

Annual Report 2023

# Aligned





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**King Salman Bin Abdulaziz Al Saud**  
The Custodian of the Two Holy Mosques



**Prince Mohammed Bin Salman Bin Abdulaziz Al Saud**  
His Royal Highness, Crown Prince and Prime Minister





**This year marked a transformative chapter in the history of King Abdullah Economic City (KAEC), with remarkable achievements and a new strategic direction, in alignment with the Kingdom of Saudi Arabia's overarching vision and goals under Vision 2030.**

**These strides demonstrate Emaar, The Economic City's significant and tangible progress toward achieving KAEC's ambitions as a leading economic hub and tourism destination of the future.**

#### **The master developer of KAEC is Emaar, The Economic City**

Emaar, The Economic City (EEC) is a real estate development and management company listed on the Saudi Exchange (Tadawul). Its primary focus is the planning and development of King Abdullah Economic City (KAEC).

KAEC is regulated by the Economic Cities and Special Zones Authority (ECZA), which provides the regulatory and municipal framework to the city with a wide and comprehensive spectrum of incentives.

These include integrated seaport and Special Economic Zone regulations, and ease of access to permits and licenses related to living, working, operating businesses, and owning and managing properties.

#### **Mission**

Support economic growth & development in the Kingdom of Saudi Arabia, for the benefit of its investors, residents & visitors.

#### **Vision**

Contribute to achieving the Kingdom's aspirations by becoming a regional industrial and business hub, a leading touristic destination and a vibrant community.



↑ 184%

Revenue of SAR 1,031.4 million in 2023 was 184% higher, compared to SAR 363.3 million in 2022.

431.6mn

Gross Profit of SAR 431.6 million in 2023 represented a significant turn-around, compared to a Gross Loss of SAR 294.6 million in 2022



Industrial & Logistics

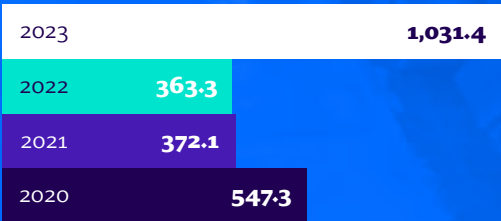
310.7mn

revenue by segment for industrial development\*

- KAEC Special Economic Zone was launched by HRH Crown Prince Mohammed bin Salman in May 2023.
- As the largest of Saudi Arabia's four special economic zones, the 60 km² KAEC Special Economic Zone is set to propel the local, regional and national economies forward.
- Collaborations in 2023 include strategic partnerships with various Public Investment Fund (PIF) projects and a number of respected multinationals.

Revenue (SAR million)

1,031.4 mn



Non-Industrial Business

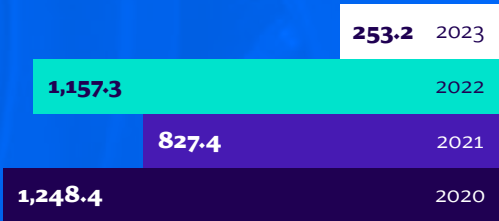
↑ 51%

Mohammed Bin Salman College's success in 2023 was reflected in its 51%growth in student numbers.

- MBSC expanded its offerings, including launching a new Executive MBA and Master in Management and Master in Finance programs.
- Education services were also bolstered through a new partnership signed with Jeddah International Schools to manage The World Academy.
- KAEC's partnership with Dr. Sulaiman Al Habib Medical Group underscores its commitment to comprehensive and high quality community care.

Net Loss (SAR million)

253.2 mn



Tourism

165.3 mn

revenue by segment for hospitality and leisure\*

- We signed a land sale agreement for the development of a 'Rixos Premium' beachside resort including 540 rooms, 35 villas, and a major water park.
- Vivienda Group acquired a beachfront plot spanning more than 28,000 sqm, earmarked for the creation of 70+ luxury villas and townhouses, along with premium facilities and amenities.
- KAEC signed an agreement with Al Rasim for the development of a luxury ecolodge, designed by Gensler.

Total Assets (SAR billion)

15.1 bn



Residential

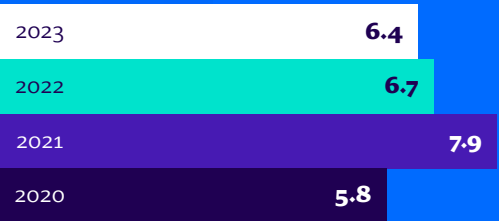
456 mn

455,972 mn revenue by segment for residential business\*

- Outstanding land sales in 2023 tripled KAEC's 2022 sales, underscoring the rising interest and recognition in the city's diverse residential offerings.
- KAEC undertook discussions with several high-end developers and investors, aiming to diversify and enrich the residential landscape of the city.
- Our new partnership with hopOn will provide seamless last-mile connectivity from the Haramain train station to essential city districts and attractions.

Shareholders' Equity (SAR billion)

6.4 bn



\* Revenue by segment is subject to adjustments and eliminations



# Strategic alignment driving development and diversification



**In full alignment with Vision 2030 and other key national strategies, King Abdullah Economic City (KAEC) is committed to being a significant contributor to achieving the objectives set forth for transforming and diversifying the Kingdom’s economy.**

Leveraging the distinctive strengths and unique value proposition of KAEC, we have launched our new Long-Term Strategy aimed at bolstering economic growth and development. The strategy is designed to benefit our investors, residents, and visitors alike through our vision to contribute significantly to the Kingdom’s aspirations by transforming KAEC into a regional industrial and business hub, a premier tourist destination, and a dynamic community.

Our vision is underpinned by clear strategic priorities and targets that span four key pillars, ensuring a comprehensive and integrated approach to our long-term objectives.

This strategy was crafted and is being implemented in close collaboration and alignment with our shareholders, government partners, and other strategic allies. By forging strong connections with a range government entities, we are dedicated to creating significant value for investors, businesses, residents, and visitors to the city. Our efforts ensure alignment with the broader objectives of the Kingdom and position KAEC as a leading platform for attracting investment and generating sustainable value.

This commitment is highlighted by the launch of the KAEC Special Economic Zone by His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al-Saud, Crown Prince and Prime Minister, in May 2023. As the largest among Saudi Arabia’s four special economic zones, it is set to catalyze socio-economic growth and propel the local, regional, and national economies forward. This transformational moment in KAEC’s journey was complemented by many milestones throughout the year, as highlighted in the pages that follow.

As we conclude a landmark year for KAEC, we have a clear vision for the future and outstanding momentum to achieve our new strategic ambitions. I would like to express profound gratitude to The Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al-Saud, the Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al-Saud, for their wise leadership and unwavering support.

In closing, I extend sincere thanks to the EEC Board of Directors and executive team for their outstanding contributions during this a year of progress. I am also grateful for the support of our valued partners in the government and private sector, and for the exceptional efforts of all EEC employees throughout the year. We are dedicated to becoming a driving force in fulfilling our vision and transforming KAEC into a dynamic economic engine and vibrant city that creates lasting value for the nation, its businesses and its people.

**Fahad A. Al-Saif**  
Chairman of the Board  
Emaar, The Economic City

# Accelerating ambition and achievement



**In 2023, King Abdullah Economic City set forth an ambitious strategic blueprint with bold targets for the future. The strategy is designed to position KAEC as a pivotal contributor to Saudi Arabia’s economic development and diversification by transforming KAEC into a premier tourist destination, an industrial hub, and an engine for sustainable economic growth by 2023.**

Our new strategy is anchored in four main pillars: expanding industrial and logistics operations by becoming a leading hub for manufacturing, re-export, e-commerce and logistics; developing non-industrial business through a focus on knowledge sector enterprises; boosting tourism by leveraging KAEC’s unique strengths as a beachfront destination on the Red Sea; and growing a community of over a quarter million permanent residents, working, living and enjoying everything KAEC will offer.

Essential to the strategy is the development of state-of-the-art infrastructure, targeting top service levels and smart city accolades. A streamlined regulatory environment is also a key focus, aiming for efficient business setup procedures and high customer satisfaction with city services.

Taken together, KAEC intends to drive economic development for the city and our investor community, while also emerging as an exciting destination and a vibrant city integral to the Kingdom’s broader aims for economic resilience and prosperity.

With a clear roadmap now set for the future, KAEC set out to make substantive progress in 2023, both strategically and financially. With great purpose and focus, 2023 was a pivotal year when Emaar, The Economic City achieved vastly improved results across all key metrics.

Revenues rose by 184% compared to 2022 to reach SAR 1,031.4 million for 2023. Gross profit of SAR 431.6 million illustrated KAEC’s dramatic turn-around, compared to the previous year’s gross loss of SAR 294.6 million. The resulting net loss of SAR 253.2 million in 2023 represents a 78.5% improvement on the company’s 2022 performance.

The fundamentals are in place for this positive financial trend to accelerate, as KAEC seeks to attract further investment, become an enabler for our partners to achieve their strategic goals, and continue our strong financial momentum in 2024.

On behalf of the leadership team of EEC and all of our valued employees, I would like to thank our Chairman and Board of Directors for their insightful guidance, as well as EEC management and all of our shareholders and business partners for their continued trust, as we move forward with confidence and determination towards our shared vision.

**Mansour A. Alsalem**  
Managing Director  
Emaar, The Economic City

# Purpose-driven progress



**As we finalized our plans to launch a new era of strategic growth, diversification and value creation for KAEC, signs of a vision taking shape were in plain sight across the city during 2023.**

Across the solid foundation we already have in place, KAEC was alive with the palpable energy of business deals being made, new construction underway, visitors experiencing KAEC for the first time, and families choosing to make KAEC their home.

It was a transformative year in Industrial Valley, where we inaugurated the KAEC Special Economic Zone and signed a number of high-profile agreements in our Industrial & Logistics segment. Totalling SAR 429 million, these agreements reflect renewed investor confidence and reinforced our economic diversification strategy. Our collaborations, which include strategic partnerships with various national projects and a number of respected multinationals, strengthened KAEC’s position as a vital industrial hub.

Our Non-Industrial Business segment flourished as well, working to establish KAEC as a premier hub for knowledge-based sectors. We advanced in healthcare by opening a new clinic and pharmacy, and boosted education by managing The World Academy with Jeddah International Schools. Additionally, the Mohammed Bin Salman College (MBSC) of Business and Entrepreneurship expanded its offerings, witnessing significant enrollment growth.

In an award-winning year for our Tourism segment, we were able to draw over 1.2 million visitors and secure investments that are more than SAR 1.5 bn in project size.

The city hosted over 70 events during the year, enhancing its reputation as a dynamic venue. Other noteworthy developments included partnerships and investments in the tourism sector to develop a number of world-class luxury hospitality offerings.

Our Residential segment witnessed solid growth, this year with land sales significantly outpacing the previous two years, reflecting a surge in demand for our living spaces. Engaging with leading developers and investors, we aimed to diversify and enhance our residential offerings, reinforcing our commitment to building a vibrant living environment.

In addition, we worked to enhance the city’s infrastructure throughout the year, emphasizing capacity expansion, operational efficiency, and environmental sustainability. With a commitment to best-in-class design and development, KAEC is poised for responsible growth, supporting innovation and stakeholder success.

On behalf of KAEC management, it is my honor to thank every member of the EEC team for their collective dedication and outstanding individual contributions. Together, we have made 2023 a year to remember and a launchpad for even greater things ahead.

**Cyril R. Piaia**  
Chief Executive Officer  
Emaar, The Economic City



Board of Directors



Mr. Fahad A. Al-Saif  
Chairman – Non-Executive



Mr. Jamal M. Bin Theniyah  
Deputy Chairman - Non-Executive



Mr. Mansour A. Alsalem  
Board Member - Executive



Eng. Mohammed N. Hefni  
Board Member - Non-Executive



Mr. Arif A. Albastaki  
Board Member - Independent



Mr. Osama O. Barayan  
Board Member - Independent



Mr. Naif S. Al-Hamdan  
Board Member - Non-Executive



Mr. Fahad K. Alsaud  
Board Member - Independent



Mr. Hesham A. Heikal  
Board Member - Non-Executive

Executive Management



1. **Mr. Mansour A. Alsalem**  
Managing Director

2. **Eng. Cyril R. Piaia**  
Chief Executive Officer

3. **Mr. Mohammed I. Alarifi**  
Chief Financial Officer

4. **Eng. Sami H. Alnajrani**  
Acting COO & Chairman Advisor

5. **Mr. Tarek A. El Achi**  
Chief Investment and Business Development Officer

6. **Eng. Majid A. Matbouly**  
Head of Industrial Valley and Special Economic Zone

7. **Mr. Fadi M. Jamal**  
Head of Internal Audit

8. **Mr. Abdulrahman Y. Basyouni**  
Acting Head of GRC, Cybersecurity, and Board Secretary





# STRATEGIC REVIEW

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# KAEC's new long term strategy creates a sustainable future

INDUSTRIAL & LOGISTICS

Contribute to Saudi Arabia's industrial and logistics targets by becoming a leading hub for manufacturing, re-export, e-commerce and logistics by leveraging the Industrial Valley and KAEC Special Economic Zone.

NON-INDUSTRIAL BUSINESSES

Become a leading destination for knowledge-based sectors.

TOURISM

Contribute to Saudi Arabia's tourism ambitions by becoming a prime family beach-front destination with 42 km of sea frontage on the Red Sea.

RESIDENTIAL

Become a vibrant community.

INFRASTRUCTURE

Continue the implementation of smart and sustainable infrastructure, leveraging the city's existing world-class infrastructure, as a 'plug & play' platform for developers.

REGULATIONS

Work with the regulator to continue developing and enhancing the competitive and financially sustainable regulatory framework.

Manufacturing

Re-export and e-commerce

Logistics

Technology

Education

Leisure

Meetings, Incentives, Conferences and Exhibitions (MICE)

Primary residence

Secondary residence

Enhanced cargo and people connectivity

Specialized facilities

Enhanced ease and cost of doing business

Supporting ecosystem (e.g., KAUST, government)

Resorts and hotels, operated by best-in-class international brands

Entertainment and leisure

Enhanced destination marketing

High quality housing offering

Enhanced social infrastructure

Entertainment and retail

Enhanced mobility offering

KAEC Special Economic Zone

KAEC SEZ offers a unique set of business regulations, distinct from the surrounding mainland. These promote a favorable business climate and an efficient administrative environment that is tailored to support investment conditions, international trade, export and customs, taxation, and regulatory frameworks.

## Gateway to the Middle East, Africa and the World

KAEC Special Economic Zone (KAEC SEZ) was launched by Crown Prince Mohammed bin Salman in May 2023. At 60 km<sup>2</sup>– roughly the size of Manhattan – it is the largest of Saudi Arabia's four special economic zones. A prime example of Saudi Arabia's Vision 2030 initiatives, KAEC SEZ aims to accelerate socio economic growth and advance the local, regional and national economies.

KAEC SEZ offers a unique opportunity for investment and enterprise that seamlessly connects the largest market in the Arabian Gulf to major trade routes and the rest of the world. Retaining a variety of globally competitive economic incentives, the regulated area is governed by The Economic Cities and Special Zones Authority (ECZA) and is actively supported by an ecosystem that enables growth.

- Trade anchor on the Red Sea
- Shipping on a global scale
- Multi-modal connectivity
- Ready infrastructure
- Unique commercial and operational incentives

## Why KAEC SEZ?

KAEC SEZ offers a range of competitive incentives for businesses. These include:

- 5% corporate income tax rate for up to 20 years.
- 0% customs duties deferral for goods inside the SEZ.
- 0% withholding tax permanently for repatriation of profits from SEZ into foreign countries
- Flexible and supportive regulations for foreign talent during the first five years.
- 0% VAT for all intra-SEZ goods exchanged within and between other special economic zones in the Kingdom.
- Expat levy ensuring fees exemption for employees and their families in the zone.

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A large industrial factory with workers assembling machinery. The scene is filled with complex mechanical parts, tools, and workers in a well-lit, organized environment. The background shows more of the factory floor with various equipment and structural elements.

Strategic Pillar 1

# INDUSTRIAL & LOGISTICS

**During a transformational year marked with groundbreaking achievements, KAEC's Industrial & Logistics pillar laid the foundation for accelerating growth and value creation, attracting significant new investments and forging key partnerships, in line with KAEC's new strategic ambitions and the broader diversification goals of Vision 2030.**

## **Transforming to accelerate impact**

KAEC features two main industrial zones that serve as the backbone of its economic infrastructure: the KAEC Special Economic Zone (KAEC SEZ) and the Industrial Valley (IV), covering a total area of 85.8 km<sup>2</sup>.

Both industrial zones are geared towards logistics and light industry, capitalizing on their geographical and infrastructural advantages. Central to these zones is the King Abdullah Port, recently recognized by the World Bank as the world's most efficient port.

Together, KAEC SEZ and the Industrial Valley host more than 110 international and local investors, with over 40 of them already operational, demonstrating the dynamic and growing industrial ecosystem within KAEC. The synergy between these zones and the King Abdullah Port underscores KAEC's strategic importance in Saudi Arabia's economic landscape and its contribution to the goals of Vision 2030.



Strategic pillar 1

INDUSTRIAL & LOGISTICS

In 2023, KAEC's Industrial and Logistics sectors saw notable advancements with strategic investments and partnerships, marking a year of significant progress.



85.8 km<sup>2</sup>

KAEC's Industrial Valley (IV) covers an area of 85.8 km<sup>2</sup>.

110+

KAEC SEZ and the Industrial Valley host more than 110 investors, with over 40 of them already operational.

20+ bn

By 2032, Industrial & Logistics aims to contribute over SAR 20 billion to the Kingdom's GDP and around 80,000 jobs.

2023 achievements

KAEC successfully signed deals worth around SAR 429.8 million in 2023, a testament to its growing appeal and confidence among investors. This influx of investments was aimed at diversifying the economic activities within the city's industrial zones, enhancing infrastructure, and attracting further investment.

Additionally, the city achieved a milestone when it received the license to operate and manage the KAEC SEZ during the Special Economic Zone Forum held in Riyadh. The launch of KAEC SEZ represents a strategic shift for the Kingdom, as it aims to build, store, and ship automotive products globally, thus transforming KAEC into a central hub for automotive excellence.

By attracting global automotive players to use KAEC as a base for regional operations, the SEZ is poised to significantly boost the Kingdom's manufacturing capabilities and export potential in the automotive sector, as well as in other selected light industry, including FMCG, Healthcare, and Information and Communication Technology sector (ICT).

This strategic initiative is in line with Saudi Arabia's broader Vision 2030, which seeks to diversify the economy beyond its traditional oil-based sectors.

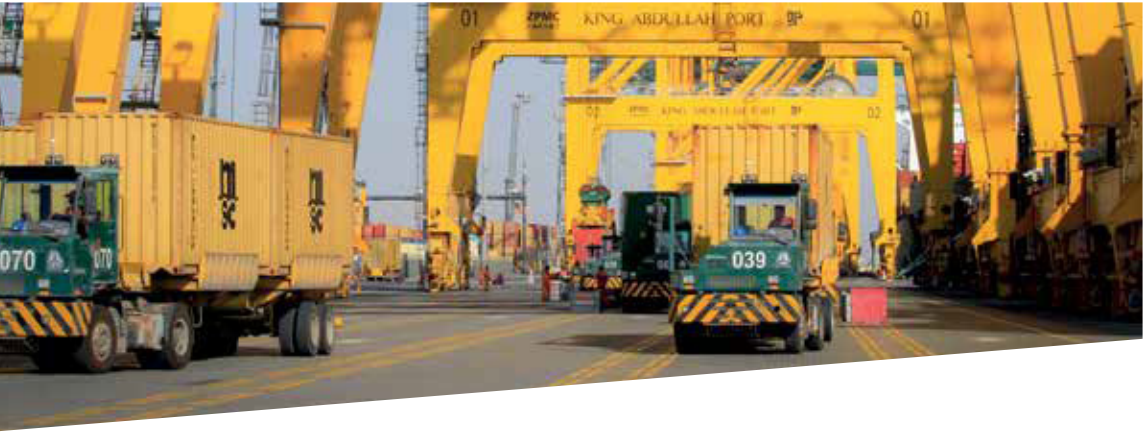


Moreover, KAEC engaged in strengthening its collaborative efforts through the signing of new Memorandums of Understanding (MOUs) with MMJS Consulting and the Saudi Export Authority, along with the renewal of agreements with key national entities, including the Saudi Industrial Development Fund, Agricultural Development Fund (ADF), and the Industrial Council.

