company's performance and, consequently, the shareholders.

## Rewards of members of committees

Following is a breakdown of rewards paid to members of committees during the fiscal year 2023:

1,000 SAR

	Fixed rewards (except for session attendance allowance)	Session attendance allowance	Total
Members of Audit Committee			
Abdulsallam Bin Abdulrahman Al-Agil	180	15	195
Mohamed Bin Dahsh Al Dahsh	130	15	145
Medhat Farid Abbas Tawfik	180	15	195
<b>Total</b>	<b>490</b>	<b>45</b>	<b>535</b>
Members of Rewards and Nominations Committee			
Fahd bin Abdullah Al Qassem	50	9	59
Mohammed Bin Abdulrahman Al-Agil	50	9	59
Abdulrahman Bin Ismail Trabzony	50	9	59
<b>Total</b>	<b>150</b>	<b>27</b>	<b>177</b>
Members of Governance Committee			
Fahd bin Abdullah Al Qassem	50	3	53
Mohammed Bin Abdulrahman Al-Agil	50	3	53
Anas Bin Dawod Al Asfany	50	3	53
<b>Total</b>	<b>150</b>	<b>9</b>	<b>159</b>

## 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 finance 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 During 2023 for Board Members, Senior Executives, Their Spouses and Minor Children:

### Board Members, Their Spouses and Minor Children:

The following table shows the number of Jarir shares owned by board members during the year 2023:

	Member Name	Start of 2023	End of 2023*	Difference During Year	Difference Rate	Debt Instruments
1	Mohammed Bin Abdulrahman Al-Agil	2,643,568	26,435,680	(44,770)	0%	None
2	Abdul Karim Bin Abdulrahman Al-Agil	3,840,000	38,400,000	0	0%	None
3	Nasser Bin Abdulaziz Al-Agil	481,237	4,812,370	0	0%	None
4	Mohammed Bin Abdullah Al-Agil	6,700	67,000	0	0%	None
5	Fahd bin Abdullah Al Qassem	2,000	20,000	0	0%	None
6	Abdulrahman Bin Ismail Trabzony	0	0	0	%0	None
7	Mohamed Bin Dahsh Al Dahsh General Organization for Social Insurance	0 5,757,617	0 57,576,170	0	%0 %0	None
8	Asmaa Bint Talal Hamdan	556	5,866	25	%0.0000463	None

\*Number of shares after splitting the nominal value of the share from 10 SAR to 1 SAR.

### Senior Executives, Their Spouses and Minor Children:

The following table shows the number of Jarir shares owned by senior executives during the year 2023:

	Name	Start of 2023	End of 2023	Difference During Year	Difference Rate	Debt Instruments
1	Abdulaziz bin Nasser Al-Agil	0	0	0	%0	None
2	Hossam Al Din Rashad Al Husseiny Tuballa	0	0	0	0%	None

## 9- The Related Parties Transactions

During the fiscal year 2023, 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 2023.

These contracts are summarized in the table below:

	Contract Party	Contract Nature	Amount of Transaction During the Year (SAR)	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	19,625,888	Five years, renews automatically	No special terms	Mohammed Bin Abdulrahman Al-Agil Abdul Karim Bin Abdulrahman Al-Agil
2	Kite Arabia Co.	Office lease contract that was held at Jarir Building (Riyadh), and started on 15/11/2012	196,020	Five years, renews automatically	No special terms	Mohammed Bin Abdulrahman Al-Agil Abdul Karim Bin Abdulrahman Al-Agil
3	Jarir Commercial Investment Company	office Lease contract in Jarir Building (Riyadh), which started on 15/11/2012	444,840	Five years, renews automatically	No special terms	Mohammed Bin Abdulrahman Al-Agil Abdul Karim Bin Abdulrahman Al-Agil Mohammed Bin Abdullah Al-Agil
4	Jarir Commercial Investment Company	office Lease contract in Jarir Building (Riyadh), which started on 15/11/2012	145,860	Five years, renews automatically	No special terms	Mohammed Bin Abdulrahman Al-Agil Abdul Karim Bin Abdulrahman Al-Agil Mohammed Bin Abdullah Al-Agil
5	Amwaj Dhahran Limited Company	Showroom Lease contract in Dhahran, which started on 15/12/2008	1,657,601	22 years	No special terms	Mohammed Bin Abdulrahman Al-Agil Abdul Karim Bin Abdulrahman Al-Agil Mohammed Bin Abdullah Al-Agil
6	Aswaq Almustaqbal Trading Company	Showroom Lease contract in Riyadh Panorama (Altakhosisi St), which started on 01/12/2005	2,556,696	22 years	No special terms	Mohammed Bin Abdulrahman Al-Agil Abdul Karim Bin Abdulrahman Al-Agil Mohammed Bin Abdullah Al-Agil
7	Jarir Real Estate Company	office Lease contract in Jarir Building (Riyadh), which started on 14/10/2015	27,742	2 years Renews automatically	No special terms The contract ended on 28/02/2023	Mohammed Bin Abdulrahman Al-Agil Abdul Karim Bin Abdulrahman Al-Agil Mohammed Bin Abdullah Al-Agil
8	Rubeen Arabia Co.	showroom lease contract in Riyadh - Northern Ring Road (Rubin Plaza Complex) which started at 01/05/2017	2,368,800	25 years renewable	No special terms	Mohammed Bin Abdulrahman Al-Agil Abdul Karim Bin Abdulrahman Al-Agil
9	Ryoof Tabuk Limited	showroom lease contract in Tabuk (Tabuk Plaza Complex) which started at 10/04/2018	1,938,870	20 years	No special terms	Mohammed Bin Abdulrahman Al-Agil Abdul Karim Bin Abdulrahman Al-Agil Mohammed Bin Abdullah Al-Agil
10	Rubeen Arabia Co.	Contract to provide management, operation and maintenance services (not including rent-related services) in Rubin Plaza Complex which started from 01/07/2019.	782,000	One year renewable	No special terms	Mohammed Bin Abdulrahman Al-Agil Abdul Karim Bin Abdulrahman Al-Agil

## 10- Jarir's Accounts Auditors

Jarir asserts that the financial statements were prepared in the fiscal year 2023 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 2024, 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 selecting Jarir's auditor for the fiscal year 2024.

Regarding the fees of the auditor (PwC), they are as follows:

	SAR thousands	
	For fiscal year 2022	For fiscal year 2023
<b>Audit Fees</b>	790	790
<b>Fees for assurance engagements other than audit (include review of the quarterly financial statements)</b>	235	245

## 11- Board's Disclosures

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.
- No member of the board practices any of Jarir's main activities.

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 2023. The board 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 - Corporate Governance

Jarir issued the company's statute, which some of its Articles has been amended and approved by the general assembly held on 28/10/2018 and the general assembly held on 10/05/2022 in order to be in conformity with the last amendments of the companies' statute and the bylaws 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 28/02/2019 following some modifications of some of its provisions in line with the new regulations promulgated by the Capital Market Authority.

### Jarir continuously reviews and updates these policies in accordance with relevant rules and by-laws, which they are:

1. By-law of the Audit Committee.
2. By-law of the Rewards and Nominations Committee.
3. By-law 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:

- Jarir did not provide any cash loan of any kind to any of the members of its board nor did it secure any loan 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 2023.
- No rights of transfer or subscription under convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by Jarir in 2023.
- 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 2023, 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 Corporate Governance Regulations issued by the Capital Market Authority, except what follows:

Article/ Paragraph No.	Article/ Paragraph provision	Reasons for Non-application
Seven- ty-Six	Formation of Risk Management Committee.	Guiding 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.
	<b>Staff Motivation</b>	
Eighty-Two	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.	Guiding article. The company has motivational programs (already mentioned in the report), given that currently there are no social institutions for the staff, and may be executed in the future.
	<b>Social Work Initiatives</b>	
Eighty-Five	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.	Guiding article. The company has some initiatives, but it hasn't developed specific programs or benchmarks, etc. (Review the social responsibility at the Report), and work in being done to developing a policy for the social contribution.