KAEC also reinforced its role as a key catalyst for Saudi government entities through a series of new agreements, including with the Ministry of Investment to attract foreign investment and improve the business environment within the city, and with the participation in the 'Made in Saudi' program, enhancing KAEC's credibility and appeal to manufacturing investors. Also, an agreement was signed during the year with Skytower – an investment company created by a Saudi-US-Chinese alliance of companies- to establish a zero-carbon industrial park at KAEC.

Furthermore, KAEC SEZ strengthened its reputation as a notable hub for the Public Investment Fund (PIF), hosting three major projects that are either owned by PIF or joint ventures of PIF – Lucid Motors, CEER and Automotive Solution Company for Logistic Services – thereby solidifying KAEC's role in Saudi Arabia's broader economic ambitions.

These partnerships were crucial in fostering collaboration and enhancing the operational support available for businesses within KAEC's industrial and logistics sectors, contributing significantly to the city's alignment with Saudi Arabia's Vision 2030 objectives.



Looking forward

In 2024, the Industrial & Logistics pillar will build on the momentum of 2023 to focus on accelerating growth and development. The full benefits of the SEZ will begin to take shape, with efforts concentrated on finalizing its new masterplan. This plan aims to enhance the city's infrastructure and attract more foreign direct investment, aligning with the broader goals of Vision 2030.

There will also be a strong emphasis on delivering infrastructure commitments, such as building substations, roads, and other essential facilities. These developments are expected to support the burgeoning industrial activities and ensure a robust foundation for future growth and expansion.

Continuing to build the automotive ecosystem will remain a priority, especially enabling the development of the full automotive supply chain. The focus will be on nurturing this sector further, supporting operational entities, and attracting new investments in automotive manufacturing.

Additionally, KAEC will aim to attract major projects in other sectors, expanding its industrial and logistical capabilities beyond automotive manufacturing. This diversification strategy is intended to bolster its economic resilience, create new employment opportunities, and enhance its position as a key industrial hub in the region.



The rise of the region's first automotive manufacturing hub

In 2023, KAEC established itself as a world-class automotive manufacturing hub in the MENA region, in line with the Kingdom's Vision 2030 ambition to manufacture 300,000 EVs by 2030 to support the Kingdom's economic diversification, increase exports, and encourage Foreign Direct Investment (FDI).

Central to this development are partnerships with Lucid and Ceer signed in 2022, along with the blueprint for development of the Automotive Supplier Park. Lucid began producing EVs in KAEC in 2023, marking a significant milestone, while Ceer was on the path to obtaining its license.



Additionally, the development of the Support Logistics center, Automotive Solution Company, is aimed at providing spare parts and other logistics services to support Original Equipment Manufacturers (OEMs) in KAEC and the wider region.

KAEC's emergence as an automotive manufacturing hub is set to continue to attract automotive manufacturing along with key complementary sectors, reflecting the ambitious vision of KAEC and its pivotal role in Saudi Arabia's economic transformation.





Strategic pillar 2

# NON-INDUSTRIAL BUSINESS

**KAEC Non-Industrial Business showcased stellar progress, establishing itself as a destination for knowledge-based sectors, attracting investment, businesses and talent to the city. By fostering a dynamic ecosystem that supports the needs of diverse businesses, KAEC is cultivating an environment of innovation and impact.**

## **Cultivating knowledge-based growth**

The Non-Industrial Business segment of KAEC is integral to its development strategy, focusing on cultivating a sustainable and diverse business environment. This segment encompasses a variety of services aimed at aligning with the city's vision to advance towards a knowledge-based economy.

Within this framework, KAEC actively attracts top-tier service providers in key sectors, including technology, education and healthcare, alongside leading manufacturers, multinationals and government entities. This enhances the city's offerings, crucial for innovation and economic diversity.

The establishment and growth of these non-industrial businesses are key to KAEC's ongoing development, contributing significantly to job creation and ensuring the city's evolution into a prominent economic hub in the region. Through these endeavors, KAEC is shaping an environment where business and the community thrive in harmony.



Strategic pillar 2

NON-INDUSTRIAL BUSINESS

In 2023, KAEC’s Non-Industrial Business segment marked a year of significant accomplishments, aligning with its strategic direction in key growth sectors.



**2023 achievements**

In a move aimed to position the city as a pivotal digital infrastructure hub, KAEC entered into a Memorandum of Understanding (MoU) with a consortium of leading corporations, including Integrated Telecom Company (Salam), Khazzan Information Technology (Edgnex Data Centres by DAMAC) and Cinturion.

In addition, a landmark agreement was signed with Zain Saudi Arabia for a marine cable landing station at KAEC to link with the JzM subsea cable system, connecting the Kingdom to Europe and the rest of the world. KAEC’s hosting of the historic underwater cable helps position the city as a data hub center.

The initiative aligns with the Saudi 2030 Telecommunication Transformation Vision, aiming to consolidate KAEC’s digital proposition by developing a comprehensive telecom and digital services offering for national and international customers.

Another significant step forward was the MoU signed with the Economic Cities and Special Zones Authority (ECZA) and the Ministry of Communications and Information Technology (MCIT).



It is designed to offer value-added incentives to attract local and international investments in cutting-edge technologies like 5G, IoT, and smart city solutions, opening avenues for tech companies to test prototypes and establish a presence in KAEC.

Prince Mohammed Bin Salman College (MBSC) of Business & Entrepreneurship continued to develop and distinguish itself as a world-class business school, fostering leadership and entrepreneurial thinking through the creation, application and dissemination of business and entrepreneurship knowledge.

Education services were also bolstered through a new partnership signed with Jeddah International Schools to manage The World Academy.

In healthcare, KAEC forged a partnership with one of the largest groups in the Middle East, Dr. Sulaiman Al Habib Group (HMG), with an agreement to open a new clinic and pharmacy in 2024 to enhance medical services for residents.



Collectively, these achievements in 2023 underscore KAEC’s commitment to enhancing the quality of life and fostering a dynamic, thriving community.

**Looking forward**

The city is expanding its educational infrastructure, commencing construction of a new public school during 2024, due to welcome students and launch operations in 2024. These initiatives are designed to meet the community’s needs, while fostering a knowledge-based environment conducive to KAEC’s growth.

In 2024, the Non-Industrial Business segment plans to capitalize on its momentum to further advance its strategic goals. It will drive diversification and development in technology, education and healthcare, attracting investment and pursuing new and complementary partnerships.

While many of KAEC’s businesses will be large Saudi and multinational companies, KAEC is focused on positioning itself as a dynamic commercial hub by providing an unparalleled ecosystem that supports all businesses to establish, grow and realize their full potential.

Aligned with the ambitious goals of Vision 2030, KAEC is creating an environment that nurtures entrepreneurial spirit and a supportive community to help Saudi entrepreneurs achieve their business dreams. Through innovative programs, state-of-the-art facilities, and strategic partnerships, KAEC will drive economic diversification and job creation, contributing significantly to the Kingdom’s economic resilience and prosperity.

1,117

In 2023, 537 students enrolled in MBSC and 580 in The World Academy.

48,000

KAEC’s Non-Industrial Business pillar aims to create around 48,000 jobs by 2032.



IN FOCUS

World-class business education in the heart of KAEC

In 2023, MBSC made notable progress, reinforcing its contribution to Saudi Arabia’s Vision 2030.

MBSC expanded its educational offerings with programs like the Executive MBA, Master in Management, and Master in Finance. The college saw 51% growth in student numbers to reach 537 enrolled students in September 2023, reflecting its growing reputation as a leading business school and increasing appeal in the global business education landscape.

MBSC’s Executive Education delivered 10 customized programs to hundreds of professionals throughout the year, enhancing leadership and entrepreneurial skills across various sectors, indicating strong corporate partnerships and an impactful presence in professional development.

The institution also focused on sustainability and innovation, evidenced by a published article in the British Medical Journal and efforts towards receiving accreditation from national and international bodies.





Strategic pillar 3

# TOURISM

**KAEC tourism made significant strides in an award-winning year marked by strategic developments and landmark hospitality partnerships. The introduction of a new strategy and the attraction of substantial investments have served to enhance KAEC's tourism offerings while laying the groundwork for continued growth and success in the years ahead.**

## **A dynamic destination on the rise**

KAEC is an emerging tourism destination on the Red Sea, presenting unique offerings and experiences for business and leisure tourism, from family events, elite sports tournaments, corporate retreats, business forums and exhibitions, sun and sea activations, and a wide range of entertainment and leisure activities.

Hajj and Umrah visitors represent a crucial segment in KAEC's tourism strategy. The city is connected via the Haramain High Speed Railway to Jeddah (35 mins), Makkah (72 mins) and Madinah (78 mins). This makes KAEC an attractive destination for religious tourists seeking convenience and proximity to the holy cities.

Working closely with the Ministry of Tourism, the Saudi Tourism Authority, the Tourism Development Fund and the tourism ecosystem at large, KAEC contributes to the national tourism agenda by welcoming over one million visitors to enjoy its hospitality and leisure assets in a warm and welcoming environment to live, work and play.



Strategic pillar 3

TOURISM

In 2023, KAEC successfully attracted over 1.2 million visitors and new tourism investments with an estimated size of total projects exceeding SAR 1.5 billion directed towards expanding its unique developments and diversifying experiences.



BayLaSun Hotel

Saudi Arabia's Leading Business & Leisure Hotel 2023  
by World Travel Awards



Saudi Arabia's Leading Family & Leisure Destination Hotel 2023  
by World Travel Awards



Royal Greens Golf Course & Country Club

Saudi Arabia's best Golf Course 2023  
by World Golf Awards



2023 Achievements

KAEC's agreement with Al Bilad Tourism Fund, signed in March 2023, will see the fund develop and operate a 275,000 sqm beachside resort ('Rixos Premium' brand) offering all-inclusive family experiences on the Red Sea. Currently under construction, the resort will feature 540 rooms and 35 villas, each with a private pool, enhancing the city's luxury hospitality offerings.

Al Rasim-ENVI is an eco-friendly luxury resort featuring 40 beach pods with private pools. Designed by the globally renowned architectural firm Gensler, the resort covers a land area of 70,000 sqm, setting a new standard for sustainable luxury accommodation.

Vivienda extends the city's waterfront appeal with a 60-key hotel, 20 luxury villas, and 24 serviced apartments, all spread over 28,000 sqm, offering a blend of hospitality and residential comfort.

In a significant move towards expanding its tourism and leisure sectors, KAEC signed a strategic non-binding head of terms with Orascom Group. This agreement aims to develop the 9.5 million sqm Lagoon district into a major tourism destination, featuring a world-class marina, a vibrant downtown, resorts, and high-end residential and commercial facilities.

KAEC also hosted over 70 events during the year, showcasing its versatile facilities while also contributing to its growing reputation as a dynamic and multifaceted destination for business, religious and leisure events.



Looking forward

With 42 km of exclusive shoreline on the pristine Red Sea, KAEC is poised to amplify its role as a leading destination on the Kingdom's Red Sea coast, aiming to captivate investors and renowned global leaders in the tourism sector.

In 2024, KAEC will further enrich its tourism and hospitality offerings by introducing a range of luxurious resorts and hotels, operated by international brands known for their world-class service and excellence. This initiative is designed to cater to a diverse array of visitors, ensuring memorable and high-quality experiences.

KAEC is also committed to broadening its entertainment and leisure portfolio. The city envisions a rich array of activities and attractions that appeal to families, adventure seekers, and cultural enthusiasts alike, thereby ensuring a vibrant and dynamic visitor experience. From serene beachfront activities to high-energy events, KAEC aims to become a hub of entertainment and relaxation that meets the varied interests of its visitors.

Moreover, a significant focus will be placed on enhancing destination marketing efforts through a thoughtful rebranding of KAEC. This will involve a comprehensive marketing strategy aimed at showcasing the city's unique attractions, natural beauty, and investment opportunities.

By redefining its brand and enhancing its global visibility, KAEC intends to secure its position as a must-visit destination and a prime choice for international investment in the region's burgeoning tourism market.

1.5 bn

Attracted new tourism investments with a total size of projects exceeding 1.5 billion in 2023.

70+

KAEC hosted more than 70 business, religious and leisure events in 2023.

8,000

KAEC's Tourism pillar aims to create around 8,000 jobs and over 1 million overnight visitors by 2032.



IN FOCUS

Pioneering luxury living in KAEC with Vivienda

KAEC marked a significant milestone in its tourism and residential development in 2023, with a major land sale to the esteemed Vivienda Group.

The transaction involved a beachfront parcel spanning more than 28,000 sqm, earmarked for the creation of 70+ luxury villas and townhouses along with premium facilities and amenities. This sale represents a pivotal step in KAEC's strategy to enhance its luxury offerings and reposition itself in the regional real estate market.

The partnership with Vivienda elevates KAEC's luxury hospitality portfolio by setting new standards for high-end visitors and residents. It reflects the city's commitment to meeting the increasing demand for upscale offerings and underlines its role as a leading destination for sophisticated tourism and lifestyle options.

The move has sparked discussions with various high-end developers and investors, paving the way for further upscale developments and collaborations in the future.



Strategic pillar 4

# RESIDENTIAL

**In 2023, KAEC's Residential sector achieved momentous milestones, evidenced by a significant increase in land sales and the formation of key strategic partnerships. These accomplishments have notably contributed to KAEC's growing reputation as a dynamic, diverse and thriving residential hub.**

#### **New alliances foster a vibrant residential community**

KAEC's residential sector is structured into two main segments – Residential Sales and Residential Leases – which collectively cater to the diverse needs of residents and investors.

The Residential Sales segment has three geographic teams: Jeddah Sales Center, Riyadh Sales Center, and KAEC headquarters. This division allows for targeted sales strategies and localized customer service, enhancing the efficiency and effectiveness of property sales within the city.

The Residential Lease segment is dedicated to driving the city's rental business. This segment focuses on providing a variety of leasing options to meet different lifestyle and budget requirements, ensuring a wide range of residential choices for potential tenants. In addition to managing rental properties, this segment also handles Secondary Sales activities, offering a comprehensive service portfolio to residents and investors alike.



Strategic pillar 4  
RESIDENTIAL

In 2023, KAEC drove significant growth and strategic developments in its Residential sector. Outstanding land sales during the year reached double 2021 sales and triple 2022 sales, underscoring the rising interest and recognition in KAEC's residential offerings.



**2023 achievements**  
KAEC posted sales of 57 plots of land and 70 vertical units during the year. Land sales totaled SAR 113.6 million while vertical unit sales were worth SAR 45.2 million and bulk land sales stood at SAR 51.75 million, for cumulative sales of SAR 158.84 million.

The city has been proactive in keeping up with projected demand for residential spaces, repositioning KAEC in the regional residential real estate market. This includes staying ahead of the demand curve for both KAEC and the broader Makkah region, ensuring a steady flow of available properties to meet the growing needs. With an emphasis on investment and strategic planning, the aim is to create a vibrant and thriving community.

The year also saw KAEC undertaking discussions with several high-end developers and investors, aiming to diversify and enrich the residential landscape within the city.

**Looking ahead**  
In 2024, KAEC's Residential sector will focus on enhancing the city's living environment and attracting further residential investments.

A primary objective will be the refurbishment of more existing inventory, aiming to elevate the standard of living and cater to modern lifestyle needs. Furthermore, KAEC plans to intensify discussions with potential partners and developers, which is expected to lead to increased land sales, joint ventures, and the development of new residential projects within the city.

Overall, the outlook for 2024 is centered around improving the existing residential infrastructure and expanding the city's housing market through strategic partnerships and developments, thereby reinforcing KAEC's position as an attractive residential center.



Driving the future of smart mobility with hopOn

KAEC embarked on a strategic partnership with hopOn, a leading provider of smart city solutions for public and shared transportation. This collaboration aims to revolutionize the city's transportation network, ensuring it meets the varied needs of residents and visitors while aligning with environmental sustainability goals.

The partnership is designed to enhance KAEC's sustainable mobility solutions, offering smart transport and parking services. It focuses on integrating seamless last-mile connectivity from the Haramain train station to essential city districts and attractions.

The initiative plans to introduce various bus routes, on-demand buses, e-shuttles, and vans, alongside two-wheel and three-wheel scooters, mechanical and electric bikes. These services are set to be accessible via a smart mobile application, allowing users to book rides and reserve parking spaces conveniently.

This strategic move is in line with Saudi Vision 2030, emphasizing sustainability and carbon neutrality within the KAEC community. By implementing eco-friendly mobility options and optimizing transportation efficiency, KAEC aims to reduce its carbon footprint and promote a healthier, more sustainable urban environment.

hopón

127

KAEC achieved a total of 127 unit sales in 2023.

158.84 mn

Residential sales in 2023 totaled SAR 158.84 million.

250,000

By 2032, KAEC aims to become home SAR 158.84 million.





Strategic Enabler

# INFRA STRUCTURE

**In 2023, KAEC advanced and enhanced its infrastructure, making considerable progress in building capacity, driving operational efficiency and bolstering environmental stewardship. Through its commitment to best-in-class infrastructure design, development and operations, KAEC is well positioned to develop vertically in a responsible and sustainable manner, accelerating innovation and supporting the success of all its stakeholders.**

## **World-class infrastructure and city operations**

Infrastructure is fundamental to KAEC's success, underpinning all development projects and reflecting the city's strategic vision and mission, providing the foundation for operational excellence, innovation, and sustainable growth. It includes designing, developing and managing essential services like power, wet utilities and telecom, ensuring public safety and security, and fostering community engagement, all of which make KAEC an attractive place for living and investment.

KAEC's approach is geared towards establishing a center of excellence in integrated city management and operations within the urban environment. The focus is on asset lifecycle management, service excellence, superior customer experience, and sustainability. These priorities are aligned with global standards and technological advancements, aiming to transform KAEC into a data-driven and sustainable urban hub.

Through the comprehensive development and management of infrastructure assets and services, KAEC infrastructure creates long-term value for stakeholders, residents, and investors, positioning KAEC as a leading example of municipal asset management and operations regionally and globally.



Strategic enabler

INFRASTRUCTURE

In 2023, KAEC made significant strides in enhancing its infrastructure and operational efficiency, marking a year of considerable development and innovation.



**FM Partnership**  
MEFMA Awards of Excellence in FM 2023



**Digital Project of the Year**  
Construction Technology Awards 2023



**Best in Maintenance**  
Hexagon Live Global Elite Awards 2023



**Technology Implementation**  
Facilities Management Middle East Awards 2023



2023 achievements

One of the major achievements was the completion of KAEC's new Saline Water Desalination Plant, which now boasts an output capacity of 30,000 m<sup>3</sup>/day. Eventually, this capacity will double, substantially bolstering the city's water supply.

The city also achieved key milestones in utility and infrastructure development, including the ongoing enhancement of the Al Waha District Water Supply Network and the completion of site works for the Industrial Gas Distribution Network in the Industrial Valley (IV). These enhancements are pivotal in supporting the city's growing residential and industrial demands, ensuring a robust and reliable infrastructure framework.

KAEC's commitment to innovation was further demonstrated through the digital transformation of its Integrated Facilities Management (IFM) operations. This shift garnered multiple prestigious awards, solidifying KAEC's position as a leader in facilities management and smart city solutions.

On the utility front, the city successfully connected major tenants like Lucid, MEPCO, and Al Tamimi Logistics to the SEC substation, significantly enhancing power supply while contributing to the Saudi Green Initiative for the reduction of diesel fuel consumption for power generation.



This, coupled with governance enhancements in IFM operations and the innovative revenue model for parking and transportation services, underscored KAEC's advancements in financial and operational governance, laying a solid foundation for the city's continued growth and development as a leading regional hub.

Looking forward

KAEC is set to enhance its infrastructure significantly, with plans to activate the KAEC-4 electrical substation on the residential side of the city. The company has already signed agreements to initiate construction of the KAEC-2 and KAEC-3 substations, expected to commence in 2025.

The city also intends to further develop social infrastructure in the residential areas, improving community living standards. These steps, alongside completing infrastructure for the RIXOS and Vivienda resorts, aim to boost resident amenities.

The focus on digital transformation will continue, extending advancements to other areas, reinforcing sustainability across all processes and enhancing governance through better integration and reengineering. Initiatives like digitalizing security operations and leveraging data analytics will play a crucial role in streamlining city operations and enhancing resident experiences.

Health, safety, and environmental compliance are also on KAEC's agenda for the future. The city plans to improve operational standards, engage environmental consultants for compliance assessments, and implement Homeowners' Associations for better community management. Through these measures, KAEC aims to foster a safer, more efficient, and community-oriented environment.

30,000 m<sup>3</sup>

New saline water desalination plant daily output

20 %

KAEC aims to achieve 20% green spaces by 2032, in all developed residential areas.



IN FOCUS

A foundation for responsible growth

KAEC is committed to sustainable development, integrating Environmental, Social, and Governance principles into the core of its infrastructure and operations. This is illustrated through various achievements, such as winning prestigious awards for sustainable practices.

Operational enhancements, focusing on waste reduction, improved energy usage, and asset lifespan extension, reflect KAEC's dedication to operational integrity and sustainability. These measures will conserve resources and ensure the long-term sustainability of facilities.

The company and Skytower Investments have signed an agreement to build a zero carbon industrial park in KAEC that will become a testament to the company's efforts in this area and help to achieve sustainable growth. This is in alignment with EEC's Corporate Social Responsibility (CSR) initiatives as well as global standards, the United Nations Sustainable Development Goals, and the Saudi Green Initiative.

Through its concerted efforts, KAEC aims to set a benchmark for sustainable urban development, reinforcing its commitment to a greener, more sustainable future.



# BOARD OF DIRECTORS' REPORT

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Introduction

Emaar, The Economic City (hereinafter referred to as “**EEC**” or “**the Company**”) is a Saudi public Joint Stock Company, established by Ministerial Decision No 2533 issued on September 26, 2006 and listed on the Saudi Stock Exchange on October 7, 2006. The Company’s registered capital is SR 11,333,333,340, distributed over 1,333,333,334 shares, each with a nominal value of SR 10. The Company offered 30% of its total shares for public subscription and registered a record number of subscribers, exceeding 10 million.

The Company is active in the development of land and property in King Abdullah Economic City, including the development of infrastructure; promoting, marketing and selling of land for development by other parties; renting and development of buildings and housing units; construction of property on lands for others and the development of economic zone, King Abdullah Port, and any other activities necessary to achieve its objectives.

The Company is leading the development of King Abdullah Economic City (KAEC), a large-scale private sector economic project located 90km north of Jeddah on the Red Sea coast. KAEC development is under the regulation and supervision of the Economic Cities and Special Zones Authority (ECZA).

1) Board of Directors

Emaar, The Economic City is managed by a Board of Directors consisting of 9 members elected by the General Shareholder Assembly in line with article (16) of the EEC’s Bylaws which state that the Board term shall not exceed four years, and the Board members may be re-elected and nominated for further terms in accordance with the applicable laws and regulations. On this basis, EEC’s General Assembly in its meeting held on 25 September 2023 elected the Company’s Board members for the new office term starting from 26/09/2023 and ending on 25/06/2026. In line with the Company’s bylaws, the Companies’ Law, and the CMA’s Corporate Governance Regulations, the Board consists of 5 Non-executive members, 3 Independent members, and one Executive member as per the below table:

1-a) Board Members Classification

Member	Classification
<b>a. Board members for the current term from 26/09/2023 to 25/06/2026</b>	
Mr. Fahad A. Al-Saif <sup>1</sup>	Chairman – Non-Executive
Mr. Jamal M. Bin Theniyah <sup>1</sup>	Deputy Chairman – Non-Executive
Mr. Mansour A. Alsalem <sup>2</sup>	Board Member – Executive
Mr. Arif A. Albastaki <sup>1</sup>	Board Member – Independent
Eng. Mohammed N. Hefni <sup>1</sup>	Board Member – Non-Executive
Mr. Osama O. Barayan <sup>1</sup>	Board Member – Independent
Mr. Naif S. Al-Hamdan <sup>1</sup>	Board Member – Non-Executive
Mr. Fahad K. Alsaud	Board Member – Independent
Mr. Hesham A. Heikal	Board Member – Non-Executive
<b>b. Board members for the previous term from 26/09/2020 to 25/09/2023</b>	
Mr. Abdullah I. Al Howaish <sup>3</sup>	Board Member – Non-Executive
Mr. Hani O. Baothman	Board Member – Non-Executive
Mr. Qusai A. Al Fakhri	Board Member – Independent

1 Board members for the current and previous office terms.

2 Membership started on 30/07/2023 as a Non-executive member to succeed resigned member for the term that ended on 25/09/2023; however, Mr. Mansour’s classification changed to an Executive member as he was appointed as Managing Director on 20/08/2023.

3 Membership ended as of 27/07/2023 due to resignation.

1-b) Names, qualification and experience of the Board members as of Dec 31, 2023

a. Board members for the current term from 26/09/2023 to 25/06/2026:

Mr. Fahad A. Al-Saif

**Current Positions:** Senior Managing Director and Head of Global Capital Finance Division at The Public Investment Fund (PIF), and EEC Board of Director & Executive Committee Chairman. Mr. Fahad is a member in PIF’s Administrative Committee and the Administrative Liquidity Committee, and chairs several boards of directors of PIF’s subsidiaries. He is also the chairman/member of several government committees, including:

- Board & Executive Committee Chairman, Aircraft Leasing Company (AviLease)
- Board member and Audit and Risk Committee Chairman, King Salman International Airport Development Company (KSIADC)
- Board Vice-Chairman and Executive Committee member, Bahri Company
- Board Vice-Chairman and Executive Committee and Nomination and Remuneration Committee member, The Saudi Real Estate Refinance Company (SRC)
- Board member, Regional Voluntary Carbon Market Company
- Board member and Executive Committee member, ACWA Power
- Investment and Funding Committee member, NEOM
- Board member, Executive Committee, Audit and Risk Committee member, Gulf International Bank.
- Financial Sector Development Program member
- Funding Committee member, Saudi Global Enterprises Office (SGE)
- Investment Committee Member, Events Investment Fund
- Fiscal Sustainability Program Member

**Qualifications:** Bachelor in Information systems from King Fahad University of Petroleum and Minerals.

**Previous Jobs and Experiences:** Mr. Al-Saif worked on developing PIF’s green financing framework and obtaining an investment grade inaugural credit rating by international rating agencies, and subsequently launching PIF’s debut international bond program; issuing the first green bond with a 100-year tranche, the first bond of its kind globally by a Sovereign Wealth Fund, simultaneously. Among other efforts that support PIF and its portfolio companies, Mr. Al-Saif worked on diversifying the sources of capital to fund transformational projects across different sectors.

In addition, Mr. Al-Saif holds more than 26 years of experience in leading diverse functions including treasury, investment, debt capital management and corporate finance. He started his career in the private sector and served senior positions in both Saudi British Bank (SABB) and HSBC Saudi Arabia for over a decade. Following his private sector stint, he then took on a public sector role within Saudi Arabia’s Ministry of Finance, where he served as a senior advisor to the Minister, His Excellency Minister of Finance, and established and headed the ministry’s debt management function, later renamed as National Debt Management Centre (NDMC), where he served as the Chief Executive Officer and Board member.



1) Board of Directors continued

1-b) Names, qualification and experience of the Board members as of Dec 31, 2023 continued

a. Board members for the current term from 26/09/2023 to 25/06/2026: continued

Mr. Jamal M. Bin Theniyah

Current Positions: Vice Chairman at Emaar Properties.

Qualifications: Bachelor in Public Administration, United Arab Emirates University.

Previous Jobs and Experiences: Mr. Jamal joined Port Rashid in October 1981 and progressed through the management until May 1991 when the Dubai government merged port Rashid with Jebel Ali port under Dubai Ports Authority (DPA). He has been appointed as Assistant Managing Director. In 1999, one of the first initiatives of Mr. Jamal and DPA chairman in the international port operation market encompassing Beirut, Djibouti and Jeddah led to the creation of Dubai Ports International (DPI). In 2001 he was appointed as a Managing Director to masterplan the development of Jebel Ali as one of the biggest terminals in the world, increasing its capacity from 20 million TEUs at that time to 50 million TEUs. In 2004, he played a significant role in acquiring Sealand world terminals to give DPI a real international footprint. Mr. Jamal is the Co-Founder of DP World, the 4th largest port operator in the world with a capacity of 100 Million TEUs in the year 2006; DPI concluded the acquisition of P&O Ports to become the 3rd largest port operator in the world and DPW was created to become a real international port operator company worth USD 22 billion. In 2006, he was appointed a Vice-Chairman and GCEO of Ports & Freezone world, including DP World, Freezone world and P&O Ferries, until his retirement in January 2017. In 2008, following the global crisis, Mr. Jamal led the restructuring of Dubai World, a conglomerate in the real estate (Nakheel), private equity (Istithmar) and Dry dock world.

Since 2012, Mr. Jamal was an independent member on the Board of Directors of Emaar Properties PJSC. Currently, he is a non-independent Board member in Emaar Properties PJSC. Mr. Bin Theniyah serves as a Board Member in different entities including Emaar Development PJSC. In September 2017, Mr. Bin Theniyah has been elected as a non-executive board member of Emaar, the Economic City. Mr. Jamal is a common speaker in the international ports and maritime conferences and is amongst few who won 3 international prestigious awards:

- Lloyds list personality of the year (2006)
- Personality of the year by Seatrade (2007)
- The highest lifetime award by Seatrade “the life time achievement award” (2010)

Mr. Mansour A. Alsalem

Current Positions: Director – Local Real Estate Investments at Public Investment Fund – Managing Director at Emaar, The Economic City.

Qualifications: MBA, Bachelor in Finance, Pepperdine University, USA – in addition to a second Bachelor’s degree, Financial Sciences, King Fahd University of Petroleum and Minerals – Saudi Arabia

Previous Jobs and Experiences: Head of Real Estate investment at Albilad Capital (ABIC), Head of private Investment Fund at Capital Market Authority (CMA)

Mr. Arif A. Albastaki

Current Positions: Chief Executive Officer of Amlak Finance PJSC.

Qualifications: Master in International Business, High Diploma in Banking & Finance.

Previous Jobs and Experiences: Head of Amanah Commercial Banking at HSBC Bank Middle East, Head Commercial Banking at Dubai Islamic Bank, Relationship Manager at ABN AMRO Bank, Account Manager – Credit Department of National Bank of Fujairah.

Eng. Mohammed N. Hefni

Current Positions: Chief Executive Officer of KUN Investing Holding.

Qualifications: Master in Business Administration Management, King Fahd University for Petroleum and Minerals- Bachelors in Architecture, King Fahd University for Petroleum and Minerals.

Previous Jobs and Experiences: Financial Advisor at Dallah AlBaraka, Senior Relationship Manager at Samba Financial Group (Private Banking).

Mr. Osama O. Barayan

Current Positions: Chief Investment Officer at Dar Saleh Company.

Qualifications: Master’s in finance, University of Monash, Australia – Bachelor in Accounting, King Fahd University for Petroleum and Minerals, KSA.

Previous Jobs and Experiences: External Auditing, Internal Auditing, Compliance, Investments in general.

Mr. Naif S. Al-Hamdan

Current Positions: Senior Director – Real Estate Projects Portfolio at Public Investment Fund

Qualifications: Master of Business Administration, University of Wales – Bachelor in Information systems from King Fahad University of Petroleum and Minerals.

Previous jobs and experiences: Mr. Naif has more than seventeen years of Investment and Real Estate Development experience, Prior to joining PIF, he was a Vice President, Investment business development at Sulaiman A Al Rajhi Real Estate Investment Co along with serving number of key positions in private sector including a Manger at Investment Banking Group at Global Investment House Naif also worked at the Real Estate Transaction Advisory Services at Ernst Young and an Assistant Relationship Manager at SABB Bank.

Mr. Fahad K. AlSaudi

Current Positions: Managing Director and Chief Executive Officer – Alpha Capital Company

Qualifications: CFA Financial Management – Master Degree in Corporate Finance, University of Reading – Bachelor Degree in Financial Management, King Fahd University of Petroleum and Minerals.

Previous Jobs and Experiences: Advisor to The Governor Of The Public Investment Fund – PIF, Vice President in Alternative Investments – Jadwa Investment Company, Advisor to the Chairman of the Board of Directors – Capital Market Authority, Food Industry and Risk Management Credit Analyst – Saudi Industrial Development Fund

Mr. Hesham A. Heikal

Current Positions: Chief Financial Officer, Emaar Properties

Qualifications: CPA, Certified Public Accountant, Colorado Board of Accountants, USA – MBA, London Business School, UK – Bachelor of Commerce, Helwan University, Cairo.

Previous Jobs and Experiences: Chief Financial Officer, Al Rajhi Holding Company – Chief Financial Officer, Dubai Properties Group – Chief Financial Officer, Tamouh Investment (Royal Group) – Partner, PricewaterhouseCoopers Middle East (Egypt and the United Arab Emirates) and Pricewaterhouse USA

b. Board members for the previous term from 26/09/2020 to 25/09/2023\*:

Mr. Abdullah I. Al-Howaish

Current Positions: Managing Director of Sinad Holding Company (Previously: Aseer Trading, Tourism and Manufacturing Co.)

Qualifications: Bachelor in Economic.

Previous Jobs and Experiences: Experience extending for more than 38 years, where he held many leadership positions in a number of banks and companies, and membership of boards of directors and committees for local and international companies in various sectors (banks, banking, finance, investment, transport, trade and industry).



Board of Directors’ Report continued

1) Board of Directors continued

1-b) Names, qualification and experience of the Board members as of Dec 31, 2023 continued

b. Board members for the previous term from 26/09/2020 to 25/09/2023\*: continued

Mr. Hani O. Baothman

Current Positions: Chairman of the Board of SECDO Capital.

Qualifications: MBA, Bachelor in Mechanical Engineering.

Previous Jobs and Experiences: Managing Director & CEO of Sidra Capital, CEO of Aayan Arabia Holding, Private Equity Manager of SEDCO Holding, Investment officer in The Islamic Corporation for The Development of The Private Sector, Asset management officer of The Islamic Development Bank.

Mr. Qusai A. Al-Fakhri

Current Positions: CEO of Tourism Development Fund

Qualifications: Bachelor in Finance

Previous Jobs and Experiences: Advisor of the Minister of Tourism Investment in Ministry of Tourism, CEO of Alajial Holding, Managing Director of Tiraz Arabia, Chief Investment Officer of Societe Generals, Head of Brokerage in Jadwa Investment, Deputy Chief for Capital Market of SHUAA, Senior Manager for Business Development Investment Department of Samba Group.

\* The information regarding the Board members for the previous term is based on the latest available data disclosed as of 31st March 2023.

1-c) The list of dates of the General Assembly meetings held and the names of the Board member who attended the meetings in 2023:

EEC conducted three (3) Shareholder General Assembly meetings during the fiscal year of 2023 as follows:

Name	General Assembly Meetings Dates			Total
	6 April	8 June	25 September	
Board members for the current term from 26/09/2023 to 25/06/2026				
Mr. Fahad A. Al-Saif	X	X	X	o of 3
Mr. Jamal M. Bin Theniyah	✓	✓	✓	3 of 3
Mr. Mansour A. Alsalem <sup>1</sup>	N/A	N/A	✓	1 of 1
Eng. Mohammed N. Hefni	✓	✓	✓	3 of 3
Mr. Arif A. Albastaki	✓	✓	✓	3 of 3
Mr. Osama O. Barayan	✓	✓	✓	3 of 3
Mr. Naif S. Al-Hamdan	✓	✓	✓	3 of 3
Mr. Fahad K. Alsaud	N/A	N/A	N/A	o of o
Mr. Hesham A. Heikal	N/A	N/A	N/A	o of o
Board members for the previous term from 26/09/2020 to 25/09/2023				
Mr. Abdullah I. Al-Howaish <sup>2</sup>	✓	✓	N/A	2 of 2
Mr. Hani O. Baothman	✓	X	✓	2 of 3
Mr. Qusai A. Al-Fakhri	✓	✓	✓	3 of 3

✓: Attended the meeting X: Did not attend the meeting N/A: Wasn't a member

- 1 Membership started on 30/07/2023 as a Non-executive member to succeed resigned member for the term that ended on 25/09/2023; however, Mr. Mansour's classification changed to an Executive member as he was appointed as Managing Director on 20/08/2023.
- 2 Membership ended as of 27/07/2023 due to resignation.

1-d) The number of Board meetings held during 2023, their dates and the attendance record of each meeting listing the names of the attendees:

The Board of Directors held nine (9) meetings during the year 2023, and the following table shows the attendance record for each meeting:

Name	Board Meetings Dates									Total
	13 Feb	28 Mar	18 May	19 May	8 Aug	11 Sep	4 Oct	5 Nov	6 Nov	
Board members for the current term from 26/09/2023 to 25/06/2026										
Mr. Fahad A. Al-Saif	✓	✓	✓	✓	✓	✓	✓	✓	✓	9 of 9
Mr. Jamal M. Bin Theniyah	✓	✓	✓	✓	✓	✓	✓	✓	✓	9 of 9
Mr. Mansour A. Alsalem <sup>1</sup>	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	5 of 5
Eng. Mohammed N. Hefni	✓	✓	X	✓	X	✓	✓	✓	✓	7 of 9
Mr. Arif A. Albastaki	✓	✓	✓	✓	✓	✓	✓	✓	✓	9 of 9
Mr. Osama O. Barayan	✓	✓	✓	✓	✓	✓	✓	✓	✓	9 of 9
Mr. Naif S. Al-Hamdan	✓	✓	✓	✓	✓	✓	✓	✓	✓	9 of 9
Mr. Fahad K. Alsaud	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	3 of 3
Mr. Hesham A. Heikal	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	3 of 3
Board members for the previous term from 26/09/2020 to 25/09/2023										
Mr. Abdullah I. Al-Howaish <sup>2</sup>	✓	✓	✓	X	N/A	N/A	N/A	N/A	N/A	3 of 4
Mr. Hani O. Baothman	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	6 of 6
Mr. Qusai A. Al-Fakhri	✓	✓	X	X	✓	✓	N/A	N/A	N/A	4 of 6

✓: Attended the meeting X: Did not attend the meeting N/A: Wasn't a member

- 1 Membership started on 30/07/2023 as a Non-executive member to succeed resigned member for the term that ended on 25/09/2023; however, Mr. Mansour's classification changed to an Executive member as he was appointed as Managing Director on 20/08/2023.
- 2 Membership ended as of 27/07/2023 due to resignation.