# 9

## Shareholders' Rights and Communication Mechanism



## 1- Shareholders' Suggestions and Observations Regarding 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 Shareholders

In line with Jarir's concern and interest in the rights of its shareholders, Jarir has incorporated all the rights of shareholders and stakeholders into 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 can be accessed on Jarir's website, [www.jarir.com](http://www.jarir.com). In addition, there is a special department at Jarir to follow up on 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. The shareholder 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** extension 1613

## 3- Most Important Events and Developments During 2023

During 2023, Jarir witnessed a number of events and developments that are illustrated in the following table:

Date	Event or Development
02/01/2023	Jarir Marketing Company announces the appointment of a board member.
26/02/2023	Jarir Marketing Company announces the opening of a new showroom in Sharjah Emirate in UAE.
26/02/2023	Jarir Marketing Company announces closing of its showroom in Al-Rashid Mall in Al-Khobar Governorate.
15/03/2023	Jarir Marketing Company announces the board's recommendation for splitting the nominal value of shares.
11/04/2023	Jarir Marketing Company announces the opening of a new showroom in Kuwait.
17/04/2023	Jarir Marketing Company invites its shareholders to attend the exceptional general assembly meeting (first meeting).
17/04/2023	Addendum announcement from Jarir Marketing Company regarding its previously closed showroom in Al-Rashid Mall in Al-Khobar Governorate
21/05/2023	Jarir Marketing Company announces the date of the electronic vote on the agenda items for the exceptional general assembly meeting (first meeting).
31/05/2023	Jarir Marketing Company announces the result of the exceptional general assembly meeting (first meeting).
13/08/2023	Jarir Marketing Company announces the opening of a new showroom in Jeddah.

## 4 - Important Dates for Shareholders

The following table shows the expected dates for the most crucial events and occasions, which are important to the shareholders during the fiscal year 2024:

Expected Date	Event
30/05/2024	The meeting of the general assembly for the fiscal year 2023.
13/05/2024	The board's meeting for the first quarter.
13/05/2024	Publication of the results of the first quarter.
13/05/2024	Declaring the board's resolution regarding the dividend of the first quarter, due date and disbursement of profits.
08/08/2024	The board's meeting for the second quarter.
08/08/2024	Publication of the results of the second quarter.
08/08/2024	Declaring the board's resolution regarding the dividend of the second quarter, due date and disbursement of profits.
07/11/2024	The board's meeting for the third quarter.
07/11/2024	Publication of the results of the third quarter.
07/11/2024	Declaring the board's resolution regarding the dividend of the third quarter, due date and disbursement of profits.
29/01/2025	The board's meeting for discussing the estimated annual budget.
23/03/2025	The board's meeting for the fourth quarter.
23/03/2025	Publication of the results of year 2024 and issuing the board's report for the fiscal year 2024.
23/03/2025	Declaring the board's resolution regarding the dividend of the fourth quarter, due date and disbursement of profits.
30/05/2025	The meeting of the general assembly for the fiscal year 2024.

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

## 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 Tadawel website, your company has continued to achieve remarkable growth and development in its activities and work's results. This has been accompanied by financial and administrative steps taken to reduce operating costs, add and develop 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 governmental agencies for their continued support and cooperation. Your company will continue to achieve its goals and plans for expanding and growing sales.

**Mohammed Bin  
Abdulrahman Al-Agil**  
Chairman

**Abdul Karim Bin  
Abdulrahman Al-Agil**  
Vice Chairman  
CEO





شركة جرير للتسويق  
Jarir Marketing Co.