1-e) A description of any interest of securities and contractual rights of subscription belonging to the members of the Board of Directors and their relatives in the company's shares or debt instruments and any change in that interest or those rights during year 2023:

Name of the person to whom the interest, contractual papers, or subscription rights belong in ECC	Beginning of the year 2023		End of the year 2023		Net change	% of Change
	Shares	Debt Instruments	Shares	Debt Instruments		
a-1) Board members for the current term from 26/09/2023 to 25/06/2026						
Mr. Fahad A. Al-Saif	–	–	–	–	–	–
Mr. Jamal M. Bin Theniyah	4,107	–	4,107	–	0	0%
Mr. Mansour A. Alsalem	12,000	–	12,000	–	0	0%
Eng. Mohammed N. Hefni	–	–	–	–	–	–
Mr. Arif A. Albastaki	1000	–	1000	–	0	0%
Mr. Osama O. Barayan	100	–	100	–	0	0%
Mr. Naif S. Al-Hamdan	–	–	–	–	–	–
Mr. Fahad K. Alsaud	0	–	4,851,400	–	4,851,400	100%
Mr. Hesham A. Heikal	–	–	–	–	–	–
a-2) Current Board members’ relatives: NA						
b-1) Board members for the previous term from 26/09/2020 to 25/09/2023*:						
Mr. Abdullah I. Al-Howaish	102	–	102	–	0	0%
Mr. Hani O. Baothman	–	–	–	–	–	–
Mr. Qusai A. Al-Fakhri	–	–	–	–	–	–
b-2) Previous Board members’ relatives*: NA						

\* The information regarding the Board members for the previous term is based on the latest available data disclosed as of 31st March 2023.



1) Board of Directors continued

1-f) Names of the companies, whatever their legal forms are, inside and outside the Kingdom, which a Board member is a member of their current or previous board or manager in:

Member Name	Companies in which a Board member is a member of their current Board or a manager	Inside/ outside the Kingdom	Legal entity	Companies in which a Board member was a member of their current Board or a manager	Inside/ outside the Kingdom	Legal entity
Board members for the current term from 26/09/2023 to 25/06/2026						
Mr. Fahad A. Al-Saif	Emaar, The Economic City	Inside	Listed JSC	National Debt Management Centre (NDMC)	Inside	Governmental Agency
	Gulf International Bank	Outside	Listed Bahraini Company	The Saudi British Bank (SABB)	Inside	Listed JSC
	ACWA Power Company	Inside	Listed JSC			
	The Saudi Real Estate Refinance Company	Inside	Unlisted JSC			
	Aircraft leasing company (AviLease)	Inside	Unlisted JSC			
	National Shipping Company of Saudi Arabia (Bahri)	Inside	Listed JSC			
	Regional Voluntary Carbon Market Company	Inside	Unlisted JSC			
	King Salman International Airport Development Company (KSIADC)	Inside	Unlisted JSC			
	Emaar, The Economic City	Inside	Listed JSC	Dubai Ports World	Outside	Government entity
	Emaar Properties PJSC	Outside	Listed JSC	Emaar Libadiye Gayrimenkul Gelistirme A.S. (Turkey)	Outside	LLC
Mr. Jamal M. Bin Theniyah	Emaar Development PJSC	Outside	Listed JSC	Emaar Gayrimenkul Gelistirme A.S. (Turkey)	Outside	LLC
	Emaar MISR for Development (Egypt)	Outside	Listed JSC	Emaar India Limited (India)	Outside	LLC
	Port Development Company	Inside	Unlisted JSC	Dubai Hills Estate Hospitality LLC	Outside	LLC
				Dubai Hills Estate District Cooling LLC	Outside	LLC
				Dubai Hills Estate Retail LLC	Outside	LLC
				Mina Rashid Properties LLC	Outside	LLC
				Dubai Creek Harbour LLC (formerly The Lagoons Development LLC)	Outside	LLC
				The Lagoons Phase One LLC	Outside	LLC
				Dubai Hills Estate LLC	Outside	LLC
Mr. Mansour A. Alsalem	Emaar, The Economic City	Inside	Listed JSC	NA		
	Wessal Capital Company (Kingdom of Morocco)	Outside	Unlisted JSC			
	Wessal Tangier Marina Company (Kingdom of Morocco)	Outside	Unlisted JSC			
	Wessal Port of Casablanca Company (Kingdom of Morocco)	Outside	Unlisted JSC			
	Port Development Company	Inside	Unlisted JSC			

Member Name	Companies in which a Board member is a member of their current Board or a manager	Inside/ outside the Kingdom	Legal entity	Companies in which a Board member was a member of their current Board or a manager	Inside/ outside the Kingdom	Legal entity
Eng. Mohammed N. Hefni	Emaar, The Economic City	Inside	Listed JSC	International Medical Center	Inside	Unlisted
	Dallah Health Services Company	Inside	Listed JSC	Manakha Real Estate Development	Inside	Unlisted
	Samir Abbas Hospitals	Inside	Unlisted JSC	Defaf Logistics Company	Inside	LLC
	Ports Development Company	Inside	Unlisted JSC	Port Development Company	Inside	Unlisted JSC
	Kun Sports	In/outside	Unlisted JSC			
Mr. Arif A. Albastaki	CORE Life	In/outside	Unlisted JSC			
	Emaar, The Economic City	Inside	Listed JSC	EII Capital PSC	Outside	Unlisted JSC
	Americana Restaurants International PLC	Outside	Listed JSC	TECOM Group PJSC	Outside	Listed JSC
	Al Salam Bank, Algeria	Outside	Unlisted JSC	Awqaf and Minors Affairs Foundation	Outside	Dubai Government
	NA			EFS Finance Services LLC	Outside	Limited Liability
				Aramex PJSC	Outside	Listed JSC
				Amlak Finance PJSC	Outside	Listed JSC
				Amlak Finance Egypt	Outside	Unlisted JSC
				Emaar Hospitality Group	Outside	Limited liability
				National Health Insurance Company -Daman	Outside	Unlisted JSC
Mr. Osama O. Barayan				Amlak International for Finance and Real Estate	Inside	Listed JSC
	Emaar, The Economic City	Inside	Listed JSC	Ports Development Company	Inside	Unlisted JSC
	Healthcare Alliance	Inside	Unlisted JSC			
	AMIA	Outside	Unlisted JSC			
	Albuhaira Invest	Outside	Unlisted JSC			
	Dallah Albaraka Holding Co.	Inside	Unlisted JSC			
	Arbah Capital	Inside	Unlisted JSC			
	Makkah Construction and Development Company SJSC	Inside	Listed JSC			
	Manakha Company	Inside	Unlisted JSC			
Mr. Naif S. Al-Hamdan	Emaar, The Economic City	Inside	Listed JSC	AlBalad Development Company	Inside	Unlisted JSC
	Al Wadi Development Company (Ardara)	Inside	Unlisted JSC	Saudi Downtown	Inside	Unlisted JSC
	Saudi Real Estate Company	Inside	Listed JSC	Central Ar Riaydh Development Company	Inside	Unlisted JSC
				Rua Al Haram Al Makki Company	Inside	Unlisted JSC
	Wessal Capital	Outside	Investment Fund	Rua Al Madinah Holding Company	Inside	Unlisted JSC
	Port Development Company	Inside	Unlisted JSC	Boutique Hospitality Collection Company	Inside	Unlisted JSC
				Al Ula Development Company	Inside	Unlisted JSC



1) Board of Directors continued

1-f) Names of the companies, whatever their legal forms are, inside and outside the Kingdom, which a Board member is a member of their current or previous board or manager in: continued

Member Name	Companies in which a Board member is a member of their current Board or a manager	Inside/ outside the Kingdom	Legal entity	Companies in which a Board member was a member of their current Board or a manager	Inside/ outside the Kingdom	Legal entity
Mr. Fahad K. Alsaud	Emaar, The Economic City	Inside	Listed JSC	NA		
	Alpha Capital Company	Inside	Unlisted JSC			
	Jabal Alshafa Company	Inside	Unlisted JSC			
	Saudi Downtown Company	Inside	Unlisted JSC			
	Naif Arab University for Security Sciences	Inside	Government education			
	Elm, Information Security Company	Inside	Listed JSC			
	Jeddah Central Development Company	Inside	Unlisted JSC			
Mr. Hesham A. Heikal	Emaar, The Economic City	Inside	Listed JSC	NA		
	Emaar India Limited	Outside	Public Limited Company (India)			
	Emaar Libadiye Gayrimenkul Gellistrme A.S.	Outside	JSC (Turkey)			
	Emaar Gayrimenkul Gelistrime A.S.	Outside	JSC (Turkey)			
	Istanbul Seyir Terasi Otelcilik ve Turizm Yatirlmlari Ticaret A.S.	Outside	JSC (Turkey)			
	Emaar DHA Islamabad Limited	Outside	Unlisted Company, Public Limited (Pakistan)			
	Eko Temali Parklar Turizm Isetmeleri A.S.	Outside	JSC (Turkey)			
	Kallarister Trading Limited	Outside	LLC (Cyprus)			
	Emaar Pakistan Holding Limited	Outside	Limited by Shares (British Virgin Islands)			
	Dead Red Sea Company for Tourism and Real Estate Investments Outside the Kingdom	Outside	Private JSC (Jordan)			
	Emaar Tinga	Outside	Public Limited Company (Morocco)			
	Emaar Strategic Investment LLC	Outside	LLC (UAE)			
	Rove Hospitality LLC.	Outside	LLC (UAE)			
	Rove Hotels LLC.	Outside	LLC (UAE)			
	Umm Al Qayuban Marsa Company LLC.	Outside	LLC (UAE)			
	Vida Beach Resort Umm Al Quwain (LLC)	Outside	LLC (UAE)			

Member Name	Companies in which a Board member is a member of their current Board or a manager	Inside/ outside the Kingdom	Legal entity	Companies in which a Board member was a member of their current Board or a manager	Inside/ outside the Kingdom	Legal entity
Board members for the previous term from 26/09/2020 to 25/09/2023*						
Mr. Abdullah I. Al-Howaish	Sinad Holding company	Inside	Listed JSC	Emaar, The Economic City	Inside	Listed JSC
				ITQAN Capital	Inside	Closed JSC
	Halwani Bros – Saudi Arabia		Listed JSC	SABB Takaful		Closed JSC
	SEDCO Capital Company		Unlisted	Saudi Ground Services		Listed JSC
	Alessa Industries Company		Unlisted	Riyadh Airports Company		Closed JSC
	Amlak International for Real State Financing		Listed JSC	Saudi Amad for Airport Services & Transport Support Co (SAAS)		Closed JSC
	Al Rabie Saudi Foods Company		Unlisted	Standard Chartered Capital Saudi Arabia		Closed JSC
	Halwani Bros – Egypt	Outside	Unlisted	Fawaz Abdulaziz Alhokair Company		Listed JSC
				SIMAH		Closed JSC
Mr. Hani O. Baothman	Sidra Capital	Inside	Unlisted JSC	Emaar, The Economic City	Inside	Listed JSC
	Inoks Capital	Outside	Licensed by the Swiss Financial Market Supervisory Authority	Roua Al Haram – Makkah (PIF Owned Company)	Inside	LLC
Mr. Qusai A. Al-Fakhri						
Mr. Qusai A. Al-Fakhri	MOMRAH Funding Committee	Inside	Government Entity	Emaar, The Economic City	Inside	Listed JSC
	Dan Company		LLC			
	Aseer Development Authority		Government Entity			
	Al Shafa Development Company		LLC			

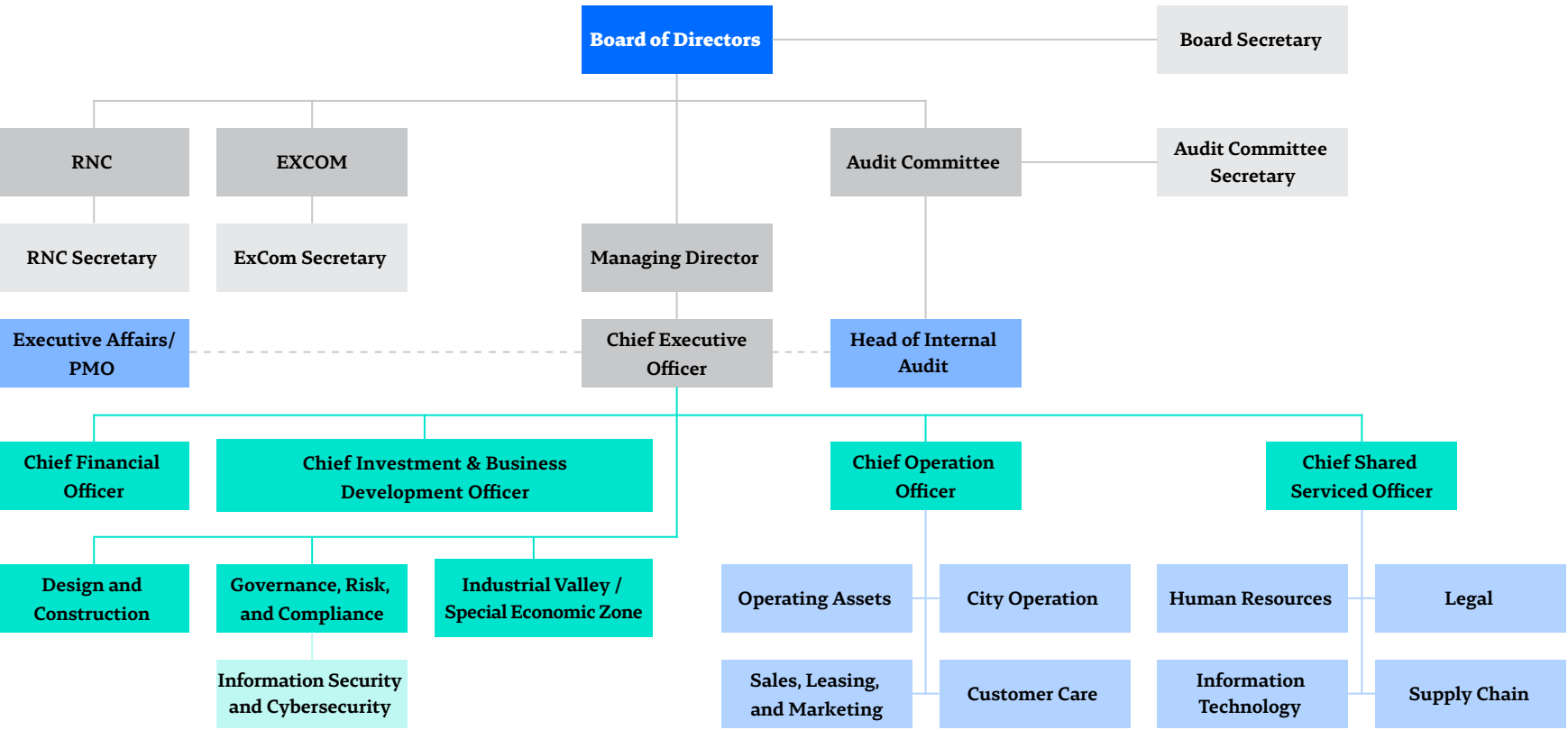
\* The information regarding the Board members for the previous term is based on the latest available data disclosed as of 31st March 2023.



2) Executive Management

In September 2023, EEC’s Board of Directors issued its resolution approving the new organizational structure of the company -as shown below- based on the recommendation of the Executive Committee and the Remuneration and Nominations Committee.

ECC's Organizational Structure:



2-a) Names, qualification and experience of the executive management:

a. Current EEC Executive Management members:

Mr. Mansour A. Alsalem

As per the above table in section (1-b).

Eng. Cyril R. Piaia

Current Positions: CEO, Emaar, The Economic City

Qualifications: Master Degree of Engineering from Ecole Centrale – Bachelor of Science from Lycee Thiers, Marseille, Several courses in Market Finance and Corporate Finance

Previous Jobs and Experiences: Stratford and Russel, Associate Partner, Middle East and Eastern Europe – MB Group, Muscat, Chief Executive Officer, Musstir LLC, ORASCOM Development, Muscat, Chief Executive Officer, Muriya Tourism Development Company S.A.O.C – Arthur Andersen, Strategy and Corporate Finance, Senior Manager – Coopers and Lybrand Paris Office, Financial Auditor, Bokka no Sato, Production and Project Management Assistant – France Telecom, Toulon, Engineering Assistant

Eng. Sami H. Alnajrani

Current Positions: Chief Operating Officer & Advisor to the Chairman of BOD, Emaar, The Economic City

Qualifications: Bachelor’s degree in Management Information Systems from King Fahad University of Petroleum & Minerals in Dhahran, Saudi Arabia

Previous Jobs and Experiences: 22-year tenure at Saudi Aramco

Mr. Mohammed I. Alarifi¹

Current Positions: Chief Financial Officer, Emaar, The Economic City

Qualifications: Bachelor’s degree in Accounting from King Saud University – Licensed by the Saudi Organization for Chartered & Professional Accountants (SOCPA) – Licensed Management Consultant by the Saudi Ministry of Commerce – Certified Public Accountant in the state of New Hampshire by the American Institute of Certified Public Accountants (CPA) – Certified Internal Auditor by the Institute of Internal Auditors (CIA) – Certification in Risk Management Assurance by the Institute of Internal Auditors (CRMA).

Previous Jobs and Experiences: Group Chief Financial Officer at Awj Holding Company between 2017 & 2023 – Chief Financial Officer at Mohammed Ibrahim Alsubeaei & Sons Investment Company (MASIC) between 2014 & 2016 – Chief Financial Officer at Elm Company between 2004 & 2014 – Supervisor Auditor at Ernst & Young between 2002 & 2004 – Senior Auditor at Arthur Andersen & Co. between 1998 & 2002.

1 Mr. Mohammed Alarifi joined EEC as Chief Financial Officer on 28/01/2024.

Mr. Tarek A. El Achi²

Current Positions: Chief Investment and Business Development Officer, Emaar, The Economic City

Qualifications: Bachelors Degree in Banking & Finance; CFA (L1); CME 1 & 4

Previous Jobs and Experiences: Albilad Capital, Director, Head of Real Estate Investments – Albilad Capital, Sr. Fund Manager – Malaz Capital, Private Equity – Obeikan Investment Group, Sr. Financial Analyst – Finance Officer, Finance Officer

2 Mr. Tarek A. Alashi joined EEC as Chief Investment and Business Development Officer on 11/03/2024.

Eng. Majid A. Matbouly

Current Positions: Head of Industrial Valley at Emaar, The Economic City – Member of 2030 Saudi Leadership Society (SLS) by Misk – Member of Saudi Management Consultant Association (SAMCA) – Council of Industry, Jeddah Chambers of Commerce (JCCI) – Member of various social and humanitarian organizations.

Qualifications:

- Bachelor's degree in Electrical Engineering, University of South Florida – USA.
- Master's degree in Engineering Management, University of South Florida – USA.
- Master's degree in Business Administration, Mohammed Bin Salman College (MBSC).
- Diploma in Leadership from TIAS Business School, Netherlands.
- MISK Leaders 2030 program graduate

Previous Jobs and Experiences: Chief Strategy Officer; Ministry of Health Cluster – Managing Director for KSA; Vezeeta (a digital healthcare platform). – Associate Partner Elixir Management Consultancy (McKinsey & Company-owned consulting firm). – Resident Director for KSA at Royal HaskoningDHV (an Engineering Consultancy firm). – General Manager & Operation Manager – TSM (Samsung & Technogas) – Head of Security; ERICSSON KSA. – Field Engineer; Schlumberger LTD. Texas, USA



2) Executive Management continued

2-a) Names, qualification and experience of the executive management: continued

a. Current EEC Executive Management members: continued

Mr. Fadi M. Jamal

**Current Positions:** Executive Director, Head of Audit at Emaar, The Economic City

**Qualifications:** Holds BS in Business Administration from the University of Balamand, Lebanon. A Certified Public Accountant (CPA), from New Hampshire, US and a member of the American Institute of Certified Public Accountants (AICPA). Certified Internal Auditor (CIA) and holds Certification in Risk Management Assurance (CRMA), and member of The Institute of Internal Auditors (IIA)

**Previous Jobs and Experiences:** Over 25 years of experience in auditing, assurance and advisory services, in Kuwait and Kingdom of Saudi Arabia. Prior to EEC, he headed the Internal Audit function at conglomerate groups of AlNahla Group of Companies, Saudi Arabia, Panda Retail Company-Savola Group, Saudi Arabia and United Healthcare Group of Companies, Kuwait.

Started a professional career with Andersen & Co. and Ernst Young, Kuwait offices in External Audit, Tax & Advisory Services. During his carrier, he served as a member of Audit Committees and Board of Directors for a number of companies.

Mr. Abdulrahman Y. Basyouni

**Current Positions:** Acting Head of GRC, Cybersecurity, & Board, Executive Committee, and RNC Secretary at Emaar, The Economic City

**Qualifications:** Bachelor of Laws in Commercial Law, University of Westminster, UK; Developing Emerging Leaders, INSEAD; Certified Board Secretary, Dubai Financial Market and Hawkamah Institute; and Certified Enterprise Risk Manager, International Academy of Business and Financial Management.

**Previous Jobs and Experiences:** Senior Manager, Corporate Governance, Board, and Legal Affairs at Savola Group; Board, RNC, and AC Secretary at Al Kabeer Holding; Board of Trustees Secretary at Savola World Foundation; Compliance and Governance Officer at Saudi Airlines Catering Co.; and Governance and Legal Affairs Officer at Savola Group.

b. Previous EEC Executive Management members\*:

Mr. Muhammad Mudassar Ali Khan<sup>1</sup>

**Previous Positions in the Company:** Acting Chief Financial Officer for the period from 01/11/2023 to 27/01/2024.

**Current Positions:** Director – Financial Planning & Analysis, Emaar, The Economic City

**Qualifications:** ACCA, Bachelors of Commerce

**Previous Jobs and Experiences:** Manager Finance / Financial Analyst (Communications & Works Department, Government of Punjab Province, Pakistan) – Manager Internal Audit (Finca Microfinance Bank, Pakistan) – Manager Reporting / Financial Analyst (Pepsi Cola International, Pakistan) – Audit Expert (Audit Department, Government of Pakistan) – Assistant Manager, Audit & Assurance (EY Jeddah, Saudi Arabia) – Audit Senior, Audit & Assurance (EY Lahore, Pakistan).

<sup>1</sup> Mr. Muhammad Mudassar Ali Khan was EEC’s acting CFO for the period from 01/11/2023 to 27/01/2024.

Mr. Danish S. Abdulsamad<sup>2</sup>

**Previous Positions in the Company:** Acting Chief Financial Officer for the period from 01/01/2023 to 31/08/2023, and resigned from the Company on 05/10/2023-Executive Director – Corporate Finance, Emaar, The Economic City

**Qualifications:** Masters in Business Administration, Purvanchal University India – Bachelor in Science, Major in Chemistry, AMU India –

**Previous Jobs and Experiences:** Head, Treasury FI Business (MENA, Turkey) at Samba Financial Group – Various senior positions at Samba Financial Group – Sr. Manager/ Unit Head, Structure & Trading TMU (ELCs) AT Citibank (Saudi American Bank) – Executive Marketing Analyst at the Pan Arab Research Center.

<sup>2</sup> In 2023, Mr. Danish S Abdulsamad was EEC’s acting CFO for the period from 01/01/2023 to 31/08/2023, and resigned from the Company on 05/10/2023.

Eng. Arlida B. Ariff<sup>3</sup>

**Previous Positions in the Company:** Chief Development Officer

**Qualifications:** Masters in Civil Engineering, University of California – Bachelor in Civil Engineering, Syracuse University, New York.

**Previous Jobs and Experiences:** Chief Development Officer at Jabal Omar Development Company – Established Mampan Capital and Property Development and Management Company – Executive Director at KLCC Projects, the Project development arm of KLCC Holdings – worked as a leader at KLCC international venture.

<sup>3</sup> Eng. Arlida B. Ariff resigned on 31/10/2023.

Mr. Ali M. Aljurbua<sup>4</sup>

**Previous Positions in the Company:** Chief Legal Officer

**Current Positions:** Advisor to the Managing Director

**Qualifications:** University of Westminster, London, United Kingdom, Qassim University, Bachelor Degree in Islamic Law

**Previous Jobs and Experiences:** Legal Advisor at Sadad Company ltd – Legal Officer Commercial Judgements Cassation Department-Board of Grievances in Riyadh, Partner – Family Business, Private Company for import trading from China and providing resources for big projects.

<sup>4</sup> Mr. Ali M. Aljurbua’s position changed to Advisor to the Managing Director on 01/10/2023.

Mr. Masood A. Razaq<sup>5</sup>

**Previous Positions in the Company:** Chief Strategy and Partnerships Officer

**Qualifications:** MBA, Awarded HBS Association of Germany\Booz-Allen & Hamilton Fellowship, University of Cambridge M.Phil with Honors in Development Studies (political economy), A.B manga cum laude in Government.

**Previous Jobs and Experiences:** Chief Strategy and corporate officer at Balubaid Group holding – DATACORE Technologies LLC, Partner, Verdacore FZE, managing Partner, Emirates NBD Bank PJSC, Managing Director, private equity, Microsoft Corporation, Group Manager, CSG, McKinsey & Company, INC., A.T. Kearney.

<sup>5</sup> Mr. Masood A. Razaq resigned on 09/10/2023.

Eng. Bakr A. Sindi<sup>6</sup>

**Previous Positions in the Company:** Chief Supply Chain Officer

**Qualifications:** Bachelor in Mining Engineering, King Abdulaziz University.

**Previous Jobs and Experiences:** Supply Chain and Industrial Ecology Director, Member of Excom, Alsafwa Cement Company, Supply Chain and Procurement Head, Jamjoom Vehicles and Equipment, Senior Procurement and Contracting Manager, Bank Al Jazira, Purchasing Deputy Manager, National Commercial Bank, Senior Buyer, Bin Laden Group for Operation and Maintenance, Mining Engineer at Yanbu Cement CO.

<sup>6</sup> Eng. Bakr A. Sindi resigned on 14/03/2023.



2) Executive Management continued

2-a) Names, qualification and experience of the executive management: continued

b. Previous EEC Executive Management members\*: continued

Eng. Fawaz M. Kilfaden<sup>7</sup>

**Previous Positions in the Company:** Chief Information and Smart City Officer

**Qualifications:** Bachelor’s of Science, Communications and Electronic Engineering, Kind Abdulaziz University, Edinburgh Business School, Heriot-Watt University, Management Course in Organizational Behaviors and Economics, INSEAD Executive Education Programme Certificate – Leading in a Transforming World.

**Previous Jobs and Experiences:** IT Director, Panda Retail Company – Regional IT Executive Director, Savola Foods, Arabia, Levant.

7 Eng. Fawaz M. Kilfaden resigned on 01/08/2023.

Mr. Moneer J. Brembali<sup>8</sup>

**Previous Positions in the Company:** Chief Human Resources Officer

**Qualifications:** Master’s Degree of Business Administration from Hult International Business School, Bachelor’s Degree of Science, Marine Sciences from King Abdulaziz University.

**Previous Jobs and Experiences:** The Red Sea Development Company, Executive Director Human Resources, Alshaya Co., Human Resources Director, Enaya Insurance, Human Resources Director, Carrier, Human Resources Manager, Unilever, HR Business Partner, Bank Al Jazira, Recruitment Manager, Siemens, HR Consultant.

8 Mr. Moneer J. Brembali resigned on 31/05/2023.

Mr. Tareq M. Khan<sup>9</sup>

**Previous Positions in the Company:** Chief Marketing Officer

**Qualifications:** Certified coach from Mars Venus Coaching, California, International Leadership Management, Dubai, Certified Chief Sustainability Officer, The Bullet Proof Manager, CRESTCOM, MBA in General Management, College of Business Administration, Management Associate, The National Commercial Bank, Future Leaders Program, Bachelors in Marketing, University of Petroleum and minerals.

**Previous Jobs and Experiences:** Chief Marketing Officer, The Saudi Investment Bank, Director, Corporate Communication and Sustainability, Savola Group, Commercial Director, EJADA United, Manpower sourcing and recruitment, Brand Manager, Goody, Jeddah – FMCG, Department Head of Marketing and Loyalty. Nahdi Medical Company, Value Management, Loyalty and Communication, The National Commercial Bank, Assistant Category Manager, Goody, Lead Promoter, UNILEVER, Dammam.

9 Mr. Tareq M. Khan resigned on 12/10/2023.

Mr. Ahmad A. Badawi<sup>10</sup>

**Previous Positions in the Company:** Chief Governance, Risk and Compliance

**Qualifications:** Certified CEO – The CEO Institute, CMA International Advanced Certificate in Anti Money Laundering at International Compliance Association, CMA International Advanced Certificate in Compliance at International Compliance Association, Bullet Proof Manager Certificate at Crestcom, General Securities Qualification (1&2) at Capital Market Authority, Bachelor’s of Science, Finance at King Fahad University of Petroleum and Minerals, Dhahran.

**Previous Jobs and Experiences:** Head of Compliance, AML, and Shariah Monitoring, SEDCO Capital, Internal Audit Manager, SEDCO Holding, Internal Auditor, Saudi Aramco Mobil Refinery Co. Ltd (Samref), Internal Auditor, The National Titanium Dioxide Co. Ltd. (CRISTAL).

10 Mr. Ahmad A. Badawi resigned on 24/08/2023.

\* The information regarding the resigned Executive Management is based on the latest available data disclosed as of 31st March 2023.

2-b) Any interest of securities and contractual rights of subscription belonging to the members of the Executive Management and their relatives in the company’s shares or debt instruments and any change in that interest or those rights during year 2023:

Name	Beginning of the 2023		End of the 2023		Net change	% of Change
	Shares	Debt Instruments	Shares	Debt Instruments		
a. Current Executive Management						
Eng. Cyril R. Piaia	–	–	–	–	–	–
Eng. Sami H. Alnajrani <sup>1</sup>	–	–	–	–	–	–
Mr. Mohammed Alarifi <sup>2</sup>	–	–	–	–	–	–
Mr. Tarek A. El Achi	–	–	–	–	–	–
Eng. Majid Matbouly	–	–	–	–	–	–
Mr. Fadi M. Jamal	–	–	–	–	–	–
Mr. Amr F. Younes	–	–	–	–	–	–
Mr. Abdulrahman Y. Basyouni	–	–	–	–	–	–
b. Current Executive Management's relatives: NA						
a. Previous Executive Management*						
Mr. Muhammad Mudassar Ali Khan	–	–	–	–	–	–
Mr. Danish Samad	–	–	–	–	–	–
Eng. Arlida B. Ariff	–	–	–	–	–	–
Mr. Ali M. Aljurbua	–	–	–	–	–	–
Mr. Masood A. Razaq	–	–	–	–	–	–
Mr. Moneer J. Brembali	–	–	–	–	–	–
Eng. Bakr A. Sindi	–	–	–	–	–	–
Eng. Fawaz M. Kilfaden	15,800	–	15,800	–	0	0%
Mr. Tareq M. Khan	–	–	–	–	–	–
Mr. Ahmad A. Badawi	–	–	–	–	–	–
b. Previous Executive Management's relatives:*						
Eng. Bakr A. Sindi	128	–	128	–	0	0%

1 Mr. Mohammed Alarifi joined EEC as Chief Financial Officer on 28 January, 2024.

2 Mr. Tarek A. El Achi joined EEC as Chief Investment and Business Development Officer on 11/03/2024.

\* The information regarding the resigned Executive Management is based on the latest available data disclosed as of 31st March 2023.

3) Company Committees

The EEC Board of Directors forms Committees from its members or others to assist the Board in performing its duties and disposing of its affairs in accordance with general procedures set by the Board and within the framework of the CMA’s Corporate Governance Regulations. Below is a description of EEC’s Committees:

3-a) Executive Committee (ExCom)

Main Competencies and Duties of the ExCom

The Executive Committee comprises five members. The Committee is granted its powers by the Board of Directors, which assigns it the following responsibilities: supervision of the execution of the Company’s overall strategy, setting the Company’s budget, monitoring the Company’s operational and financial performance and reporting to the Board of Directors about financial and strategic affairs, in addition to all related matters.



Board of Directors’ Report continued

3) Company Committees continued

3-a) Executive Committee (ExCom) continued

Names, qualification and experience of the ExCom:

a. ExCom members for the current term from 26/09/2023 to 25/06/2026:

Mr. Fahad A. Al-Saif  
As per the above table in section (1-b)

Mr. Jamal M. Bin Theniyah  
As per the above table in section (1-b)

Eng. Mohammed N. Hefni  
As per the above table in section (1-b)

Mr. Fahad K. AlSaud  
As per the above table in section (1-b)

Mr. Nassim C. Doumani  
Current Positions: Director, Local Real Estate Investment, Public Investment Fund.

Qualifications: Master of Arts, Economic Policy, Boston University (BU) – Jan 2007 – Bachelors of Art, Economics, Minor Business, American University of Beirut – Jan 2005  
Previous Jobs and Experiences: Director, Real Estate Advisory, Colliers. – Senior Manager, Deals (Valuation, M&A, and transaction advisory), PwC. – Consultant, Economic, financial & strategy consulting, Analysis Group. – Analyst, Emerging payments research, Federal Reserve Bank of Boston.

b. ExCom members for the previous term from 26/09/2020 to 25/09/2023:

Mr. Arif A. Albastaki¹  
As per the above table in section (1-b)

1 Mr. Arif A. Albastaki resigned from the Committee on 10/05/2023.

Mr. Mansour A. Alsalem  
As per the above table in section (1-b)

Mr. Marwan K. Al-Bouez\*  
Current Positions: Senior Director and Head of Portfolio Department at Public Investment Fund.

Qualifications: Master in Finance Skills for Leaders, Bachelor in Mechanical Engineering, Executive Education in Strategic Persuasion, Executive Education in Negotiation and Competitive Decision Marketing, Executive Education in High Performance People Skills for Leaders

Previous Jobs and Experiences: Head of Real Estate Investments – Senior Director at MASIC, Fund Manager at SHUAA Capital, Co-Founder, Vice President and Senior Advisor at MEA Partners/Scas Inc, Senior Analyst at Merrill Lynch & Co, Analyst at Merrill Lynch, Industrial Engineer at Prima Industries SPA, Mechanical Engineer at MCC International.

\* The information regarding the previous Committee member is based on the latest available data disclosed as of 31st March 2023.

Meetings of the Executive Committee:

The Executive Committee held sixteen (16) meetings during the year 2023 as follows:

Name	ExCom Meeting Dates																Total
	4 Jan	23 Jan	28 Feb	23 Mar	19 Apr	10 May	1 Jun	6 Jun	13 Jun	4 Jul	5 Jul	31 Jul	17 Aug	28 Aug	26 Oct	30 Nov	
a. ExCom members for the current term from 26/09/2023 to 25/06/2026																	
Mr. Fahad A. Al-Saif	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	9 of 10
Mr. Jamal M. Bin Theniyah	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10 of 10
Eng. Mohammed N. Hefni	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	×	✓	✓	✓	✓	✓	14 of 16
Mr. Fahad K. AlSaud	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	2 of 2
Mr. Nassim C. Doumani	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	2 of 2
b. ExCom members for the previous term from 26/09/2020 to 25/09/2023																	
Mr. Arif A. Albastaki	✓	✓	X	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5 of 6
Mr. Mansour A. Alsalem	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	14 of 14
Mr. Marwan K. Bouez	✓	✓	✓	✓	✓	✓	✓	✓	✓	×	×	✓	✓	✓	N/A	N/A	12 of 14

✓: Attended the meeting    X: Did not attend the meeting    N/A: Wasn't a member

3-b) Audit Committee (AC):

Competencies and Duties of the AC:

The Audit Committee consists of four members as of 05/10/2023 (the Committee previously consisted of three members from 24/04/2023 to 05/10/2023) shall be responsible for monitoring the Company’s business and verifying the integrity and fairness of its reports, financial statements, and internal control systems. Besides any other duties and responsibilities assigned to it by Board of Directors, the mandates of the Committee shall particularly include the following:

- Financial Reporting:
  - Analyzing the Company’s interim and annual financial statements before presenting them to the Board of Directors, and expressing its opinion and providing recommendations thereon to ensure their integrity, fairness, and transparency;
  - Providing technical opinions, at the request of the Board of Directors, as to whether the Board of Directors’ report and financial statements are fair, balanced, and understandable, and include information that enables shareholders and investors to evaluate the Company’s financial position, performance, business model, and strategy;
  - Analyzing any important or unfamiliar issues contained in the financial reports
  - Accurately investing any issues raised by the Company’s CFO or the person assuming his/her duties, or the Company’s Compliance Officer or External Auditor;
  - Verifying accounting estimates in respect of significant matters stated in the financial reports; and
  - Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.
- Internal Audit:
  - Examining and reviewing the company's internal control system, and risk management system.
  - Analyzing the internal audit reports and following up on the implementation of corrective measures for the remarks contained therein.
  - Monitoring and overseeing the performance and activities of the Company’s internal auditor along with the Internal Audit Department, and review its effectiveness and ensure its compliance with the relevant international standards of internal auditing and the relevant professional and professional ethics, Moreover, the audit committee must verify the availability of the necessary resources that enable the internal audit department to perform the tasks assigned to it effectively, And to review and approve the budget allocated to management.
  - Examine carefully any issues raised by the internal auditor in the company.
  - Providing a recommendation to the Board of Directors on appointing/Exemption a manager of the Internal Audit Unit or Department or an internal auditor, and propose his/her remuneration.
  - The Committee shall periodically meet with the Internal Auditor, at least twice a year.



3) Company Committees continued

3-b) Audit Committee continued

Competencies and Duties of the AC: continued

- **External Auditor:**
  - a. Providing a recommendation to the Board of Directors on the nomination and dismissal of external auditors, determining their fees and evaluating their performance, following the verification of their independence, and reviewing the scope of their work and the terms of their contract;
  - b. Verifying the independence, objectivity, and fairness of the External Auditors and the effectiveness of the audit activities, considering relevant rules and criteria;
  - c. Reviewing the Company’s External Auditor plan and its activities, and verifying the non-submission of technical or administrative works that are beyond the scope of the audit activity, and providing their inputs thereon;
  - d. Responding to queries of the Company’s External Auditors;
  - e. Reviewing the external auditor’s report and its comments on the financial statements, verify the executive management’s answers to these observations, and following up the procedures taken in connection therewith. And to verify that there are no difficulties encountered by the auditor with the company’s management during the performance of his duties.
  - f. The Committee shall periodically meet with the External Auditor. At least twice a year.

- **Compliance guarantee:**
  - a. Reviewing the findings of the report of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith;
  - b. Review company reports that include financial statements with the regulatory authorities, and verify that the information contained in the approved financial statements.
  - c. Ensuring the Company’s compliance with the Related Laws, Regulations, policies, and Instructions;
  - d. Reviewing the contracts and proposed transactions that the Company desires to conduct with related parties thereof, and providing its recommendations to the Board on connection therewith; and
  - e. Report to the Board any issues in connection with what it is deemed necessary to take action on and providing recommendations as to the actions that should be taken.
  - f. Review the results of internal investigations on any suspicion of fraud or suspicion of attempting to infringe on any law, rules or regulations that have or are likely to have a material impact on the company’s operating results or its financial position. Provided that the committee discusses these results with the auditor and submits recommendations regarding them to the Board of Directors in a timely manner.
  - g. Ensure that there is a strong corporate governance structure, and that sound management practices, financial and other policies and guidelines are adequately defined and accessible to all who need to know them.

Names, qualification and experience of the AC:

a. AC members for the current term from 24/04/2023 to 23/04/2026:

Mr. Osama O. Barayan

As per the above table in section (1-b)

Mr. Fahad S. AlHathloul

**Current Positions:** Partner at Saleh AlHathloul Development Company.

**Qualifications:** Certified in Management Accounting (CMA). Institute of Management Accounting, New Jersey, USA. – Certified in Financial Management (CFM). Institute of Management Accounting, New Jersey, USA, Master of Business Administration / concentration finance, Colorado State University, Fort Collins, CO, USA – Bachelor of Science, Computer Information Systems, College of Computer Science & Information King Saud University.

**Previous Jobs and Experiences:** Internal Audit / Control Manager, AlSafi-DANONE Company – Senior credit Analyst, Saudi Industrial Development Fund.

Mr. Hesham A. Heikal

As per the above table in section (1-b)

Mr. Altaf D. Dossa

**Current Positions:** Advisor of the Portfolio Company Affairs Department in the Public Investment Fund. He is also a member of the Board member in Avilease Company and the Center for Governance LLC, Audit Committee Chairman of Taqnia company, and a member of the Board and the Learning and Research Committee member at the Center for Governance.

**Qualifications:** Bachelor’s degree in Management Information Systems – Académie de la Reunion (Universite de la Rochelle, FR), Postgraduate Diploma in Information Systems and Technology (Liverpool, UK), Postgraduate Diploma in Diploma in Financial Services Management (London Institute of Banking and Finance, UK), Certified Information Systems Auditor (ISACA, UK), Certified Anti-Money Laundering Specialist (ACAMS, UK). He is currently pursuing a Master’s Degree in International Banking and Finance (University of Salford Manchester, UK).

**Previous Jobs and Experiences:** More than twenty-five years of experience in the field of financial services and forensics. He spent 14 years with KPMG in Luxembourg, London and Riyadh. He also as an advisor to the Deputy Governor of Supervision at SAMA for six years in the area of banking (traditional and digital), insurance and finance companies.

b. AC members for the previous term from 24/04/2020 to 23/04/2023\*:

Mr. Mazen N. Al-Sharfan'

**Current Positions:** Chief Executive Officer at Cruise Saudi.

**Qualifications:** Master in professional accounting, bachelor in accounting, Insurance foundation certificate examination (IFCE), Master of business administration.

**Previous Jobs and Experiences:** Director of internal audit at Nahdi Medical Company, Audit Director at Economic Cities Authority, Head of Internal Audit at Saudi Enaya Cooperative Insurance, Audit Manager at Saudi Economic & Development Company (SEDCO), Head of Cost & Management Accounts at Cristal Global, Internal Audit Supervisor at Cristal Global, Internal Auditor at Ernst & Young.

1 Mr. Mazen N. Al-Sharfan resigned on 05/10/2023.

Mr. Abdulmajeed S. Al-Dakhil\*

**Current Positions:** Managing Partner of Riyadh office of ValuHub Business Valuation and Partners Co.

**Qualifications:** Bachelors in accounting, SOCPA -Member of Saudi Organization of Certified Public Accountants, Certified Public Accountants (CPA), Member of Licensee Committee of Saudi Arabia Business, Valuation Appraisals (Taqeem), CFA level III candidate.

**Previous Jobs and Experiences:** more than 10 years of professional experience gained from Big 4 Consultancy Firm, Prestige Consultancy Firm KSA. a proved tracking record of tremendous assurance engagements in his career. expert in the Valuation Solution yielded from his special experience in the business valuation in different strategic industries such as Energy, Hospitality, Manufacturing, Healthcare, Construction Sectors to serve different valuation purposes such as business transactions, shareholders transactions, litigations and for financial reporting purposes such as impairment testing and Purchase Price Allocation. Throughout his professional experience in the valuation and assurance fields, he has supervised and led teams to perform services to publicly traded companies. Further, conducted many due diligence assignments for transactions and other purposes

2 Mr. Abdulmajeed S. Al-Dakhil resigned on 05/10/2023.

\* The information regarding the previous Committee members is based on the latest available data disclosed as of 31st March 2023.



3) Company Committees continued

3-b) Audit Committee continued

Meetings of the Audit Committee:

The Audit Committee held nine (9) meetings during the year 2023, and the following table shows the attendance record for each meeting:

	AC Meetings Dates									
Name	7 Feb	20 Mar	16 Apr	10 May	15 Jun	5 Aug	6 Sep	6 Nov	12 Dec	Total
AC members for the current term from 24/04/2023 to 23/04/2026										
Mr. Osama O. Barayan	✓	✓	✓	✓	✓	✓	✓	✓	✓	9 of 9
Mr. Fahad S. AlHathloul	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	2 of 2
Mr. Hesham A. Heikal	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	2 of 2
Mr. Altaf D. Dossa	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	2 of 2
AC members for the previous term from 24/04/2020 to 23/04/2023										
Mr. Mazen N. Al-Sharfan	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	7 of 7
Mr. Abdulmajeed S. Dakhil	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	7 of 7

✓: Attended the meeting    X: Did not attend the meeting    N/A: Wasn't a member

3-c) Remuneration and Nomination Committee (RNC):

Main Competencies and Duties of the RNC

The Committee consists of five members (the Committee previously consisted of three members from 26/09/2020 to 25/09/2023) undertakes the study of matters pertaining to it or referred to it by the Board of Directors and submits its recommendations to the board to take decisions in their regard, or it takes decisions if delegated by the board. The Committee focuses on:

a. Remuneration:

- Preparing a clear policy for the remunerations of the Board Members and its Committees and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that linked to performance, and disclosing and ensuring the implementation of such policy.
- Clarifying the relation between the paid remunerations and the adopted remuneration policy, and highlighting any material deviation from that policy.
- Periodically reviewing the remuneration policy and assessing its effectiveness in achieving its objectives.
- Providing recommendations to the Board in respect of the remunerations of its members, the Committees Members and Senior Executives, in accordance with the approved policy

b. Nomination:

- Suggesting clear policies and standards for membership of the Board and the Executive Management.
- Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
- Preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions.
- Determining the amount of time that the member shall allocate to the activities of the Board.
- Annually reviewing the skills and expertise required of the Board Members and the Executive Management.
- Reviewing the structure of the Board and the Executive Management and providing recommendations regarding changes that may be made to such structure.
- Annually ensuring independence of Independent Members and the absence of any conflicts of interest if a Board Member also acts as a member of the Board of Directors of another company.
- Providing job descriptions for the Executive, Non-Executive and Independent Members and the Senior Executive Management.
- Setting procedures to be followed if the position of a Member of the Board or a Senior Executive becomes vacant.
- Determining the strengths and weaknesses of the Board and recommending remedy solutions that serve the Company's interests.
- Reviewing own performance against its roles and responsibilities at least once a year. The outcome of such assessment must be sent to the Board along with a proposal
- on any changes to improve its effectiveness.
- Approve the appointment/ dismissal/ termination of the Executive Management.
- Overseeing the Company's succession plan for the Executive Management.
- Recommend to the Board to nominate External Member as members for other Board Committees.
- Recommend to the Board of Directors to nominate and re-nominate members of the Boards of Directors of subsidiaries or affiliates, taking into account not to nominate any person previously convicted of a breach of trust.

c. Assessing the Performance of the Board and Executive Management:

The Remuneration and Nominations Committee, upon the request of the Board of Directors, proposes mechanisms for annually evaluating the performance of the Board, its members, its committees, and the Executive Management, through appropriate performance indicators related to the extent to which the company's strategic objectives are achieved, the quality of risk management, the adequacy of internal control systems and others, provided that the strengths and weaknesses are identified. And propose to address them in line with the interest of the company. Moreover, the RNC shall perform any additional tasks or authorities delegated by the Board or formalized in the company Delegation of Authority.

Names, qualification and experience of the RNC:

a. RNC members for the current term from 26/09/2023 to 25/06/2026

Mr. Fahad K. AlSaud

As per the above table in section (1-b)

Mr. Arif A. Albastaki

As per the above table in section (1-b)

Mr. Naif S. Al-Hamdan

As per the above table in section (1-b)



3) Company Committees continued

3-c) Remuneration and Nomination Committee (RNC): continued

Names, qualification and experience of the RNC Committee: continued

a. RNC members for the current term from 26/09/2023 to 25/06/2026 continued

Mr. Tariq M. Alamoudi

**Current Positions:** Chief HR Officer, Bupa Arabia – Board member & NRC Chairman (Western Region Cluster) at Health Co. – Board member and NRC Chairman at Education Infrastructure Holding Company – Board member and NRC Chairman at SVC – Board member and Audit & Governance Committee member at KAFAA Efficiency Excellence – Board NRC member at Diriyah Company – NRC member at ACWA Power – Board NRC member at SAL Saudi Logistics Services.

**Qualifications:** 36o HR Leadership Program – Chartered Fellow by CIPD – MBA, Strategy & HRM, Griffith University, Australia – BBA, Marketing, Griffith University, Australia.

**Previous Jobs and Experiences:** HR Head (Baby/Fem Care) – Product Supply Function at Procter & Gamble, Consulting Manager at KPMG.

Mr. Suliman A. Al Admah

**Current Positions:** Chief HR Officer, Saudi Real Estate Refinance

**Qualifications:** BS. Public Administration – KSU – Leadership Management Excellence, Professional Continuing education, The University of Memphis, USA – Capital Market Authority Certification (CME)

**Previous Jobs and Experiences:** General Supervisor Human Capital, Human Resources Development Fund (HRDF) – Head of Human Resources, GIB Capital – Independent HR professional – GM, Human Resources Group, Al Rajhi Bank – Head of Human Resources, HSBC Saudi Arabia – Head of HR Operations, SABB.

b. RNC member for the previous term from 26/09/2020 to 25/09/2023:

Mr. Mansour A. Alsalem

As per the above table in section (1-b)

Meetings of the Remuneration and Nomination Committee:

The Remuneration and Nomination Committee held nine (9) meetings during the year 2023, and the following table shows the attendance record for each meeting:

Name	RNC Meetings Dates									Total
	20 Mar	10 Apr	30 May	21 Jun	20 Jul	9 Aug	30 Oct	4 Dec	28 Dec	
RNC members for the current term from 26/09/2023 to 25/06/2026										
Mr. Fahad K. Alsaud	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	3 of 3
Mr. Arif A. Al-Bastaki	✓	✓	✓	✓	✓	×	✓	✓	✓	8 of 9
Mr. Naif S. Al-Hamdan	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	3 of 3
Mr. Tariq M. Alamoudi	✓	✓	✓	✓	✓	✓	✓	✓	✓	9 of 9
Mr. Suliman A. Al Admah	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	6 of 6
RNC member for the previous term from 26/09/2020 to 25/09/2023										
Mr. Mansour A. Alsalem	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	6 of 6

✓: Attended the meeting    X: Did not attend the meeting    N/A: Wasn't a member

4) Remuneration of the Board, Committees, and Executive Management members

4-a) Board, Committees, and Executive Management Remuneration Policy:

The Remuneration and Nominations Committee (RNC) is responsible for recommending to the Board the remuneration of its members, committee's members and senior executives, in accordance with the approved policy, which considers the following:

- Be consistent with the Company’s strategy and objectives;
- Provide remunerations with the aim of encouraging the Board members and Executive Management to achieve the success of the Company and its long-term development, by for example making the variable part of the remuneration linked to the long-term performance;
- Determine remuneration based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance;
- Be consistent with the magnitude, nature and level of risks faced by the Company;
- Take into consideration the practices of other companies in respect of the determination of remunerations, and avoid the disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations;
- Attract talented professionals and retain and motivate them without exaggeration;
- Be prepared in coordination with the RNC in respect of new appointments;h. Taking into consideration the sector in which the company operates and its size; and
- The calculations and disbursement of remunerations shall be in accordance with this policy.

1. Board of Directors & Committees Remuneration:

- According to Article 20 of the Company’s Bylaws, remuneration granted to the Board of Directors shall consist of a certain amount, attendance allowance for meetings, benefits in kind, or a certain percentage of net profits. It is permissible to combine two or more of these benefits, within the limits specified by the Companies Law and its Implementing Regulations.
- An additional remuneration may be paid to Board and committee members in the case they are assigned to additional tasks, based on the RNC's recommendation and after obtaining the Board's approval.
- The remunerations of the members of the Board of Directors may be of varying amounts to reflect the member’s experience, competencies, tasks entrusted to him, his independence, the number of sessions he attends, and other considerations
- The company offers an annual remuneration to the Chairman and Board Members in the amount of 300,000 riyals.
- Each member of the Executive Committee (ExCom) and Remunerations and Nominations Committee (RNC) Members' annual remuneration amounts to 120,000 riyals.
- Each member of the Audit Committee Members' annual remuneration amounts to 150,000 riyals
- The mechanism for calculating the annual remunerations for members of the Board of Directors and its committees in the case of their joining or termination of their membership during the session is as follows:
  - (The value of the member’s annual remuneration ÷ number of calendar days in the year (365) x number of actual days).
  - The number of actual days means the number of days of the membership period for which the stipend is due.

2. The Executive Management Remuneration:

- The RNC shall review the salary scale and the incentive scheme for executive management, on a regular basis, based on the management recommendations which includes:
  - Basic salary.
  - Allowances that include, but not limited to, housing allowance, transportation allowance, children schooling allowance, and phone allowance
  - Medical and life insurance, including events of partial or permanent disability, and death at workplace.
  - Annual remuneration based on performance indicators associated with individual annual appraisal evaluation.
  - Short-term incentive plans linked with extraordinary/exceptional performance and long-term incentive plans such as stock option programs;
  - Other benefits include, but are not limited to, annual leave, annual air tickets, and end of service indemnity.



4) Remuneration of the Board, Committees, and Executive Management memberscontinued

4-b) A breakdown of the remuneration granted/owed to Board members, Committee members, and Executive Management (all the sums mentioned are in Saudi Riyals):

1. Board Members Remuneration for the year 2023:

Board Member Name	Fixed Remunerations							Variable Remunerations							End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the Chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Value of granted shares	Total				
Board members for the current term from 26/09/2023 to 25/06/2026																	
First: Independent Directors																	
Mr. Arif A. Al-Bastaki <sup>1</sup>	300,000	-	-	-	-	-	300,000	-	-	-	-	-	-	-	300,000	-	
Mr. Osama O. Barayan <sup>1</sup>	300,000	-	-	-	-	-	300,000	-	-	-	-	-	-	-	300,000	-	
Mr. Fahad K. Alsaud	79,726	-	-	-	-	-	79,726	-	-	-	-	-	-	-	79,726	-	
TOTAL	679,726						679,726								679,726		
Second: Non-Executive Directors																	
Mr. Fahad A. Al-Saif <sup>1</sup>	300,000	-	-	-	-	-	300,000	-	-	-	-	-	-	-	300,000	-	
Mr. Jamal M. Bin Theniyah <sup>1</sup>	300,000	-	-	-	-	-	300,000	-	-	-	-	-	-	-	300,000	-	
Eng. Mohammed N. Hefni <sup>1</sup>	300,000	-	-	-	-	-	300,000	-	-	-	-	-	-	-	300,000	-	
Mr. Naif S. Al-Hamdan <sup>1</sup>	300,000	-	-	-	-	-	300,000	-	-	-	-	-	-	-	300,000	-	
Mr. Hesham A. Heikal	79,726	-	-	-	-	-	79,726	-	-	-	-	-	-	-	79,726	-	
TOTAL	1,279,726						1,279,726								1,279,726		
Third: Executive Directors																	
Mr. Mansour A. Alsalem <sup>2</sup>	130,685	-	-	-	-	192,000	322,685	-	-	-	-	-	-	-	322,685	-	
TOTAL	130,685					192,000	322,685								322,685		
Board members for the previous term from 26/09/2020 to 25/09/2023																	
First: Independent Directors																	
Mr. Qusai A. Al-Fakhri	220,274	-	-	-	-	-	220,274	-	-	-	-	-	-	-	220,274	-	
TOTAL	220,274						220,274								220,274		
Second: Non-Executive Directors																	
Mr. Abdullah I. Al-Howaish <sup>3</sup>	169,315	-	-	-	-	-	169,315	-	-	-	-	-	-	-	169,315	-	
Mr. Hani O. Baothman	220,274	-	-	-	-	-	220,274	-	-	-	-	-	-	-	220,274	-	
TOTAL	389,589						389,589								389,589		
Third: Executive Directors																	
N/A																	
TOTAL																	

1 Board members for the current and previous office terms.

2 Membership started on 30/07/2023 as a Non-executive member to succeed resigned member for the term that ended on 25/09/2023; however, Mr. Mansour’s classification changed to an Executive member as he was appointed as Managing Director on 20/08/2023.

3 Membership ended as of 27/07/2023 due to resignation.

2. Remunerations of the Company Committees for the year 2023:

Name	Fixed Remuneration (Except for the allowance for attending Committee meetings)	Allowance for attending Committee meetings*	TOTAL
Executive Committee Members			
ExCom members for the current term from 26/09/2023 to 25/06/2026			
Mr. Fahad A. Al-Saif	77,260	-	77,260
Mr. Jamal M. Bin Theniyah	77,260	-	77,260
Eng. Mohammed N. Hefni	120,000	-	120,000
Mr. Fahad K. Alsaud	29,260	-	29,260
Mr. Nassim C. Doumani	29,260	-	29,260
Total	333,040	-	333,040
ExCom members for the previous term from 26/09/2023 to 25/09/2026			
Mr. Arif A. Al-Bastaki	42,740	-	42,740
Mr. Mansour A. Alsalem	88,110	-	88,110
Mr. Marwan K. Al-Bouez	88,110	-	88,110
Total	218,960	-	218,960
Audit Committee Members			
AC members for the current term from 24/04/2023 to 23/04/2026			
Mr. Osama O. Barayan	150,000	-	150,000
Mr. Fahad S. Al-Hathloul	36,164	-	36,164
Mr. Hesham A. Heikal	36,164	-	36,164
Mr. Altaf D. Dossa	36,164	-	36,164
Total	258,492	-	258,492
AC members for the previous term from 24/04/2020 to 23/04/2023			
Mr. Mazen N. Al-Sharfan	114,247	-	114,247
Mr. AbdulMajeed S. Aldakhil	114,247	-	114,247
Total	228,494	-	228,494
Remuneration and Nomination Committee Members			
RNC members for the current term from 26/09/2023 to 25/06/2026			
Mr. Fahad K. Al Saud	29,260	-	29,260
Mr. Arif A. Al-Bastaki	120,000	-	120,000
Mr. Naif S. Al-Hamdan	29,260	-	29,260
Mr. Suliman A. Al-Admah	69,041	-	69,041
Mr. Tariq M. Alamoudi	120,000	-	120,000
Total	367,561	-	367,561
RNC members for the previous term from 26/09/2020 to 25/09/2023			
Mr. Mansour A. Alsalem	88,110	-	88,110
Total	88,110	-	88,110

\* In March 2024, the Board, based on the RNC’s recommendation, approved to pay the meeting attendance allowance of SAR 5,000 per meeting to committee members for the year 2023 subject to obtaining the necessary approvals from the General Assembly and the regulatory approvals.



4) Remuneration of the Board, Committees, and Executive Management members continued

4-b) A breakdown of the remuneration granted/owed to Board members, Committee members, and Executive Management (all the sums mentioned are in Saudi Riyals): continued

3. Remunerations of the Senior Executives for the year 2023':

Below are the details in respect to the remunerations and compensations granted to the five senior executives who have received the highest remuneration from the Company, including the CEO and acting CFOs²:

Fixed remunerations				Variable remunerations						End-of-service award	Total remunerations for Board executives, if any	Aggregate amount
Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
9,310,464	514,100	985,154	10,809,718	–	–	–	–	–	–	1,462,714	–	12,272,432

- 1 The Company committed to disclose total remuneration of the Senior Executive Management in accordance with the requirements of Article 90 (4-b) of the Corporate Governance Regulations (CGR); however, in order to protect the interests of the Company, its shareholders and its employees, and to avoid any damage that may result from the disclosure in details as per job titles and positions, the description of remuneration is not presented pursuant to Appendix (1) Remuneration Schedule of the CGR related to Senior Executives.
- 2 During 2023, two employees were appointed as acting CFOs as shown in section (2-a) above.

5) EEC’s Affiliates, subsidiaries, and investments

Below is a description of the name of each affiliate company, its capital, the company's ownership percentage, the main scope of business, country of operation and country of incorporation

Company	Capital	The company's ownership (direct or in-direct)	Main scope of business	Country of operation and incorporation
a. Subsidiaries/Affiliates				
Economic City Real Estate Operation and Management Co. Ltd. (“REOM”)	SAR 500,000	EEC 2% ECIC 98%	Hotels, Hotel Apartments, Tourism, Accommodation Facilities Management, Restaurants with service, Inland water transport for the purpose of excursion tourism, Permanent movie theater operation,operating fixed cinemas, Operation of recreational event facilities, Organizing entertainment events, Operation of exhibition and conference centers and facilities, Men's gyms and sport canters, Women's gyms and sport centers.	Kingdom of Saudi Arabia
Economic City Pioneer Real Estate Management Company Ltd. (“REMCO”)	SAR 500,000	EEC 2% ECIC 98%	Purchase and sell land and real estate and divide and sales activities on the map, Operation of exhibition and conference centers and facilities, Men's and Women's gyms and sports centers, Management and rental of property owned or leased (non-residential), Management and rental of property owned or leased (residential), Restaurants with service.	Kingdom of Saudi Arabia
Economic City Real Estate Development Co. Ltd. (“REDCO”)	SAR 500,000	EEC 2% ECIC 98%	Purchase and sell land and real estate and divide and sales activities on the map, Operation of exhibition and conference centers and facilities, Men's and Women's gyms and sports centers, Management and rental of property owned or leased (non-residential), Management and rental of property owned or leased (residential), Restaurants with service. Organizing weddings and special events.	Kingdom of Saudi Arabia

Company	Capital	The company's ownership (direct or in-direct)	Main scope of business	Country of operation and incorporation
Industrial Zones Development Co. Ltd (“IZDCL”)	SAR 500,000	EEC 2% ECIC 98%	Renovations of residential and non-residential buildings, Workers' housing, Buying and selling land and real estate and dividing it and selling activities on the map, Construction of prefabricated buildings on site, Management and rental of property owned or leased (non-residential), Management and rental of property owned or leased (residential)	Kingdom of Saudi Arabia
Economic City Investment Co. Ltd. (“ECIC”)	SAR 500,000	EEC 100%	Buying and selling land and real estate and dividing it and selling activities on the map, Management and rental of properties owned or leased (non-residential), Management and rental of property owned or leased (residential), Activities of brokers agents (semantic offices), Real estate management activities for commission	Kingdom of Saudi Arabia
Emaar Knowledge Co. Ltd.(“EKC”)	SAR 10,000,000	EEC 96% ECIC 1% REDCO 1% REMCO 1%	Establishing, managing and operating a community college specialized in awarding bachelor’s and master’s degrees in business administration in King Abdullah Economic City, college buildings, institutes, centers, student and teacher accommodation, schools and sports fields	Kingdom of Saudi Arabia
Port Development Company – Closed Joint Stock (“PDC”)	SAR 5,210,000,000	EEC 49%	Executing contracts, managing, developing, maintaining, operating, financing, and investing in King Abdullah Port, and providing and implementing all services necessary to manage and operate the port and its necessary facilities.	Kingdom of Saudi Arabia

b. Investments

Al Bilad Tourism Fund	SAR 660,000,000	EEC 41.15%	Private account investment activities of the concerned units, including venture capital companies, investment clubs, and investment company activities	Kingdom of Saudi Arabia
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6) Overview of EEC’s 2023 Activities

6-a) The most important achievements during the year 2023:

In 2023, two landmark transactions were concluded in the automotive sector, cementing KAEC’s position as the emerging automotive capital of the region.

- In February 2023, EEC signed a strategic partnership with Petromin and Electromin, marking a significant milestone in the development of KAEC. The partnership entails the establishment of two petrol stations with integrated retail facilities, as well as the installation of electric vehicle (EV) chargers, catering to the growing demand for sustainable transportation options.
- Also, in February 2023, EEC signed an agreement with Zain KSA for landing the J2M subsea cable system, which will connect the Kingdom to Europe and the rest of the world through Pakistan and East Africa Cable System (PEACE). The initiative outlines the Company's strategic goals, including providing ultra-high-speed internet and enhancing the diversity of its cross-border infrastructure.
- In March 2023, EEC signed and hosted a strategic partnership agreement with Dr. Suliman Al-Habib Medical Group. This collaboration aims to establish a cutting-edge clinic in KAEC's Bay La Sun business park, providing world-class, comprehensive healthcare services to both residents and visitors of KAEC.
- Also, in March 2023, EEC entered into an agreement to sell a prime beachfront land plot in KAEC, Murooj Golf Community District, as in-kind contribution into Al Bilad Tourism Fund as EEC will own units in the Fund for a value of SR 269,204,000 representing 41.15% of the Fund’s equity. The Fund strategy is to develop and operate the resort under Rixos Premium.
- In May 2023, EEC achieved a significant milestone by obtaining the official KAECSEZ (King Abdullah Economic City Special Economic Zone) license during the Saudi Special Economic Zones Forum held in Riyadh. This license solidifies EEC & KAEC status as an authorized entity/city within the special economic zone, enabling the organization to drive economic growth and attract investments to the region.



6) Overview of EEC's 2023 Activities continued

6-a) The most important achievements during the year 2023: continued

- In June 2023, EEC had several notable deals that were signed. EEC successfully finalized a sale agreement with Himmah, amounting to SAR 366.8 million for a plot measuring 1.3 million square meters. Additionally, EEC entered into a lease agreement with Farah Sofa valued at SAR 2.1 million for a plot measuring 4.5 thousand square meters. Furthermore, an expansion lease agreement was signed with PETRA, with a value of SAR 5.8 million for a plot measuring 14.7 thousand square meters. Also, in the month of June 2023 EEC witnessed the signing and hosting of the Vivienda contract ceremony at KAEC’s Bay La Sun hotel, further highlighting EEC’s efforts in facilitating and promoting real estate development within the city.
- In July 2023, EEC, Integrated Telecom Co. Ltd. (“Salam”), and Khazzan Information Technology Co. (“EDGNEX Data Centres by Damac ”), along with Cinturion Corp Ltd., signed a strategic Memorandum of Understanding (MOU) agreement to explore the opportunity to develop digital infrastructure hub that will include initiatives such as an international submarine cable project, data centers, fiber infrastructure, cloud, and Internet, among others and building of a seamless and innovative digital experience in KAEC that aims to become an intelligent national city.
- In August 2023, EEC achieved a significant milestone by securing board approval for KAEC/EEC’s new long-term strategy. This strategic plan sets the direction for the future growth and development of KAEC, outlining key objectives and initiatives.
- In August 2023, EEC signed an agreement with RASEM for Hotels and Resorts to develop an eco-friendly coastal resort in KAEC. The resort will be managed and operated by "ENVI Lodges," a global brand specializing in environmentally friendly resorts and lodges. This collaboration aims to strengthen KAEC's positioning as a tourist destination with advanced environmental standards, in line with the Kingdom's Vision 2030, while promoting tourism and environmental activities within the country.
- September 2023 proved to be a fruitful month for EEC as it achieved positive net profit for Q3 2023, following a positive Q2 result. This marked a significant milestone as it was the first time since 2017 that EEC reported consecutive positive net profits. Additionally, EEC signed seven Memorandums of Understanding (MOUs) with major third-party developers at Cityscape, further expanding collaboration and investment opportunities. The successful opening of the LUCID facility in KAEC added to the positive momentum. The company also welcomed new board members in the new board cycle, appointed through the Extraordinary General Meeting (EGM).
- In October 2023, EEC continued its growth by signing a sale deal with Stokson Donuts Factory for a plot measuring approximately 36 thousand square meters, with a value of SAR 23.8 million, located in IV1-B. Additionally, EEC announced a strategic Memorandum of Understanding (MOU) with the Saudi Export Authority (SEA) in a bid to enhance export opportunities and support economic growth. Another significant non-binding head of terms was signed with Orascom, outlining a strategic partnership to develop a tourism destination spanning 9.5 million square meters within KAEC.
- December 2023 witnessed the closure of a sales deal with Namariq, amounting to SR 61.9 million. This sale further contributes to the growth and development of KAEC.

6-b) General Strategy Update for Emaar, The Economic City and KAEC for 2023:

the seeds for its long-term strategy for the next 10 years of development of KAEC (the city) and EEC (the company).

In August 2023, Emaar, The Economic City (EEC) approved its long-term strategy for the next 10 years, outlining the strategic development of both KAEC as a city and EEC as a company.

This strategic roadmap is designed to enhance operational and financial performance, generating substantial shareholder value while aligning with and capitalizing on the transformative programs and initiatives of Saudi Arabia’s Vision 2030, positioning KAEC and EEC as a dynamic and forward-looking “vision-ready platform.”

Summarizing the core essence of KAEC and EEC’s strategy, it can be encapsulated as follows:

KAEC (the City):

- **Mission:** "Support economic growth and development in the Kingdom of Saudi Arabia, for the benefit of its investors, residents and visitors"
- **Vision:** “Contribute to achieving the Kingdom's aspirations by becoming a regional industrial and business hub, a leading touristic destination and a vibrant community
- **"KAEC Strategic Priorities:**

1 Industrial and Logistics Businesses:

- a. Develop an attractive ecosystem for industrial companies to flourish.
- b. Develop sector-specialized facilities and services.

2 Non-Industrial Businesses:

- a. Develop an attractive ecosystem for non-industrial businesses to flourish.
- b. Develop sector-specialized facilities and services.

3. Tourism:

- a. Enhance the quality and diversity of visitor services and improve the visitor experience.
- b. Attract events and cultivate diverse entertainment offering.
- c. Establish a strong reputation for KAEC domestically and regionally as a premier destination to visit.

4. Residential:

- a. Provide wide range of quality housing options for all residents’ segments.
- b. Ensure access to social infrastructure and services offering.

5. Infrastructure:

- a. Develop and implement a comprehensive, smart and sustainable transport and mobility system.
- b. Integrate smart technologies into the telecommunications infrastructure.
- c. Design and implement a sustainable master plan.

6. Regulations:

Work with the regulators to keep on developing a competitive and financially sustainable regulatory regime and incentives.

EEC (the Company):

- **Mission:** “To create sustainable value for our clients, shareholders, and employees"
- **Vision:** “To be the most trusted, customer-centric, and profitable real estate partner"
- **EEC Strategic Priorities:**

1. City Master Development:

- a. Attract and retain reputable real estate developers and investors.
- b. Execute an efficient and optimized master plan.

2. Real Estate Development:

- a. Selectively execute signature projects independently or in collaboration with partners.
- b. Upgrade and monetize current real estate inventory.

3. Asset Management:

- a. Rationalize portfolio by divesting assets.
- b. Improve the performance of EEC assets by partnering with best-in-class operators.

4. City Operations:

- a. Improve customer satisfaction & reduce delinquency by adjusting service fees levels and implementing payment obligations.
- b. Reduce EEC's city operations cost burden by encouraging ECZA to fulfill its contractual obligations.
- c. Spin-off utilities business into a joint venture with a specialized partner.

5. SEZ Operations:

- a. Activate SEZ by leveraging anchor IV tenants, attracting more businesses, and implementing enticing incentives for financial sustainability.



6) Overview of EEC's 2023 Activities continued

6-b) General Strategy Update for Emaar, The Economic City and KAEC for 2023: continued  
EEC (the Company): continued

6. Corporate Marketing:

- a. Enhance overall brand image.

7. Operating Model:

- a. Optimize organizational structure and effectiveness.
- b. Improve IT systems to support business operations and security.

8. Financial:

- a. Enhance use of capital and improve liquidity.

7) 2023 Financial Results

a) Summary of the company’s results for the years 2019 to 2023:

Description	2019 Thousand SAR	2020 (Restated) Thousand SAR	2021 (Restated) Thousand SAR	2022 Thousand SAR	2023 Thousand SAR
Revenues	946,807	547,287	372,079	363,267	1,031,357
Revenue cost	(644,819)	(866,316)	(609,134)	(594,863)	(599,725)
Gross profit	301,988	(319,029)	(237,055)	(231,596)	431,632
Marketing, general and Administrative expenses	(640,024)	(724,610)	(462,409)	(588,417)	(386,708)
Commission realized from bank deposits and Murabaha based deposits	791	2,536	558	1,891	2,110
Financial charges, net	(268,736)	(315,568)	(243,163)	(290,192)	(483,847)
Share of results of equity accounted investee	7,983	48,065	45,839	25,046	1,736
Other income	109,607	115,242	90,701	25,486	197,814
Fair value gain on derivative financial liability	-	-	-	-	29,043
Zakat	(45,000)	(55,000)	(31,000)	(99,508)	(45,000)
Net (profit/loss) prior to non- controlling equity	(533,391)	(1,248,364)	(836,529)	(1,157,290)	(253,220)
Other Comprehensive income / (loss)	(13,811)	(10,618)	48,881	35,260	4,691
Total Comprehensive income / (loss) for the year	(547,202)	(1,258,982)	(787,648)	(1,122,030)	(248,529)
Non-controlling increase share	0	0	0	0	0
Net income due to equity holders of the parent company	(547,202)	(1,258,982)	(787,648)	(1,122,030)	(248,529)
Earnings/(loss) per share (SAR)	(0.63)	(1.47)	(0.90)	(1.02)	(0.22)

b) Summary of the company’s assets and liabilities for the years 2019 to 2023:

Description	2019 (Restated) Thousand SAR	2020 (Restated) Thousand SAR	2021 (Restated) Thousand SAR	2022 Thousand SAR	2023 Thousand SAR
Current assets	2,202,256	2,012,161	2,197,057	1,478,270	1,892,015
Non-Current Assets	15,131,702	15,187,146	14,179,893	13,712,561	13,257,648
Total assets	17,333,958	17,199,307	16,376,950	15,190,831	15,149,663
Current liabilities	3,383,835	5,860,990	6,141,683	8,392,481	8,668,991
Non-Current Liabilities	6,847,868	5,588,417	2,458,460	143,573	74,424
Shareholders’ equity	7,102,255	5,749,900	7,776,807	6,654,777	6,406,248
Total liabilities and shareholders’ equity	17,333,958	17,199,307	16,376,950	15,190,831	15,149,663

c) Geographical analysis of the company’s and its affiliates’ revenues:

Geographical Location	Revenue SAR (in thousands)
King Abdullah Economic City (KAEC)	1,031,357
Total Revenue	1,031,357

d) Any material differences in the operational results compared to the preceding year’s results, along with any expectations announced by the company¹:

Description	2022 Thousand SAR	2023 Thousand SAR	Variances Thousand SAR	Variance % Thousand SAR
Revenue	363,267	1,031,357	668,090	184%
Cost of revenue	(594,863)	(599,725)	(4,862)	1%
Gross (loss)/Profit	(231,596)	431,632	663,228	286%
Marketing general and Administrative	(588,417)	(386,708)	201,709	-34%
Other operating income and amortization of unearned interest	25,486	197,814	172,328	676%
Operating (loss)/Profit	(794,527)	242,738	1,037,265	131%

- 1 The Company did not announce any expectations regarding its operational results.

e) Details of the activities of the Company and its subsidiaries and their contribution to the results of Emaar, The Economic City:

Segments Related Revenue and Profitability\*

	Residential business	Industrial development	Hospitality & leisure	Education	City operations	Total Segments	Adjustments & eliminations	Consolidated
For the year ended 31 December 2023								
Revenue								
External customers	444,776	310,747	125,644	56,769	30,318	968,254	63,103	1,031,357
Inter-segment	11,196	–	39,702	–	65,431	116,329	(116,329)	–
	455,972	310,747	165,346	56,769	95,749	1,084,583	(53,226)	1,031,357
Results								
Cost of inventories and services recognized as an expense	(133,985)	(76,853)	(49,838)	(3,915)	(69,326)	(333,917)	45,496	(288,421)
Impairment loss on financial assets	(15,847)	(3,345)	13,733	(5,623)	(2,047)	(13,129)	(5,986)	(19,115)
Financial charges	(103)	–	(2,545)	(373)	–	(3,021)	(480,826)	(483,847)
Financial income	–	–	–	–	–	–	2,110	2,110
Depreciation	(35,277)	(23,220)	(66,936)	(14,113)	(2,464)	(142,010)	(113,875)	(255,885)
Amortisation	(17)	–	–	(36)	–	(53)	(632)	(685)
Share of results of equity accounted investee	–	–	–	–	–	–	1,736	1,736
Other (expenses) / income	(24,883)	31,732	(38,424)	(27,526)	(18,648)	(77,749)	(117,721)	(195,470)
Loss before Zakat	245,860	239,061	21,336	5,183	3,264	514,704	(722,924)	(208,220)
Zakat	–	–	–	–	–	–	(45,000)	(45,000)
Loss for the year	245,860	239,061	21,336	5,183	3,264	514,704	(767,924)	(253,220)

\* Amount in "thousands"



7) 2023 Financial Results continued

f) Details of EEC’s loans and their payment status as of 31 December 2023\*:

Bank/Shareholder	Principal amount	Loan Term	Opening Balance	Draw-downs during 2023	Payments made during 2023	Fair value adjustment during 2023	Closing balance as of 31 Dec 2023	Accrued markup	Closing balance with accrued markup as of 31 Dec 2023
Public Investment Fund	450.00	18 months	–	450.00	–	29.04	420.96	31.57	452.52
Ministry of Finance	2,166.67	7 years	2,166.67	–	–	–	2,166.67	651.81	2,818.48
Saudi Awwal Bank (SAB)	976.24	7 years	976.24	–	–	–	976.24	41.86	1,018.10
Alinma Bank	1,690.12	7 years	1,690.12	–	–	–	1,690.12	72.71	1,762.83
Bank Saudi Fransi	537.42	7 years	537.42	–	–	–	537.42	36.76	574.18
Saudi National Bank	114.10	4 years	114.10	–	–	–	114.10	6.86	120.97
Total Long-Term Loans	5,934.55		5,484.55	450.00	–	29.04	5,905.51	841.57	6,747.09
Saudi Awwal Bank (SAB)	150.00	6 months	150.00	–	–	–	150.00	2.43	152.43
Total Short-Term Loans	150.00		150.00	–	–	–	150.00	2.43	152.43
Total	6,084.55		5,634.55	450.00	–	29.04	6,055.51	844.00	6,899.52

\* Amount in “millions”

g) Statutory Payments:

Below is a statement of the value of any paid and outstanding statutory payment on account of any zakat, taxes, fees or any other charges that have not been paid until the end of 2023:

Description	2023		Reason for the unpaid statutory payments
	Paid	Due	
Zakat	9,719,671	–	
Tax	16,521,579	–	
GOSI	9,953,223	259,771	Paid in 2024
Government charges (visas, exits and re–entry, work permits)	1,357,249	–	

8) Description of any transaction between the company and any Related Party\*

Name of No. Related Party	Nature of Contract/ Transaction	Amount of Contract	Year of Contract/ Transaction	Amount of Transaction in 2023	Duration of Contract/ Transaction	Conditions of the Contract/Transaction	Name of the Board member/ senior executive or any person related to any one of them
1 Public Investment Fund (PIF)	Loan from Shareholder	1,000,000	2023	450,000	18 months	Shareholder’s interest bearing loan agreement containing a conversion option to equity, exercisable by PIF	Mr. Fahad A. Al-Saif is EEC Chairman and holds Senior Managing Director position in PIF
2 Defaf Logistics Company	Service Charges	–	2013	169	Annual Service Charges	In the ordinary course of business and general commercial terms worked without any preferential treatment (including payment methods)	Eng. Mohammed N. Hefni is an EEC Board Member and also a Board Member in Defaf Logistics Company.
3 Halwani Brothers - Saudi Arabia	Service Charges	–	2013	172	Annual Service Charges	In the ordinary course of business and general commercial terms worked without any preferential treatment (including payment methods)	Mr. Abdullah I. Al Howaish was a Board Member in EEC until 27/07/2023 and also a Board Member in Halwani Brothers - Saudi Arabia.

\* Amount in “thousands”

No.	Name of Related Party	Nature of Contract/ Transaction	Amount of Contract	Year of Contract/ Transaction	Amount of Transaction in 2023	Duration of Contract/ Transaction	Conditions of the Contract/Transaction	Name of the Board member/ senior executive or any person related to any one of them
4	AlBilad Tourism Fund (Rixos)	Land sale agreement as in-kind contribution into the Fund	269,204	2023	269,204	–	In the ordinary course of business and general commercial terms worked without any preferential treatment.	Mr. Qusai A. Al Fakhri was an EEC Board Member until Sep 2023 and also CEO in the Tourism Development Fund (a party of the framework agreement).
5	CEER National Automotive Company	Sale of Industrial Land contract (Transaction include revenue recognized based on percentage of completion)	359,036	2022	67,583	15 year payment plan	In the ordinary course of business and general commercial terms worked without any preferential treatment.	Mr. Fahad A. Al-Saif is EEC Chairman and holds Senior Managing Director position in PIF (one of the substantial shareholders of EEC), which controls CEER National Automotive Company.
6	Dar Al Himmah Projects Co. Ltd.	Sale of Industrial Land contract (Transaction include revenue recognized based on percentage of completion)	366,763	2023	222,594	3 year payment plan	In the ordinary course of business and general commercial terms worked without any preferential treatment.	Mr. Fahad A. Al-Saif is EEC Chairman and holds Senior Managing Director position in PIF (one of the substantial shareholders of EEC), which controls Dar Al Himmah Projects Co. Ltd.
7	Lucid LLC	Lease contract (Transactions include revenue recognized from lease, service and Utility Charges)	113,554	2022	1,369	25 year lease started in Feb-22	In the ordinary course of business and general commercial terms worked without any preferential treatment.	Mr. Fahad A. Al-Saif is EEC Chairman and holds Senior Managing Director position in PIF (one of the substantial shareholders of EEC), which is a substantial shareholder of Lucid LLC.

9) The Company’s Policy in Distributing Dividends

According to the company’s Bylaws, the distribution of the company’s profits is as follows:

- The Ordinary General Assembly may, in determining the dividend per share out of the net profits, resolve to form a reserve in an amount that achieves the Company’s best interest or guarantees the constant distribution of profits to shareholders. The Ordinary General Assembly may also deduct an amount from the net profits to establish or support social institutions for the Company’s employees or help such institutions.
- The General Assembly shall set out the percentage of net profits that must be distributed to shareholders after setting aside reserves, if any.
- The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after fulfilling the statutory requirements and instructions in this regard.

Moreover, EEC’s shareholders shall be entitled to their share of profits pursuant to the General Assembly resolution adopted in this regard. Such resolution shall specify the entitlement date and distribution date. Shareholders registered in the shareholders register shall be entitled to their shares of profit by the end of the day of their entitlement.

10) Requests for shareholders’ register

The shareholders’ register was requested nine (9) times during the year 2023 as follows:

No.	Date	Reason
1	25/09/2023	General Assembly
2	07/08/2023	Company Procedures
3	07/08/2023	Company Procedures
4	07/06/2023	General Assembly
5	07/06/2023	General Assembly
6	06/04/2023	General Assembly
7	05/04/2023	General Assembly
8	05/04/2023	General Assembly
9	11/01/2023	Company Procedures



11) EEC’s disclosures and declarations for the year 2023

- a. The Board of Directors reviews the shareholders' proposals and comments regarding the company and its performance during the meeting following the assembly meeting and takes what it deems appropriate so that it does not conflict with the company’s objectives and strategy.
- b. The Company confirms that there was no punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the Capital Market Authority or any other supervisory, regulatory or judiciary authority.
- c. The Company confirms that there is an existing internal audit function established based on Audit Committee’s recommendation.
- d. The Company assures that there are no recommendations of the Audit Committee that conflict with the decisions of the Board of Directors, and the Board did not refuse to take any recommendations regarding the appointment and dismissal of the company’s auditor, determining his fees, evaluating his performance, or appointing the internal auditor.
- e. The Company confirms that there is no inconsistency with the standard approved by the Saudi Organization for Chartered and Professional Accountants.
- f. The company confirms there are no shares and debt instruments issued for each affiliate company.
- g. The Company confirms that it had not received any notification for interest in a class of voting shares held by persons (other than the company’s directors, Senior Executives and their relatives) pursuant to Article 85 of the Rules on the Offer of Securities and Continuing Obligations.
- h. The Company confirms that there is no interest, contractual securities and subscription rights belonging to the members of the company’s Board of Directors, senior executives and their relatives in the shares or debt instruments of the company or any of its affiliates, other than what has been mentioned.
- i. The Company confirms that there is no convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the Company during the fiscal year.
- j. The company confirms that does not have any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company.
- k. The Company confirms that there is no redemption, purchase or cancellation by the company or its affiliates of any redeemable debt instruments.
- l. The Company confirms that there is no arrangement or agreement under which a member of the Company’s board of directors or a senior executive has waived any remuneration.
- m. The Company confirms that there are no arrangements or agreements under which one of the company’s shareholders has waived any rights to profits.
- n. The Company confirms that there are no investments or reserves created for the benefit of the company’s employees.
- o. The Company confirms that there are no reservations from the external auditor on the company’s annual financial statements according to its 2023 report.
- p. During 2023, the Board of Directors did not recommend the change of auditor before the end of the period for which they were appointed, as the KPMG office was appointed to audit the company for the year 2023 and their appointment period was not terminated during the year.
- q. The Company confirms that it did not receive any information relating to any competing business with the Company or any of its activities that any member of the
- r. Board is engaging in or was engaging in such competing businesses.
- s. The Company confirms that the remunerations awarded are in accordance with the approved Remunerations policy, and there is no material deviation between the
- t. granted remunerations and the remuneration policy.

s) Emaar, The Economic City declares that:

- 1. The financial statements were properly produced.
- 2. The internal audit system was established on a sound basis, and effectively implemented.
- 3. There is no doubt concerning the ability of Emaar, The Economic City to continue its activities.

12) Implementation of the Corporate Governance Regulations

The company has applied all the provisions mentioned in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions listed below:

No.	Article No.	Requirements	Reasons for non-application
1	67, 68, 69	<ul style="list-style-type: none"><li>Formation of the Risk Management Committee</li><li>The Company’s Board shall, by resolution therefrom, form a committee to be named the “risk management committee.”. Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.</li><li>Competencies of the Risk Management Committee</li><li>Meetings of the Risk Management Committee.</li></ul>	These are guiding articles; however, the Audit Committee is currently performing the required tasks.
2	37(2), 39	<ul style="list-style-type: none"><li>Training.</li><li>Developing the necessary mechanisms for Board members, committee members, and the Executive Management to continuously enroll in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.</li><li>Assessment of the Board, its Committees and Members of Executive Management</li></ul>	These are guiding articles.
3	82,84, 85	Establishment of programs to develop and encourage the participation and performance of the Company’s employees by ensuring the programs include forming specialized committees or workshops to hear the opinions of employees and discuss them. In addition, establishing a scheme for granting Company shares or a percentage of the Company profits. Therefore, establishing social organizations for the benefit of the employees.	These are guiding articles.
4	92	Formation of the Corporate Governance Committee.	These are guiding articles.

13) EEC Risk Management

a) Future and Emerging Risks:

As in the case of mega strategic projects, the construction of an integrated city involves many risks associated with the long period of time to complete the project and implies on the necessity of adapting to rapid changes in terms of economic and practical terms. Therefore, the company from time to time consults with expert firms to ensure the accuracy of the assumptions and studies and to rely on best practices in the activities it practices in order to ensure long-term continuity.

The company had identified a general perception of the risks and challenges that it may face that may affect its performance or the city’s development programs, and the Board and the Executive Management have set the necessary plans and procedures to reduce or eliminate the impact of these risks. The most significant risks are as follows:Risks related to the security and safety of the city and its residents.

- Continuous decreased in sales.
- Increase in number of legal cases from customers or other financial obligations and payables.
- Inability to attract enough population to KAEC due to lack of white-collar job opportunities and materialized investments.
- Inadequate activation of the regulations as stipulated by the Economic Cities & Special Zones Authority or any new or updated regulations from the competent authorities, other supportive regulations to provide special privileges to Economic Cities.
- Liquidity risks and inability to obtain additional funding and financial support which results with inability to meet the current financial obligations and loans, or to continue support the primary facilities and operational needs of the city or finance new projects.
- The risks associated with the cybersecurity and information security.

In addition to the above risks, management monitors and follows up on risks of a financial nature as follows:

The Company’s activities may expose it to a variety of financial risks. The Company’s overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company’s financial performance.

13) EEC Risk Management continued

a) Future and Emerging Risks: continued

The Company may expose to the following risks from its use of financial instruments:

- Credit risk;
- Market risk (commission rate risk, currency risk and price risk)
- Liquidity risk.

This part illustrates information about the Company's possible exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Board of Directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's senior management are responsible for developing and monitoring the Company's risk management policies and report regularly to the Board of Directors on their activities.

The Company's risk management policies (both formal and informal) are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's principal financial liabilities comprise of trade and other payables, lease liabilities and long-term and short-term borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investment in equity accounted investees, employees' receivable – home ownership scheme, unbilled revenue, trade receivables and other current assets, restricted cash and cash and cash equivalents.

The Board of Directors reviews and agrees policies for managing each of the following risks which are summarized below:

1. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk principally from its employees' receivable – home ownership scheme, unbilled revenue, trade receivables and other current assets.

Customer credit risk is assessed by the Company according to the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating process. Each new customer is analyzed individually for credit worthiness before entering into contract with the customer.

The Company seeks to manage its credit risk with respect to customers by monitoring outstanding receivables. Certain sales pertaining to real estate are made on installment basis. The sale agreements with customers provide that the title to the property is transferred to the customers only upon the receipt of complete sale price. The collection department monitors the situation of outstanding receivables and follows up with customers for the payments in accordance with the contractual terms. Payment term varies from product to product with some exceptions at the customer level.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customer segments with similar loss patterns. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as GDP forecast and inflation rate) affecting the ability of the customers to settle the receivables.

With respect to credit risk arising from the other financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the Company's policy. Given the profile of its bankers, management does not expect any counterparty to fail meeting its obligations. The Company deals with reputable banks with investment grade credit ratings and the credit quality of these financial assets can be assessed by reference to external credit ratings. Credit risk on cash at banks and restricted cash is limited as these are held with banks with sound credit ratings ranging from BBB+ and above. While cash and cash equivalents and other receivables are also subject to impairment requirements of IFRS9 'Financial Instruments' ("IFRS 9"), these are considered as low risk and the impairment loss is not expected to be material.

Excessive risk of concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of risk is managed through focus on the maintenance of a diversified portfolio. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

2. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: currency risk, commission rate risk and other price risk

i. Commission rate risk

Commission rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market commission rates.

The Company's exposure to the risk of changes in market commission rates may relate primarily to the Company's long-term and short-term borrowings with floating commission rates. The Company manages the commission rate risk by regularly monitoring the commission rate profiles of its commission bearing financial instruments.

- Commission rate sensitivity

Commission rate sensitivity pertains to the sensitivity to a reasonably possible change in commission rates on long term loans. With all other variables held constant, the Company's loss before zakat is affected through the impact on floating rate borrowings.

The assumed movement in basis points for the commission rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

The weighted average rate for the Company's long-term borrowings is approximately 6.76%.

ii. Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars. As US Dollar is pegged to Saudi Riyal, the Company is not exposed to significant currency risk.

iii. Price risk

The Company has no significant exposure to price risk as it does not hold any equity securities or commodities.

3. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. The cash flows, funding requirements and liquidity of Emaar's companies are monitored on a centralized basis, under the control of the Company's Treasury. The objective of this centralized system is to optimize the efficiency and effectiveness of the management of the Company's capital resources. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's management has developed a plan to enable the Company to meet both its obligations as they become due and to continue its operations, without significant curtailment, as a going concern.



14) Audit Committee Report

Below are the results of the annual review of the effectiveness of the internal control procedures of the Company and the opinion of the Audit Committee with respect to the adequacy of the Company's internal control system:

Evaluating internal control system:

Based on the provisions of the Corporate Governance Regulations (CGR) issued by the Capital Market Authority in Articles 21 (2-d) and 52 in relation to the basic functions of the Board of Directors and the tasks of the Audit Committee and based on the provisions of Article of 87 (10) of the CGR, the Audit Committee presents through this report its opinion on the effectiveness of the Internal Controls System in Emaar, The Economic City.

The Audit Committee periodically follows up and performs the responsibilities and tasks entrusted to it by the Board of Directors. The Audit Committee expressed its opinion on the effectiveness of the internal controls system as follows:

- a. Appointment of Independent External Auditors:** The committee had reviewed the offers submitted by a number of registered Audit Firms for the annual audit of the financial statements for the year ended 31 December 2023 and made a recommendation to the Board of Directors and General Assembly to appoint the External Auditors. This form part of the tasks assigned to the Audit Committee with regard to the recommendation to the Board of Directors on appointment, reappointment or removal of external auditors, determining their fees, and evaluates their performance.
- b. The annual audit plan submitted by the External Auditors:** The Audit Committee approved the audit plan submitted by the External Auditors after **discussing** the same with them and ensure that it covers the main areas of concerns for the company.
- c. Review the financial statements which include the accounting policies used and discussing the same with Management and the External Auditors:** During its periodic meetings throughout the year, the committee discussed the financial policies used in the preparation of the financial statements in accordance with the International Financial Reporting Standards (IFRS). After reviewing and discussing these policies, these were approved by the Board of Directors. The Audit Committee also reviewed the quarterly and annual financial statements and special reports which includes comparing the current period with the previous periods and highlighted some observations and also discussed the same with Management and the External Auditors. This was done prior to the approval of the Financial statements by the by the Board of Directors and being published on the CMA platform. The audit opinion on the Financial Statements was unqualified for the year ended 31 December 2023.
- d. The “management letter” and the recommendations provided by the External Auditors and the extent to which management is taking corrective action on these recommendations:** The Audit Committee had reviewed the “management letter” submitted by the External Auditors and received from Management the necessary corrective action plan in relation to these observations. The Audit committee followed up with Management the stages of implementation of audit recommendations and made sure that Management is committed to implementing the audit recommendations.
- e. Reports and recommendations provided by the company’s Internal Auditors and the extent to which management is taking corrective actions on the recommendations:** The Audit Committee periodically follows up with the Internal Auditors and Senior Management the stages of management’s commitment to the agreed action plans in order to take corrective action plan on the recommendations provided by the Internal Auditors. The Internal Auditors submits a follow-up report on Audit Recommendations i.e. open and closed audit recommendations. The Audit Committee discusses this report with Management and the Internal Auditors.
- f. Annual audit plan submitted by the Internal Auditors:** The Internal Audit Department submits the Internal Audit Annual Plan based on the risk assessment of each department as well as inputs received from Management and the Audit Committee. The Audit Committee approves the Internal Audit Annual Plan after reviewing the above-mentioned criteria. The Audit Committee follows up with the Internal Auditors with regard to the adherence to the approved audit plan. The Audit Committee also approves any amendments to it based on justifications which require these amendments, if any.
- g. Reviewing and approving the “Internal Audit Charter”:** The Committee reviewed and approved the “Internal Audit Charter” in line with the International Standards of Internal Auditing and International best practices. The Audit Committee also ensured that the Head of Internal Audit is independent, which enhance the objectivity of the Internal Audit’s work.
- h. Approval of updates in relation to the internal audit framework and protocol:** The Audit Committee reviewed and approved the necessary and suggested updates from the Head of Internal Audit on the internal audit framework, protocols and special procedures in line with the professional developments in this field.

**i. The various reports that the Audit Committee requests from management for review and discusses during its periodic meetings:** The Audit Committee periodically requests from senior management various reports on the progress of operations, collection processes, legal issues, zakat and value-added tax. The committee also reviews the operations carried out with the relevant authorities on a regular basis and provide opinions on them to the Board of Directors prior to approving them. Various reports are discussed during the periodic meetings of the Audit Committee, where management provides adequate information and address the committee's queries. The committee also discusses and reviews all developments in terms of new laws and regulations in the Kingdom of Saudi Arabia and ensures that the company complies with all requirements of the Capital Market Authority and the Companies Law.

**j. The annual report on the risks that the company may face:** The Audit committee reviews the report on the risks that the company may face and provide recommendations on it after reviewing the steps taken by management to mitigate the effects of these risks or cancel them completely, if possible. The Audit Committee submits the same to the board of directors for final discussion and approval.

**k. Reviewing the extent of co-operation and assistance provided by the External Auditors and Internal Auditors and emphasizing their independence and the absence of any restrictions preventing them from completing the assigned tasks:** The Audit Committee asked the auditors to comment on any professional difficulties that would impede them to complete their Audit Work. The Audit Committee did not receive any comments from the auditors in this regard. The External Auditors as well as the Internal Auditors confirmed that they had obtained all the information and documents required in order to complete their audit work.

**l. Verification and clearance of grievances received from stakeholders:** The Audit Committee reviewed the reports received through the system of reporting violations and independently investigated them through the Internal Audit Department and took the necessary corrective actions in accordance with the policy for reporting violations which was approved by the Board. Investigations reports received during the year did not reveal any violations related to operations or thefts.

**m. Reviewing the compliance reports:** The Audit Committee periodically reviews the compliance reports that reflect the company’s compliance with the statutory requirements issued by the relevant government agencies such as the Economic Cities and Special Zones Authority, and follow up on the points raised and the implementation of the recommendations contained in those reports.

The audit reports referred to the above did not show a fundamental weakness in the company’s internal controls system, as the majority of observations are mainly in the areas of improving performance, activating the work of departments, increasing their efficiency and documentation of procedures in order to improve the internal controls system and make the best use of available resources.

Based on all of the above, and bearing in mind that the objectives of the internal control system are:

- Ensuring that the accounting records are prepared in an appropriate manner and that they are valid, accurate and complete.
- Safeguarding of assets and property.
- Maintaining Integrity in transactions.
- Increasing the efficiency of the company's performance and the efficient exploitation of its available capabilities.
- Comply with various laws, rules & regulations.

The Audit Committee considers that the objectives of the internal controls system as stipulated in Emaar, The Economic City have been achieved to a reasonable extent with the need to focus on improving the effectiveness of certain aspects of the Internal Controls system of the prior year. The Audit Committee also considers that management position in general regarding internal control is positive, as the majority of activities are governed by written policies and procedures, and management reacts positively towards the recommended policies or improvements. Furthermore, there was no conflict between the recommendations and decisions of the Audit Committee with the Board of Directors during the year.

The Audit Committee also stresses that the emerging stage requires the Board of Directors and senior management to work on updating the internal controls system and risk management systems to help overcome current or future changes and challenges at all levels with regard to the efficiencies and effectiveness of the company's operations.

We also would like to highlight that it is not possible to absolutely confirm the comprehensiveness of the examinations and evaluations of internal controls, as auditing is based on random sampling. Furthermore, there is a diversity in the company’s operations. Therefore, improvement and development efforts are on-going by the Audit Committee through the system of the three lines of defense of governance to ensure the efficiency & effectiveness in the mechanism of follow-up and improvement of internal control procedures.



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